



Lao People's Democratic Republic: Education for Employment Sector Development Program

Project Name	Education for Employment Sector Development Program						
Project Number	50399-003						
Country	Lao People's Democratic Republic						
Project Status	Proposed						
Project Type / Modality of Assistance	Loan						
Source of Funding / Amount	<table border="1"><thead><tr><th colspan="2">Loan: Education for Employment Sector Development Program</th></tr></thead><tbody><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 10.00 million</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 40.00 million</td></tr></tbody></table>	Loan: Education for Employment Sector Development Program		concessional ordinary capital resources lending / Asian Development Fund	US\$ 10.00 million	concessional ordinary capital resources lending / Asian Development Fund	US\$ 40.00 million
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Strategic Agendas	Inclusive economic growth						
Drivers of Change	Governance and capacity development Knowledge solutions						
Sector / Subsector	Education - Education sector development - Secondary - Secondary - social protection initiatives						
Gender Equity and Mainstreaming	Gender equity						
Description	<p>The proposed Education for Employment Sector Development Program (EESDP) will strengthen human capital in the Lao People's Democratic Republic (Lao PDR) and support inclusive growth and economic diversification. The policy-based loan will support reforms to align secondary education, technical and vocational education and training (TVET), and higher education with the country's workforce needs. This includes enhancing the role of secondary education in preparing youth for employment. The investment project will build capacity in the Ministry of Education and Sport (MOES) to align secondary education, TVET, and higher education with skill demand. It will also enhance the quality and relevance of secondary education and increase completion rates. EESDP builds on the Asian Development Bank (ADB) Secondary Education Sector Development Program (SESDP) and related support for TVET and higher education.</p>						
Project Rationale and Linkage to Country/Regional Strategy	<p>Weak human capital is a critical obstacle to inclusive growth, competitiveness, and economic diversification. Employers cite an inadequately educated workforce as the top constraint to doing business in Lao PDR. They face shortages of both foundational soft skills (e.g., critical and analytical thinking, creativity, teamwork, and problem-solving) and vocational hard skills like welding, mechanical, or tourism-related skills. Without education reforms, gaps between the supply of and demand for skills may continue to widen. These gaps threaten to obstruct economic transformation away from natural resource exploitation and low-skilled labor towards the higher value-added modern service and industry sectors. Skill gaps mean that a large number of Lao PDR's youth have limited prospects for productive employment and contribution to economic growth.</p> <p>Post-primary education (secondary, TVET, and higher education) lies at the epicenter of Lao PDR's human capital challenge. Secondary education accounts for the largest share of new entrants into non-agricultural jobs at 47% of 18-27 year-olds in industry and service sectors, with higher education and TVET combining for another 29%. The government has enacted initial reforms and recognizes the need for further reforms to address key challenges related to: (i) weak strategic alignment of post-primary education and collective misalignment with labor market needs; (ii) inadequate quality and relevance of secondary education; and (iii) low secondary education access and completion rates.</p> <p>To support the government's efforts to address these binding constraints, EESDP is expected to provide cohesive policy and investment support clustered under 3 outputs: (i) Post-primary education aligned with labor market demand; (ii) Secondary education quality and relevance to emerging skill demands strengthened; and (iii) Expanded, more equitable secondary education access and completion.</p>						
Impact	Lao PDR achieves inclusive, balanced, & skill-driven economic growth						
Outcome	Enhanced and more equitable flow of skills into the labor force						
Outputs	Post-primary education aligned with labor market demand Secondary education quality and relevance to emerging skill demands strengthened Expanded, more equitable secondary education access and completion						
Geographical Location	Nation-wide						

Safeguard Categories	
Environment	B
Involuntary Resettlement	C
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	Subject to confirmation during the detailed design stage, EESDP will involve only minor environmental issues: in particular minor noise and dust, as well as risk of injury associated with minor civil works conducted at existing school sites. It is expected that all facilities construction and expansion will be undertaken at existing government-owned sites (e.g., upgrading of currently incomplete secondary education schools).
Involuntary Resettlement	Subject to confirmation during the detailed design stage, EESDP will not involve involuntary resettlement. It is expected that all facilities construction and expansion will be undertaken at existing government-owned sites (e.g., upgrading of currently incomplete secondary education schools).
Indigenous Peoples	EESDP supports reforms and investments benefit ethnic groups and other disadvantaged groups. Ethnic group youth are expected to disproportionately benefit from the program, and specific interventions (e.g., stipends, dormitory provision, etc.) will include explicit targets prioritizing ethnic group youth, teachers, etc. These will be recorded in an Ethnic Group Plan. EESDP does not involve activities expected to be disproportionately that will trigger the requirement of attaining the consent of Indigenous Peoples communities in the context of ADB's Safeguard Policy Statement.

Stakeholder Communication, Participation, and Consultation

During Project Design	In-depth dialogue with relevant government agencies throughout EESDP's design process; workshops/roundtables with agencies/departments at the central and provincial levels, international development partners, and private sector/nongovernment actors; compilation of existing data and conduct of focused studies; informal focused group discussions at both the institution and village/community levels; and direct consultations with school staff and students in target areas.
During Project Implementation	In addition to international development partners, non-government entities (including the private sector and non-profits) will be involved in EESDP-supported work to develop and/or operationalize new policies and roll-out various project initiatives aimed at equitably strengthening post-primary education in Lao PDR. EESDP will also support an expanded role by communities in school management through strengthening pupil-parent committees, involvement of communities in EESDP initiatives, as well as broader capacity building and support to promote community involvement in school improvement planning and school-based management.

Business Opportunities

Consulting Services	To support detailed design work and start-up preparations for the proposed sector development program (SDP), ADB will recruit individual consultants as part of a technical assistance TA, with an estimated total of 19.0 person-months of international inputs and 24 person-months of national inputs. ADB may recruit additional resource persons as needed to complement consultant inputs. During the design stage, the government and ADB will determine specific needs for consultant inputs to support implementation of the ensuing SDP. Pending that, under the SDP's project component of the ensuing sector development program, it is expected that the Lao PDR Ministry of Education and Sports will recruit consultants, potentially via both firm-based and individual consultant packages. All TA and SDP consultants will be engaged in accordance with the ADB Guidelines on the Use of Consultants (2017, as amended from time to time) and the associated project administration instructions/technical assistance staff instructions. The program procurement category is B.
Procurement	ADB will provide technical assistance (TA) to support detailed design work and start-up preparations for the proposed sector development program (SDP). During the design stage, the government and ADB will determine specific needs for procurement under the project component of the ensuing SDP. All procurement of goods and works to be financed under the project will be undertaken in accordance with ADB's Procurement Guidelines (2017, as amended from time to time), associated project administration instructions staff instructions, and a procurement plan agreed between the Government and ADB, and. The program procurement category is B.

Responsible ADB Officer	Spohr, Christopher A.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Human and Social Development Division, SERD
Executing Agencies	<i>Ministry of Education and Sports Lane Xang Avenue Vientiane Lao People's Democratic Republic</i>

Timetable

Concept Clearance	06 Nov 2018
Fact Finding	04 Feb 2019 to 15 Feb 2019
MRM	30 Apr 2019
Approval	-
Last Review Mission	-
Last PDS Update	07 Nov 2018

Project Page	https://www.adb.org/projects/50399-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=50399-003
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