

ASIAN DEVELOPMENT BANK

TPA: LAO 99003

TECHNICAL ASSISTANCE PERFORMANCE AUDIT REPORT

ON

**PRIVATE SECTOR EDUCATION
(TAs 1776-LAO and 2097-LAO)**

IN

LAO PEOPLE'S DEMOCRATIC REPUBLIC

December 1999

CURRENCY EQUIVALENTS

Currency Unit – Kip (KN)

Evaluation	At TA Approval	At TA Completion	At Operations
TA No. 1776	(October 1992)	(January 1994)	(December 1998)
KN1.00	= \$0.0014	\$0.0014	\$0.0002
\$1.00	= KN717	KN717	KN4,185
TA No. 2097	(June 1994)	(July 1996)	(December 1998)
KN1.00	= \$0.0014	\$0.0010	\$0.0002
\$1.00	= KN717	KN1,022	KN4,185

ABBREVIATIONS

ADB	–	Asian Development Bank
BPE	–	Bureau of Private Education
CCPE	–	Consultant Council on Private Education
Lao PDR	–	Lao People's Democratic Republic
MOE	–	Ministry of Education
OEM	–	Operations Evaluation Mission
SY	–	school year
TA	–	technical assistance
TCR	–	technical assistance completion report
TOR	–	terms of reference
TPAR	–	technical assistance performance audit report

NOTES

- (i) The fiscal year (FY) of the Government ends on 30 September, and the school year (SY) ends in June. A year given after SY indicates the year in which the school year ends.
- (ii) In this report, "\$" refers to US dollars.

CONTENTS

	Page
BASIC TECHNICAL ASSISTANCE DATA	ii
EXECUTIVE SUMMARY	iv
I. BACKGROUND	6
A. Introduction	6
B. Technical Assistance Rationales, Objectives, and Scopes	6
C. Objectives and Methodology of the Technical Assistance Performance Audit Report	7
II. FORMULATION AND IMPLEMENTATION	8
A. Design	8
B. Engagement and Performance of Consultants	8
C. Implementation Schedule and Financing	9
D. Supervision	9
III. EVALUATION OF OUTPUTS AND IMPACTS	10
A. Adequacy and Quality of Reports and Services Provided	10
B. Training and Technology Transfer	10
C. Institution Building	11
D. Impact	12
IV. CONCLUSIONS	15
A. Key Issues	15
B. Overall Assessment	15
C. Lessons Learned	16
D. Follow-Up Actions and Recommendations	17
APPENDIXES	14

**BASIC TECHNICAL ASSISTANCE DATA
Encouraging Private Sector Education
(TA 1776-LAO)**

IMPLEMENTING DIVISION Education, Health and Population Division
(West)

TOTAL TA COST (\$'000)

Item	Estimated Cost			Actual Cost		
	FX	LC	Total	FX	LC	Total
Financed by ADB						
Consultants	48.50	1.75	50.25	55.89	2.24	58.13
Study Tour	6.00	0	6.00	6.00	0	6.00
Computer	0	0	0	2.46	0	2.46
Workshop	0	2.50	2.50	0	2.50	2.50
Report Reproduction	0	1.75	1.75	0	2.15	2.15
Miscellaneous	2.00	2.00	4.00	1.78	0.20	1.98
Contingencies	8.50	1.00	9.50	0	0	0
Subtotal	65.00	9.00	74.00	66.13	7.09	73.22
Financed by the Government (\$ equivalent)						
Counterpart Staff	0	1.00	1.00	0		
Office Accommodation	0	2.50	2.50	0	- no data -	
Contingencies	0	0.50	0.50	0		
Subtotal	0	4.00	4.00	0		
Total¹	65.00	13.00	78.00	66.13		

EXECUTING AGENCY Ministry of Education

KEY DATES

	Actual
President's Approval	30 Oct 1992
Seminar	6-7 Jul 1993
TA Completion	Jan 1994

CONTRACTED CONSULTANT PERSON-MONTHS

Expertise	Expected	Actual
Private Sector Education Expert	2.5	3.6

MISSION DATA

Type of Mission	Number of Missions	Dates
Fact-Finding	1	20-25 Jul 1992
Review	1	27-29 Jan 1993
Operations Evaluation	1	10-18 Dec 1998

¹ Total actual TA cost not available due to lack of data on Government financing.

EXECUTIVE SUMMARY

The Government of the Lao People's Democratic Republic (Lao PDR) has been encouraging the development of the private education subsector because the Government cannot fully meet the need for schooling out of its own resources. The Asian Development Bank has supported this policy with two technical assistance (TA) grants: small-scale TA 1776 in 1993 and TA 2097 in 1995-1996.

The first TA aimed to assess the subsector, identify its strengths and weaknesses, and develop the framework for the legal and technical governance of private schools. The second aimed to review existing policies and develop new rules and regulations; facilitate institutional arrangements for private education; and set up an organizational framework for the planning, administration, and delivery of private education in the Lao PDR. TA 2097 included a study tour to three countries for six key figures in Lao PDR private education.

The TA reports are comprehensive and well written, and contain step-wise action plans to develop and manage private schools. The study tour was especially valuable in exposing key figures to a range of situations and possibilities. Provision of computers greatly facilitated the collection and processing of statistics on private schools. Most of all, the success of the TAs can be seen in the operational Bureau of Private Education (BPE), subsequently upgraded to department status, within the Ministry of Education (MOE). The TAs were instrumental in the issuance of the Prime Minister's Decree on Private Education (14 August 1995) and the Ministerial Decision issued by the Minister of Education (5 March 1996), which give the general guidelines for the operation of private education and promulgate rules and regulations therefor. Private schools have been growing in number and size: from 68 with 15,244 students in school year 1993 to 177 with 37,862 students in 1998. Growth has been most significant in the vocational and secondary levels, and many schools have diversified by adding one or two levels.

Because both TAs succeeded in fulfilling the majority of their objectives, the Operations Evaluation Mission found both to be generally successful. This rating confirms that of the TA completion report for TA 2097. The experience of the TAs highlights the value of detailed planning and careful recruitment of consultants, as well as a phased approach.

While BPE has a rational organization, a clear-cut role, and a functioning staff, it is understaffed in relation to its inspection function, which implies the need for increased funding. BPE should pursue the fulfillment of the action plans developed under the TAs and should rationalize the expansion of private schools, which could use additional external assistance. BPE's advisory body, the Consultant Council on Private Education, should be made more functional, and financing mechanisms need to be developed and implemented to encourage further development of private schools. Accreditation, teacher training, and textbook provision are additional areas for BPE to tackle.

I. BACKGROUND

A. Introduction

1. Following the redirection of its economy to follow market forces under the New Economic Mechanism launched in 1986, the Government of the Lao People's Democratic Republic (Lao PDR) framed the 1987 Education Policy to, inter alia, link educational development with socioeconomic development and expand the educational network.

B. Technical Assistance Rationales, Objectives, and Scopes

2. At the time of the 1989 education sector survey by the Asian Development Bank (ADB),¹ the Lao PDR had only a few private schools, operating without authorization. Recognizing that it could not meet the need for education, the Government decided in November 1990 to encourage the creation and expansion of private schools in order to take some of the pressure off the public sector.

3. ADB aided this process with two advisory technical assistance (TA) grants:
TA 1776-LAO: *Encouraging Private Sector Education*, for \$74,000, approved on 30 October 1992; and
TA 2097-LAO: *Private Sector Education Development*, for \$400,000, approved on 14 June 1994.

4. In the first, a small-scale TA, one consultant was mobilized in early 1993 for approximately three months; he returned later in the year for another three months and submitted his final report in August 1993. No technical assistance completion report (TCR) was required. For the second TA, signed on 18 August 1995, a team of three individual consultants was fielded from October to December 1995 and from April to July 1996, when they submitted their final report. The TCR was circulated in April 1997.

5. TA 1776 aimed to (i) assess private sector activities in education and training, with particular emphasis on postsecondary education; (ii) identify strengths and weaknesses of the private sector in education and training to improve its quality, relevance, and efficiency; and (iii) help develop the framework of legal and technical governance for the management of private education. The TA was divided into two phases: (i) a review and analysis of the experiences of the Lao PDR in private sector education since November 1990, including the potential of the private sector to train needed technical and skilled human resources, the relevance of private sector training to economic development, and the future needs of the education system to respond to private sector initiatives in education and training; and (ii) an examination of the Government's role in regulating and supporting private sector initiatives in education and training. A two-day seminar at the end of the second phase was held in Vientiane on 6-7 July 1993 to discuss the TA findings and assess the problems in the subsector.

6. The objective of TA 2097 was to assist the Government with the groundwork for the expansion and orderly growth of private education to enable it to assume a greater share of education at all levels. The TA aimed to (i) review existing policies, legislation, and regulations concerning private education; and develop new rules and regulations; (ii) facilitate institutional

¹ TA 1130-LAO: *Education Sector Study*, for \$380,000, approved on 14 February 1989.

arrangements for the planning, administration, and delivery of private education; and (iii) detail an organizational framework with comprehensive rules and procedures to operate an appropriate mechanism to provide the necessary financial support for the development of private education. In addition, the TA provided for (i) a study tour to Republic of Korea, Philippines, and Thailand for three key staff of the newly formed Bureau of Private Education (BPE) and three members of its advisory body, the Consultant Council on Private Education (CCPE); (ii) limited equipment; (iii) an operational budget; and (iv) a vehicle. The TCR, done in the new short form, is terse but well prepared. Its evaluation of the TA as generally successful is consonant with the findings of the Operations Evaluation Mission (OEM).

C. Objectives and Methodology of the Technical Assistance Performance Audit Report

7. This technical assistance performance audit report (TPAR) assesses the effectiveness of the two TAs in assisting the rationalization and development of private education in the Lao PDR, which is very much Government policy. The TPAR addresses how well the TAs' objectives were achieved, the relevance of inputs, and the effectiveness of outputs; and it draws lessons from the experience. It attempts to identify what is necessary to further the Government's policy by strengthening BPE and CCPE and by developing funding mechanisms for private schools.

8. The TPAR is based on a review of the TCR for TA 2097 and other documents in ADB files and on the findings of the OEM to the Lao PDR on 10-16 December 1998, which (i) had extensive discussions with national, provincial, municipal, district, and school education officials; and (ii) visited 10 private schools of all levels and types. Prior to the OEM a domestic consultant gathered qualitative and quantitative data and translated documents. Copies of the TPAR were provided to the Ministry of Education (MOE), the Executing Agency; Ministry of Finance; Prime Minister's Office; concerned ADB staff; and the domestic consultant. Comments received were taken into consideration before finalizing the report.

II. FORMULATION AND IMPLEMENTATION

A. Design

9. The OEM met with several MOE officials who had helped design one or both TAs and thus personified Government ownership of the studies. The promotion of private schooling was at the time of the TAs—and still is—very much the desire of the Government, which recognizes that it cannot educate the entire school-age population using its own resources. From ADB's perspective, the TAs have covered several bases: because many private schools were and are in the technical-vocational field, their development can serve to widen the human resource base, improve the relevance of education to the labor market, and increase the number of skilled personnel in the country. Educational development in the Lao PDR also promotes poverty reduction by making school leavers more employable.

10. TA 1776 set out to compile a vast quantity of statistics and aimed to produce action plans and a draft manual of regulations for private schools. It was perhaps taking a chance to employ a single consultant for this large task, but the desired results were fully achieved. The comprehensiveness and quality of the consultant's final report show a thorough job; clear, appropriate, and comprehensive terms of reference (TOR); and a suitable time frame. As very little was previously known about the state of private education in the country, the survey was particularly useful. However, the task was more complex than anticipated because of language difficulties—translation of questionnaires proved difficult and time-consuming—and the remoteness of some schools. These problems were overcome by sending the questionnaire to MOE for translation and distribution before the consultant's arrival. The division of TA implementation into two phases was effective, as it provided the Government, ADB, and the consultant time to consider various implications of the first phase before proceeding to the second. Provision of a computer was very helpful in preparing the consultant's report during the second phase; the TA would have benefited from having the computer during the first phase, but the TA Fact-Finding Mission had been informed that computers were available through another source and thus were not needed.

11. The TOR of TA 2097 were specific enough to elicit anticipated outputs, yet flexible enough to cover unforeseen areas. The specified team of three consultants covered all appropriate areas of inquiry, providing their input in two phases. The computer and software supplied by the TA greatly aided the compilation of education statistics, and the vehicle has been essential to the supervisory function of the newly created BPE. The study tour provided the six participants with a range of experiences purposely designed to show them a model to strive for (Republic of Korea), a neighboring country with a very large private educational system (Thailand), and a situation closer to the Lao PDR situation (Philippines).

B. Engagement and Performance of Consultants

12. Officials of BPE expressed satisfaction with the consultants, including their recruitment and outputs. TA 1776 employed a resource person for the seminar in addition to the consultant. The consultant produced a high quality report in a short time, containing the first definitive data on the private education subsector in the Lao PDR plus an impressive array of draft legislation and implementing regulations for formalizing the subsector. The report is well organized and well written.

13. TA 2097 engaged a team of three experts for a total of 13 person-months: (i) a private education management and development expert and team leader (5 person-months), (ii) a private education legislation and regulations expert (4 person-months), and (iii) a private education finance and fund management expert (4 person-months). The combination of the expertise, duration of services, and the consultants' TOR was appropriate. The consultants were engaged individually, resulting in substantial savings in the TA budget. However, this resulted in an additional administrative burden for the consultants and ADB. The Government's delay in signing the TA agreement¹ caused a 12-month delay in fielding the consultants. The consultants received generally good ratings from BPE personnel for technical expertise, cultural sensitivity, and the ability to get things done.

C. Implementation Schedule and Financing

14. TA 1776 was implemented within the originally envisaged time frame except for several weeks' delay requested by the Government because of a long national holiday. The estimated ADB financing of \$74,000 was just adequate, as the actual cost came to \$73,220.

15. The delay in signing the agreement for TA 2097 was caused by a change in the TA approval process within the Government, which occurred between 1994 and 1995. This delay, however, was fortuitous, as the promulgation of the decree providing the general rules and guidelines for the organization and operation of private education² was also delayed by a year. ADB financing was estimated at \$410,000, but the actual cost came to \$278,700, about 70 percent of the estimated cost, mainly due to savings by engaging individual consultants.

D. Supervision

16. While only one review mission was fielded for TA 1776, the fact that the consultant was a former ADB staff member probably made closer supervision unnecessary. The consultant was briefed at headquarters before proceeding to the Lao PDR, and debriefed after TA completion. MOE provided as counterparts three senior officers representing the general education, technical and vocational education, and higher education subsectors, who helped and guided the consultant considerably. Periodic meetings among the consultant, counterparts, several directors of MOE, and the Vice Minister of Education assured close adherence to the TA objectives. Additional guidance for the study emerged from the workshop, which was attended by the Vice Minister, senior MOE officers, heads of private schools, and industry representatives.

17. The delay in signing the agreement for TA 2097 was beyond ADB's control, although ADB made considerable efforts to expedite the signing. After the signing, implementation proceeded smoothly, mainly due to frequent communication between ADB and the consultants, making it possible for the TA to be completed within the allotted time. The consultants met regularly with the three counterpart staff from BPE, and, in between phases of the TA, the Director of BPE provided the team leader with reports every two weeks.

¹ The TA agreement was signed on 18 August 1995, 14 months after TA approval on 14 June 1994.

² Prime Minister's Decree on Private Education No. 64/PM, 14 August 1995.

III. EVALUATION OF OUTPUTS AND IMPACTS

A. Adequacy and Quality of Reports and Services Provided

18. The survey under TA 1776, while done quite quickly, quantitatively and qualitatively documented the previously uncharted area of private education in the country with regard to institutions, teachers, students, and curricula. The baseline data that was gathered enabled the Government to develop appropriate plans and procedures for the subsector. Background information in the consultant's final report on private education in neighboring countries was very useful as well. Strengths of private education in the Lao PDR were identified (e.g., generally adequate land and classroom size, acceptable student-teacher ratio in all but vocational schools) as well as weaknesses (e.g., inadequately trained teachers, financial problems, concomitant low quality of education). The report provided several options for the Government to consider for the private education subsector, including five action plans for institutional development, legislation, funding, expansion, and staff development. Regulations for the subsector were proposed in the report, including standards and procedures for accreditation of private schools. The report was well received by the Government, and many of its recommendations have been followed and were the basis of Decree No. 64/PM.

19. The consultants' reports under TA 2097 are of good quality, and their recommendations on the role, responsibility, and functions of BPE and its mandated advisory body (CCPE) were incorporated into a Ministerial Decision issued by MOE on 5 March 1996. In addition, the consultants' final report produced an action plan for examining three areas: (i) organizational and institutional development, (ii) development of draft legislation and regulations for private education, and (iii) establishment of a funding mechanism for private education. Important progress has been made in carrying out the suggestions in the action plan (para. 33).

B. Training and Technology Transfer

20. TA 1776 introduced to MOE the computer and its attendant possibilities, a major step. The consultant helped to introduce concepts and techniques of data collection, presentation, and analysis that MOE has since built upon and expanded. The consultant's observations and findings were discussed at the seminar, which brought private school administrators and MOE personnel together in the first activity of its kind.

21. Under TA 2097, three counterpart staff from BPE worked closely with the international consultants. With the consultants' assistance, the BPE staff were able to carry out their duties by drafting agreements and regulations about the organization, roles, and functions of BPE and CCPE, and about the private education fund. In addition, BPE was able to establish a computerized database on private education in the country using the questionnaire designed in collaboration with the TA consultants and the computer equipment provided under the TA. This database is being updated annually and includes information on enrollments, teachers, and other characteristics of private schools of all levels.

22. Three key staff from BPE and three members of CCPE completed a two-week study tour of private education in Republic of Korea, Philippines, and Thailand that enabled them to investigate the structure, operation, and supervision of private schools in the three countries. They also learned about ways in which private school owners established associations for their mutual benefit as well as for the benefit of both teachers and students. The three BPE staff are

now its three key figures, and the three CCPE members are still with CCPE. Thus the benefits of the study tour have been retained in the subsector.

23. In addition, the seminar, Strategies for Implementing Decree No. 64/PM on Private Education in the Lao PDR, was conducted to discuss the necessary steps to develop the administration, organization, academic standards, and mechanisms for implementing and evaluating the general policy on the development of private education. This seminar, organized jointly by BPE staff and the TA consultant team, was attended by 60 participants. It was successful in disseminating and discussing crucial issues regarding private education and in obtaining valuable feedback from the participants.

C. Institution Building

1. Bureau of Private Education

24. The operational BPE—with a rational organization, clear-cut role, and functioning staff—was observed in action by the OEM and is proof of the efficacy of institution building under both TAs, the focus of which was the development of the capacity to manage private schools, viz., establishment of BPE and its role. BPE has good linkages with other MOE offices, with the provincial education services, and through them with the district education bureaus that deal with lower level schools on a day-to-day basis. The organization charts of MOE and BPE are provided in Appendix 1.

25. At the time of the OEM, BPE consisted of nine staff, headed by a director, and divided into two divisions: administrative and academic affairs. Each division had a deputy director supported by two professional staff and one secretary. The administrative division is responsible for personnel, planning, finance, and interministry cooperation. Its outputs so far include documents and guidelines for the administrators of private schools to improve the administration of private education, and a manual for secretaries to improve the systematic management of offices. The academic affairs division, which BPE considers to be the heart of all its activities, is responsible for (i) drafting policy and regulations for private education; (ii) developing procedures for accreditation, monitoring, inspection, and supervision of private schools; and (iii) recommending and providing training in curriculum, instructional materials, and management. This division has established and implemented the regulations as stipulated in Decree No. 64/PM and the recommendations made by CCPE. It has reviewed documents from individuals and associations wishing to establish private schools. In addition, it has finalized forms and documents such as the Minimum Standard Form for Private Schools (kindergarten, primary, secondary, vocational), guidelines for establishing special types of private educational institutions such as nonformal schools (technical and vocational schools, fine arts school, tutoring schools), and criteria for establishing and managing a private college. Moreover, the division held two training courses to improve the working methods of public officers responsible for private education, and of directors of private schools. Other BPE functions in which the Director has the primary responsibility include promoting the private education subsector and maintaining a database on all private schools.

2. Consultant Council on Private Education

26. CCPE was established as an advisory board for BPE. CCPE has the primary role of reviewing and recommending to the Minister of Education the policy and regulations necessary for (i) implementing the provisions of Decree No. 64/PM; and (ii) the continuing promotion,

management, and monitoring of private schools of all types and levels. CCPE is headed by the Vice-Minister of Education, and the members consist of representatives from various sectors. At the time of the OEM, CCPE had held only one session in its entire history, chaired by the Vice-Minister. There were 16 attendees: 11 members of CCPE, 4 BPE staff, and a guest from the Minister's personal staff. Issues discussed during the session included (i) the importance of private education as whole; (ii) exemptions of private schools from business tax, income tax, land-use tax, and customs duties for importation of necessary instructional materials; (iii) integration of private school teachers into general education training; and (iv) creation of an association of private schools. That only one CCPE meeting had been held indicates underutilization of CCPE. In fact, some members deem it of no importance. Other members noted that it functions in a nonformal manner, as members consult with each other and with BPE staff by telephone. Nevertheless, a fully functioning CCPE has yet to be realized.

3. Association of Private Schools

27. Officials of the schools the OEM visited generally evidenced a desire to have an association, and the concept has been approved by BPE. But all consulted were vague about the purposes of such a body. Without clearly defined goals coming from the presumed beneficiaries (bottom-up), BPE has been drafting them (top-down) following suggestions in the final report of TA 2097, which may result in another underutilized body. Yet such an association as envisaged by the TA consultants could help to alleviate the financial problems of private schools by, inter alia, channeling Government and external assistance to private education, designing and implementing a development plan, devising ways to generate funds, and managing such funds.

D. Impact

28. The two TAs have had a decided impact on education—especially private education—in the Lao PDR. Before the TAs, the subsector had no framework, no administrative apparatus, and no regulation. Now there is a system with rules and procedures. Schools have been extended in both number and size, and the number of students goes up each year. While a few schools have closed, others have arisen, and the teaching and learning process is improving. The impact of the TAs can be seen in the growth of private schools and in institutional development, including compliance with the action plans, all of which is consonant with the Government's plans for private education. With no other external agencies active in the subsector, ADB's TAs have supported the Government's initiatives in a highly significant and sustainable way.

1. Growth of Private Education

29. As shown in Table 1, private schools in the Lao PDR have grown significantly since 1993, the year when TA 1776 was implemented. In school year (SY) 1993, the Lao PDR had 68 private schools in Vientiane Municipality and 3 provinces. Five years later, the country had 177 distributed in Vientiane Municipality and 8 provinces, an annual compound growth rate of about 21 percent. Also, the type of schools changed during the five years. In SY1993, most schools catered to only one level, for example either kindergarten or primary or vocational, while in SY1998, most schools were a combination of levels, for example creche (prekindergarten) and kindergarten; or kindergarten and primary; or kindergarten, primary, and secondary. The distribution of private schools by type and by province is given in Appendix 2.

Table 1: Number of Private Schools by Province in 1993 and 1998

Province	SY1993	SY1998
Vientiane Prefecture (Municipality)	54	128
Savannakhet	8	14
Champasak	4	8
Luang Prabang	2	3
Khammouane		9
Vientiane Province		7
Oudomxay		3
Xiengkhouang		3
Bolikhamxay		2
Total	68	177

Source: BPE.

30. The private school student population totaled 37,862 during SY1998 compared with 15,244 during SY1993. Growth was most significant in the vocational and secondary levels, followed by primary and preschool (Table 2).

Table 2: Number of Students in Private Schools, SY1993 and SY1998

Level	SY1993	SY1998	Compounded Annual Growth Rate (%)
Preschool	3,232	6,410	14.7
Primary	8,816	18,088	15.5
Secondary	501	1,888	30.4
Vocational/Training	2,695	11,476	33.6
Total	15,244	37,862	20.0

Source: BPE

31. In comparison with the total enrollment (excluding vocational training) in the country, the share of private schools is still very small, increasing only from 1.7 percent in SY1993 to 2.4 percent in SY1998. The preschool level had the biggest share, followed by the primary and lower secondary levels, in both years (Table 3). Despite their small share, private schools are beginning to be noticed in terms of the quality of the education that at least some of them impart. The dropout rates for SY1998 in private primary and lower secondary schools were 0.3 percent and 3.0 percent, respectively, compared with 16.1 percent and 10.0 percent in public schools. While repetition rates in SY1998 in public primary schools were as high as 35.3 percent (in grade 1), they were under 10 percent in all grades of private schools. Student/teacher ratios for private kindergarten, primary, and lower secondary schools were 19, 27, and 16, respectively, compared with 28, 33, and 50 in public schools. Private school students are now placing in the top ten of national examinations.

2. Institutional Development

32. The establishment of BPE, with its vertical and horizontal linkages, is the chief institutional impact of the TAs. The consultants, study tour, and seminars funded by the TAs provided the exposure and cross-fertilization necessary for the fledgling BPE to become

organized and begin to function. The computers, equipment, and vehicle provided under the TAs have all been well maintained and put to good use. BPE is stable and sustainable at its current staffing and funding levels, being an integral part of MOE. Nevertheless, fulfillment of all its responsibilities will require additional resources (para. 36).

33. While not all parts of the action plans have been implemented, significant progress has been made (Appendix 3). BPE has been organized and staffed to a level sufficient to carry out basic tasks. Linkages have been established. Rules, regulations, procedures, guidelines, forms, and handbooks have been reviewed and approved. Decree No. 64/PM has been reviewed, and guidelines developed and disseminated for its implementation. And a proposed charter has been drawn up for an association of private schools.

Table 3: Share of Private School Enrollment in Total Enrollment

Level	SY1993				SY1998			
	Public	Private	Total	Share of Private Schools (%)	Public	Private	Total	Share of Private Schools (%)
Preschool	24,103	3,232	27,335	11.8	38,335	6,410	44,844	14.3
Primary	574,078	8,816	582,894	1.5	821,546	18,088	839,634	2.2
Lower Secondary	87,167	501	87,668	0.6	150,195	1,888	152,083	1.2
Upper Secondary	30,172	0	30,172	0.0	56,520	0	56,520	0.0
Total	715,520	15,244	728,069	1.7	1,066,596	26,386	1,093,081	2.4

Source: Ministry of Education.

34. However, the proposed association of private schools has not been actualized; nor has much been done on the establishment of a foundation and trust fund. The sustainability of private education is not really in question, because there is a market for it, but its growth will be enhanced by mechanisms for financing.

3. Spin-off Impacts

35. With the public system able to admit only 70 percent of school age children, every pupil transferred to a private school allows the Government to enroll another pupil in a public school. Private education therefore does not detract from public education. Furthermore, with Government salaries so low, by taking on extra classes in private schools, public school teachers can earn additional income and are less liable to leave the profession for something more lucrative. BPE data shows that 70 percent of the teachers in private schools are concurrently teaching in public schools. While the experience of other countries has shown that in the long term this situation has a negative effect on the quality of teaching, it is tolerable in the Lao PDR in the short run because of the need for more school places. Thus the encouragement of private schools through the establishment and operation of BPE has benefited the education system as a whole.

IV. CONCLUSIONS

A. Key Issues

36. Despite the allocation of five additional staff after the OEM, and its elevation to department status,¹ BPE is understaffed in relation to its inspection function. Simply putting the machinery in place to regulate private schools has been occupying the unit's time and efforts; in fact, several items in the action plans have not been pursued yet, e.g., appointment of various committees securing approval of the bachelor of arts curriculum, and institution of a staff development program. For proper supervision of schools in Vientiane, additional personnel are required—more so for the provinces. This, of course, will require increased funding.

37. Private schools have become concentrated in Vientiane, where many of the people who can afford to pay the fees are concentrated. But the need for increased quality and quantity of schools is nationwide. There is a move to decentralize teacher training and educational administration. Encouragement of private education in the provincial centers would be compatible with such developments.

38. CCPE has not become fully functional. It had met only once at the time of the OEM and had not addressed many meaningful issues. It lacks authority and responsibility. It should have more involvement with the communities served by private schools. Effective private sector representation on CCPE is necessary.

39. To further private education, financing mechanisms are needed. Decree No. 64/PM supports exemptions from the business tax, income tax, land-use tax, and customs duties for private schools; and guidelines have been drawn up, but these have not yet been implemented. The association of private schools, when formed, will need to look for ways to generate critical funds for private education, including a trust fund.

40. The quality of private schools is variable. The OEM saw some with modern, operational computers; recent textbooks; ample classroom space; sufficient laboratory and shop equipment; and agreeable adjunct facilities such as playgrounds, canteens, teachers rooms, and toilets. It also saw classrooms that were only four walls, a roof, some chairs, and a blackboard, with not so much as a calendar on the wall, and with no textbooks. Some safety and sanitary facilities were deplorable, and some classrooms were terribly overcrowded. These conditions are not unusual in Lao PDR public schools, and can be expected in a transitional economy. But they must be recognized by all parties as needing urgent improvement. A functional accreditation program is needed to ensure minimum standards in private schools.

B. Overall Assessment

41. To arrive at an overall assessment of the two TAs, the OEM examined their design, inputs, implementation, outputs, and impacts. Each category was in turn broken down, and each subcategory was given a qualitative rating (Table 4). The ultimate objective of both TAs—the development of private education and, by extension, human resources through improved opportunities for education—is difficult to quantify except in the number of private schools and their students (Tables 1 and 2). Progress can be measured by proxy, in this case, promulgation of Decree No. 64/PM and the smooth functioning of BPE, both of which came to fruition.

¹ By Prime Minister's Decree No. 167/PM, 9 September 1999.

Table 4: Summary of Evaluation^a

Criteria	TA 1776	TA 2097
Design		
Rationale/Relevance	+++	+++
Objectives	+++	+++
Executing Agency Ownership	++	++
ADB thrusts	++	++
Scope	+++	+++
Inputs		
Consultant services	+++	+++
Training/study tour	++	+++
Financing	+++	++
Equipment and/or vehicle	++	++
Implementation		
Schedule	+++	++
Supervision	++	+++
Outputs		
Reports	+++	+++
Recommendations	+++	+++
Seminar	+++	+++
Impacts		
Sector growth	+++	+++
Capacity building, skills development, technology transfer	+++	+++
Policy and plan development	+++	++
Sustainability	++	++

^a + = good rating and relevance, ++ = better rating and relevance, +++ = highest rating and relevance.
Source: OEM.

42. Following this procedure, both TAs are rated generally successful by this TPAR.

C. Lessons Learned

43. The effectiveness of a TA can be enhanced by detailed planning and careful recruitment of consultants. Both TAs used a phased approach in which the consultants provided several months of input, left certain things to be done by counterpart staff, and then returned for follow through. This approach can maximize the value of limited consultant time. Furthermore, having consultants with high cultural awareness and the correct expertise is a significant factor in their ability to meet TA objectives. Three of the four consultants in the two TAs were from nearby Asian countries, and the consultant for TA 1776 was uniquely qualified for the job by virtue of his background.

44. Participants in the study tour emphasized its significance to them, as before the tour they had been acting in a vacuum. They felt that inclusion of a range of destinations was valuable: While what they saw in the Republic of Korea was admittedly out of reach for a long time, they felt that seeing such an advanced system gave them something to strive for—a vision of the future, no matter how far away.

45. Relatively simple equipment in the right hands can do a great deal. The interest of the BPE Director in computerization was a significant factor in the success of the TAs and remains important to the sustainability of BPE's work. But key skills and areas of knowledge should always be backed up within an agency. In this case, the Educational Management Information System in the Department of Planning and External Cooperation keeps the main database on private schools.

D. Follow-Up Actions and Recommendations

46. The Government should consider expanding the size and budget of BPE, even if modestly. This will permit BPE to perform its functions, particularly inspection, better and will extend the supervision of private schools beyond Vientiane Municipality. While Government funds are quite limited, an expansion of private education will increase coverage of the school-age population, as currently 30 percent of eligible children are out of school.

47. The Government, through BPE, should rationalize the expansion of private schools. It may be best to encourage them in Vientiane Municipality and provincial centers—where parents are more able to pay the fees—while having the Government concentrate on public schools in rural areas. Such differential encouragement can be pursued through tax incentives, for which guidelines have been prepared; lowered rates for electricity and water; reduced rates on bank loans; participation of private school teachers in publicly funded teacher training; and other funding mechanisms possible with the formation of an association of private schools. Rationalization of private education could include an investigation of access and equity issues. The clientele of private schools has not yet been adequately defined, but anecdotal evidence and experience in other countries point to the higher levels of society. Such rationalization could be the focus of additional TA to BPE.

48. BPE must pursue fulfillment of the action plans, specifically by:

- (i) publicizing more widely the guidelines and procedures to assist existing private schools to meet standards;
- (ii) appointing a curriculum committee, a supervisory and accreditation committee, and an external examination committee;
- (iii) submitting the bachelor of arts curriculum to CCPE and the Minister of Education for approval;
- (iv) preparing a development program for staff of higher education institutions, submitting it to CCPE and the Minister for approval, and beginning the program;
- (v) organizing a meeting of private school owners to explore setting up an association of private schools with clearly defined and mutually agreeable goals, elected officers, and a program of activities; and
- (vi) establishing a trust fund for private schools with an approved charter, fund-raising strategies, officers, and a program of assistance.

49. BPE should further strive to improve the quality of private education by

- (i) extending its inspection function, enforcing the regulations, applying sanctions when necessary, and using financial assistance as a carrot and accreditation as a stick;
- (ii) placing private school teachers in public teacher training programs; and
- (iii) devising ways to get more textbooks into private school classrooms, perhaps by means of the trust fund.

50. CCPE should meet more often and exercise its prerogatives, and representation from the private sector must be solicited in earnest.

APPENDIXES

Number	Title	Page	Cited on (page, para. no.)
1	Organization Charts	15	6, 24
2	Distribution of Private Schools	17	7, 29
3	Compliance with Action Plans	18	8, 33
