



Lao PDR: Second Global Partnership for Education Project (GPE II)
TF18969
Midterm Review, May 14-24, 2018
Aide Memoire

I. INTRODUCTION

A midterm review mission for the Second Global Partnership for Education Project (GPE II) was carried out in the period May 14–24, 2018. The objectives of the mission were to: (i) take stock of the implementation progress; (ii) discuss implementation arrangements for the project activities that will be modified as a result of the ongoing restructuring of the project; (iii) agree on actions to improve school performance against the primary education quality standards (EQS), considering the school results from the baseline EQS measurement; and (iv) review procurement plan implementation, assess safeguards compliance, and agree on actions and timelines to accelerate GPE II disbursements.

The midterm review mission consisted of Mr. Plamen Danchev (Senior Education Specialist and Task Team Leader), Mr. Phouvanh Phommalangsy (Education Specialist), Ms. Emiko Naka (Education Consultant), Ms. Siriphone Vanitsaveth (Senior Financial Management Specialist), Ms. Saysi Sayaseng (Financial Management Consultant), Mr. Latharo Lor (Procurement Specialist), Ms. Waraporn Hirunwatsiri (Senior Environmental Specialist), Ms. Chansouk Insouvanh (Social Safeguards Consultant) and Ms. Boualamphan Phouthavisouk (Team Assistant).

The team wishes to thank the Ministry of Education and Sports (MOES) and Development Partners (DPs) for their guidance and valuable insights. Special appreciation goes to H.E. Assoc. Prof. Dr Khamphay Sisavanh, Vice Minister, Ms. Khampaseuth Kitignavong, Deputy Director General of Department of Planning (DOP), the staff of the Education Sector Plan Coordinating Unit (ECU) and all MOES departments who contributed to the achievement of the mission’s objectives. The aide-memoire was discussed at the wrap-up meeting on May 24, 2018 with Ms. Khampaseuth Kitignavong as the chair and the final version of the aide-memoire was endorsed by the Bank management.

II. PROJECT DATA

Table 1: Key Project Data

Project Data	USD (millions)
Original Project Amount	16.8
Total Disbursement	2.2
Disbursement in FY	0.42 ¹
Closing Date	31-Dec-2020

¹ This amount does not include WA# G00016 in the amount of US\$3.23M received by WFA on June 6, 2018. As such, actual disbursement in FY18 will likely increase to USD 3.65M (21.7% of the total grant amount) while total disbursement will reach 32% of the total grant amount.

III. IMPLEMENTATION PROGRESS AND KEY FINDINGS

Summary of Project Status

The GPE II has entered the second half of its four-year implementation period with grant disbursements of slightly over 13 percent (US\$ 2.2 million). The project has experienced cumulative implementation delays of about two years. The most critical issue for the GPE II has been the inability to launch and implement Component 2's reading development intervention. The main reasons for the delays are as follows:

- Component 1 was designed with the assumption that shortly after project effectiveness a consensus would be reached among the development partners (DPs) and MOES on harmonized school based management (SBM) training materials and training approach. However, such consensus was reached with a 12-month delay in July 2016. The decision of MOES to pursue a quality implementation of the SBM training through recruitment of well qualified trainers (instead of the originally planned cascade training) has incurred an additional 6-month delay until the Project could train and recruit the best available 110 trainers to deliver the training nationwide. Finally, the actual implementation of the training has taken 4 months longer than planned due to ad hoc revisions of incorrect training session budgets that disrupted the flow of funds, the pace of training delivery, and the trainers' deployment scheme. This has added up to a total of 22-month delay compared to the original implementation schedule.
- Component 2's reading development program was originally designed to inform MOES' revisions to the primary education curriculum (supported by the Australia Department of Foreign Affairs and Trade (DFAT) BEQUAL program). However, the curriculum revisions began just four months after the project effectiveness (October 2015) and has since followed an accelerated implementation schedule. At the same time, the recruitment of the technical advisors to design and support the implementation of the GPE II reading program took almost two years and ended unsuccessfully in December 2017, with all three bidding consortia withdrawing from the process. A potential renewal of the selection process without changing the primary Grades 1 and 2 focus of the program would have led to overlaps with the ongoing BEQUAL interventions around the new primary Lao Language curriculum rollout.

To address these issues and recover the lost implementation time, the Government of Lao PDR submitted a request (April 27, 2018) for a comprehensive project restructuring that reflects the consensus among the DPs and government officials represented in the Lao PDR Education Sector Working Group (ESWG). The restructuring envisions the following key changes:

- Refocusing the original reading development program for primary students in Grades 1 and 2 into a reading readiness program for children aged 5 years in preprimary classes and kindergartens;
- Extension of the GPE II implementation period by 17.5 months to allow sufficient time for the design and implementation of the new reading readiness program;
- Revisions to the results framework indicators reflecting the above described amendments and correcting some measurement issues;
- Reallocation of funds across the financing categories of eligible expenditures to reflect the changes in the project's components and costs.

The restructuring paper was reviewed by the Bank management in end April 2018 and has since been subjected to a review and no objection process by the Global Partnership for Education's Grants Performance Committee (GPE GPC). The GPC no objection is expected in the period June 18-22, 2018.

Progress towards achieving the Project Development Objective (PDO)

The PDO of the project is to support the Government of Lao PDR in improving pre-primary and primary education quality by (i) providing additional funding at school, district and provincial levels, as well as strengthening overall capacity to manage these resources to achieve minimum education quality standards and (ii) enhancing the teaching and learning environment in schools through improved teaching practices, instructional resources and analytical products to support early grade literacy. The midterm review assessment of the likelihood for achievement of the PDO is based on the actual progress and the key project changes requested by the Government of Lao PDR (restructuring request of April 27).

The increase of school funding and overall capacity to manage resources has been promoted by the GPE II Component 1 (Strengthening School-Based Management) with allocation of US\$12.70 million, or 76 percent of the total GPE II grant. Considering the completion of the national school based management training in February 2018, the compliance with school block grants disbursement conditions set out in the Grant agreement and the pending first annual tranche of complementary school block grants in June 2018, the likelihood for achieving this aspect of the PDO is high.

Subject to processing the requested project restructuring, which proposes a 17-month extension of the project to allow for the implementation of a reading readiness program for children aged 5 in preprimary classes and kindergarten, the likelihood for improving the reading outcomes of young learners in Lao PDR is significant.

Implementation Progress

The overall Implementation Progress is significant, driven by the accomplishments under Component 1, the good progress under Component 3, and the positive impact of the pending project restructuring on Component 2.

Component 1. Strengthening School-Based Management (Cost \$12.70 M)

The national School Based Management training was completed in February 2018, covering all 148 districts in the country. All 8,712 primary school principals in Lao PDR, 592 District Education and Sports Bureaus (DESB)'s officers (four officers per district), and 17,423 members of Village Education Development Committees (from 8,650 villages) were trained on school block grants use and reporting, school self-assessment and school development planning.

In parallel, the MOES has completed the process of opening saving bank accounts for all primary schools and kindergartens in the country to receive the Government, as well as GPEII complementary school block grants. The information on school compliance for receipt of block grants has been collected, allowing for the first annual payment of GPE II grants to all schools in the 88 priority districts. Presently the Bank is reviewing and processing withdrawal application G00016 in the amount of US\$ 3.23 million that covers the disbursement of the first annual complementary school block grants for the 5,700 primary schools and 1,500 kindergartens in the

88 most disadvantaged districts in Lao PDR. This will increase the grant disbursements from 13 to about 32 percent by the end of the current fiscal year.

All intermediate outcome targets associated with Component 1 have been fully achieved.

The mission discussed and agreed with MOES that the next immediate step is to launch the follow up coaching support to schools by the DESB officers who attended the initial training. The upcoming training on school block grants financial reporting software solution will be expanded in scope and include training on conducting the coaching visits, based on a simple guideline and visit checklists.

With respect to the routine collection of information on school compliance with the eligibility for receipt of school block grants, it was agreed that a paperless solution would be implemented by moving the compliance documentation to the cloud. A needs assessment of hardware and software requirements of DESB and PESS will inform the development of a new item for procuring goods and services for implementation of the cloud solution. In the meantime, the mission advised MOES to finalize the collection of compliance evidence for all seven block grants disbursement conditions by no later than the beginning of the 2018/2019 academic year.

Component 2. Improving Reading Outcomes and Assessment Capacity (Cost \$2.50 M)

The pending completion of GPE II restructuring will refocus the original reading development program for primary grades 1 and 2 into a reading readiness program for children aged 5 years enrolled in preprimary classes and kindergarten in 127 communities in Northern Lao PDR. These communities have been part of the Early Childhood Education project benefiting from play-based community child development groups, multi-age teaching for children aged 3-5 years and early childhood development community awareness campaign. The restructuring also extends the GPE II implementation period by 17 months to December 2020, thus allowing for sufficient implementation time of the revised program. The midterm mission discussed the importance of developing the TORs for all required technical advisors so that their recruitment is launched soon after the restructuring is approved. The Bank team and MOES will work jointly to finalize the TORs.

Component 3. Project Management and Monitoring and Evaluation (Cost \$1.60 M)

Project Management: GPE II has made progress with the recruitment of a project coordinator – presently the selection process is at the stage of interviewing the short-listed candidates. The successful efforts of MOES teams at central, provincial and district levels to complete the logistically complex national school based management training (involving more than 1,000 training sessions, many running in parallel) are commendable.

The *Monitoring and Evaluation* arrangements have been improved significantly through the independent baseline data collection for the composite PDO indicator on the primary education quality standards (EQS). The baseline study has been completed following a rigorous design and drawing information from a national representative sample of 200 primary schools across the country. The survey outcomes have been discussed and concrete action plan has been developed to address school underperformance through the forthcoming coaching visits to schools by the DESB officers.

The school block grants financial reporting software (FRS) has been upgraded and a national capacity building is planned to ensure proper and regular use of the FRS for reporting non-wage schools' expenditure. As discussed earlier in the aide-memoire, the administration of school compliance for receipt of school block grants will be simplified through paperless cloud arrangement.

Financial Management (FM). The liquidity issues that had prevented the disbursement of the large amount of school block grants have been resolved by changing the disbursement ceiling from fixed to variable, based on 6-month disbursement forecast. MOES leadership has committed to complete the liquidation of long outstanding advances for the national school based management training by July 1, 2018, but continued attention on this aspect will be required to prevent future financial management issues. The interim unaudited financial report was submitted with a 2-week delay.

Procurement. The procurement progress is back on track. The procurement plan was timely revised and approved by both the Bank and the MOES. All new consultancy selections are underway and on schedule. Concrete joint actions by the Bank and MOES have been agreed for the development of TORs for the Component 2 consultancies, so that selection procedures could be launched soon after the restructuring is formally approved.

IV. NEXT STEPS AND AGREED ACTIONS

The World Bank mission team and MOES agreed that the next implementation support review of the project will be conducted in the period October 15-26, 2018. The following actions have been agreed upon:

Table 2: Summary of Agreed Actions

	Actions	Responsible	Due Date
1	MOES to disburse the complementary school block grants to the 88 priority districts	MOES (ECU, DOF)	June 15, 2018
2	Global Partnership for Education to provide no objection to the project restructuring and World Bank to finalize approval and processing	GPE, WB	June 28, 2018
3	MOES to liquidate all outstanding advances.	MOES (ECU, DECE)	July 1, 2018
4	Government to submit countersigned amendment letter by mid July 2018	MOF	July 15, 2018
5	MOES to appoint GPE II project coordinator	MOES	September 28, 2018
6	MOES to complete the FRS and DESB school coaching visits capacity building in 17 provinces	MOES (ECU, DECE)	October 31, 2018

Table 3: Status of Agreements from the previous AM

	Actions	Responsible	Due Date	Status
1.	Revise and submit for WB approval the GPE II PIM incorporating the rules for travel, subsistence and accommodation per diem for the SBM trainings and the DESB school support visits	MOES/ECU	January 31, 2018	Completed
2.	Update and submit for WB approval a consolidated training plan at school level with dates for all remaining training sessions, names of the school principals, VEDC and DESB invited to attend	MOES/IFEAD/ECU/10 SBM training managers	January 31, 2018	Completed

3.	Develop a list of SBM trainers that need further coaching and support along with a coaching timeline and approach that will not affect the implementation pace of the SBM training	MOES/IFEAD	January 31, 2018	Completed
4.	Establish an SBM and school development plan tracking system to inform the GPE II results framework and effective supervision and management of the SBM activity	MOES	January 31, 2018	Completed, cloud solution for paperless flow of documentation for next rounds
5.	Complete the national SBM training to allow disbursement of SBGs to all compliant schools in the GPE II priority districts	MOES	February 28, 2018	Completed
6.	Submit to the WB the full bank account details of all public primary schools and kindergartens in Lao PDR to enable Bank's verification of government disbursement of SBGs to the school bank accounts	MOES	January 31, 2017	Completed
7.	Finalize consultations and obtain agreement with commercial banks to allow direct access to all school and kindergarten bank accounts statements by the World Bank and MOES	MOES/DOF	January 31, 2018	Completed
8.	Develop and submit for WB approval training concept and schedule for building the capacity on FRS and school bank account system management at DESB and PESS levels, to be included into the 2018 AOP	MOES/DOF	January 31, 2018	Completed
9.	Prepare a concept for a study tour in Cambodia to explore the experience of the country in managing school bank accounts and implementing the principles of school based management, to be included into the 2018 AOP	MOES/DOF/DO P/IFEAD	January 31, 2018	Completed
10.	Convene the MOES GPE II project steering committee, the ESWG Focal Group 1 and ESWG technical level meeting to discuss available options for GPEII restructuring	MOES	January 31, 2017	Completed
11.	Clear long outstanding advances as reported in the list	ECU, IU	January 31, 2017	In progress, timeline extended
12.	Submit IFR for the quarter ended December 31, 2017	ECU	February 15, 2018	Completed
13.	Update the GPE II procurement plan and draft TORs for all outstanding selections	ECU	January 31, 2018	Completed

Annexes:

Annex 1: Results Framework

Annex 2: List of officials met and composition of WB team

Annex I. Results Framework

original PAD targets
(Actuals)

(Actuals at the time of the midterm review)

Project Development Objective Indicators										
Indicator Name	Unit of Measure	Baseline 2014/15	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
			YR1 2015/16	YR2 2016/17	YR3 2017/18	YR4 2018/19	End Target			
Percentage of schools that meet the minimum quality of service delivery ²	Percentage	N/A	N/A (N/A)	30 (N/A)	50 (71%)	80	80	Yearly	EMIS, FRS, DOI	DESB and reported to ECU
Percentage of Grade 2 students in pilot schools that cannot read a single word (male)	Percentage	TBD	(N/A)	(N/A)	(N/A)		15	Baseline YR1, end-line YR4	RIES	RIES
Percentage of Grade 2 students in pilot schools that cannot read a single word (female)	Percentage	TBD	(N/A)	(N/A)	(N/A)		15	Baseline (YR1), end-line (YR4)	RIES	RIES
Percentage of Grade 1 and 2 teachers in pilot schools who show improvement in teaching practices (measured through objective classroom observations)	Percentage	0	0 (N/A)	0 (N/A)	0 (N/A)	80	80	Baseline (YR1), end-line (YR4)	RIES	RIES
Intermediate Results Indicators										
Indicator Name	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
			YR1 2015/16	YR2 2016/17	YR3 2017/18	YR4 2018/19	End Target			
Number of beneficiaries (number) of which female (%) (Bank Core indicator)	Number	0	(0)	(11,180)	(614,490)		1,200,000 ³		EMIS, DOI	ECU
<i>Component 1</i>										
Percentage of schools in 80 districts with SDPs meeting minimum quality ⁴	Percentage	N/A	(N/A)	(N/A)	(71%)		80	Yearly	DESB, DPPE, ECU	DESB

² The minimum quality of service delivery is defined as meeting a set of minimum education quality standards. For a full list of these standards, see Annex 2.

³ Including new students coming into the system during the project implementation.

⁴ The quality of the SDP will be assessed by the DESB using objective criteria: Level 1 defined as basic plan with objectives and action plan (minimum for SBG); Level 2 defined as SDP based on problem analysis; and Level 3 defined as a more comprehensive plan that links analysis to strategies to monitoring and review.

Percentage of schools receiving grants with budget information publicly available to communities	Percentage	N/A	(N/A)	(N/A)	(8.5%)		80	Yearly	DESB, DPPE, ECU	DESB
Percentage of supported VEDCs meeting at least twice per school year	Percentage	N/A	(N/A)	(N/A)	(99.4%)		100	Yearly	DESB, DPPE, ECU	DESB
Number of VEDCs members receiving capacity building on SBM ⁵ disaggregated by gender	Number	0	(0)	(7,200)	(17,423)		17,900	Yearly	DESB, DPPE, ECU	DESB, DPPE, ECU
Number of school principals and head of schools receiving capacity building on SBM ⁶ , disaggregated by gender	Number	0	(0)	(4,180)	(8,712)		8,900	Yearly	GPE project monitoring	MoES, DP
Number of schools receiving government block grants ⁷	Number	8,900	8,900 (8,803)	8,900 (8,720)	8,900 (8,613)	8,900	8,900	Yearly	GPE project monitoring	MoES, DOF
Number of schools receiving complementary GPE block grants	Number	0	(0)	5,500 (0)	5,500 (7,272)	8,900	8,900	Yearly	GPE project monitoring	MoES DOF
Number of districts with annual costed district education development plans	Number	N/A	N/A	50 (N/A)	80 (88)	148	148	Yearly	DESB	DESB and GPE Project Monitoring
<i>Component 2</i>										
Percentage of trained principals and PAs in pilot schools who observe lessons and provide feedback to teachers	Percentage	N/A	(N/A)	(N/A)	(N/A)	(N/A)	80	Yearly	Pedagogical advisors in DESB	DESB
Number of Grades 1 and 2 teachers trained as a part of project interventions, disaggregated by gender	Number	0	(N/A)	(N/A)	(N/A)	(N/A)	400	Yearly	Project M&E	DTTE
Number of pilot schools provided with kit of instructional materials for Grades 1 and 2	Number	0	(N/A)	(N/A)	(N/A)	(N/A)	80	Yearly	Project M&E	RIES

⁵ Includes only those receiving capacity building from the project. The training includes disability and inclusion awareness.

⁶ Includes only those receiving capacity building from the project.

⁷ Minimum conditions as defined as schools having a completed SDP, VEDCs meeting 3 times a year related to school planning, schools having a school budget by semester, and schools having financial reports each semester.

Number of pedagogical advisors and school principals trained as a part of project interventions, disaggregated by gender	Number	0	(N/A)	(N/A)	(N/A)	(N/A)	120	Yearly	Project M&E	DTTE
Evaluation framework for reading instruction in Lao language to ethnic students developed and submitted to MoES	Yes / No		(N/A)	(N/A)	(N/A)	(N/A)	Framework submitted	Discrete	Project M&E	RIES
<i>Component 3</i>										
Number of district education officers trained in financial management, disaggregated by gender	Number	0	(0)	(0)	(0)	148		Yearly	Project M&E	MoES, DOF
Disability related indicator piloted for inclusion in sector statistics	Yes / No	0	No (No)	No (No)	No (No)	Yes		Yearly	EMIS	EMIS

Annex 2. List of Officials Met and Composition of the World Bank Team

List of officials met:

1. H.E. Assoc. Prof. Dr Khamphay Sisavanh, Vice Minister of Education and Sport, MOES
2. Dr. Mithong Souvanhvixay, Director General, Department of Early Childhood Education, MOES
3. Ms. Khampaseuth Kitignavong, Deputy Director General, Department of Planning, MOES
4. Mr. Khamfong Sommala, Deputy Head of Division, ECU, MOES
5. Mr. Phisitxay Soulinthone, Deputy Head of Division, ECU, MOES
6. Ms. Xuenchith Selinokham, Department of Finance, Accounting Division, MOES
7. Mr. Chansamouth Keosoutha, Director General, Institute for Education Administrator Development, MOES
8. Mr. Khamphan Khamone, Deputy Director General, Department of Teacher Training, MOES
9. Ms. Viengkeo Phommachack, Deputy Director General, Department of Early Childhood Education, MOES
10. Ms. Soutsachay Duangsavanh, Deputy Director General, Department of Early Childhood Education, MOES
11. Mr. Khambay Sorsouliphone, Deputy Director General, Department of Finance, MOES
12. Ms. Dara Khiemthamakoun, Acting Director of Inclusive Education Center. NSMP, MOES
13. Ms. Nanna Skau, Head of school meal unit, World Food Program (WFP), Lao PDR
14. Mr. Outhai National officer, School meal unit, WFP, Lao PDR
15. Ms. Jodie Fonseca. LEARN Project Director, Plan International, Lao PDR
16. Ms. Takaho Fukami, UNICEF, Lao PDR
17. Mr. Peter Hansen, Luxembourg Development, Lao PDR
18. Ms. Corine Vis, BEQUAL, DFAT, Lao PDR
19. Ms. Deborah Leaver, Save the Children International, Lao PDR
20. Ms. Holly Cantuba, CRS, Lao PDR
21. Ms. Katherine Dooley, World Vision, Lao PDR
22. Mr. Talat Mahmud, Save the Children International, Lao PDR
23. Ms. Onechanh Phetchantharath, Room to Read, Lao PDR
24. Mr. Sadsada Phongnahak, Aide et Action, Lao PDR
25. Ms. Vithanya Noonan, Aide et Action, Lao PDR
26. Mr. Alexander Loer, Aide et Action, Lao PDR
27. Mr. Phokhaisavanh Phengkhamhac, Aide et Action, Lao PDR
28. Ms. Keoamphone Souvannaphoum, Child Fund, Lao PDR

Composition of the WB team:

1. Mr. Plamen Nikolov Danchev (Senior Education Specialist)
2. Mr. Phouvanh Phommalangsy (Education Specialist)
3. Ms. Emiko Apichaya Naka (Education Consultant),
4. Ms. Siriphone Vanitsaveth (Senior Financial Management Specialist)
5. Ms. Saysi Sayaseng (FM consultant)
6. Mr. Latharo Lor (Procurement Specialist)
7. Ms. Waraporn Hirunwatsiri (Senior Environmental Specialist)
8. Ms. Chansouk Insouvanh (Social Safeguards Consultant)
9. Ms. Boualamphan Phouthavisouk (Team Assistant)