

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Lao PDR	Project Title:	Second Technical and Vocational Education Development Project
Lending/Financing Modality:	Investment Loan	Department/Division:	SERD/LRM

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The eighth socio-economic development plan 2016-2020 and the Education for All (EFA) Action Plan all emphasize the central role of education and human resource development for poverty reduction. The 7th NSEDP aims to support sustainable economic growth, reduce poverty and inequality and significantly scale up human capital. The Country Partnership Strategy (CPS) 2012-2016 is closely aligned with national priorities, and includes education as a core area. The CPS includes a focus on quality higher education and TVET that meet the needs of small and medium enterprises. ADB has also actively worked with the government and development partners to develop and implement the Education Sector Development Plan 2010-2015, which the proposed project will directly support. The proposed project is consistent with the strategic directions outlined in ADB's Strategy 2020 and Midterm update and would contribute to poverty reduction directly by promoting equitable access to, and improved quality of TVET, which will support inclusive economic growth through the upgrading of human capital.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

**Key issues.** Based on the international poverty line of \$1.25 per day, poverty decreased from 41.4% in 2002-2003 to 24% in 2014-2015. Despite this, the poverty rate in Lao PDR remains well above neighboring countries, including Cambodia, Thailand and Viet Nam. While economic growth has led to a reduction in the overall poverty rate, significant inequalities exist across educational levels, region, urban vs rural, employment status and ethnic grouping. While most provinces experienced a decline in the poverty rate between 2007-2008 and 2012-2013, three provinces – Champasak, Bokeo, Saravane – actually saw an increase in their poverty rate over that period.

**Design features.** The majority of TVET students come from low income families. Improving the quality of and access to TVET will help students from those families to acquire skills and knowledge which will improve their employability. Entrepreneurship training will be integrated into the TVET curriculum which will help students to set up their own businesses and increase their income opportunities in the informal sector. The project will also include a stipend scheme particularly targeted at students from low income families in rural areas. Constructing new and upgrading existing dormitories, including those for girls, will help students from rural areas to enroll in TVET schools.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** The direct beneficiaries will be those students who will graduate from improved TVET schools. Students that enroll in schools supported by the project will mostly come from low income and rural families, who have limited or no access to quality skills training after graduating from basic and secondary education. Improving teaching and learning environments for disadvantaged students will contribute to increase opportunities for TVET graduates to progress to higher levels of education and/or find better employment and income earning opportunities. Active participation of school management in the development of SDPs and in the subsequent implementation of upgrading activities will contribute to mobilize the capacity of school to prioritize their development needs and improve overall planning and management practices. Transparent planning with representatives from local companies, procurement of goods and services, and implementation of training activities based on jointly agreed procedures will contribute to establish good governance practices.

**2. Impact channels and expected systemic changes.** Low quality and relevance of TVET programs hinder employability of students. Improving the quality and relevance of TVET will directly improve the employability of graduates and/or promote better prospects to start their own business. The introduction of scholarships for disadvantaged students, including girls, and constructing dormitories will open up opportunities for those who do not have the financial means to afford living costs or other expenses to enroll in TVET schools.

### II. GENDER AND DEVELOPMENT

**1. What are the key gender issues in the subsector that are likely to be relevant to this project?** Lao PDR has made significant progress in increasing female representation in TVET. Currently, about 40% of students enrolled in TVET are girls. However, female enrolments are concentrated in study fields such as hospitality, business, and administration.

**2. Does the proposed project have the potential to make a contribution 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. The project will provide scholarships for female students and construct

dormitories for girls to help lift TVET female enrolment rates. The Project will also review and revise curriculum and learning materials to avoid gender stereotypes. The TVET social marketing campaign will particularly focus on girls to encourage them to enroll in TVET institutions. A gender action plan will be prepared during the PPTA.

**3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?** No. The project will increase opportunities for girls and women. The EA will ensure that agreed gender actions are incorporated in the design and carried through during project implementation.

**4. Indicate the intended gender mainstreaming category:** EGM (effective gender mainstreaming)

### 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.

The main stakeholders are students, teachers, school managements, representatives from companies and business communities, and staff of the MOES. All stakeholders will be consulted throughout project design. Workshops with school managements and teachers will be conducted in Vientiane. The project preparatory team will also conduct school visits. Development partners in particular GIZ, KfW, and the development agencies of Switzerland and Luxembourg will be consulted to ensure harmonized coordination of development efforts.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The joint preparation of school development plans will create ownership over resources as they will have a say on the utilization of the project resources. The stipend scheme will ensure the inclusion of poor and vulnerable groups

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

(M) Information generation and sharing       (M) Consultation       (L) Collaboration       (N) Partnership

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?  Yes       No The PPTA consultants will hold consultations with the poor (including in conflict-affected areas) and CSOs, to validate completed analysis using national surveys and other data.

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes       No All construction and expansion of facilities will be undertaken at existing government-owned sites.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan       Resettlement framework       Social impact matrix  
 Environmental and social management system arrangement       None

**B. Indigenous Peoples Category**  A  B  C  FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes      X No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes       No

3. Will the project require broad community support of affected indigenous communities? No .

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan       Indigenous peoples planning framework       Social Impact matrix  
 Environmental and social management system arrangement       None

### V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment       Adhering to core labor standards       Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS       Increase in human trafficking       Affordability  
 Increase in unplanned migration       Increase in vulnerability to natural disasters       Creating political instability  
 Creating internal social conflicts       Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design? The Project's impacts on the above are expected to be positive (e.g., promoting better workforce outcomes, and increasing affordability of TVET).

### VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 PPTA or due diligence? Building on extensive analysis conducted to date under the ongoing project and by other development partners, the PPTA will support poverty, social, and gender analysis linked to proposed interventions, and includes resources for related consultant inputs, workshops, and consultations.