



Initial Poverty and Social Analysis

November 2018

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

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 03 September 2018)

| | | |
|---------------|---|-----------|
| Currency unit | – | Kip (KN) |
| KN1.00 | = | \$0.00012 |
| \$1.00 | = | KN8,512 |

ABBREVIATIONS

| | | |
|-------|---|---|
| ADB | – | Asian Development bank |
| EESDP | – | Education for Employment Sector Development Program |
| ESDP | – | Education Sector Development Plan |
| M&E | – | monitoring and evaluation |
| MOES | | Ministry of Education and Sports |
| NSEDP | | National Socio-economic Development Plan |
| P3F | | post-program partnership framework |
| PBL | | policy-based loan |
| SES | | secondary education subsector |
| SESDP | | Secondary Education Sector Development Program |
| STEM | | science, technology, engineering, and math |
| SY | | school year |
| TA | | technical assistance |
| TVET | | technical and vocational education and training |

NOTES

- (i) The fiscal year (FY) of the Government the Lao People's Democratic Republic and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

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|-----------------------------|----------------------------|----------------------|---|
| Country: | Lao PDR | Project Title: | Education for Employment Sector Development Program (EESDP) |
| Lending/Financing Modality: | Sector Development Program | Department/Division: | SERD/SEHS |

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| I. POVERTY IMPACT AND SOCIAL DIMENSIONS |
| <p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The government recognizes education's key role in promoting inclusive growth and poverty reduction. The second output of the Eighth NSEDP, 2016–2020 focuses on human resource development and upgraded capacities, reduced poverty, access to quality education and health services for all ethnic groups and genders, justice, and transparency. The MOES ESDP, 2016–2020 emphasizes post-primary education as critical to youth employability and inclusive and diversified economic growth. ADB's CPS 2017–2020 is aligned with national priorities, and its second strategic pillar (enhanced human development) calls for building resilient human capital by advancing reforms to align post-primary education with evolving labor market skill demands. Strengthening human capital—including by improving quality and completion rates in secondary education, where most poor youth exit schooling—will be vital to enable poor and disadvantaged youth to participate in and benefit from economic growth.</p> |
| <p>B. Poverty Targeting</p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, etc.)</p> <p>The EESDP supports national post-primary education reforms with a focus on secondary education, which accounts for the largest shares of dropouts and entrants to non-agricultural labor. It aims to reduce poverty and promote inclusive growth by: (i) strategically aligning secondary education, TVET, and higher education to employer skills needs; (ii) improving secondary education quality and relevance to promote better employment outcomes; and (iii) equitably expanding secondary education completion rates, prioritizing females, ethnic groups, and marginalized youth. Selected interventions like classroom and dorm construction and stipends will target poor areas and individuals, and capacity development will prioritize female and ethnic group teachers and staff in poor areas.</p> |
| <p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. Despite progress, 47% of the population lived below the \$3.10 per day poverty line in 2013. Aggregate trends conceal growing inequality across regions, urban and rural areas, and ethnic groups: the Gini coefficient rose from 0.31 to 0.36 during 1993–2013. Poverty and human capital are tightly interlinked. Education outcomes vary across socioeconomic and gender dimensions, leading to gaps in employment opportunities and income. ADB staff analysis of 2015 Census data shows that more than 80% of youth in recent cohorts completed primary education, but only 51% of males and 47% of females completed LSE and only 31% of males and 27% of females completed USE.^a This leaves the majority of youth unable to pursue TVET, higher education, or modern sector jobs. Among working 18–27 year olds who never completed LSE, only 13% work in industry or services, versus 48% of working 18–27 year olds who completed at least LSE. Improving the quality and relevance of secondary education and linkages between secondary, TVET, and higher education will also be critical to equitably improving workforce outcomes and spurring inclusive growth: secondary education accounts for 47% of entrants to non-agricultural jobs, with higher education and TVET combining for another 29%. EESDP's principal beneficiaries will be youth of secondary school age. Other beneficiaries include youth entering TVET and higher education, as well as secondary education teachers and other staff.</p> <p>2. Impact channels and expected systemic changes. The EESDP will cohesively support reforms and investments that address three interlinked challenges. First, it will advance evidence-based planning that aligns post-primary education to labor force skill demands, equipping youth with skills needed for decent jobs. Second, EESDP will enhance the quality and relevance of secondary education—which accounts for largest share of dropouts and of entrants into non-agricultural jobs—to improve learning and employment outcomes. Third, to address low secondary education completion rates that leave most youth unable to access TVET, higher education, or modern sector jobs, the EESDP will tackle supply- and demand-side constraints. School network mapping, construction of classrooms and dormitories (free of cost and accessible to disabled youth) in underserved areas, and stipends prioritizing females and ethnic group youth will help address the effects of poverty and remoteness and improve affordability. Along with stipends, social marketing and remedial support will help address the risk of dropout due to parents' limited education, gender-related norms, and weak learning progress. Broader support for evidence-based planning, enhanced teaching and learning, monitoring and evaluation, and institutional capacity building will maximize EESDP's impacts.</p> <p>3. Transaction technical assistance focal areas. These will include more in-depth analysis of data from the 2015 Census dataset, EMIS, and other sources (including detailed disaggregation by location, sex, ethnic group, and</p> |

socioeconomic status to pinpoint barriers and inform EESDP interventions), as well as support to use the analysis to help revise planning directions related to post-primary education as part of the ESDP midterm review, and use school network mapping to prioritize supply- and demand-side interventions under the EESDP (e.g., classroom and dormitory construction, student stipends, and remedial support) as well as future government budgeting.

4. Specific analysis for PBL. Like the larger project component, the PBL will promote equity across geographic, gender, ethnic group, and other dimensions. In the short term, reforms such as increased block grant financing to secondary education schools will support improved education quality and school level interventions to increase access and completion. Evidence-based geographic targeting will ensure that investments (e.g., new classrooms and dormitories) prioritize poor underserved areas, females, and ethnic groups. In the medium term, new learning pathways will allow more youth from disadvantaged backgrounds to obtain skills needed for employment. Quality-side reforms will increase secondary education completion and equip youth with soft skills like critical thinking and communication needed for modern sector jobs, including by strengthening pre-service teacher education, introducing in-service teacher continuing professional development, and ensuring that learning materials build soft skills and are sensitive to gender, other dimensions, and varied learning needs.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Gender gaps widen markedly in secondary education: in remote rural areas, the ratio of male to female completers rises from 1.1 for primary education to 1.8 for USE. This reflects social, economic, and institutional issues: norms dissuading females from post-primary education, math, science, and some types of TVET limit their future career options. More generally, sex-disaggregated analysis and planning is needed to strengthen education-employment linkages for all youth. TA gender analysis will inform preparation of a GAP and design of specific policy actions and project investments under all 3 outputs, including interventions to (i) strengthen analytical capacities and strategies and develop new learning pathways to allow females and males to pursue secondary, TVET, and higher education; (ii) prioritizing females for secondary education teacher and manager capacity development, and ensuring future teaching and learning materials are gender sensitive; and (iii) prioritizing the needs of females (particularly from ethnic groups) in providing school-level interventions (e.g., dormitories, remedial support, access grants to schools, etc.) and student stipends.

2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No

The EESDP builds on MOES strong track record of promoting gender equity, including via the ongoing Secondary Education Sector Development Program. It will promote improved employment outcomes for females and males, including expanded female modern sector employment. Social marketing for communities and employers will emphasize females' education and pursuit of diverse employment options. Capacity building of MOES as well as school staff and student-level support via stipends, dormitories, and other interventions will prioritize female participation.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Policy actions and investments will promote gender equity.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)

SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. In addition to beneficiary youth, stakeholders include MOES staff such as teachers and central to local education managers; other ministries (e.g., the Ministry of Labor and Social Welfare); civil society and private sector actors and development partners involved in education; local communities; and employers. The EESDP is not expected to have any negative impacts on its stakeholders, and the TA will conduct consultations at the central to local levels to maximize benefits and complementarity with other initiatives.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? The EESDP will consolidate and use evidence to guide systematic approaches to inclusion (e.g., mapping education and employment by locality, gender, and ethnic group). Grassroots-level examples will include support to pupil-parent associations that prioritize female and ethnic group participation in school planning.

3. What are the key, active, and relevant CSOs in the project area? What is the level of CSO participation in the project design?

H Information generation and sharing H Consultation L Collaboration Partnership

International and national CSOs are principally involved in primary, pre-primary, and nonformal education. However, the TA will ensure dialogue with associations representing gender and ethnic group issues, principally at the level of information sharing and consultation and also including collaboration in implementing some EESDP-supported policies and initiatives, for example engaging these groups in ensuring new teaching and learning materials are sensitive to gender and ethnic dimensions, and supporting communities in school management.

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| <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The EESDP addresses interlinked barriers to education and employment that prevent the bulk of the poor from finishing USE and leave them trapped in vulnerable primary sector jobs. The EESDP will advance inclusion at the policy level and via targeted interventions (above) that prioritize the most disadvantaged areas and female and ethnic group youth.</p> |
| IV. SOCIAL SAFEGUARDS |
| A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI |
| <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No All facilities construction and expansion will be undertaken at existing government-owned sites (e.g., upgrading of currently incomplete secondary education schools).</p> <p>2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p> |
| B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI |
| <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The EESDP is not expected to affect ancestral domain.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The EESDP supports reforms and investments expected to disproportionately benefit ethnic groups and other disadvantaged groups. However, it does not involve activities that will trigger the requirement of attaining the consent of indigenous communities in the context of ADB's Safeguard Policy Statement.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p> |
| V. OTHER SOCIAL ISSUES AND RISKS |
| <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> (H) Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> (L) Increase in human trafficking <input checked="" type="checkbox"/> (M) Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Impacts on the above are expected to be principally positive (e.g., promoting better workforce outcomes and increasing affordability of education). Provision of dormitories may involve some risk of trafficking, but the TA will ensure that the program design integrates measures to prevent this and any other adverse impacts.</p> |
| VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT |
| <p>1. Do the terms of reference for the TA (or other due diligence) contain key information needed to be gathered during TA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the TRTA or due diligence? Building on staff analysis, TA consultants with expertise in microeconomic analysis, gender, and social development will assess poverty and social dimensions. A project team member will lead participation planning.</p> |

ADB= Asian Development Bank; CPS = Country Partnership Strategy; CSO = civil society organization; EESPD = Education for Employment Sector Development Program ; EMIS = Education Management Information System; GAP = gender action plan; LSE = lower secondary education; MOES = Ministry of Education and Sports; ESDP = Education Sector Development Plan; PBL = policy-based lending; NSEDP = National Socio-economic Development Plan; TA = technical assistance; TRTA = transaction technical assistance; TVET = technical and vocational education and training; USE= upper secondary education.

^a Unless noted, quantitative figures herein are based on ADB staff analysis of data from the 2015 Population and Housing Census and 2013 Lao PDR Expenditure and Consumption Survey datasets.

Source: Asian Development Bank.