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Department of Foreign Affairs and Trade

LAOS AUSTRALIA INSTITUTE PHASE III PROGRAM DESIGN DOCUMENT

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Abbreviations

Abbreviation	Description
9 th NSEDP	9th National Socio-Economic Development Plan
AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
AAS	Australia Awards Scholarships
AASC	Australia Awards Short Courses
ADB	Asia Development Bank
ADIS	Alumni Development Impact Survey
AIP	Aid Investment Plan
AQC	Aid Quality Check
ASEAN	Association of South East Asian Nations
AustCham Lao	Australian Chamber of Commerce in Laos
BEQUAL	Basic Education Quality and Access for Laos
CDRP	COVID-19 Development Response Plan
CoP	Communities of Practice
DAC	Development Assistance Committee
DFAT	Department of Foreign Affairs and Trade
DHOM	Deputy Head of Mission
DID	Disability Inclusive Development
DP	Development Partner
EAP	English Academic Preparation
EAP	English for Academic Purposes
EOPPO	End of Program Outcome
EP	Equity Pathway
GDP	Gross Domestic Product
GEDSI	Gender Equality, Disability and Social Inclusion
GIZ	German Agency for International Cooperation
GoL	Government of Laos
HRD	Human Resource Development
IELTS	International English Language Testing System
IMF	International Monetary Fund
IMR	Investment Monitoring Report
IO	Intermediate Outcomes
JICA	Japan International Cooperation Agency
LADLF	Laos-Australia Development Learning Facility
LAI	Laos Australia Institute Phase III
LAI Phase II	Laos Australia Institute Phase II
LANS	Laos Australia National Scholarships
LDC	Least Developed Country
LES	Locally Engaged Staff
LMC	Lancang-Mekong Cooperation
LMIS	Labour Market Information System
LNCCI	Lao National Chamber of Commerce and Industry
LNCCI	Laos National Chamber of Commerce and Industry
LPRP	Laos People's Revolutionary Party
LSCC	Laos Singapore Cooperation Centre
LWU	Laos Women's Union
LYU	Laos People's Revolutionary Youth Union



Abbreviation	Description
M&E	Monitoring and Evaluation
MAP	Mekong-Australia Partnership
MERLA	Monitoring, Evaluation, Research, Learning and Adaptation
MIS	Management Information System
MOES	Ministry of Education and Sports
MOF	Ministry of Finance
MOHA	Ministry of Home Affairs
MPI	Ministry of Planning and Investment
MPI	Ministry of Planning and Investment
NAPPA	National Academy of Politics and Public Administration
NC2	United Nations Framework Convention on Climate Change
NDC	Nationally Determined Contribution
NHRDS	National Human Resource Development Strategy
NUOL	National University of Laos
OASIS	Online Australia Awards Scholarships Information Systems
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PBA	Program-based Approach
PDD	Program Design Document
PDR	People's Democratic Republic
PFM	Public Finance Management
PRC	People's Republic of China
RTIM	Round Table Implementation Meeting
RTO	Registered Training Organisation
SADC	Swiss Agency for Development and Cooperation
SOGIESC	Sexual Orientation, Gender Identity and Expression, and Sex Characteristics
SDG	Sustainable Development Goals
SMG	Strategic Management Group
SWG's	Sector Working Groups
TA	Technical Assistance
TAF	The Asia Foundation
TAG	Technical Advisory Group
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
WHO	World Health Organisation
WTO	World Trade Organisation

1 Executive Summary

The Lao People's Democratic Republic (Lao PDR) sits at the heart of the Mekong region as the only landlocked country in Southeast Asia. The 7.8 million ethnically diverse citizens of Laos are sparsely distributed, with around 65% living outside the capital city of Vientiane. Stronger socio-economic conditions, relative stability under the leadership of the Lao People's Revolutionary Party (LPRP), and access to public health services have contributed to increasing life expectancy and economic growth fuelled by investments in capital-intensive natural resources and industry sectors. Laos is in the early stages of demographic transition with a youthful population, changing patterns of mortality and fertility, and growing urbanisation, all of which have implications for achievement of the goals of the 9th Five-Year National Socio-Economic Development Plan (9th NSEDP).

Following the trends of more developed Association of Southeast Asian Nations (ASEAN) neighbours, Laos is also an economy in transition, with a declining proportion of gross domestic product (GDP) contribution from agriculture, forestry and fisheries, and an increasing contribution from industry (including construction) and services. With a large subsistence, informal economy active across the provinces, the agricultural sector remains a key contributor to employment. While Laos has relatively high rates of women's economic participation, gender gaps and occupational streaming by gender persist with women over-represented in the informal economy and more likely than men to work in a family business without receiving payment.


Although Laos has so far avoided the worst health impacts of the COVID-19 pandemic, economic and social progress has been severely disrupted through reduced manufacturing output and moderated growth in the retail trade, transport, and tourism sectors. With the national vaccination program in place, Laos will gradually transition to a 'new normal', however the residual effects of increased joblessness are disproportionately affecting women, and people with disabilities and lower education.

Lao PDR has focused on its citizens as both the drivers and beneficiaries of its social and economic development, and has long seen an educated population as a central tenet in the capacity of the country to graduate from Least Developed Country status. The LPRP recognises the need for the government and its agencies to be more service-oriented, with efforts including 'right-sizing' the civil service and building professional and technical capacity through tertiary education. The strategic positioning of human resource development (HRD) is reflected at a national level through the National Human Resource Development Strategy (NHRDS). Within the Government of Laos (GoL), the Ministry of Education and Sport (MOES) leads implementation of human resource development activities through the national HRD Commission, including

- Research, formulation and improvement of strategies and policy frameworks;
- Supervision and support to ministries, agencies, local administrations and public-private organisations;
- Monitoring, evaluation and reporting and making policy recommendations to government.
- Establish and make recommendations on necessary legislations to the government.

Australia's diplomatic relationship with Lao PDR has a long and successful history. From 2021-2024 Laos will fulfil the role of Australia's ASEAN country coordinator, helping Australia shape engagement priorities with ASEAN member nations. Laos is also preparing to Chair the ASEAN Summit in 2024. Reinforcing a regional focus, Australia's AUD28.4 million investment through the Mekong Australia Partnership (MAP) aims to build resilience in Mekong states – Myanmar, Vietnam, Cambodia, Lao PDR and Thailand – supporting them to shape positive and independent destinies.

Australia has a reputation for delivering effective development cooperation underpinned by strong relationships with the Lao Government, business ties and people-to-people links. Early in the COVID-19 pandemic, Australia reaffirmed commitment to support Laos' health security, stability and economic recovery, through *Partnerships for Recovery: Australia's Development Response to the COVID-19 Pandemic* and *Laos COVID-19 Development Response Plan (CDRP) 2020-21 and 2021-22* (October 2020). Key investments driving economic recovery include the flagship Basic Education Quality and Access for Laos (BEQUAL) Program, Phases I and II of the Laos Australia Institute, and the targeted and flexible Laos-Australia Development Learning Facility (LADLF). LAI Phase II (2017 to 2021) built a foundational partnership between the governments of Australia and Laos. The program prioritised gender equality and women's leadership as well as disability and socially inclusive development, and delivered support to improve skills and capacities at individual and organisational levels.



The **Laos Australia Institute Phase III (LAI)** builds on analysis of the development context and political economy in Laos and the lessons learned, and advancements delivered through the LAI Phase II and the LADLF investments. LAI will provide the Australian Government with a coordinated, joined-up approach to HRD that positions Australia as a premier partner of choice in Laos in HRD space. LAI will also integrate and deliver the range of targeted activities under the MAP, bringing a regional focus. Total investment budget includes **AUD17.5m** in program funding and up to **AUD5.2m** in MAP funding.

LAI will strengthen the bilateral relationship and develop capability in Laos for strategic investments in HRD. Inclusive and sustainable development will be achieved through a niche opportunity that targets development assistance towards HRD needs and systems in the civil service. LAI's demand-responsive programming will contribute to Laos achieving its HRD goals as defined in the NHRDS.

This intent is reflected in the goal of LAI Phase III: *Developing human resource to be a strong productive power that could contribute to sustainable socio-economic development (Vision to 2030, NHRDS)* and Objective, *Australia as a valued and trusted partner in Laos to strengthen human resource development in support of inclusive and sustainable growth (CDRP)*, which will both be pursued through three end-of-program outcomes (EOPOs):

1. Laos and Australia engage in stronger dialogue and partnership based on strategic investments in HRD
2. Targeted Laos organisations use their improved capacity to deliver inclusive and systematic HRD
3. Alumni use their skills, knowledge, and networks to contribute to inclusive and sustainable development

These three EOPOs set longer-term objectives to be pursued over the **initial four years (2021-2025)** and **potential four-year extension (2025-2029)**. They aim to position LAI as the leading institute for HRD in Laos, moving to strategically work with HRD systems and the enabling environment while enhancing individual capabilities. To achieve these EOPOs, LAI will first make progress towards four intermediate outcomes (IOs):

1. Targeted Laos organisations have improved capacity to progress human resources development in line with the National HRD Strategy
2. Alumni have necessary skills, knowledge, and networks to contribute to inclusive and sustainable development
3. Key stakeholders have positive views of LAI, the Embassy, Australians, and Australian expertise
4. Laos equity groups¹ have improved capability and enabling pathways to participate in and contribute to development

To achieve these IOs, LAI has structured eight outputs that are complementary and interrelated. At all levels (outputs, IOs, and EOPOs), LAI will engage with GoL partners, to the extent possible, to ensure activities strongly align to a shared vision.

LAI will operationalise a partnerships approach through a robust **governance system** embedded in the LAI annual planning cycle, including a **Project Implementation Group**, to support assessment and prioritisation of development opportunities, and a **Program Steering and Management Committee**, providing high level endorsement. The governance process is founded on an intent to build relationships and partnerships between DFAT, GoL, and LAI to enable delivery of responsive and context-informed programming. Over the life of the program, LAI's partnerships will be actively developed with strategic (Tier 1) partners including Ministry and Party organs: MOES, National Academy for Politics and Public Administration (NAPPA), Committee for External Relations (KM6) and potentially, Ministry of Home Affairs (MOHA). Other lower priority partners will be supported in an opportunistic manner.

The primary modalities that LAI will utilise, and that are strongly and clearly integrated into the program theory of change and logic, are:

1. Targeted and inclusive long-term **Australia Awards Scholarships (AAS)** delivering highly skilled professionals to the Lao labour market, and scaffolding the learning of scholars through English language training and on-award development. AAS will continue to focus on the highly valued Masters level qualifications.

¹ LAI 'equity groups' include: women, people with disability, ethnic minorities and those living in rural and remote areas. Where appropriate and safe, LAI will also work to support inclusion for people with diverse sexual orientation and gender identity. See section 8.3

2. Targeted and inclusive **Australia Awards Short Courses (AASC)** that provide short-term, intensive learning and development opportunities for senior civil servants in topic areas of national, sectoral and regional relevance.
3. **HRD capacity development** that includes:
 - a. **Learning and development activities** that provide needed practical skills development for civil servants who are responsible for planning, implementation, evaluation and oversight of the NHRDS.
 - b. Technical assistance supporting **HRD systems strengthening** with target GoL partners, to support Ministry and Party organisations to deliver on the goals of the NHRDS.
4. Other **complementary learning and development**, including English language to enable senior civil servants to engage internationally, and access technology and international policy research.
5. Proactive **engagement and development of scholars and alums**, from LAI's long-term and short-term education, learning and development activities to support effective transfer of learning to 'real world' problems and opportunities and deliver outcomes of value to Laos and aligned with LAI goals and EOPOs.

Applying an 'end-to-end' approach across delivery of all program modalities, the outcomes and impact of activities are strengthened by the integration of the following **cross-cutting practice** areas:

1. A **GEDSI approach and practice** that integrates gender equality, disability and social inclusion throughout the LAI program logic, in support of LAI's GEDSI ambition. This ambition is captured in Intermediate Outcome (IO) 4 'Laos equity groups have improved capability and enabling pathways to participate in and contribute to development' and a commitment to inclusive development embedded in EOPO2. LAI takes a twin track approach to GEDSI via a commitment to mainstreaming, complemented by targeted activities where this can accelerate achievement of GEDSI ambitions.
2. A comprehensive Monitoring, Evaluation, Research, Learning and Adaptation (**MERLA**) **system, framework and practice** to capture activity and outcome level data, and support critical engagement, review, and adaptation of programming to drive the IOs and EOPOs defined in the LAI Phase III Program Logic.
3. **Communications and public diplomacy** to ensure inclusive, effective and timely communications at all stages of delivery, and maximise public diplomacy benefits gained through the LAI and Australian Government brands.

Combining LAI and LADLF streams at the same time that concerted attention is given to inclusive HRD is critical to COVID-19 recovery and is an opportunity for innovation and deepened partnerships between Australia and Laos. Increased regional investment, including through the MAP, is an opportunity for DFAT in Laos to showcase innovative deployment of human resource investment, including through Australia Awards, in service of strategically important bilateral and regional interests. The reality of COVID-19 also continues to drive innovation, particularly in relation to new forms of virtual engagement and networks.

Repositioning and strengthening LAI's partnerships-based approach to program delivery represents a step up in intention, and an opportunity for innovation through program delivery that is sensitive and responsive to a complex political economy. To engage with Party organs, LAI must be opportunistic and agile enough to respond to support needs when conditions are favourable. LAI's comprehensive MERLA system, which repositions learning and adaptation as central program management components, will drive innovation, and reinforce and enable adaptivity and vigilance to direct program resources to deliver beneficial outcomes for Laos and Australia. This will be enhanced by a new end-to-end **Management Information System** providing data capture, storage and analytical capacity across all modalities. Together with a strong locally resourced operational and program management team, supported by international technical specialists and led by a Program Director located in Vientiane, LAI is well placed in Phase III to make a strong contribution to inclusive and sustainable development outcomes and maximise Australia's public diplomacy impact in Lao PDR.

2 Development Context and Situation Analysis

2.1 Laos PDR Political and Economic Context

As a member of the Association of Southeast Asian Nations (ASEAN), the Lao People's Democratic Republic (PDR) sits at the heart of the Mekong region as the only landlocked country in Southeast Asia, sharing borders with China,



Cambodia, Vietnam, Myanmar and Thailand. The 7.8 million² ethnically diverse citizens of Laos are sparsely distributed, with around 65% living outside the capital city of Vientiane. Stronger socio-economic conditions and access to public health services, have contributed to increasing life expectancy (58 in 2000; 67 in 2019), although like many other countries, Laos has seen a slowing population growth rate³. Fewer children relative to the working-age population can bring benefits by enabling resources to be directed to child and maternal health, education, and other supporting infrastructures and services. However, a sustained low fertility rate will also contribute to an aging population, increasing the economic burden on a contracting workforce, together with increased health care and social welfare costs.

The official language is Lao, although 49 ethnic groups with 160 sub groups use at least 50 languages other than Lao. In the late 20th century, French and then English became languages used by the elites, and under the leadership of the Lao People's Revolutionary Party (LPRP), Vietnamese became the third language of the elites. English is increasingly seen as essential to research, technological and international engagement, and is sought after by the Government of Laos (GoL) as a development priority for civil service leaders. Building foreign language capacity of young people is one of the target outputs of the 9th Five-Year National Socio-Economic Development Plan (9th NSEDP).

Demographic trends show an increased working-age population – from 40.5% in 2000 to 51% in 2019⁴. Notwithstanding disruptions due to COVID-19, this presents Laos with an opportunity to realise a 'demographic dividend'⁵, to contribute to economic growth, poverty reduction and achieve the goals of the 9th NESDP. This also highlights the critical importance of Laos being able to respond, provide access to quality education and vocational skills to produce work-ready graduates to meet labour market demand, and reduce reliance on international technical experts and professionals.

Laos is in the early stages of demographic transition with a youthful population, changing patterns of mortality and fertility, and growing urbanisation. While investment in human capital remains low compared to other nations in the region, coordination of multi-sectoral effort is needed to build equitable and sustainable health, social protection, and employment-oriented education pathways for Lao people.

2.1.1 Politics and bureaucracy

Although disrupted by a history of colonisation and war, since 1975 under the LPRP, Laos has seen a period of relative stability. The unicameral national parliament has focussed on implementing 'democratic centralism' directing the provinces and their governments from Vientiane. The government operates through a civil service that includes 17 national Ministries, 12 Party organs and 18 provincial governments in Laos, with the departmental structure at the national level replicated at provincial level.

The Party Congress at the start of 2021 re-committed to public sector austerity, indicating a target cut in public sector salaries from 52% to 40% of overall spending by 2025, and a rise in revenue collection through taxes, up to 16% of Gross Domestic Product (GDP). The cut in salary expenditure will be largely achieved by 'right-sizing' the public sector. The LPRP recognises the need for the government and its agencies to be more service-oriented and communicate more effectively with the provinces about diverse interests⁶. A functioning bureaucracy with strong administrative data systems⁷ is required to undertake needed tax systems reform. This will challenge the social contract between GoL and the Lao people, particularly in the face of slower rises in standards of living.

While the LPRP faces considerable challenges to achieve governance and economic reforms, Laos is preparing to assume the role of ASEAN Chair and host of the ASEAN Summit in 2024, which is the highest policy-making body in ASEAN, comprising Heads of State or Government of ASEAN Member States. Building on Laos' chair of ASEAN in 2016, this represents an opportunity for Laos to profile and promote unique aspects of culture and economy, and will be the focus of preparation to manage the political and administrative requirements of the position.

² Source: World Bank data, accessed 10 October 2021, <https://databank.worldbank.org>

³ Source: World Bank data, access 10 October 2021, www.data.worldbank.org

⁴ ASEAN Key Figures 2020, published by The ASEAN Secretariat, Jakarta Indonesia, p.6

⁵ <https://lao.unfpa.org/en/news/enhance-human-capital-and-social-investments-demographic-dividend-lao-pdr>

⁶ See Order #190/SCCLPRP dated 29/9/2021

⁷ See <https://www.unicef.org/laos>

2.1.2 Economy

Since the 1990s Laos has experienced rapid economic growth fuelled by investments in capital-intensive natural resources and industry sectors. This is evident in GDP per capita growth, which experienced a 696.5% increase over the period 2000-2019⁸, with an annual average GDP growth rate of 7.7%. Despite this, in 2018 18.3%⁹ of the population lived below the National Poverty Line. With this growth trajectory, Laos was well positioned to achieve the ambitions of the 2030 Sustainable Development Goals (SDG) and graduate from Least Developed Country (LDC) status in 2024. Unfortunately, in 2020 this ambition was derailed by the disruption and economic consequences of the COVID-19 pandemic.

Following the trends of more developed ASEAN neighbours, Laos is an economy in transition with a declining proportion of GDP contribution from agriculture, forestry and fisheries, and an increasing contribution from industry (including construction), and services. With a large subsistence, informal economy active across the provinces, the agricultural sector remains a key contributor to employment (45.4% in 2017), followed by services (33.2%) and industry (21.4%)¹⁰. While Laos has relatively high rates of women's economic participation, gender gaps and occupational streaming by gender persist. Women are over represented in the informal economy, are more likely than men to work in a family business without receiving payment¹¹, and have a high burden of unpaid care and other labour, limiting economic participation and opportunities¹². The economy is also widely recognised as needing stronger human capital to leverage the potential 'demographic dividend' of a youthful population. Policies to increase private sector engagement and investment in skills development are also becoming increasingly urgent¹³.

Lao PDR's national strategic document is the 9th NSEDP, which reflects the vision of the 11th Central Committee of the LPRP, elected at the 11th National Congress of the LPRP held in Vientiane from 13 to 15 January 2021. The 9th NSEDP positions Laos to achieve sustainable economic growth, to enable graduation from Least Developed Country status and become an upper middle-income country in 2030. However, the NSEDP was developed in collaboration with multiple development partners (DPs) and many initiatives rely on DP funding.

2.1.3 Private sector

It is estimated that more than 13,000 Australian companies export to ASEAN, and that 55% of Australia's 100 largest companies have an investment presence in ASEAN¹⁴. Within this regional context, Australia's private sector engagement in Laos has a significant history. An agreement on the promotion and protection of investment between Australia and Laos has been in place since 1996, which created the certainty needed for Australian businesses to invest in Laos including in the transport, energy, resources, and services sectors. In 2018-19 this generated two-way trade to a value of AUD129 million, and AUD68 million in goods and services exports from Australia to Laos¹⁵. Australia and Laos are also parties to the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) (since 2010/11). To provide support for Australian and New Zealand companies operating in Laos, the Australian Chamber of Commerce in Laos (AustCham Lao) was established in 2005.

2.1.4 COVID-19 impact and recovery

Laos' economic and social progress have been severely disrupted by the COVID-19 pandemic. Although Laos has so far avoided the worst health impacts of COVID-19, since July 2021 cases have surged in a 'second wave'. This has put pressure on health services and increased the economic impact of public health measures, which have reduced the spread of the coronavirus but also reduced manufacturing output and moderated growth in the retail trade, transport, and tourism sectors. As at 28 September 2021, the World Health Organisation (WHO) reported a

⁸ ASEAN Key Figures 2020, published by The ASEAN Secretariat, Jakarta Indonesia

⁹ Source: <https://www.adb.org/countries/lao-pdr/poverty>

¹⁰ ASEAN Key Figures 2020, published by The ASEAN Secretariat, Jakarta Indonesia, p.35


¹¹ ADB Gender Assessment, p.39.

¹² World Bank, Asian Development Bank, Country Gender Assessment for Laos PDR, p.2

¹³ High-level Thematic Policy Dialogue on "Investing in the Human Capital of Lao PDR" 28 Sep 2020

¹⁴ ASEAN market insights 2021-Dec 2020, DFAT, <https://www.dfat.gov.au/sites/default/files/asean-market-insights-2021.pdf>

¹⁵ AustCham Lao, accessed 11/10/21, <https://www.austchamlao.org/about/>



cumulative total of 29,398 confirmed cases, and 33 deaths since March 2020¹⁶. Recent trends show a concentration of cases in the capital, Vientiane, with an increasing proportion of cases of the highly transmissible Delta variant being locally acquired (98%).

With the national vaccination program in place, Laos will gradually transition to a ‘new normal’ with reduced restrictions and the possibility of increased economic activity. However, the pandemic has severely disrupted Laos’ ambitions and growth, with increased joblessness disproportionately affecting women and those with lower education, and COVID-19 increasing vulnerability for people with disabilities. Significant numbers of the 1.3 million Lao migrant workers living abroad¹⁷ have returned home during the pandemic. The majority of those migrant workers have returned from Thailand and, according to an International Labour Organisation (ILO) report, 72% of Lao migrant workers in Thailand were women¹⁸ of an average age of 16.5 years¹⁹. Those that have returned from Thailand are struggling to find paid employment at home which means not only was there a reduction of approximately 125 million USD in remittances in 2020²⁰, there are now more unemployed adults in households for which remittances made up an average of 60% of the household income²¹.

The economic downturn and high levels of debt have returned Laos to the World Bank’s list of countries with high levels of institutional and social fragility. Economic recovery will depend on domestic economic reform, debt management, adequate investment in human capital, and the COVID-19 effects and recovery efforts of ASEAN neighbours. The Asian Development Bank predicts a modest growth in the Laos economy (GDP forecast of 2.3%²²) in 2021, with the global recovery driving 4% domestic growth in 2022.

2.1.5 Laos Human Resource Development Policy Context

Lao PDR has focused on its citizens as both the drivers and beneficiaries of its social and economic development, and has long seen an educated population as a central tenet in the capacity of the country to graduate from Least Developed Country status. The strategic positioning of human resource development (HRD) is reflected at a national level through the National Human Resource Development Strategy²³ (NHRDS). The NHRDS was last updated in 2015 when responsibility for monitoring its implementation moved from the LPRP Central Party, to the Ministry of Education and Sport (MOES). The revised strategy takes a decade-long perspective to 2025 and is designed with clear intent to support sector strategies of the NESDP. Implementation arrangements include:

1. HRD Commission, chaired by and located in MOES, supported by a Secretariat, with 46 members from all Ministries, Provinces, Party organs and Lao National Chamber of Commerce and Industry (LNCCI)
2. In turn, each of the Ministries, Provinces, Party organs and the LNCCI has their own internal HRD Committee to plan HRD in their organisation, and contribute to the achievement of the NHRDS.

2.1.6 Human Resources in the Lao Civil Service

The civil service in Laos refers to all LPRP (or Party) and public sector employees at national, provincial and district levels. In 2018, the Prime Minister issued Executive Order #3 to streamline and downsize²⁴ the machinery of all state agencies, and assigned the Ministry of Home Affairs (MOHA) with the responsibility for implementation. The reform agenda required state departments to merge subordinate offices or divisions whose scope of work overlapped or was similar; applied strict quotas and age limits on new recruitments; and specified no automatic replacement of those who leave civil service. Any new recruitment is intended to apply a competency-based selection process. In the short term, this is leading to a drain of skills and experience in the civil service²⁵.

¹⁶ WHO, COVID-19 situation report for Lao PDR #41: 12 October 2021, <https://www.who.int/laos/internal-publications-detail/covid-19-situation-report-for-lao-pdr-41>

¹⁷ International Labour Organisation, Lao PDR (July-September 2019). [wcms_614379.pdf \(ilo.org\)](https://www.ilo.org/wcmsp5/groups/public/-/dgreports/otherpublications/wcms_614379.pdf)

¹⁸ Sisenglath, Somphone, “Migrant worker remittances and their impact on local economic development”. ILO Working Paper series. 2009.

¹⁹ ADB Gender Assessment, p.63

²⁰ ADB Gender Assessment, p.63


²¹ Ibid

²² Asian Development Bank, accessed 10 October 2021, <https://www.adb.org/news/covid-19-delays-economic-recovery-adb-lao-pdr>

²³ The NHRDS and the institutional arrangements were endorsed by the GoL in Decree 95, dated 26 April 2016

²⁴ ‘down-sizing’ or ‘right sizing’ also required all state departments to merge subordinate offices or divisions whose scope of work overlapped or was similar, in the interests of increasing efficiency and reducing the burden on the state budget.

²⁵ Nationally, 4000 officials retired in 2018 and the recruitment quota was 1,500 for 2019. See [elevenmyanmar.com/news/laos-plans-to-downsize-state-organisations-and-cut-civil-servant-numbers-asianewsnetwork](https://www.elevenmyanmar.com/news/laos-plans-to-downsize-state-organisations-and-cut-civil-servant-numbers-asianewsnetwork)



It was clear during the design consultations and from the NHRDS, that civil service capacity and ‘right sizing’ remains, a key priority. The NHRDS data²⁶ illustrates the changing demographic of the civil service:

- The civil service workforce was 99,659 in 2006, and by 2015 had almost doubled to 177,826. In the 5 years to 2020, the slower rate of increase and the effect of downsizing delivered a workforce of 178,821
- The proportion of women increased during the period from 41% in 2006 to 47% in 2020, although 2015 data shows that women are overrepresented in technical roles (52% of 111,634 roles) and underrepresented in managerial roles (30% of 66,192 roles)
- Consistent with the broader population trend, the civil service has a youthful demographic with 77% under the age of 44 in 2015 and 2020.

This changing civil service demographic only serves to heighten the need for skilled and capable people. The GoL has pursued an education agenda with targets set towards an increasingly tertiary educated workforce. Tertiary qualifications are highly valued and taken into consideration in succession and promotion. It was clear in the design consultations that the capabilities of returning Australia Awards Scholars including their English language skills, are highly valued and alumni are readily promoted into senior leadership roles.

The clear positioning of HRD as a core strategic priority in Laos, and the drive toward an educated civil service, creates an opportunity for Australia to contribute through an expanded HRD mandate, and by drawing on Australia’s own public sector reform processes, and world class education system.

2.2 Australian Government Policy and Program Context

Australia and Laos are longstanding bilateral and regional partners. Diplomatic relations have existed since 1952; and in 2022, Australia will celebrate the 70th anniversary of this important partnership. Australia has a reputation for delivering effective development cooperation underpinned by strong relationships with the Lao Government, business ties and people-to-people links. Australia is also home to around 11,000 Lao diaspora and citizens with Lao ancestry, and will invest an estimated AUD39.3million in Official Development Assistance (ODA) to Lao PDR in 2021-2022²⁷.

Early in the COVID-19 pandemic, Australia reaffirmed its commitment to support Laos’ health security, stability and economic recovery, through Partnerships for Recovery: Australia’s Development Response to the COVID-19 Pandemic and Laos COVID-19 Development Response Plan (CDRP) 2020-21 and 2021-22 (October 2020). Australia’s response included increased bilateral assistance and pivoting of existing investments and whole of government relationships to support Laos to manage the rapidly evolving emergency. Key to Australia’s commitment to economic recovery are investments in education through the flagship Basic Education Quality and Access for Laos (BEQUAL) Program, and in human capital through Phases I and II of the Laos Australia Institute, and the targeted and flexible Laos-Australia Development Learning Facility (LADLF). Since 1975, Australia has supported 1,139 Lao scholars (47% women) to achieve a tertiary education at an Australian university through the Australia Awards or predecessor scholarship programs. In addition, 413 Lao scholars (34% women) have been supported to complete tertiary studies in Laos through a Laos Australia National Scholarship (LANS), with additional financial support, access to assistive equipment and pastoral care provided to scholars with disability.

From mid-2021 Laos became Australia’s ASEAN country coordinator, a role that is appointed to one ASEAN member every three years to help Australia to shape priorities in engagement with ASEAN member nations, and to co-Chair the annual ASEAN-Australia Summit. While this work primarily operates out of the ASEAN Secretariat in Jakarta, Australia’s support to Laos to execute this important role will be critical to implementation of the ASEAN-Australia Strategic Partnership (2020-2024) and enhancing ASEAN-Australia cooperation to respond to COVID-19 in the region and its long-term impacts.

Australia holds a strong global reputation for prioritising disability and social inclusion²⁸ and gender equality in development, human rights and foreign policy. Australia’s Foreign Policy White Paper identified gender equality as

²⁶ Lao PDR National Human Resource Development Strategy, 2016-2025 (unofficial English language translation)

²⁷ Lao PDR National Human Resource Development Strategy, 2016-2025 (unofficial English language translation)

²⁸ Development for All 2015-2020: Strategy to strengthening disability-inclusive development in Australia’s aid program, May 2015 (to 2021)



an Australian value²⁹ and the empowerment of women a top priority³⁰. The White Paper links elimination of gender disparities to boosting per capita incomes, and reinforces the aid program's focus on ensuring the participation in the economy and society of the most disadvantaged, including women and girls and people living with disabilities³¹. This reinforces the framing of DFAT's 2016 Gender Equality and Women's Empowerment Strategy which positions gender equality and empowering women as contributors to growth and development, and in turn, inclusive growth and development as enablers of equality³². It is also aligned with DFAT's Development for All strategy which aims to enhance the participation and empowerment of people with disabilities, reduce poverty among people with disabilities and improve equity of people with disabilities in all areas of public life³³. Australia's aid focus on gender equality and disability and social inclusion is reinforced throughout Partnerships for Recovery. As Laos continues to move toward COVID-19 recovery, Australia's policy priorities are consistent with Laos' development needs and focus on HRD, while opening up further opportunity for engagement on gender equality and disability and social inclusion.

2.2.1 Mekong Australia Partnership

The Mekong-Australia Partnership (MAP) is a targeted Australian Government investment of AUD28.4 million spanning the 2021/22-2023/24 financial years. The MAP investment aims to build resilience in Mekong states – Myanmar, Vietnam, Cambodia, Lao PDR and Thailand – supporting them to shape positive and independent destinies through investments in human capacity; economic resilience and supporting COVID-19 economic recovery; boosting trade and investment; environmental resilience; and cyber and critical technology capabilities in the Mekong region.

The human capacity pillar of MAP targets the next generation of men and women leaders in the Mekong. The investment in Laos will be managed through LAI Phase III through 10 Masters-level Australia Awards Scholarships (from 47 across MAP³⁴), Australia Awards Short Courses and other short-term training activities, policy dialogues and institutional twinning arrangements. The intention is to provide current and future decision-makers access to Australian expertise, new ways of thinking, and skills to enhance independent and evidence-informed decision-making and policy. The focus of the MAP investment in Laos will align with Australia's bilateral priority sectors and targeted groups. The approach to planning, management and resourcing of MAP activities through LAI Phase III is detailed in Section 6.4.

2.3 Laos Australia Institute Phase III

The Laos Australia Institute Phase III (LAI) builds on analysis of the development context and political economy in Laos, the Australian Government's strategic interests, and the lessons learned and advancements delivered through the LAI Phase II and the LADLF investments. LAI will provide the Australian Government with a coordinated, joined-up approach to HRD that positions Australia as a premier partner of choice in Laos. LAI will strengthen the bilateral relationship and develop capability in Laos for strategic investments in HRD that will contribute to inclusive and sustainable development. LAI will also integrate and deliver the range of targeted activities under the MAP (Section 2.2.1).

Supported by robust governance, the HRD investments under LAI will contribute to Laos achieving its HRD goals as defined in the NHRDS. In particular, and considering other donor activity across GoL, the niche opportunity for LAI is to target development assistance towards HRD needs and systems in the civil service. The primary modalities that LAI will utilise, and that are strongly and clearly integrated into the program theory of change and logic, are:

1. Targeted and inclusive long-term **Australia Awards Scholarships** delivering highly skilled professionals to the Lao labour market, and scaffolding the learning of scholars through English language training and on-award development.

²⁹ DFAT 2017 Foreign Policy White Paper, p.11

³⁰ DFAT 2017 Foreign Policy White Paper, p.93

³¹ DFAT 2017 Foreign Policy White Paper, p.90

³² DFAT Gender Equality and Women's Empowerment Strategy 2016, p.4

³³ DFAT Development for All Strategy, p.11

³⁴ DFAT Development for All Strategy, p.11

2. Targeted and inclusive **Australia Awards Short Courses** that provide short-term, intensive learning and development opportunities for senior civil servants in topic areas of national and regional relevance.
3. **HRD capacity development** that includes:
 - a. **Learning and development activities** that provide needed practical skills development for civil servants who are responsible for planning, implementation, evaluation and oversight of the NHRDS.
 - b. Technical assistance supporting **HRD systems strengthening** with target GoL partners, to support Ministry and Party organisations to deliver on the goals of the NHRDS.
4. Other **complementary learning and development**, including English language to enable senior civil servants to engage internationally, and access technology and international policy research.
5. Proactive **engagement and development of scholars and alums**, from LAI's long-term and short-term education, learning and development activities, to support effective transfer of learning to 'real world' problems and opportunities, and deliver outcomes of value to Laos and aligned with LAI goals and End of Program Outcomes (EOPOs) (Section 4.1, **Error! Reference source not found.**).

Applying an 'end-to-end' approach across delivery of all program modalities, the outcomes and impact of activities are strengthened by the integration of the following **cross-cutting practice** areas:

4. A **GEDSI approach and practice** that integrates gender equality, disability and social inclusion throughout the LAI program logic, in support of LAI's GEDSI ambition. This ambition is captured in Intermediate Outcome (IO) 4 'Laos equity groups³⁵ have improved capability and enabling pathways to participate in and contribute to development' and a commitment to inclusive development embedded in EOPO2 (see Figure 1). LAI takes a twin track approach to GEDSI via a commitment to mainstreaming, complemented by targeted activities where this can accelerate achievement of GEDSI ambition.
5. A comprehensive **MERLA system, framework and practice** to capture activity and outcome level data, and support critical engagement, review, and adaptation of programming to drive the IOs and EOPOs defined in the LAI Phase III Program Logic.
6. **Communications and public diplomacy** to ensure inclusive, effective and timely communications at all stages of delivery, and maximise public diplomacy through the LAI and Australian Government brands.

2.4 Evidence Base and Lessons Learned


Lesson 1: A 'systems approach' that extends beyond individual-level development and accounts for limitations in the environment, will enable LAI to contribute to more sustainable improvements in HRD systems

The LAI Phase II Formative Review highlighted the limitations due to predominantly targeting individuals as agents of change, and the risk of limited development impact. Additionally, the operating arrangements in Phase II made the program unsuitable to pursue transformational change in GoL policy and systems. The Final Investment Monitoring Report for Phase II also noted the critical importance of accounting for the Laos context in the delivery of program activities, particularly in relation to how the context acts as a brake or barrier to effectiveness and impact.

LAI must ensure that an extended scope to support HRD systems development is matched by program resources, expertise and processes, including governance, that enables support to be effectively delivered. For LAI to work in a complex and dynamic environment, a partnerships approach is needed, together with astute navigation of the political and change environment. This also requires LAI to engage with the inner workings of the government, and to create a culture of learning through monitoring and evaluation that drives adaptation and effectiveness over time.

Lesson 2: LAI can build on successful inclusion initiatives and work at the systems level to address limiting and enabling factors for inclusion in the broader context

³⁵ Equity groups and target equity groups are explained in section 8.3 GEDSI and cross-cutting issues.



The LAI Phase II delivered highly successful inclusion investments in women’s leadership, inclusive leadership (men and women), and Laos Australia National Scholarships (LANS). The Leadership for Gender Inclusion Program³⁶, which built on the lessons and experience of two Women in Leadership Program³⁷ deliveries, trialled an engaging with men approach, based on emerging good practice, and a ‘do no harm’ approach. It found that engaging men as allies, as well as exploring how gender norms can be harmful for men and women, is relevant in the Laos context. Similar ‘engaging allies’ approaches could be deployed for all equity groups, consistent with a systems approach that recognises that attention to structures and attitudes is critical for sustained change³⁸.

The LANS stands in contrast to a systems approach in its focus on assistance to targeted individuals³⁹, acting as a form of direct transfer or social safety net rather than engaging with systems improvement. The LANS experience highlighted the importance of supporting equity groups to provide skills and supports across work readiness, employability and life skills, and that failure to provide the right balance of support can impede potential gains.

Across various inclusion investments there are recurring lessons about the need to design approaches that fit in with the reality of participants lives, especially in the timing and location of training opportunities. These lessons point to the need to invest across the spectrum of change from access, to targeted support, to systems reform, as well as the need to build support from employers, families, and communities. In the LAI context this also speaks to the need to ensure that inclusion investments and activities add up to a reinforcing and coherent suite of contributions to inclusive HRD.

Lesson 3: A clear focus on outcome level monitoring and evaluation is essential to demonstrate evidence of the benefit delivered

The Formative Review of LAI Phase II cited an absence of outcome-level indicators and targets that made it difficult to determine the sufficiency of changes and results achieved through the investment. In addition, the Formative Review cited near exclusive use of DFAT-facing indicators derived from the Australia Awards Global Monitoring and Evaluation Framework, which clouded the extent to which measured changes were those that mattered most to program participants. LAI Phase III must counter this risk by proposing outcome-level indicators and targets that provide effective measures of progress towards achieving IOs and EOPOs. Establishing baseline values, where relevant, is also essential. LAI requires a robust and well-documented program logic that clearly highlights the move towards working with HRD systems and the enabling political environment while continuing to harness and leverage individual capabilities.

Lesson 4: A ‘demand-based’ model that taps into alumni interests will support stronger engagement

Although impressive growth in alumni activity levels occurred in the latter stages of LAI Phase II, an opportunity exists to shift alumni engagement from an activity-based ‘supply-driven’ model into a ‘demand-driven’ and autonomous model⁴⁰. In the 2021 Laos Australia Alumni Survey, more than half of the respondents indicated that they were interested in becoming active contributors to strengthen the alumni network⁴¹. The Formative Review of LAI Phase II also noted that engagement of motivated individuals in alumni activities is insufficient in the program’s efforts to enable deeper change⁴². Alumni who engaged in development, such as the Women in Leadership program, reported finding themselves inspired to act as a result of the learning, but powerless to implement changes at work – they were in effect ‘operating as isolated islands’⁴³.

A targeted approach that offers access to a well-scaffolded demand-based program of activities, and also considers issues of participation, network building and post activity support, will attract participation by tapping into the motivations and interests of alums, and support their expressed desire to collaborate with others in their sectors⁴⁴.

³⁶ Equity groups and target equity groups are explained in section 8.3 GEDSI and cross-cutting issues.

³⁷ LADLF, Formative Review of LAI Phase II, February 2020, p.24

³⁸ Griffith University, Leadership for Gender Inclusion, Final Report, July 2021, p.47

³⁹ LADLF, Formative Review of LAI Phase II, February 2020

⁴⁰ LAI Phase II Completion Report, March 2021, p.25

⁴¹ Laos Australia Alumni Survey, 2021

⁴² LADLF, Formative Review of LAI Phase II, February 2020, p.17

⁴³ Griffith University, Leadership for Gender Inclusion, Final Report, July 2021, p.7

⁴⁴ Laos Australia Alumni Survey, 2021


2.5 Design Methodology

This Program Design Document was produced as part of a design-implement delivery contract for the LAI Phase III program. The PDD was developed by a Design Team, in partnership and under the guidance of the Australian Embassy in Vientiane, through an extensive process of stakeholder consultation, policy dialogue with GoL partners, and workshopping with LAI program staff. In-country consultations were conducted during the design mission with the following organisations and groups, including the Ministry of Education and Sports, the Ministry of Planning and Investment, Ministry of Home Affairs, Ministry of Foreign Affairs, Ministry of Labour and Social Welfare, Ministry of Finance, Ministry of Industry and Commerce, Ministry of Energy and Mines, National Academy of Politics and Public Administration, Committee of External Relations of the Central Committee of Lao People's Revolutionary Party, Lao Women's union, Lao People's Revolutionary Youth Union, National University of Laos, GIZ Vocational Education Lao team, Asia Development Bank, The Asia Foundation, Lao-Singapore Cooperation Centre, LuxDev, World Bank, US Embassy in the Lao PDR, Lao National Chamber of Commerce and Industry, the Australian Chamber of Commerce and Laos Australia alumni. Key findings that have been reflected in the design content and approach is provided below.

The design-implement model offers DFAT access to commercial intelligence to design practical approaches to development in complex and dynamic contexts. For this reason, the design process operates closely and in parallel to program operations, to ensure the end result reflects a balance between best development practice; customisation of approach based on the nuances and political economy of the implementation environment; and deep understanding of the practical implementation risks that can readily derail plans and ambitions. The design approach is well grounded in the context and has considered the strategic and policy environment through a situation analysis, extensive literature review and evidence gathered (including through surveys). This ensures the PDD reflects a defensible, evidence-informed approach to guide LAI Phase III program operations and deliver clear and relevant goals and outcomes.

Summary of design findings:

- 1) **Highly regarded Australia Awards Scholarships (AAS):** The design consultations affirmed the value of long-term scholarships in building Laos' human resource capacity; showcasing Australian expertise; promoting Australian education; and strengthening people-to-people links between Australia and Laos. New AAS graduates are seen as bringing the capabilities needed to fulfil senior leadership roles: Director General, Deputy Director General and Director of Division levels. Requests for continuing access to AAS were made by most partners, with some specifying priority fields of study most relevant to their sectoral needs.
- 2) **Civil service capacity development:** The design consultations confirmed the development of civil service capacity as a current and ongoing priority, and was spoken about in relation to:
 - a) 'Right sizing'
 - b) Building self-sufficiency
 - c) Addressing the need for capable leadership
 - d) Capacity for international engagement, particularly in relation to Laos PDR being host and Chair of the ASEAN Summit in 2024.
- 3) **Varying levels of capacity and progress in advancing the National Human Resource Development Strategy (NHRDS):** During the consultations, Ministry and Party organisations acknowledged the clear NHRDS mandate, and spoke to varying levels of capacity and progress in relation to NHRDS implementation.
- 4) **Requests for support in development of core skills for NHRDS implementation:** The design consultations identified a clear need for skills development related to planning, management, monitoring and evaluation of HRD at Ministry and Party organisation level. Many made direct requests for LAI assistance to develop of core skills including HRD Planning, project management and plan implementation, HRD plan monitoring and evaluation, data analysis and research and human resource management.
- 5) **Requests for ongoing access to LAI workforce planning training:** The existing training product piloted and delivered by LAI in Phase II remains in demand and was requested by MOES, MOHA, MPI, MOLSW and MOIC. LNCCI and NUOL also referred to the broad need for better workforce planning at all levels in the labour market.

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- 6) **English language skills positioned as an essential skill for senior Government officers:** The capacity for English language is seen as an advantage with Australia alumni being well positioned to represent Laos in international fora. Ten of the 13 Government organisations consulted made specific requests for English language training support as essential for:
- Accessing Australian scholarships and training opportunities
 - International engagement for trade and diplomacy
 - International engagement for access to technology and research.
- 7) **Varying openness and ‘entry points’ for development partnership with LAI:** The consultations identified many ‘entry points’ for working partnerships with LAI that could go beyond transactional provisions and have more potential for transformation. These include opportunities to partner with GoL to strengthen HRD systems; develop GEDSI and leadership capacity; and strengthen policy writing or related research.

3 Strategic Intent and Rationale

3.1 Strategic Rationale and Policy Objectives

As long standing bilateral and regional partners, Australia’s development assistance to Laos builds on a consistent historical focus on the capacity of people, and the strength of institutional systems as key enablers of social and economic development. The Aid Investment Plan (AIP) for Lao PDR (2015/16 to 2019/20) acknowledged Laos’ strong economic progress since the introduction of market-based reforms in the 1980s, and the impact this was having on standards of living for Lao citizens. The resources sector, led by mining and hydropower, was recognised as the engine room for growth and trade, although the AIP also acknowledged that benefits of development have not been shared equally, and that more investment was needed to broaden Laos’ economic base.

The AIP aligned Australia’s development focus to three objectives: basic education; human resource development; and a stronger trade regime and more competitive private sector. To ensure Australia’s development assistance could deliver maximum benefits to these objectives, the AIP also noted GoL mutual obligations (increasing budget proportion of educational funding) and intention to run out investments in rural development. The second of these objectives – human resource development – was embedded in the LAI Phase II investment (2017-2021), central to the CDRP, and remains core to LAI Phase III⁴⁵.

The COVID-19 pandemic has dramatically changed the implementation landscape and the immediate priorities for Australia’s development assistance to Laos. Nonetheless, Australia’s commitment to stability and economic growth and recovery maintains a focus in access to basic education and investments in HRD as drivers of inclusive growth. The CDRP makes clear Australia’s intention to continue to invest in people through scholarships, training and other learning and development, and to support Laos to advance governance reform. This is underpinned by Australia’s enduring commitment to gender equality and social inclusion by mainstreaming across all investments, and targeted support for women’s leadership and disability inclusive development⁴⁶.

The COVID-19 pandemic, and the social distancing and border protection measures, has served to highlight the need for more localised approaches to resourcing investments, and the judicious application of online and remote technologies to maintain engagement in development activities. The investment in LAI represents an important and continuing avenue for policy dialogue and strengthening GoL systems and capacity to advance human resource development needs, and this is fundamental to effective delivery of services to Lao citizens.


3.2 Donors supporting Human Resource Development in Laos

In 2019, the top sources of official development assistance (ODA) to Laos were the World Bank, Japan, South Korea, United States and the European Union. The Peoples Republic of China (PRC) is a major provider of infrastructure and other investment, development financing, and other assistance. Much of PRC economic engagement does not qualify as ODA as defined by the OECD, due to its large loan component, commercial elements, and economic benefits accruing to China⁴⁷. With the more recent focus on regional integration in the

⁴⁵ Australian Government Department of Foreign Affairs and Trade, Aid Investment Plan Laos Program, 2015/16 to 2019/20, p.2

⁴⁶ Australian Government Department of Foreign Affairs and Trade Development for All 2015-2020, Strategy for strengthening disability inclusive development in Australia’s aid program, May 2015

⁴⁷ Congressional Research Service: Laos updated December 2019 www.everycrsreport.com/files/2019-12_13_IF10236_ea52ded2429e38b2187afc4df69546b2d613b365.pdf



draft 9th NSEDP, regional development partners such as ASEAN Plus Six⁴⁸, World Trade Organization (WTO), the Greater Mekong Sub-region and the cooperation framework of the Lancang-Mekong Cooperation (LMC) have gained prominence⁴⁹.

With the advent and consequences of COVID-19, many DPs have adjusted their programs and priorities in Laos to target socio-economic response and recovery, and a variety of development work has proceeded throughout 2020, including the World Food Program which assisted 98 organisations with transport of their people and goods⁵⁰. In this field, Australia will need to act strategically to stand out and be noticed.

In October 2021, the World Bank affirmed the ongoing need for structural reform in Laos to support inclusive sustainable national development⁵¹. The World Bank and the EU, supported by Australia, provide a suite of public finance management (PFM) assistance to the Ministry of Finance (MOF). The World Bank also provides technical assistance to the MOHA to support the 'right sizing' of the civil service. Each year, the Laos Singapore Cooperation Centre (LSCC) offers a range of short courses to civil servants, based on regionally identified needs and consistent with their ASEAN integration framework.

The Asia Development Bank (ADB), German Agency for International Cooperation (GIZ), the Japan International Cooperation Agency (JICA) invest in TVET and university strengthening. ADB also supports the design of labour market supply and demand systems for analysis, assessment and reporting (including a Labour Market Information System (LMIS)), and public-private sector dialogue. In 2010, JICA established the Lao-Japan Human Resource Cooperation Center at the National University of Laos, to focus on the private sector and scholarships for Lao government officials to study masters and doctoral degrees at Japanese universities.

The Asia Foundation (TAF) is active in a range of sectors and was a successful partner in activities with LAI Phase II, bringing strong research capability and experience in the disability sector. As an initiative within the LANS activity, TAF supported the development of 'soft skills' curriculum and training for university students, and confirmed interest in continued collaboration with LAI on similar activities through the design consultations.

3.3 Development Coordination

All development projects are approved by the Ministry of Planning and Investment (MPI). Australia's support through the LADLF included development of an electronic database of donor projects to be managed and maintained at MPI Department of Planning⁵². Development projects by foreign partners also need MoFA approval. The National Round Table Process, including a High-Level Round Table Meeting (HLTRM) and an annual Round Table Implementation Meeting (RTIM)⁵³, is led and coordinated by MPI and chaired by the Prime Minister, and is the GoL's coordination and reporting mechanism for the majority of development projects and the central mechanism to progress NSEDP goals. The process brings governments, national development agencies, United Nations bodies, civil society organisations and the private sector together to discuss and coordinate development efforts and define priorities. A sitting of the HLTRM which aimed to promote coherence and multi-stakeholder partnerships for implementation of the 9th NSEDP during COVID-19, was due in November 2020 but was tentatively rescheduled to November 2021.

The Round Table process includes 10 Sector Working Groups (SWGs) to coordinate actions in thematic areas: health; education; governance; infrastructure; macroeconomics; trade and the private sector; mine action; illicit drug control; agriculture and rural development; and natural resource management and the environment. The Education and the Governance SWGs are most directly relevant to LAI, and represent mechanisms for influencing the policy agenda⁵⁴:

- The Education SWG is chaired by the MOES, with Australia and the European Union as Co-Chairs
- The Governance SWG is chaired by the MOHA and the Ministry of Justice, with the United Nations Development Program (UNDP) and Swiss Agency for Development and Cooperation (SADC) as Co-Chairs.

⁴⁸ ASEAN Plus Six includes the ten ASEAN members plus Australia, China, India, Japan, New Zealand and South Korea.

⁴⁹ See http://www.xinhuanet.com/english/2021-01/20/c_139683591.htm


⁵⁰ <https://reliefweb.int/report/lao-peoples-democratic-republic/2020-progress-report-lao-pdr- united-nations-partnership>

⁵¹ <https://www.worldbank.org/en/country/laos/overview#1>

⁵² LAI understands that the HRD Office has requested but not yet received information from the donor database.

⁵³ The last RTIM was held in 2019: <https://rtm.org.la/resources/2019-round-table-meeting/> lists relevant documents in the public domain.

⁵⁴ During the design phase of LAI Phase III, an informal request was made to LAI to support the development of a terms of reference for a potential HRD SSWG. s



As a development partner, Australia's efforts are subject to Lao PDR published guidelines⁵⁵, to be applied by DPs to maximise impact and effectiveness and ensure that development supports the government's own policy priorities and implementation plans. DPs are expected to partner with GoL agencies as beneficiaries, based on mutual trust and shared accountability, while coordinating to increase the use of local procedures for implementation and build long term capacity for system development, including through 'learning by doing'.

3.4 Gender, innovation and cross-cutting themes

3.4.1 GEDSI

COVID-19 has exacerbated gender inequality, especially in terms of reducing women's economic participation and increasing gender-based violence. COVID-19 has also increased vulnerability for those who were already marginalised, especially people with disabilities⁵⁶. Australia's Partnerships for Recovery Strategy commits to protecting the most vulnerable, and investing in the economic participation of women and girls and people with disabilities⁵⁷. It recognises that 'inclusive and equitable economic growth is essential for strong communities, social cohesion and economic resilience'⁵⁸.

DFAT's Laos CDRP similarly commits to supporting the most vulnerable, acknowledging that women, people with disabilities, and ethnic minorities are at increased risk of poverty due to the pandemic. While mainstreamed across all investment, the focus is particularly noted in the context of education, women entrepreneurs, human resource development, and women's leadership⁵⁹. This aligns to Australia's strong standing in Laos as a champion of gender equality, disability and social inclusion and the way that Australia's commitment to gender equality and disability and social inclusion enhances Australia's reputation in Laos, which is a key part of Australia's value proposition as a partner of choice. The Australia Awards Global Strategic Framework (2021-2024) also reinforces equity as a 'story of value' for Australia Awards and identifies gender equality and women's empowerment as a priority area. Enabling strong equity of access across genders and for people with disability, in rural and remote locations, and from ethnically diverse and minority groups is an ambition articulated within Objective 3 of the Framework⁶⁰.

Lao PDR 9th NESDP includes priorities related to promoting and creating opportunities for women, the disadvantaged and people with disability to enjoy and contribute to development. It includes targets related to women's leadership and representation, including in the civil service. Priorities include increasing employment opportunities and workforce participation for women and promoting and creating development opportunities for disadvantaged people and people with disabilities⁶¹. Laos' NHRDS has similar commitments for women's participation.

3.4.2 Innovation

Combining LAI and LADLF streams at the same time that concerted attention is given to inclusive HRD is critical to COVID-19 recovery and is an opportunity for innovation and deepened partnerships between Australia and Laos. Increased regional investment, including through the MAP, is an opportunity for DFAT in Laos to showcase innovative deployment of human resource investment, including through Australia Awards, in service of strategically important bilateral and regional interests. The reality of COVID-19 also continues to drive innovation, especially in relation to new forms of virtual engagement and networks.

Repositioning and strengthening LAI's partnerships-based approach to program delivery represents a step up in intention, and an opportunity for innovation through program delivery that is sensitive and responsive to a complex political economy. LAI's comprehensive MERLA system, that repositions learning and adaptation as central program management components, will reinforce and enable adaptivity and vigilance to direct program resources to deliver outcomes of benefit to Laos and Australia.

⁵⁵ Government of Lao PDR, Ministry of Planning and Investment (2017) Programme Based Approach: An application guideline in the Lao PDR, p.3-4

⁵⁶ DFAT Partnerships for Recovery- Australia's COVID-19 Development Response p.2


⁵⁷ DFAT Partnerships for Recovery- Australia's COVID-19 Development Response p.11

⁵⁸ DFAT Partnerships for Recovery- Australia's COVID-19 Development Response p.12

⁵⁹ DFAT Laos COVID-19 Development Response Plan p. 4

⁶⁰ DFAT Australia Awards Global Strategic Framework 2021 – 2024 p. 8

⁶¹ Laos PDR 9th National Socio-Economic Development Plan (2021-25) Output 3 p 64



The program operationalises the partnerships approach in an innovative way across all GoL and delivery partners, including through the governance system. This aims to ensure programming decisions are made with (not for) GoL partners, and that delivery partners get to know the context and bring the best of their capabilities to support longer term program activity delivery. Innovation is built into the approach to practical activity design to strengthen equity outcomes (e.g. pre-application English language Equity Pathways for AAS); to connect alumni networks and drive engagement (e.g. Alumni360); to build robust performance and data systems that support analytical capacity and provide data visibility for DFAT and LAI (e.g. MIS and PowerBI dashboard); to build adaptation and rigour into program management (e.g. MERLA system); to deliver efficiencies and leverage the expertise of delivery partners (through a provider panel); and expand LAI's capacity to promote achievements and build a strong brand (e.g. intensified social media presence). The effective functioning of the MERLA system and associated practices will be the primary vehicle for ongoing innovation, enriched by local knowledge, to deliver practical strategies.

3.4.3 Climate change

Lao PDR is recognised as being vulnerable to future impacts of climate change due to a combination of political, geographic and social factors. Climate change threatens to undermine the development gains and prospects of Laos with serious consequences for economic development, human capacity, poverty reduction, social inclusion and environmental sustainability. Lao PDR's Second National Communication to the United Nations Framework Convention on Climate Change (NC2) (2013) identified the impacts of climate change to be particularly important to the country's water and forestry resources, agriculture, energy, and health sectors. In 2016, Lao PDR ratified its Nationally Determined Contribution, (NDC) to the Paris Climate Agreement and launched in climate change action plan⁶². Lao PDR's 9th NSEDP prioritises systematic mainstreaming of climate change adaptation and mitigation to sectoral and development plans, and strengthening capacities in disaster prevention and management.

Changing environmental conditions are already being felt across Laos, particularly floods, extended dry seasons, heatwaves, and increasingly frequent natural disasters. World Bank modelling shows trends of consistent warming and an increased intensity of heavy precipitation periods and extreme weather events through to 2100⁶³. Without action, the population annually exposed to river flooding is projected to double to over 80,000 people by the 2030s – however flooding impacts could be even greater as the potential for increased loss and damage from flash flooding and landslides is poorly understood⁶⁴. Rises in annual maximum and minimum temperatures are expected to be more rapid than the rise in average temperature and will likely amplify pressure on human health, livelihoods, and ecosystems⁶⁵. Increasing incidents of extreme heat represent a major threat to human health, with the predominant agricultural workforce (45.4% employment, 2017) particularly vulnerable. With increasing and rapid urban migration, urban populations are also becoming more vulnerable.

Strengthening climate and disaster resilience will require a multi-pronged approach that draws on a range of expertise across sectors, while ensuring any approach is both gender sensitive and socially inclusive given the disproportionate effect on high risk groups including women and children. Increasing inequality, exacerbated by the COVID-19 pandemic, further amplifies the impacts of climate-related disasters⁶⁶.

⁶² Lao PDR (2013). Second National Communication to the UNFCCC. URL: <https://unfccc.int/sites/default/files/resource/Laonc2.pdf>

⁶³ WBG Climate Change Knowledge Portal (CCKP, 2020). Climate Data: Projections. URL: <https://climateknowledgeportal.worldbank.org/country/laos/climate-data-projections>

⁶⁴ [15505-Lao PDR Country Profile-WEB.pdf \(worldbank.org\)](https://climateknowledgeportal.worldbank.org/sites/default/files/2021-06/15505-Lao%20PDR%20Country%20Profile-WEB.pdf)

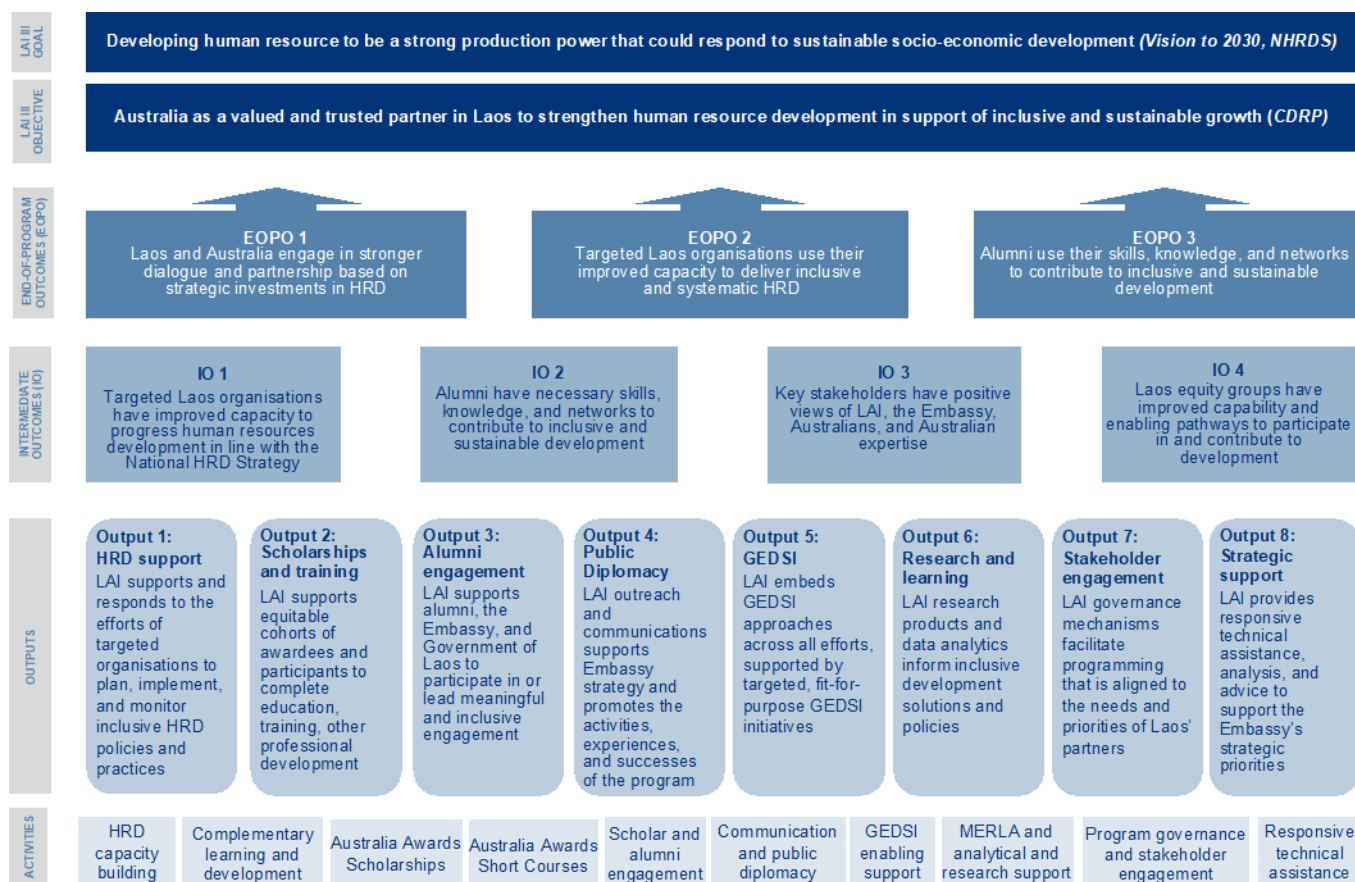
⁶⁵ <https://climateknowledgeportal.worldbank.org/sites/default/files/2021-06/15505-Lao%20PDR%20Country%20Profile-WEB.pdf>

⁶⁶ The 9th Five-Year National Socio-Economic Development Plan (2021-2025)

4 Proposed Outcomes and Investment Overview

4.1 Program outcomes and logic

Figure 1: LAI Phase III Program Logic*



*Note: the program logic has been updated with minor changes.


LAI will strengthen DFAT's reputation in Laos by increasing Australia's visibility at mid-career and senior levels of Government as a trusted source of advice and capacity building in HRD. This is reflected in the goal of LAI Phase III: *Developing human resource to be a strong productive power that could contribute to sustainable socio-economic development (Vision to 2030, NHRDS)* and Objective, *Australia as a valued and trusted partner in Laos to strengthen human resource development in support of inclusive and sustainable growth (CDRP)* which will both be pursued through three end-of-program outcomes (EOPOs):

1. Laos and Australia engage in stronger dialogue and partnership based on strategic investments in HRD
2. Targeted Laos organisations use their improved capacity to deliver inclusive and systematic HRD
3. Alumni use their skills, knowledge, and networks to contribute to inclusive and sustainable development

These three EOPOs set longer-term objectives to be pursued over the initial four years (2021-2025) and potential four-year extension (2025-2029). They aim to position LAI as the leading institute for HRD in Laos, moving to strategically work with HRD systems and the enabling environment while enhancing individual capabilities.

To achieve these EOPOs, LAI will first make progress towards four intermediate outcomes (IOs):

1. Target Laos organisations have improved capacity to progress human resource development in line with the National HRD Strategy
2. Alumni have necessary skills, knowledge, and networks to contribute to inclusive and sustainable development
3. Key stakeholders have positive views of LAI, the Embassy, Australians, and Australian expertise
4. Laos equity groups have improved capability and enabling pathways to participate in and contribute to development



To achieve these IOs, LAI has structured eight outputs that are complementary and interrelated. At all levels (outputs, IOs, and EOPOs), LAI will engage with GoL partners, to the extent possible, to ensure activities strongly align to a shared vision.

4.2 Procurement and Partnering

As a design-implement program, the delivery of LAI is in two phases: a design phase during which this Program Design Document (PDD) and other program requirements are delivered; and an implementation phase, (1 January 2022 to 30 June 2025) where the Managing Contractor will progress to implement all aspects of the PDD after formal DFAT approval.

The Australian Embassy in Vientiane will manage the program through a team of two A-based and three locally employed staff.

In accordance with the Head Contract, a contract amendment will reflect the practical implementation requirements as defined in a Statement of Requirements. The basis of payments will link management fee payments to a combination of milestone deliverables, and Partner Performance Assessment ratings with a scaled 'at-risk' component of fees linked to actual ratings achieved.

4.3 Delivery Approach

4.3.1 Political Economy Implications for Program Delivery

LAI will rely strongly on the policy dialogue and diplomatic relationships nurtured by the Embassy. Well targeted policy dialogue can create permissions to work with new partners, and open opportunities to engage in sensitive issues such as GEDSI. Reciprocally, LAI can support this effort by elevating policy issues to the Embassy as they emerge and delivering needed support that brings benefit and affirms the value of the partnership.

4.3.2 Operationalising the Partnerships Approach

As a long standing, reputable and recognised brand in Laos, further investment in LAI into Phase III represents an opportunity to consolidate the strong HRD contributions made in Phases I and II, and to further leverage the reputation and trust in LAI as a partner in HRD. With a strong skills base through a localised team, operation out of a visible and well-known facility, and strategic relationships in place with local suppliers and delivery partners in Laos and Australia, LAI is well placed to scale and refine an extended support offering, while ensuring continuity of core services.

DFAT will deliver LAI through a third-party Managing Contractor, using a flexible program delivery model, with a proportion of flexible funding in the annual budget to allow LAI to be responsive to emerging opportunities. The requirement for flexibility and responsive capacity reflects the dynamic nature of the context which requires LAI to exercise judicious opportunism in pursuit of development activities, alongside delivery of a more standardised and predictable suite of development activities (e.g. AAS).

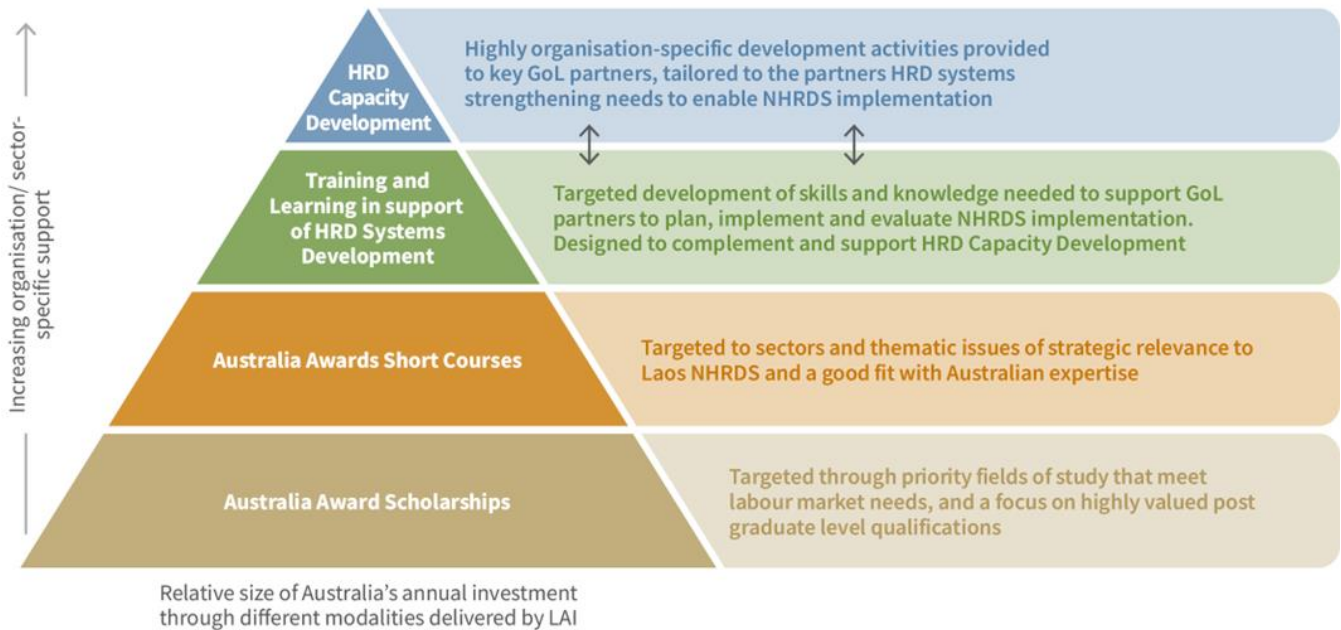
Programming is guided by the LAI Goal, Objective and EOPOs as LAI's 'north star', and embedded into a strongly adaptive process that draws on MERLA and other sources of data (including stakeholder engagement) to define activity-level priorities that best reflect a balance between demand, value for money, and alignment with the strategic interests of Australia and Laos.

LAI will apply multiple modalities to deliver HRD outcomes in Laos through AAS, AASC, training and learning, and organisational and systems capacity development that strengthens civil service capacity to equitably implement the NHRDS. This focus is a good fit between Australia's strong education system, and intention to deliver targeted and sustainable results that support Laos strategic and economic development priorities (Figure 2). A stronger civil service is foundational to Laos's post COVID-19 economic recovery and essential to advance the reforms needed to enable equitable growth.

The LAI investment is founded on a partnerships approach with GoL Ministry and Party organs, key stakeholders, and delivery partners as the primary means through which opportunities for targeted support can be identified and delivered. As a program operating in a complex political economy, a partnerships approach acknowledges the critical importance of relationships, trust, and confidence in LAI as a reliable and quality HRD partner. As partners

experience the benefits of the support provided by LAI, the opportunities to build dialogue and development support provided by LAI will expand.

Figure 2: LAI delivery modalities and how they are targeted to support Laos NHRDS implementation



The notion of 'entry points', coupled with a whole systems approach, is essential to navigating and contributing to development in a complex political economy. Entry points are the presenting opportunities, irrespective of size or scope, identified through dialogue or partner request for the provision of development support through LAI. As a general principle, decisions to provide development assistance will be made based on the alignment of activities with LAI's goal and outcomes; opportunity to advance LAI's GEDSI ambitions; partner adsorptive capacity; available LAI resourcing; and commitment to shared accountability for key deliverables and outcomes.

LAI will approach development assistance at two levels simultaneously:

1. **Transactional** activities that position LAI as a 'provider' of learning and development services. Engagement with partners is 'transactional' in the sense that support is provided in response to specific needs or direct requests, which LAI fulfils. Typically, transactional engagement is through short-term activities delivering predominantly individual-level outcomes.
2. **Transformational** activities position LAI as a 'development partner' enabling LAI to bring expertise and resources to support partners to address organisational and/or systems level change as a longer-term development project. LAI transformational activities will include providing technical assistance to strengthen HRD systems, including policies, planning and evaluation, and support the people who manage and implement HRD plans.

Partner work may have a transactional starting point, with the intention that ongoing dialogue and a growing sense of the benefits gained through partnership with LAI will lead to opportunities for more substantive transformational activities that contribute to longer term, sustainable change and deeper partnerships. Agreements for development assistance will be scoped, documented, and formalised if required, to specify performance, resourcing and outcomes expectations, and roles and responsibilities of LAI and the partner organisation. LAI governance systems will play a critical role in ensuring that development assistance is well directed.

The LAI design consultations resulted in the identification of multiple entry points with target Ministry and Party organs. LAI governance system applies a tiered categorisation for different kinds of partner relationships that may evolve over time. The priority 'Tier 1' partners as defined are the focus of LAI and will be direct beneficiaries of development support offered.

Table 1: Target analysis of Government of Lao PDR partners, based on two-tier classification

Tier	Description	Government	Party
1	<ul style="list-style-type: none"> • Strategic partner with strong existing relationship • Expectations of partnership and access to LAI support • Entry points for transactional and transformational HRD 	Ministry of Education and Sport (MOES)	Committee for External Relations (KM6) National Academy of Politics and Public Administration (NAPPA)
1*	Emerging Tier 1 priority partner	Ministry of Home Affairs (MOHA)	N/A
2	<ul style="list-style-type: none"> • Strategic sector for the Embassy • Some existing relationship and openness to potential partnership • Clear transactional entry points • Potential transformational entry points for HRD systems development yet to be identified and scoped 	Ministry of Planning and Investment (MPI) Ministry of Energy and Mines (MEM) Ministry of Labour and Social Welfare (MOLSW) Ministry of Industry and Commerce (MOIC) Ministry of Finance (MOF) Ministry of Foreign Affairs (MOFA) National University of Laos (NUOL)	Lao Women’s Union (LWU) Lao People’s Revolutionary Youth Union (LYU)

Consistent with LAI’s integration of MERLA across all activities, collaborative monitoring, evaluation and critical review of progress will build up a shared base of evidence and learning about the effectiveness and results of activities, and how to sustain desired changes. Indicators and monitoring protocols will be established and agreed between LAI and the partner at the outset. This adaptive approach allows for an iterative implementation process that accepts the dynamic and unpredictability of the context, builds on lessons learned and adjusts the approach accordingly.

LAI will integrate public diplomacy as a key part of all HRD systems development to showcase successes and reinforce the legitimacy of activities and support the development of a learning culture. This will include supporting the Embassy and partner organisation officials to make public statements about the benefits delivered and how they will be sustained.

4.3.3 Integrated, Multi-disciplinary Approach to Implementation

As a matter of best practice, and to ensure value in the delivery of activities across all modalities, LAI will apply a multi-disciplinary and integrated approach to activity implementation. The LAI Program Logic lays out a set of discrete activity ‘buckets’ which can stand alone, but which are at their strongest when applied strategically at key points in the ‘end-to-end’ activity delivery process. This makes best use of the range of technical capabilities in LAI, and ensures that key cross-cutting practices are embedded to best effect within all activities and across all program operations

5 Program Governance System

The LAI governance system is designed to operationalise strong and continuing stakeholder engagement that develops trust and gains the confidence of GoL partners in LAI as a reliable and high-quality partner in HRD (Figure 3). The governance process is founded on an intent to build relationships and partnerships between DFAT, GoL and LAI to enable delivery of responsive and context-informed programming. Embedded in the annual planning cycle, governance activities will facilitate joint Laos-Australia assessment, decision making, approval and periodic review of progress in the delivery of LAI program activities.

Figure 3: Principles of operation of the LAI Governance System

The LAI Governance System...

Supports *outward facing engagement*:

- Formalises the partnerships-based approach through strong and continuing stakeholder engagement
- Facilitates joint decision making to determine program priorities
- Ensures alignment of program activities to Lao PDR and Australia’s strategic priorities
- Enables identification and dialogue of emerging HRD policy issues.

Enables *inward facing efficiencies*:

- Enables LAI programming to be context-driven and responsive
- Facilitates approval of the LAI Annual Plan and budget
- Supports critical review of progress and outcomes, and identification and mitigation of risks
- Facilitates coordination across all program activities and functions.

High levels of permission and trust are required to access people, information, and opportunity for LAI to support HRD systems strengthening and engage sensitively with complex GEDSI issues relevant to GoL, as well as equity issues not clearly on GoL’s radar. The governance system will: secure high-level strategic endorsement and alignment of LAI activity with Australia’s foreign policy priorities and the GoL NHRDS through a **Program Steering and Management Committee (PSMC)**; assess and prioritise requests and emerging opportunities for HRD support through a **Project Implementation Group (PIG)**; and embed approved activities into the LAI annual planning cycle for resource allocation, implementation, monitoring and evaluation of progress (Figure 4).

Figure 4: Overview of key responsibilities for governance processes




5.1 Project Implementation Group

The PIG will be convened twice-annually by LAI Program Director and Embassy Program Managers, to assess and prioritise new and continuing HRD capacity development activities to confirm the LAI Annual Plan. Membership of PIG will include up to eight individuals, predominantly from Tier 1 partners, who may fulfil long or short-term roles, depending on the expectations of partners and the technical nature of the deliberations to be undertaken.

Figure 5: How governance processes are embedded in the annual planning cycle





Importantly, PIG members are invited to support LAI as a technical professional who can support LAI's efforts to effectively direct limited resources to the most beneficial activities. Ideal PIG members include Tier 1 partner representatives and prominent Australia alumni, and Tier 2 partners who may benefit from understanding the scope of activities supported by LAI. Once established, the PIG will be monitored and evaluated for efficiency and effectiveness to inform evidence-based improvements to all aspects of the PIG process. Membership, tenure of membership, and any other arrangements associated with participation in PIG events will be jointly determined by LAI and the Embassy in consultation with GoL partners. Consideration must also be given to how members will be supported and prepared to maximise active and engaged participation and contribution at PIG events. All details will be reflected in the PIG Terms of Reference, which will be revised from time to time to adapt based on lessons learned and opportunities for improvement.

The October PIG meeting will be a substantial workshop-style event, where the PIG will undertake a series of facilitated activities to analyse, assess and prioritise new and emerging HRD capacity development activities (based on concept notes) proposed for inclusion in the LAI Annual Plan. The assessment will be made using a purpose designed strategic assessment tool which will consider:

- Required budget and resources
- Alignment and strength of contribution to NHRDS priorities and LAI Program Logic
- Extent and strength of opportunity for integration of target GEDSI activities, and the extent to which they support different equity groups
- Likelihood of activity generating results that can be sustained
- Commitment, capacity, resourcing and readiness of GoL partner
- Implementation risk and mitigation, including potential for slippage of timelines
- Assessment of value for money based on DFAT's criteria
- Risk and performance-based criteria that are relevant to assessing progress and determining ongoing support.

Where activities exceed available funding, PIG will produce a prioritised list of recommended activities. The LAI Program Director will integrate recommendations into the LAI draft Annual Plan for submission to DFAT and elevation to the PSMC.

The May/June PIG meeting will focus on mid-cycle review of the active Annual Plan, with embedded capacity to consider and make recommendations regarding adjustments to existing or the introduction of new activities. LAI will facilitate the meeting to focus on emerging risks, delays, and emerging lessons learned to highlight needed adjustments to programming. LAI is also responsible for engaging with the Embassy to secure approval for changes to the Annual Plan as part of the usual program management process.

5.2 Program Steering and Management Committee

The core function of the PSMC is to review and endorse the final LAI Annual Plan (submitted to DFAT by 1 December). The PSMC will be convened annually in December by the Embassy, with subsidiary partners, MPI and MOES. LAI will provide secretariat support, including managing logistics and organisation of events, communication, and provision of detailed analysis as required to facilitate review and approval.

The detailed review of the Annual Plan prior to formal approval will be undertaken through a pre-PSMC meeting between LAI, Embassy program managers, and senior delegates from MPI and MOES. The pre-PSMC meeting will be led by LAI and will break down and analyse the components of the Annual Plan and the recommendations of the PIG, and make explicit links to the LAI Program Logic and NHRDS objectives and priorities. The LAI Annual Plan will be endorsed through a formal 'endorsement' event, between the Australian Embassy (HOM or DHOM level), MPI and MOES (Minister, Vice Minister or DG level). The event represents a public diplomacy opportunity and a demonstration of the partnership between the Australian and Laos Governments. If the PSMC cannot be convened, the Embassy will formally approve the plan in accordance with usual program contract and governance arrangements.

6 Program Management

6.1 DFAT Management Arrangements

The ongoing partnership between LAI and DFAT is a critical success factor for LAI, and will ensure LAI programming maintains alignment with Australia's strategic interests in Laos and in the ASEAN region. This extends to Embassy support for the governance and annual planning processes, provision of strategic guidance, and support for LAI events and activities. With the benefit of working relationships and direct experience with GoL partners, LAI can be a trusted source of advice and insight to support DFAT's varying development interests. Regular attendance at and inputs to LAI activities and events by DFAT senior staff at the Embassy, and visiting Australian officials and corporate leaders, will re-affirm Australia's commitment to its relationship with Laos, and encourage networking and multi-level relationship building.

6.2 Key Functions and Organisational Structure

LAI will be led by a full-time Program Director located in Vientiane, supported by a suitable mix of personnel covering technical expertise in HRD, MERLA, GEDSI, scholar and alumni engagement, partnership management, as well as appropriate administration and coordination personnel. The resource arrangements will deliver all technical functions, and where possible, use local and regional technical resources. A strongly localised operations team will ensure program skills are developed and sustained in Laos. An indicative organisational structure is outlined below.

6.2.1 Delivery Partners and Technical Assistance

Targeted use of delivery partners, including individual Technical Assistance (TA) and organisations (local, regional or Australian universities or RTOs) will be essential to enable LAI to draw on and quickly mobilise expertise to enable delivery of key activities. The scope and requirements for delivery partners and TA will adapt over time and depend on the mix of technical capabilities across the LAI team, the needs of the Embassy, and the activities to be delivered as defined in the LAI Annual Plan.

LAI will apply the partnerships approach to how delivery partners (individuals and organisations) are engaged to support activity delivery. This aims to find ways in which partners are engaged to deliver multiple activities over time so they get to know the program and context, and become known to GoL partners, building Australia's brand and reputation. Delivery partners will be invited to support LAI to adapt and improve programming over time. This approach also means that LAI will have access to a broader range of partner capacities, compared to a one-off engagement.

To enable LAI to readily access needed assistance, a **pre-qualified pool** may be established. It would be periodically refreshed and managed to include appropriately qualified and experienced local, regional and international professionals and organisations. Establishment of this pool would be based on assessed suitability to effectively meet the ongoing and emerging needs of the Embassy and LAI. Performance and contract management of partners and TA will be consistent with DFAT requirements. LAI will apply best practice HR management approaches when engaging TA, including: due diligence and effective screening at recruitment; provision of clear guidance on key responsibilities, deliverables, reporting, accountability and quality assurance arrangements; maintaining effective records in relation to performance of key responsibilities; and periodic formal performance review.

6.3 Program Planning and Reporting

The LAI annual planning cycle is the primary mechanism through which this design is interpreted and operationalised over the life of the investment. The cycle is aligned to the calendar year, with key activities to be conducted to deliver an evidence-informed and endorsed Annual Plan:

- The LAI annual planning cycle will commence in September when the MERLA system will be activated to enable critical review of implemented activities and internal strategic planning. A co-design workshop will also be held with the Embassy to identify technical support needs and guide engagement of key partners. A draft Annual Plan will be reviewed at the October PIG workshop, which will result in a final draft to be submitted to DFAT for feedback. GEDSI activities will be clearly identified to reduce the risk of siloed approaches and strengthen the focus on GEDSI in reporting.

- Once a final Annual Plan has been submitted and endorsed by the PSMC, LAI will undertake detailed design for implementation, scheduling and resource allocation; risk management and safeguarding; and identification of monitoring, evaluation and data capture requirements.
- LAI will continue to support and participate in the annual **National HRD Dialogue** (or equivalent) and will bring relevant information into annual planning, including identification of opportunities to partner with other donor organisations, and opportunities for coordination based on knowledge of where others are working and where needs are emerging.
- Throughout Annual Plan implementation, DFAT and LAI will meet monthly to facilitate review, discussion and reporting on plan progress, and adapting program activities as required. The review and adaptation process will be enhanced by mid-cycle PIG convened in May/June.

Formal on-going reporting will be kept simple and timely to ensure it feeds into DFAT planning and assessment cycles. The Annual Report will include all other Reports to reinforce the integrated nature of the program. The timing and structure will be jointly agreed by DFAT and the Managing Contractor, based on an assessment of information needs.

The intention is to align investment reporting with DFAT needs. There are key points in the cycle of each activity where it is appropriate to provide information on progress and results. For example, shortlisting and selection reports for AAS, and AASC and other activities evaluation reports. These brief reports are delivered on a just-in-time schedule agreed with DFAT, who on reflection may seek further ad hoc information. These reports should contain material and infographics that can easily be used for public diplomacy purposes.

Other standard DFAT requirements such as Contractor Performance Assessments will be conducted in line with existing policy. All reports are to be prepared on a sound evidentiary base and delivered to a high literary standard. The Managing Contractor must make clear the intentions of each report, and ensure it is accurate and linked to the LAI Program Logic and demonstrates contribution to IOs and EOPOs. Reports should also assist DFAT in subsequent higher-level reporting obligations.

6.4 Integration of the Mekong Australia Partnership – Human Development Pillar

From an operational perspective, activities under the MAP Human Development Pillar will be fully integrated within LAI operations. In delivery of the MAP, LAI will provide management services for MAP activities through the bilateral program, and will also coordinate the regional delivery of pre-departure and on-award activities for all MAP scholarship awardees. LAI will also support Bangkok post to manage the Thai MAP Scholarships Intake 2022 from the selection stage through to the mobilisation stage.

The resourcing and accountability requirements for MAP delivery are integrated into the overall program structure, resourcing schedule and budget. Delivery will leverage existing LAI procedures relevant to AAS, Short Courses and delivery of other modalities as required. Short Courses will reflect topics and choice of modality that best reflects Australia's bilateral priorities with Laos, and issues of sectoral or regional significance. Where relevant, Short Courses will include participants from other Mekong Region bilateral programs to facilitate regional connections. Additionally, delivery may involve Laos partners beyond those prioritised by LAI, who are identified as strategic for the Embassy.

LAI will work closely with the Embassy on all aspects of planning and delivery of MAP activities, including scoping and co-design; procurement and management of third-party delivery partners; and implementation, monitoring, evaluation and reporting in the LAI Annual Report, and in separate reports as required to meet DFAT's requirements.

6.5 Management Information System

LAI will establish a fit for purpose cloud-based Management Information System (MIS). The MIS will manage data and information and enable analysis of key indicators. The system will be implemented using an Agile Methodology with iterative release of modules over time. The first version of the MIS will be implemented within three months of design approval.

6.6 Year 1 (2022) Priority Activities

Year 1 of the Implementation Phase will consolidate and advance existing commitments such as AAS and HRD systems support to MOES, and to establish program capacity and processes to expand program offerings in AASC, MAP, and GoL HRD capacity development. Support for English language training will also be intensified, and the new Governance system will be established to enrich the LAI annual planning cycle.

Priority activities will also include strengthening program practices and evidentiary base through the establishment of the MIS and MERLA systems; building integrated and 'Practical Inclusion' approaches to GEDSI, communications and public diplomacy across and within program delivery; and implementation of a strategic engagement approach for scholars and alumni to strengthen LAI's downstream influence of development outcomes. In year 1, LAI will prioritise MAP activity consultation, implementation and public diplomacy, and provide support for a range of events delivered by the Embassy to commemorate the 70th anniversary of the bilateral relationship between Lao PDR and Australia.

6.7 Sustainability

LAI Phase III elevates engagement with sustainability by proactively broadening engagement with key GoL partners and extending assistance to organisation and systemic-level development support. By engaging at a policy and systems level, and supporting GoL to more strongly and effectively organise to achieve the NHRDS goals, LAI will leave a legacy that extends beyond present benefits, to include those who are benefited by ongoing policy and systems improvements. LAI's partnerships-based approach is designed to support ownership and self-sufficiency, with LAI working alongside partner organisations to enable, support, guide and advise. LAI will also prioritise training of trainers to support ongoing access to locally-driven learning and development.

By positioning relationship and trust building as a core means of gaining access to opportunities for systemic development, and providing for dedicated local roles (e.g. Partner Relationship Manager) to 'open doors' in what is otherwise a complex political economy, LAI will embed enabling relationships at a local level. In addition, the strong focus on managed localisation of the team will support local capability development and provide for stronger local leadership of LAI over time.

7 Delivery Modalities

7.1 Australia Awards Scholarships

Australia has a comparative advantage in education, particularly tertiary education. Australian universities operate at high international standards – as evidenced by the proportion of Australian universities consistently ranked in the top 100 universities of the Times Higher Education World University Rankings. Not only do Australian universities provide a world class education, they also have rigorous quality assurance systems and responsive student support and pastoral care systems. They are well placed to support international students, including those with disability, and the development of future leaders.

Australia Awards Scholarships (AAS) are highly prized in Laos. Design consultations with GoL stakeholders affirmed the value of long-term scholarships in building Laos' human resource capacity; showcasing Australian expertise; promoting Australian education; and strengthening people-to-people links between Australia and Laos. New AAS graduates are seen as bringing the capabilities needed to fulfil senior leadership roles. The capacity for English language is seen as an advantage with Australia alumni being well positioned to represent Laos in international fora.

The Australia Awards Global Strategic Framework (2021-2024) defines the strategic goals and outcomes of Australia's global investment in current and emerging leaders. The AAS modality is operationalised in LAI in accordance with the Australia Awards Policy Handbook, which is updated annually. LAI will implement all phases of the scholarship cycle (2).

Table 2: Outline of activities across the AAS cycle

Stage	Key activities	Timing
Planning	Confirmation of priority fields of study, country profile, and the number and level of AAS. Design of targeting and promotional strategy and preparation of marketing and promotional materials. Pre-application English language Equity Pathway (Section 7.4.1.1).	October to November
Promotion and targeting	Targeted information sessions, including events targeting equity groups, and university and workplace information sessions. Social media campaign.	December to March
Application	Application submission through Online Australia Awards Scholarships Information Systems (OASIS).	1 February to 30 April
Selection	Verification of eligibility, assessment of applications, English language testing, delivery of longlist, management of fair, transparent and merit-based competitive selection, through the Joint Selection Committee ² .	Typically, May to July
Placement	University placements for awardees.	August
Pre-departure and mobilisation	English for Academic Purposes (EAP) (Section 7.4.1.2). Pre-departure Briefing.	July to December (or May)
On-award	Delivery of a program of on-award activities to complement the academic program (Section 7.5.1).	While scholars in Australia
Reintegration and alumni	Reintegration support. Delivery of a program of alumni engagement (Section 7.5.2).	Once scholars return

LAI will continue to be dominated by Masters level qualifications, given the value of post graduate qualifications in the labour market and the targets set in civil service. Table 3 proposes the mix of levels of study, with targeted and limited support for undergraduate programs of study.

LAI may review and adjust AAS eligibility requirements for English language, increasing the minimum requirements to IELTS 6.0, no sub-band <5.5. However, this will likely have a significant impact on AAS accessibility for equity groups. Risks should be carefully assessed and mitigated, such as by additional investment in pre-application English language Equity Pathway support (Section 7.4.1.1).

Table 3: Indicative mix of AAS, based on 30 awards

Level of Study	Indicative number each Intake	Term (Years)	Eligibility (based on IELTS ³)	Pre-departure academic preparation	Pre-departure English language training	Recommendation
Doctorate	0 to 2	4	6.5, no sub-band <6.0	Yes	N/A	N/A
Masters	25 to 30	2	5.5, no sub-band <5.0	Yes	6-12 months	Maintain as majority of awards.

² Joint Selection Committee is a mature process that brings together representatives from MOES, Departments of Planning and Department of Student Affairs; LNCCI, MPI, Department of International Cooperation, and MOHA, Department of Civil Service. The committee oversee and undertake the selection of successful AAS recipients.

³ IELTS = International English Language Testing System

Level of Study	Indicative number each Intake	Term (Years)	Eligibility (based on IELTS ³)	Pre-departure academic preparation	Pre-departure English language training	Recommendation
TVET (Certificate, Diploma)	0 to 3	<1	5.5, no sub-band <5.0	Yes	6-12 months maximum	Priority given to members of equity groups. Priority given to most relevant subject choices: M&E, project management, HRD, HRM, policy development, governance.

7.2 Australia Awards Short Courses

Australia Awards Short Courses (AASC) are short term awards delivered under the Australia Awards brand. AASCs are usually targeted toward engagement of senior civil servants and officials offering short term, intensive learning in thematic areas of national or regional relevance.

The AA Global Strategic Framework defines AASCs as a targeted program of intensive training for cohorts, provided in Australia or in a partner country (or both). The AASC modality uses Australian expertise in education and training to enhance participants' expertise in areas of strategic importance. The topics of AASCs are determined collaboratively with Laos partners to address a salient development need and complement Australia's diplomatic and bilateral aid efforts.

The use of the AASC modality will be introduced in this phase of LAI. This will require establishment of:

- AASC **configuration options**, including options for delivery in Laos and in Australia (or both), using mixed modalities, in-person and digital platforms, and considering COVID-19 constraints and inclusion implications
- **Participant selection and support**, including equity targets for participant cohorts, nomination or selection processes, and English language and/or translation requirements
- In consultation with the Embassy, the **range of topic areas** to be scoped and developed as AASCs. When needed, LAI will draw on expert TA to scope and design AASCs ready for contracting.
- Establishment of a **pre-qualified pool of providers** (Universities or Registered Training Organisations (RTOs)) relevant to key topic areas, and based on commercial evaluation
- **Internal procedures** to cover logistics; contract and provider management; financial management and activity reporting; formalities required to launch and conclude each AASC; pastoral care and safeguarding; accessibility and inclusion supports and adjustments; and participant recruitment and management.

7.3 HRD Capacity Development with Government of Laos Partners

Targeted and sustainable capacity development will be provided through LAI to support GoL partners to implement the NHRDS and build on improvements over time. Technical support will include:

1. **Individual-level learning, training and development** to build the capability of key staff to design, implement and evaluate HRD plans and initiatives.
2. **Organisational-level development**, targeting organisational procedures, functions, systems and structural changes needed to enable NHRDS planning and implementation, and achieve specific organisational performance improvements and efficiencies.
3. **Systemic-level development**, targeting organisational policies, culture and practices, including leadership, to create enabling environments where HRD improvements can be implemented, and the benefits realised and sustained.

LAI will provide specialist TA to partner and collaborate with key GoL representatives, to define clear outcomes, identify and assess the specific capacity development requirements, and reflect these in relevant concept documents and plans. Where needed, diagnostic and analytical tools will be designed to target development

assistance to achieve desired improvements. Support modalities will also include targeted use of AASCs, workshops, seminars, project-based learning, on-the-job coaching and mentoring, and other learning activities designed to deliver the best possible practical learning outcomes.

An initial concept note will be drafted for discussion and agreement between LAI, DFAT and the partner GoL organisations. Depending on the size and scope of the project, the concept note will be subject to detailed assessment and planning through the LAI Governance process. The concept note will also outline intended outcomes and scope of support, and address how the project will integrate GEDSI, MERLA, and public diplomacy to showcase successes and reinforce the legitimacy of activities.

The design consultations identified a clear need across multiple Government organisations for skills development related to planning, management, monitoring and evaluation of HRD at Ministry or Party organ level (Table 4).

Table 4: Summary of skills needs based on specific requests made during design consultations

Tier ⁶⁸	Partner	Workforce planning	HRD planning	Project management	M&E for HRD	Human Resource Management	Research	Data analysis	English language	Leadership development	GEDSI	HRD systems strengthening	Policy Research	Other technical skills
1	MOES	✓	✓	✓	✓	✓	-	-	-	-	✓	✓	✓	-
1	KM6	-	-	✓	-	✓	✓	✓	✓	✓	✓	-	-	✓
1	NAPPA	-	-	-	-	-	✓	-	✓	✓	✓	-	-	✓
1	MOHA	✓	✓	-	-	✓	✓	-	✓	✓	✓	✓	-	✓
2	MPI	-	✓	✓	✓	-	✓	✓	-	-	-	-	-	✓
2	MEM	-	✓	✓	✓	✓	-	-	✓	✓	✓	-	-	✓
2	MOLSW	-	-	-	-	-	-	-	✓	✓	-	-	-	✓
2	MOIC	✓	-	-	-	✓	-	-	✓	✓	-	-	-	✓
2	MOF	-	-	-	-	-	-	-	✓	-	✓	✓	-	-
-	MOFA	-	-	-	-	-	-	-	✓	-	-	-	-	✓
2	NUOL	-	-	-	-	-	-	-	✓	-	-	✓	-	✓
2	LWU	-	✓	-	✓	-	-	-	✓	✓	✓	-	-	✓
2	LYU	-	-	-	-	-	✓	✓	-	✓	-	-	✓	✓

7.3.1 HRD Training and Learning

HRD training and learning will support individual-level HRD skills acquisition as part of broader capacity development. LAI will offer opportunities to Tier 1 partners as a priority, with places offered to Tier 2 partners as available and based on demand. Participation may also be extended to MAP countries, as appropriate.

LAI will build on existing training products (i.e. Workforce Planning Course) to design and offer a modular set of training products to GoL partners. The modules will be designed as stand-alone training products, but will provide most development benefit when applied as a series of learning activities over a period of months. The subject matter will align with specific learning needs to enable NHRDS implementation. Course content and processes will model and promote inclusive practice, and be adaptable and suitable for use with three cohorts, each presenting with different needs and interests: **Senior officers** who are responsible for oversight and leading the

⁶⁸ Refer to Section 4.3.2 for descriptions of Tier 1 and 2 partners.

implementation of HRD plans; **Divisional staff** who are responsible for the practical delivery of HRD activities; and **Train the trainer** for officers who have responsibility for training and supporting skills development in others. The products will be designed to be available online and progressively handed over for the use of GoL partners.

The approach to learning and development will prioritise practical knowledge and skills that can be readily applied. Modules will apply contemporary adult learning pedagogy, with a strong focus on highly contextualised materials and activities that support learning that is relevant, and can be readily transferred to performance on the job.

Modules can include trainer-supported tutorials, workplace projects, assessment tasks and group work to consolidate skills and knowledge, and will be designed as a training curriculum for use of the HRD office to train central and provincial NHRD committees. The modules will utilise methodologies to support applied learning, and to establish self-sustaining means of ongoing skills development, including through peer mentoring/coaching, communities of practice, action learning groups, and refresher training by GoL trainers who have completed Train the Trainer. Modules may make use of online learning activities and assessments. Inclusion will be mainstreamed into approaches and into course content as appropriate.


An indicative set of modules is provided based on the skills needs identified during design consultations (Table 5 below). Prior to design, LAI will lead partner consultations to reaffirm the relevance and demand for the topic of modules, and define the scope and target participants, and timing of implementation. Staged implementation and piloting will ensure that modules are delivered, evaluated and, if needed, modified to ensure maximum benefit is realised.

Table 5: Indicative training modules and staged implementation

Module	Examples of core skills and knowledge areas	Staged implementation
1: Workforce Planning	Understanding labour market supply and demand Labour participation demographics and related constraints Workforce and functional analysis HRD strategy design to achieve organisational goals	Pilot completed in Phase II, and implementation has commenced
2: Planning for HRD	Needs assessment and job analysis Linking HRD planning to performance assessment Planning and resourcing for inclusive HRD	Pilot Q2, 2022
3: Project Management	Project planning fundamentals Management of HRD projects Managing delivery costs and resources	Pilot Q3, 2022
4: Strengthening HRD systems	A whole system view of assessing HRD systems Practical options for strengthening Building a case for HRD systems development	Pilot Q4, 2022
5: Monitoring and evaluation (M&E) for HRD	Basics of M&E for HRD plans Developing an inclusive framework and indicators for HRD Data capture tools and methods	Pilot Q1, 2023
6: HRD Data analysis and reporting	Managing and storing HRD data Analysis of trends, patterns and lessons learned Methods of validating and reporting findings	Pilot Q1, 2023

7.3.2 HRD Capacity Development Projects in Year 1

A strategic analysis of Tier 1 and 2 GoL partners maps the potential for HRD systems development based on assessments made during the design consultations. The analysis represents a point in time which may change over



the life of the program, and highlights where LAI can focus development assistance in Year 1 of the implementation phase. Priorities in subsequent years will be confirmed through ongoing dialogue with DFAT and GoL.

MOES is the preeminent strategic partner for LAI (quadrant 1), so early gains can be made by pursuing known opportunities for HRD systems development. Other strategic Tier 1 partners – NAPPA, KM6 – whose HRD systems support needs are yet to be defined, will be the focus of continuing dialogue and engagement. As an ‘emerging’ Tier 1 partner, engagement with MOHA will progress and be evaluated to determine the level and intensity of assistance. Tier 1 partners will be the target and priority for LAI HRD capacity development support. MAP activities represent an important mechanism to strengthen Tier 1 relationships and open opportunities for further engagement with the Embassy through LAI. For Tier 2 partners, LAI’s engagement will be of lower priority and opportunistic.

7.4 Other Complementary Learning and Development

7.4.1 English language training and testing

English language has been a pillar of the educational system in Laos since the mid-1980s and is increasingly valued as a core capability for civil service, enabling GoL leaders to engage in international trade and diplomacy and access technology and international research. English language competency is seen by Laos youth as a pathway to scholarship and career opportunities attracting higher salaries. This trend has been evident in Phase II where applicants have demonstrated higher levels of competency at application.

LAI will provide English language training to support AAS applicants and provisional awardees, to support skills development for GoL officials in target partner organisations.

7.4.1.1 AAS Pre-application English Language Training - Equity Pathway

Gender equality and equity in access is fundamental to the success of AAS. LAI will establish an English language Equity Pathway (EP), that utilises local service providers and offers members of target equity groups access to short-term English language training. The EP will be designed to:

- Focus on realistic pathways for equity applicants, with an investment in a limited number of ‘high potential’ AAS applicants
- Provide learning that includes practical skills development activities to advance employability and work-readiness, such as soft skills, interview skills, and skills needed to prepare a strong AAS application and an English language Curriculum Vitae.

The EP will be piloted by targeting high potential individuals from equity groups who have applied for an AAS in a recent past Intake, but were unsuccessful due to not meeting the minimum English language requirement. These individuals are known to LAI, as is their record of application, and with additional assistance they are well placed to re-apply and succeed in a future AAS intake.


In Year 1 a pilot EP will offer short term (6-12 months) English language training to a cohort of up to 25 former applicants from equity groups to achieve the minimum score required for AAS eligibility (currently IELTS 5.5, no sub-band <5.0⁶⁹). Pre and post English language testing will be undertaken as part of the program. The pilot will be monitored and evaluated after two Intake rounds, with a decision about the continuing investment to consider:

- Level of uptake from those offered the opportunity
- Attendance and course assessments, including pass rates
- Re-application rates for AAS, and rates of success in being offered an AAS
- Change in English language competency.

7.4.1.2 English Language and Academic Preparation for Provisional AAS Recipients

The English for Academic Purposes (EAP) program is well established in LAI and although English language levels in applicant cohorts are improving, LAI will continue to enable provisional AAS recipients to access English language

⁶⁹ Any increase in the AAS eligibility requirement for English language will be reflected in the EP.



training to achieve the required competency⁷⁰. To ensure value for money of the EAP, consideration should be given to the following strategies:

1. Set a quota and budget ceiling for the 12-month English language training that limits the EAP places available in a specific AAS intake. This limit can be considered in the final shortlisting of provisional offers.
2. 'Fast Track' for those who require 6-month English language training (provisional awardees who achieve an IELTS of 6.0 with no sub-band <5.5). The option of pre-course English language training in Australia for small cohorts should continue to be used, but only on a clear cost-benefit basis.

LAI will continue to monitor AAS applicant English language competency and consider adjustments to the minimum eligibility requirement. Decisions that raise the eligibility English language must account for the potential impact of accessibility of AAS to equity groups, and mitigation measures put in place, such as a scaling up the Equity Pathway (Section 7.4.1.1).

Training for academic preparation prior to departure will continue to be offered through a five-week intensive learning program. This component of EAP is essential preparation for AAS recipients to develop academic awareness and practical skills needed to succeed in their chosen course of study.

7.4.1.3 In-Australia English Language Scholarship for Senior Government and Party Officials⁷¹:

Although LAI acknowledge the importance of English language as a core professional skill in civil service, LAI is not an English language program, so the delivery of training will be targeted and consistent with Australia's interests and LAI's goals and outcomes.

In Year 1, LAI will undertake detailed scoping for a thematic English language program that provides scholarships to cohorts of 15-20 participants, to attend an English language program in Australia for an immersive development experience. Program delivery can commence 2023. The theme will target a sector, professional or technical discipline, with the program delivered over 3-4 months by an Australian university or registered training organisation.

One example is a thematic program targeting English language for international engagement, which would focus on international diplomacy, trade negotiation and so on. Such a program could partner with the MOFA in readiness for Laos to be ASEAN Chair in 2024.

7.4.1.4 In-Laos English Language Training for Government Officials

LAI will provide access to inclusive cohorts from Tier 1 partner organisations to undertake English language training in Vientiane. Eligible participants will have intermediate language ability, and preference will be given to those who have job-related English language needs, opportunities to practice and maintain skills, and motivation to actively engage in the learning (monitored through attendance and completion rates).

7.4.2 Leadership Development

Leaders in Lao partner organisations sit at the nexus between activities that have temporary and transactional effects, and activities that produce more sustainable and systemic effects. As holders of power and decision-making authority, leaders can exercise their authority to create organisational environments that are inclusive, value learning, and support the improvement of HRD systems. Engagement of leaders, and the development of leadership capacity is a key priority in LAI's approach to delivering inclusive and sustainable development.

Leveraging LAI budget and in particular additional funding through MAP, LAI will build on its solid reputation for the delivery of high-quality leadership development programs, for women and men, that are designed to:

- Provide context-specific development opportunities to support women's leadership, professional participation, and reputation among organisations and communities, and explore similar opportunities for specific leadership opportunities for other equity groups

⁷⁰ The competency requirements for AAS are defined in DFAT's Australia Awards Policy Handbook, updated annually.

⁷¹ The style of this activity is modelled on a highly successful program delivered by the New Zealand Government: New Zealand English Language Training for Officials. The program is thematic, delivering English language skills relevant to professional engagement in a thematic area, through scholarships and a competitive process. <https://www.nzscholarships.govt.nz/en/types-of-new-zealand-scholarships/new-zealand-english-language-training-for-officials-scholarships>

- Provide a nuanced and well tested approach to engagement of men and women in ways that advance understanding of the gendered dynamics of power between men and women, and other intersecting forms of power and disadvantage in Laos culture and organisational settings; seeks to facilitate a shift toward more positive gender and inclusion norms; and build capability to enable leaders improve inclusion outcomes in their areas of responsibility.

Programs will be designed consistent with good practice in leadership development programming⁷², with initiatives delivered to support practical awareness and skills, developed over time through a well-scaffolded and supportive learning process. Where possible, leadership development activities, including through MAP, will support establishment of strong national and regional networks.

7.4.3 Analytical and Research Activities

Analysis and research activities are a stand-alone offering, and another entry point for LAI to build trusted partnerships and contribute to strengthening HRD systems. Analysis and research may also be undertaken at the request of the Embassy. The foreseeable research and analysis can inform more inclusive leadership and HRD practices and provide an evidence base to inform enabling activities for equity groups. Activities will be agreed based on their ability to contribute to intended program outcomes, and will require application of participatory approaches with key partners as co-researchers. GEDSI will be mainstreamed in Terms of Reference, and considered in research questions and the makeup of research teams, with appropriate targets and tracking developed to monitor GEDSI mainstreaming in analysis and research efforts over time.

These activities may include addressing specific research questions, engaging in target policy research, action research or capability development of partners in methods such as political analysis, quantitative data analysis, and job analysis. These will usually be undertaken in partnership with Lao researchers such as those based in NAPPA or NUOL given that GoL rely on the research capacity of these institutions to undertake research in the national interest. LAI will also seek to involve suitably qualified Australia alums in research initiatives.

LAI will introduce an online interactive platform, Alumni360 that will become a central hub to connect LAI with alumni, and that alumni can use to connect with each other. The platform will enable timely communication with alumni, promotion of opportunities, activities, and events, and will reach cohorts who do not typically engage. The platform will also give LAI and DFAT ready access to information about alumni demographics. Alumni360 will also provide a platform where alums can tell their own stories in their own voice through their profile pages, building a stronger individual and collective alumni identity.

7.5 Scholar and Alumni Engagement

LAI's approach to scholar and alumni engagement will focus on long-term, sustainable, and inclusive relationship building. LAI's 'end-to-end' approach positions alumni engagement as a relationship-based process which starts when future scholars or participants first become aware of and engage with LAI, and continues throughout the scholarship or development experience. The effectiveness of promotion and communication, and the experience of interacting with DFAT and LAI systems, is formative in early trust and relationship building. Attracting scholars and participants to be part of a life-long alumni community requires continued relationship building across all stages, from application, to pre-departure, on-award and reintegration.

7.5.1 AA Scholar Engagement

Through a modest budget and an eye to inclusion, LAI will implement a small but practical program of support to AA scholars while on-award in Australia, including:

- Offering scholars opportunity to undertake development and build practical skills⁷³
- Providing small grants to fund attendance at relevant conferences or learning events in Australia

⁷² The Developmental Leadership Program (DLP) independent research program is supported by the Australian Government, and delivered in partnership with University of Birmingham (UK) and La Trobe University, Melbourne - www.dlprog.org

⁷³ For example, Australian education technology and services company Practera (<https://practera.com>) delivers LIVE Projects, an initiative of the Victorian Government that offers opportunities for multinational and multi-disciplinary teams of international students to undertake real world projects for business, government and community organisations.

- Supporting scholars to access internships, including with Australian businesses that operate in Laos⁷⁴
- Organising for scholars to participate in available state government seminars and events
- Access to leadership and other professional development opportunities.

7.5.2 Laos Australia Alumni Engagement

LAI will prioritise alumni activities that grow LAI’s brand as an influential centre strengthening Australia’s bilateral relationship with Lao PDR. LAI will be agile in exploring partnerships, creative in offering opportunities for policy dialogue, and effective in forging relationships with Lao institutions and stakeholders. LAI’s approach is framed by the Australia Global Alumni Engagement Strategy (2016-2020) which lays out the case for alumni engagement, and the value of supporting alums to participate fully in their professions and economies, and become influential leaders contributing to quality transformational change in GoL policies and systems.

Alumni are integral to achieving the LAI Goal, Objective and EOPOs, with direct contributions to IO2: *Alumni have necessary skills, knowledge, and networks to contribute to inclusive and sustainable development.*

With a wider range of HRD activities, LAI will expand the working definition of alumni to include those who participate directly in Australia Awards or LAI branded activities. Once a relationship is formed through LAI’s direct engagement, ongoing relationships will be nurtured through a targeted program of activities and events, including for targeted equity groups. LAI will transition from a supply-driven to a demand-driven model, and the development of alumni as a more autonomous body⁷⁵. A demand-driven approach will result in stronger, inclusive and more effective long-term alumni engagement.

Special attention will be paid to maximising engagement of **prominent alumni** in appropriate ways. Prominent alumni are ideal as guest speakers and presenters, mentors, and as champions and advocates for alumni initiatives. Apart from the value of their personal contributions, the engagement and participation of prominent alumni can bring additional kudos to LAI and Embassy activities and events, and help attract those alumni who are more difficult to engage. Alums can also be key champions of inclusion within their networks and work places, and alumni engagement can help reinforce and sustain this.

The Australia Global Alumni Engagement Strategy identifies three strategic actions: **connect, mobilise and celebrate**. LAI will deliver a program of activities across each, with the balance and mix determined on a value for money basis (6).

Table 6: Indicative program of scholar and alumni activities

Strategic action	Typical activities
Connecting alumni to each other, LAI and the Australian Embassy	<p>Build a strong network and alumni identity. As part of the MIS, LAI will introduce an online interactive platform, Alumni360⁷⁶ and establish a Facebook page. Both platforms will enable timely communication with alumni, reach cohorts who do not typically engage, support alumni to collaborate and share stories, and build a sense of community and collective identity. In addition, targeted activities will be used to facilitate networking. An example is an ‘Alumni Coffee Shop’, designed to regularly bring alumni together in an informal setting (remote or in-person) to engage in networking and conversation about topics of interests.</p> <p>Private sector engagement. LAI will invest in engagement with private sector alumni and offer opportunities designed to support private sector growth. Many privately funded alums in the private sector in Laos are known as thought leaders and champions of change and innovation. Connecting with them and building trusted relationships will lead to better long-term engagement with the private sector over the life of the program.</p>

⁷⁴ During design consultations, AustCham Laos expressed interest in supporting AA scholars and alumni to link with Australian businesses operating in Laos.

⁷⁵ LAI Phase II Completion Report, March 2021, p.25

⁷⁶ <https://alumni360.org>

Strategic action	Typical activities
	<p>Regional engagement. With Laos taking up the chair of the ASEAN Summit in 2024, LAI alumni engagement will position regional engagement as a core theme. This is consistent with the integration of MAP implementation into LAI, which will open opportunities for alums to be involved in activities and build regional networks across Mekong countries: Vietnam, Cambodia, Laos, Thailand and Myanmar.</p>
Mobilising alumni to enable action	<p>Targeted engagement will be a core tenet of alumni activity. LAI will invest in supporting alumni to mobilise action and contribute to development in their organisations and communities. Enabling support will include specific professional development activities; inclusion focused development opportunities and engagements for equity groups and alumni broadly; regional engagement; access to small grants; thematic AASCs; online forums and access to high quality professional learning opportunities, including leadership development, through LAI’s broader learning and development program (Section 7.4).</p> <p>Strengthening the scaffolding and support: LAI will create enabling environments where alumni can mobilise effort and benefit from the support of other alums. LAI will engage the right alumni for the right opportunities, and ensure that cohorts who are linked by sector or region, are provided with tools and networks to support them to advance inclusive and sustainable development in their responsibility area.</p>
Celebrating and promoting alumni achievements	<p>Public Diplomacy will be intensified to increase the visibility and influence of alumni and the alumni network to the broader Laos and international community through storytelling, targeted promotions, showcasing scholar and alumni achievement, including for diverse alums, and engaging a broader range of alumni through effective social and print media campaigns.</p> <p>Raising the profile of alumni through events, such as the upcoming 70th anniversary celebrations of the bilateral relationship between Laos and Australia in 2022. Alumni will be supported to play key roles in events and celebrations, as ambassadors of the Australia Awards program and as a means of raising their professional profile in Laos.</p>

8 Integrated Cross-Cutting Practice Areas

8.1 Communications and Public Diplomacy

LAI places public diplomacy as a stand-alone and integral output across all aspects of programming. The objective of communications and public diplomacy activities is to strengthen Australia’s reputation, and relationships by targeted and inclusive communications with the public at key stages of program delivery. Traditional media in Lao PDR has low capacity and is tightly controlled by the Government⁷⁷, which creates barriers for program promotion. Although internet penetration is still lower than other countries in the region, Facebook has been enthusiastically embraced by the public as a major source of information in the absence of free press. While only 48% of the population currently has internet access⁷⁸, 100% of those are registered as Facebook users, accessed via mobile networks. Facebook is also the platform of choice for promotion, communications, and public diplomacy for foreign Embassies, DPs, and International Non-Government Organisations in Laos. Most businesses use social media to communicate with customers, and citizen journalism is on the rise with news of events often first appearing on Facebook.

Leveraging a recognisable and highly reputed brand, LAI will follow similar Australia Awards programs in the region (Vietnam, Cambodia, Philippines) and launch a new dedicated Facebook page to expand audience reach and directly engage with the people of Laos through their most popular social media channel. The new LAI Facebook page will become a primary tool to engage with a broad Lao audience to:

⁷⁷ Source: <https://rsf.org/en/laos>

⁷⁸ Source: <https://datareportal.com/reports/digital-2021-laos>

- Increase awareness of LAI and Australia’s contribution to development in Laos
- Advocate on strategic issues that are important to Australia, such as GEDSI
- Attract members of equity groups to seek support and opportunities through the LAI program
- Highlight program outcomes and successes, including those of scholars, participants and alumni, with an eye to diverse representation
- Support Australian Embassy campaigns and activities, such as the 70th Anniversary celebrations, the MAP, and Laos as chair of the ASEAN Summit in 2024, and celebration of prominent international human rights days
- Maintain and strengthen relationships with alumni, key partners, decision makers and people of influence
- Provide a platform for diverse program beneficiaries to share their stories in their own words, resulting in more authentic and engaging content.

LAI will integrate communications and public diplomacy, applying an ‘end-to-end’ approach that embeds communications as a core function across all program operations.

Table 7: Key deliverables supporting communications and public diplomacy in LAI

Key deliverables	Scope and description
Regular program related content	A range of multi-media products including Facebook Posts, alumni profiles, and AA website updates.
Content Calendar	A shared 12-month calendar marking all program activities, relevant national and international days, recurring annual events and agreed communications outputs (such as regular Alumni profile stories). The content calendar will enable content to be planned and ready in time for the Embassy to review, select and use content for their own public diplomacy activities.
Facebook Page Implementation Plan	The plan will lay out the process for establishing the new social media channel, policies and procedures, protocol for oversight by the Embassy, resources required, budget for paid promotion, content approval process and a draft content schedule as well as risk management approaches.
Annual Communication and Public Diplomacy Plan	Using the Content Calendar as a basis, the LAI Annual Plan will identify key messages, and develop policies and procedures to ensure an efficient and effective internal and external communication flow so that LAI staff have a clear understanding of the Plan, particularly for their area of responsibility, and can assist the Embassy in its public diplomacy. This Plan will be integrated into the LAI Annual Plan.

8.1.1 Event Management

LAI will identify all public diplomacy opportunities linked to milestones of program activities, or the celebration of relevant national and international days and events. The LAI communications team will provide promotional and event management support for events delivery to support alumni engagement (e.g. gala dinner), Australia Award Scholarships (e.g. pre-departure briefings), Human Resource Development (e.g. Workforce Planning Training graduation) and GEDSI (e.g. activities to celebrate International Women’s Day, International Day for Persons with a Disability, International Day Against Homophobia, Biphobia, Intersexism and Transphobia). LAI will engage local service providers where needed to deliver event management and logistics.

In addition to LAI programmatic activities, LAI will have the flexibility to respond to requests from the Australian Embassy to support delivery of ad hoc activities/events. This ability to accommodate ad hoc requests is built into the Phase III design with budget and resourcing allocated to enable swift response to requests. Such requests may involve event management support for activities such as high-level diplomatic visits, Australia Day and ANZAC Day celebrations, and the 70th Anniversary of diplomatic relations between Australia and Lao PDR in 2022.

8.2 Monitoring, Evaluation, Research, Learning and Adaptation (MERLA)

LAI is founded on a robust and practical MERLA system that will track, evaluate, and report on progress and achievements in strengthening the bilateral relationship between the Governments of Laos and Australia, and in increasing Australia's reputation through inclusive and sustainable HRD.

8.2.1 Indicators

The MERLA system is anchored by the LAI Program Logic (Section 4.1). The program logic is supported by a MERLA framework (the 'framework'). A draft framework will be finalised and periodically reviewed in consultation with the Embassy. To measure progress towards three EOPOs and four IOs, the framework includes six outcome-level performance indicators (Table 8).

Table 8: Outcome-level performance indicators


Indicator	Target/baseline
1. Partnership continuum	Target: 'Good Progress' across most areas of evidence
2. Percent of key stakeholders who have applied improved practices with LAI support	Target: 70%
3. HRD-specific organisational capacity rubric	Baseline and Target to be determined based on the specific organisation and nature of capacity development provided
4. Percent of alums that have contributed to development through direct practice, policy engagement, and skills transfer ⁷⁹	Baseline 2020: 78% of contributions through direct practice, 18% policy development, and 4% skills transfer. Target: 90% through direct practice, 25% policy development, and 35% skills or knowledge transfer
5. Percentage of key stakeholders that have positive views of LAI, the Embassy, Australians, and Australian expertise	Target: 90%
6. Number of individuals from equity groups using LAI-supported enabling pathways	Target: To be determined based on specific activities.

Reporting on outcome level progress will begin in January 2023.

The framework also has at least 12 quantitative output-level indicators that will track and report the main achievements of the eight outputs in the logic on a six-monthly basis:

1. Number of individuals in target organisations that complete HRD-related training and/or receive mentoring/coaching support
2. Number of organisations receiving HRD-related support from LAI
3. Number of governance meetings convened successfully
4. Number of research and analytics products produced with LAI support
5. Percentage and number of individuals participating in LAI-supported activities who are members of a disadvantaged group
6. Number of AAS awards successfully completed during the reporting period
7. Percent of AAS awards successfully completed during the reporting period
8. Number of active alumni

⁷⁹ 'Direct practice' refers to action taken by alums within the scope of their role and responsibilities to implement improvements and contribute to inclusive and sustainable development (e.g. a new workplace procedure, system or structure); 'Policy engagement' refers to actions taken by alums that contribute to one or more stage of the policy cycle: from policy review, research and consultation, policy design, implementation and evaluation; 'Skills transfer' refers to actions taken by alums to coach, mentor, train or instruct others to build needed workplace skills.

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9. Number of alumni engagement activities supported by LAI
 10. Number of Embassy-published Facebook stories as a result of content created by LAI
 11. Number of views/shares for the PD products of LAI website and/or Facebook pages
 12. Number of TA mobilised for the Embassy.

These outcome and output indicators support learning and evidence-based programming, and balance comprehensiveness with practicality. The indicators are not prohibitively resource-intensive to collect yet robust enough to measure progress in the short, medium, and long term. In addition, LAI will track process or management indicators like number of AAS applications received, number of media releases produced, number of LANS on award at the end of the reporting period, etc.

All output and process/management indicators will track GEDSI elements where relevant to help monitor the extent LAI is mainstreaming inclusion at the activity-level. LAI will also report against all mandatory Australia Awards Core Global Indicators per guidance released in October 2021.

8.2.2 Disaggregation

To the extent possible, all people-level data will be disaggregated by sex, age (youth is defined as 24 years or less per NESDP), ethnicity, geography, and disability status. In addition, data will be disaggregated by affiliation (Government or Party), position level in organisation (director and up or manager and down), sector (public/private/CSO), and others as appropriate.

8.2.3 Data collection

LAI will use a mixed-methods approach of collecting quantitative and qualitative data. For the partnership continuum, LAI will collect information from governance system records and obtain feedback from Embassy staff. To track reputation and application of improved (evidence-based) practices, LAI will conduct a key stakeholder sample survey and use direct observation. Information on and from scholars and alums will be obtained through on award surveys, the annual Alumni Development Impact Survey (ADIS), and tracer studies (conducted by the Global Tracer Facility). Data on improved organisational capacity to deliver HRD will be collected through a 180-degree assessment (self-assessment plus LAI TA assessment). Data on equity groups will come from LAI records and key informant interviews. For all other output and process data, LAI will use standardised activity trackers. The MERLA team will work closely with the GEDSI team to monitor application of the GEDSI strategy, including the development and use of specific data collection methods and tools (e.g. GEDSI checklist). Due to the likelihood that COVID-19 will still be prevalent throughout the first two years of implementation, all in-person interactions and data collection will follow the Laos Ministry of Health's public health safety protocols to protect all stakeholders as well as LAI staff.


8.2.4 Responsibilities

The LAI MERLA team is responsible for ensuring timely data collection, analysis, critical review, and reporting. LAI's inclusive approach will involve the entire LAI team, with the MERLA team responsible for training staff in their respective data collection tasks.

In addition to relevant data collection responsibilities, LAI staff will be responsible for routinely analysing, grounding, and using data relevant to their specific areas. LAI staff already liaise with key GoL partners, alums, equity groups, and Embassy staff as part of their regular activities so verifying information and providing second-level quality assurance will be embedded in those routine interactions.

8.2.5 Evaluation and research

One of LAI's key evaluation questions concerns gender outcomes and the impact of activities on traditionally disadvantaged groups (e.g., women, persons with disability, ethnic minorities). A key question is which specific barriers are faced by women, people with disability and ethnic minority alumni leaders in Laos when trying to engage in HRD and which combination of LAI activities help reduce these barriers? We will include a GEDSI analysis as part of the HRD-specific organisational capacity assessment with target organisations at baseline to identify these barriers and inform our GEDSI strategy in the annual work plan. The HRD capacity assessment for relevant



Tier 1 partners will happen at baseline, at midpoint and at the end to assess organisational progress. GEDSI assessments will be included to evaluate impact of GEDSI activities, if any, on identified barriers.

8.2.6 Mid Term Review

In the final quarter of 2024 (or timing to be confirmed with DFAT, the Mid Term Review will critically and objectively assess: LAI's implementing experience and the implementing environment; whether key stakeholders are receiving support as expected (i.e. delivery of outputs); whether LAI is on track to meet its stated outcomes (IOs and EOPOs); continued relevance and validity of program logic; document initial lessons learned; and discuss necessary modifications or mid-course corrections. Key questions, which respond to Investment Monitoring Report (IMR) criteria and are in line with DFAT's M&E Standards, include:

- *Relevance*: to what extent have LAI activities to date addressed the core issues of key stakeholders?
- *Effectiveness and GEDSI*: is LAI on track to achieve the specific targets established? Which activity or combination of activities has/have the highest potential to be the most effective approach to achieve LAI's EOPOs? How effective is LAI at reaching women and other equity groups and what more could be done to improve their engagement and advancement?
- *Efficiency*: to what extent are staffing, management, and oversight costs suitable given the number/scope of activities carried out?
- *Sustainability*: what factors contribute toward sustainability of results and how has LAI focused on these to date?
- *Other*: to what extent have COVID-19-related restrictions or protocols, both domestic and international, affected program implementation? How effectively has the program adapted to these?


8.2.7 Independent End-of-Program Review

In the final year of implementation (or timing to be confirmed with DFAT) the End-of-Program Review will assess whether LAI has achieved the expected results as outlined in the program logic. The scope will include: evaluating LAI implementation and management; documenting lessons learned and recommendations for DFAT and key stakeholders; and revisiting some of the Mid Term Review evaluation questions, including assessing (in)direct, (un)intended, and positive/negative impacts. Key questions include:

- *Relevance*: to what extent did the LAI design address the core issues of key stakeholders?
- *Effectiveness and GEDSI*: to what extent did LAI achieve the specific targets established? Which activity or combination of activities proved to be the most effective approach to achieve stronger bilateral relationship and greater Australian reputation through inclusive and sustainable HRD? To what extent did LAI activities influence/advance women and other equity group involvement in the HRD space?
- *Efficiency*: to what extent did the level of resources lead to achievement of results? Could the same results be achieved with fewer resources?
- *Sustainability*: what is the likelihood that benefits will endure over time after LAI ends? To what extent has LAI developed local ownership and sustainable capacity?
- *Impact*: what are the immediate-, medium-, and long-term effects, intended and unintended, positive and negative, of LAI after four+ years of implementation?
- *Other*: what was the overall impact of COVID-19 restrictions/protocols on program results?

8.2.8 Program learning and adaptation

As a learning program, LAI goes beyond indicators to continuously obtain information, assess progress, make informed decisions, and adapt implementation. The MERLA team will lead six-monthly pause-and-reflect sessions to review evidence on progress towards outputs (at first) and then outcomes. Together with the LAI team, these sessions will also assess activities in the Annual Plan through a learning lens and discuss whether we intensify (deeper involvement), expand (widen reach), or pull back based on actual data and events happening on the ground.



A six-monthly pause-and-reflect session facilitated by the MERLA team is a protected time in the LAI team calendar that must occur, regardless of busy schedules. It is also a dedicated space where sharing results—good and bad—is welcome, and reports on failure, lessons learned, and iterative improvement is encouraged.

8.3 Gender Equality, Disability and Social Inclusion

LAI integrates gender equality, disability and social (GEDSI) inclusion through-out its program logic, with specific activities, outputs and outcomes related to inclusion, as well as explicit references to inclusion across most of the outputs and outcomes. This deliberate design choice anchors LAI's GEDSI efforts to the ambition and logic of the LAI program. The clear thread of GEDSI woven throughout the program logic ensures a correlation between success on GEDSI and broader LAI success. The GEDSI approach is based on a foundation of a situation analysis and will be supported by clear indicators and monitoring, evaluation and learning. The GEDSI strategic approach, outlined further below, will take a 'do no harm' approach. Given these factors, LAI is considered to meet the minimum Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) criteria for scoring as Significant (Score 1) for the DAC's Gender Policy Marker.

A complementary Gender Equality, Disability and Social Inclusion Strategy will be developed early in the implementation of LAI. A high-level overview of this strategic approach and principles is outlined in the rest of this section.

8.3.1 Practical Inclusion

LAI will take a twin track approach to GEDSI – mainstreaming inclusion across all aspects of the program while also including targeted activities and support that accelerate inclusion. In practice this means that LAI will work to take advantage of every opportunity to advance equity and inclusion, including across LAI operations and through strategic support provided to DFAT. Mainstreaming requires LAI to apply the GEDSI lens to every intervention, ensuring progressive attitudes and practices with relation to inclusion are centred.

Targeted interventions will drive 'Practical Inclusion' for target equity groups. For example, through activities focused on women's leadership and women's economic empowerment, advancing those pillars of DFAT's Gender Equality and Women's Empowerment strategy (2016), while taking a 'do no harm' approach with a particular focus on gender-based violence. A practical inclusion approach acknowledges that in order to achieve meaningful and sustained change effort is required across three key inclusion domains.

8.3.2 Activity selection and signature initiatives

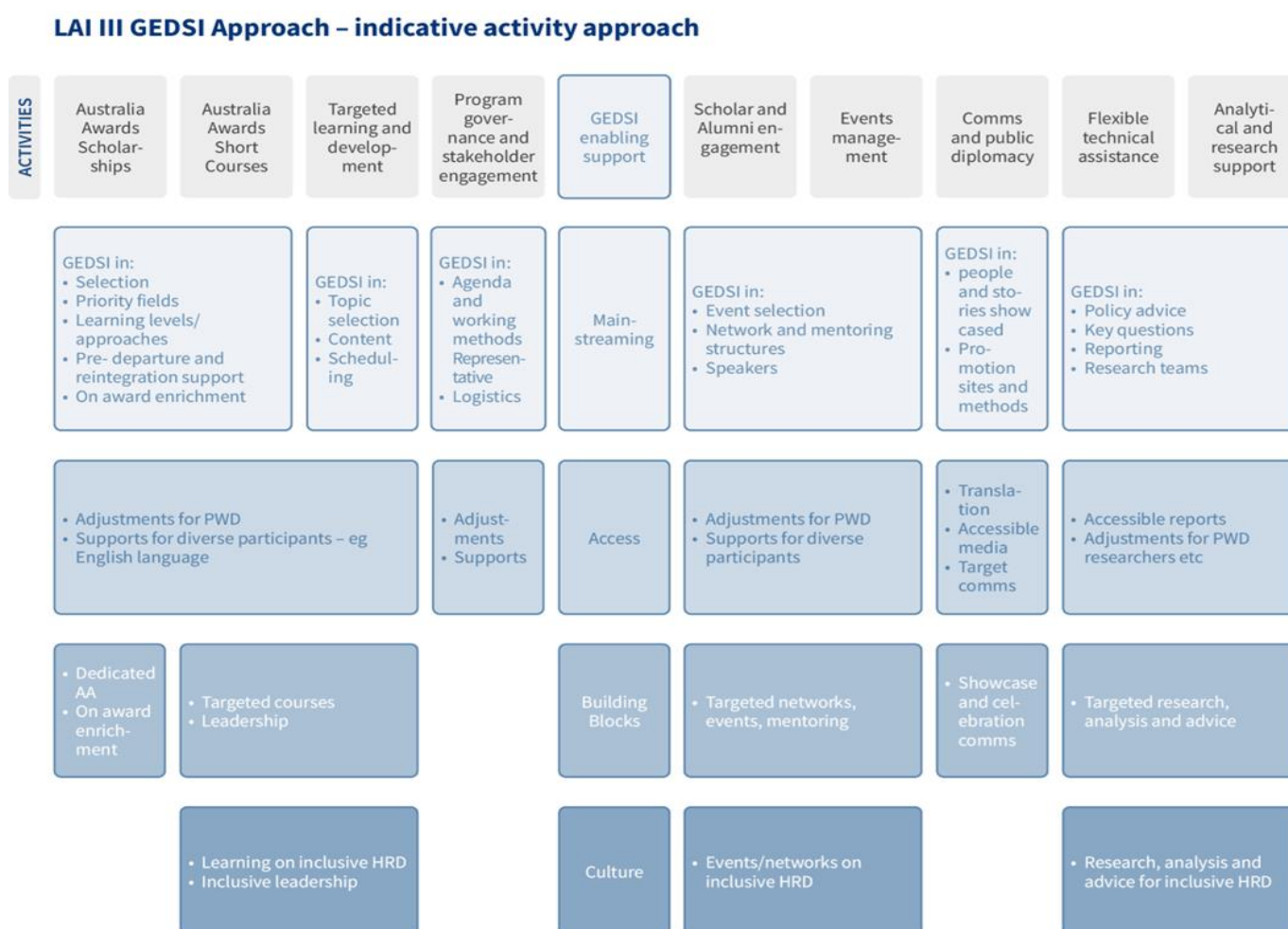
LAI's GEDSI approach will be firmly integrated into LAI's overall activity approach. All proposed interventions for LAI will be analysed through the Practical Inclusion lens, while all proposed GEDSI activities will be firmly integrated into LAI's overall activity approach. This robust, collaborative planning of LAI interventions will ensure that GEDSI is mainstreamed across all activities, and all activities are consistent with the Practical Inclusion approach – explicitly linked across the three inclusion domains of Access, Building Blocks to contribute and succeed, and Culture of Inclusion. For example, the design of learning supports, networks and events will remove as many structural barriers as possible, including in considering the timing and location of events. GEDSI mainstreaming will also be an important driver for embedding GEDSI principles, practices and learning in all curricula designed by LAI and its partners, especially in leadership development. This will be an important strategy to ensure all learning partners are provided with opportunities to progress their knowledge, attitudes and behaviours on inclusion and equity.

Beyond mainstreaming, targeted GEDSI efforts – for either equity groups or institutions and leaders – will be delivered in line with the other LAI activity approaches, and selected and designed on the basis of contributing to and reinforcing LAI overall outcomes and goal. Ultimately, mainstreaming and Practical Inclusion activities will work in support of each other. Given the interconnection between mainstreaming and targeted Practical Inclusion efforts, and between these efforts and other activities, there is scope for LAI to develop 'Signature Initiatives' in support of GEDSI.

8.3.3 Learning, Accountability, and Governance

LAI’s GEDSI strategy will only be possible if supported by LAI leadership and governance, with clear accountability. As outlined in Figure 6, there are a range of GEDSI mainstreaming and targeted access activities that will be incorporated into the LAI governance system. This includes clear criteria and checklists for activity selection and reporting, dedicated focus on GEDSI in agendas, and governance practices that maximise and model inclusion. Within the LAI team, there will be clear accountability and expectation for GEDSI starting with recruitment, job descriptions and key performance indicators. Key responsibilities for GEDSI implementation will be clearly stated in all job descriptions and monitored through performance appraisal systems, and GEDSI will be embedded as a regular item in team meetings, reporting and reflection. This will ensure whole of team focus on inclusion efforts and provide a structure which reinforces accountability for inclusion across all roles. Regular reporting back on and discussion of GEDSI progress from all teams will ensure that GEDSI progress is not siloed to experts. The LAI GEDSI strategy will identify specific actions, tools, and training to ensure accountability for GEDSI performance. Clear and specific MERLA, with specific GEDSI indicators will be key to assessing performance. The contribution and connection of GEDSI effort to overall LAI progress will be embedded in clear and consistent reporting on GEDSI progress. Ongoing learning and reflection will support the creation of new knowledge as well as course correction, planning and risk management associated with GEDSI.

Figure 6: Indicative approach to GEDSI activities



8.4 Other Cross Cutting Issues

8.4.1 Climate Change

Although climate change is not identified as part of the LAI Program Logic, it is part of the operating context for LAI. With civil service as the primary beneficiary of LAI’s HRD systems development work, LAI activities will develop capabilities that enhance the civil service capacity for informed policy; a capability that is also relevant to environmental policy.

Additionally, LAI will contribute to a more educated and aware professional workforce, and provide HRD to strengthen institutions of governance, supporting GoL to achieve Laos' NDCs and the multi-sectoral ambitions of the climate change action plan⁸¹ and NSEDP, which prioritises systematic mainstreaming of climate change adaptation and strengthening capacities for disaster prevention and management. Where possible, priority fields of study for AAS and topic areas for AASC and high-level dialogue and development engagement will include climate change adaptation, mitigation and resilience. Similar to LAI's approach to GEDSI, LAI will mainstream climate change awareness across HRD activities in a way that is appropriate to the topic and target participants.

8.4.2 Private Sector Engagement

Although LAI's primary focus is on supporting GoL Ministry and Party organisations to achieve their HRD goals, there are a number of ways in which private sector engagement will enrich and inform the approach that the program takes. This is particularly relevant to AAS scholars and alumni, many of whom are employed in the private sector. Design consultations with the Laos National Chamber of Commerce and Industry (LNCCI) and AustCham Laos highlighted the private sector need for a ready supply of skilled people who have access to the right kind of education, training and development. In LAI, specific private sector engagement will be supported through:

- Engagement of private sector alums within the alumni engagement program
- Support for private sector engagement of AA scholars while in Australia, through internships and other activities
- Maintaining awareness of labour market needs and gaps in supply, to advise DFAT on priority fields of study for AAS
- Engagement of Australian companies operating in Laos with alumni networks to encourage professional networks and facilitate potential employment opportunities
- Applying a strong focus on the development of practical and easily applied work skills across the LAI learning and development activities.

9 Budget and Resources

9.1 Budget Overview and assumptions

In accordance with the Head Contract, a contract amendment will reflect the practical implementation requirements as defined in a Statement of Requirements. The basis of payments links management fee disbursements to a combination of milestone deliverables, and Partner Performance Assessment ratings with a scaled 'at-risk' component of fees linked to actual ratings achieved.

The overall budget to deliver the investment is composed of:

1. AUD17,500,000 LAI program budget
2. Up to AUD5,212,731 MAP Laos and MAP Regional Human Capacity Pillar

A preliminary and indicative program budget to 30 June 2025, is summarised below.

Table 9: Indicative program budget - Design & Implementation Phases

Item	FY 21/22, 7 Jun 2021 – 30 June 2022 (12 months)	FY 22/23, (Jul 2022 – 30 Jun 2023, (12 months)	FY 23/24, 1 Jul 2023 – 30 Jun 2024, (12 months)	FY 24/25, 1 Jul 2024 – 30 Jun 2025 (12 months)	Totals (AUD)
1. Personnel Costs	1,583,245	1,405,637	1,320,006	1,577,372	5,886,260 (26%)

⁸¹ Lao PDR (2013). Second National Communication to the UNFCCC. URL: <https://unfccc.int/sites/default/files/resource/Laonc2.pdf>

Item	FY 21/22, 7 Jun 2021 – 30 June 2022 (12 months)	FY 22/23, (Jul 2022 – 30 Jun 2023, (12 months)	FY 23/24, 1 Jul 2023 – 30 Jun 2024, (12 months)	FY 24/25, 1 Jul 2024 – 30 Jun 2025 (12 months)	Totals (AUD)
2. Operational Costs & Program Activities of LAI	2,302,255	3,098,863	3,169,994	3,042,628	11,613,740 (51%)
3. Operational Costs & Program Activities of MAP	1,515,863	1,268,104	2,428,764	N/A	5,212,731 (23%)
Total:	5,401,363	5,772,604	6,918,764	4,620,000	22,712,731

9.2 Value for Money Assessment

The LAI design has carefully incorporated all eight Value for Money Principles DFAT has developed to guide decision making and maximise the impact of its investments. This is achieved by correctly balancing the main factors that drive high value outcomes for the Australian Aid Program, being quality of inputs, risk mitigation measures, and cost-conscious pricing.

The extended scope of programming in Phase III toward organisation and systemic-level activities, will direct resources to activities that have greater potential to produce sustainable benefits and longer-term impacts. Further, the clear and explicit linking of program activities to IOs and EOPOs in the Program Logic, and the integrated approach to implementation removes ambiguity about how the suite of resourced activities across LAI together contribute to multiple outputs and outcomes. This, together with team-based critical reflection and learning driven by the MERLA system, encourages a culture of performance, innovation, and experimentation. New activities will be piloted and scaled based on evaluation, ensuring that course correction occurs early if required. This helps ensure that funds are directed to best effect and support value for money delivery.


The resourcing approach ensures DFAT access to a proportionate balance of long and short term international and local personnel with the leadership qualities, technical skills and practical experience needed to deliver all program activities, through a team-based and multi-disciplinary process. International personnel are supported in-country by well-qualified Locally Engaged Staff (LES) who will ensure continuity of program delivery. The LAI resourcing plan aims to localise key roles, through a supported transition enabled through effective local recruitment, and coaching and mentoring by international specialists. A balance will be achieved between local skills and sustainability of local operational capacity, and ensuring LAI can access expert technical and program management resources as needed. Year 1 will be a period of intense international resourcing to establish LAI program capacity for Phase III. However, managed transition and skills development of local staff to thereafter take on activity delivery, provides an efficient and effective mix of resources representing good value for money.

The design builds in a MERLA system to support ongoing program adaptation and ensure that program resources are focussed on areas that will yield the most strategic and developmental benefit for Laos and Australia. This is supported by a governance system which builds technical assessment and high-level endorsement into the annual planning cycle. This approach delivers value for money by ensuring that program activities are demand-based, assessed to prioritise those activities that will deliver the IOs and EOPOs, and technically and contextually sound.

10 Risk Management and Safeguards

10.1 Risk Management System

Risks and mitigation measures relevant to LAI, and building on lessons learned and the dynamic political and geopolitical operating context, have played strongly into the design and approach to LAI implementation. The Australia Awards activities under LAI utilise well-established delivery mechanisms – Australian institutions and a Managing Contractor model – with mature policies and processes to reduce and manage risks that have been



developed and refined over decades. Risk management associated with organisation and systems-level HRD however requires a politically-informed approach, vigilant environmental monitoring, and the capacity to adapt the approach as new information comes to light. The LAI governance system, partnership-based approach, integrated approach to activity delivery, and the adaptive process supported by the MERLA system, are all designed to address key environmental risks and minimise barriers to success.

The LAI Risk Register reflects the risk profile for Phase III, and mitigates risks to the greatest extent possible. The risk management process will be a core component of all program management and planning activities, with the Risk Register reviewed and updated annually in close consultation with the Embassy. Key risks and mitigation approach relevant to LAI implementation phase in Year 1 include:

Ongoing COVID-19 disruptions: The pandemic continues to pose risks to program delivery in the short-term, particularly to mobilisation and commencement of AAS recipients. LAI will continue to work closely with the Embassy and DFAT Canberra to be ready to mobilise rapidly, manage future disruptions and apply all possible means of supporting scholars to successfully commence their study programs, including limited use of remote learning options.

Passive participation in training activities: To deliver the greatest learning benefit to adult learners, participants in training and learning activities need to be actively engaged, curious, and make practical connections between their interests and learning needs and the practical improvements they want to make. Laos civil servant participants are often nominated to attend training and arrive with limited interest and passive engagement. Through respectful engagement with senior decision makers, LAI will mitigate these risks by ensuring that all offerings address genuine and agreed needs, are designed to be engaging and participatory, and importantly, are legitimised and endorsed by senior officials who have the power to also ensure that participants return to workplaces where new skills and knowledge are expected to be applied.

10.2 Environmental and Social Safeguards

This investment will not have any adverse environmental impacts.

There is potential for activities to engage with vulnerable populations through targeted promotion and participation in equity activities linked to AAS, AASC and learning and development activities. LAI implementation will include attention to the necessary safeguarding policies, including child protection to the extent that is relevant, and prevention of sexual exploitation, abuse, and harassment.

Appendix A

Figure 1: LAI Phase III Program Logic

LAI III goal: Developing human resource to be a strong production power that could respond to sustainable socio-economic development (Vision to 2030, NHRDS)

LAI III objective: Australia as a valued and trusted partner in Laos to strengthen human resource development in support of inclusive and sustainable growth (CDRP)

End-of-program outcomes (EOPO):

- EOPO1: Laos and Australia engage in stronger dialogue and partnership based on strategic investments in HRD
- EOPO2: Targeted Laos organisations use their improved capacity to deliver inclusive and systematic HRD
- EOPO3: Alumni use their skills, knowledge, and networks to contribute to inclusive and sustainable development

Intermediate outcomes (IO):

- IO1: Targeted Laos organisations have improved capacity to progress human resources development in line with the National HRD Strategy
- IO2: Alumni have necessary skills, knowledge, and networks to contribute to inclusive and sustainable development
- IO3: Key stakeholders have positive views of LAI, the Embassy, Australians and Australian expertise
- IO4: Laos equity groups have improved capability and enabling pathways to participate in and contribute to development

Outputs:

- Output 1: HRD Support – LAI supports and responds to the efforts of targeted organisations to plan, implement, and monitor inclusive HRD policies and practices
- Output 2: Scholarships and training – LAI supports equitable cohorts of awardees and participants to complete education, training, other professional development
- Output 3: Alumni engagement – LAI supports alumni, the Embassy, and Government of Laos to participate in or lead meaningful and inclusive engagement
- Output 4: Public diplomacy – LAI outreach and communications support Embassy strategy and promotes the activities, experiences, and successes of the program
- Output 5: GEDSI – LAI embeds GEDSI approaches across all efforts, supported by targeted, fit-for-purpose GEDSI initiatives
- Output 6: Research and learning – LAI research products and data analytics inform inclusive development solutions and policies
- Output 7: Stakeholder engagement – LAI governance mechanisms facilitate programming that is aligned to the needs and priorities of Laos' partners
- Output 8: Strategic support – LAI provides responsive technical assistance, analysis, and advice to support the Embassy's strategic priorities

Activities:

- HRD capacity building
- Complementary learning and development
- Australia Awards Scholarships
- Australia Awards Short Courses
- Scholar and alumni engagement

- Communication and Public Diplomacy
- GEDSI enabling support
- MNERLA and analytical and research support
- Program governance and stakeholder engagement
- Responsive technical assistance

Figure 7: LAI delivery modalities and how they are targeted to support Laos NHRDS implementation

Relative side of Australia’s annual investment through different modalities delivered by LAI and increasing organisation/sector-specific support:

- HRD Capacity – Highly organisation-specific development activities provided to key GoL partners, tailored to the partners HRD systems strengthening needs to enable NHRDS implementation
- Training and learning in support of HRD systems development – Targeted development of skills and knowledge needed to support GoL partners to plan, implement and evaluate NHRDS implementation. Designed to complement and support HRD capacity development.
- Australia Awards Short Courses – Targeted to sectors and thematic issues of strategic relevance to Laos’ NHRDS and a good fit with Australian expertise
- Australia Awards Scholarships – Targeted through priority fields of study that meet labour market needs, and a focus on highly valued post graduate level qualifications

Figure 3: Principles of operation of the LAI Governance System

The LAI Governance System...

Supports *outward facing engagement*:

- Formalises the partnerships-based approach through strong and continuing stakeholder engagement
- Facilitates joint decision making to determine program priorities
- Ensures alignment of program activities to Lao PDR and Australia’s strategic priorities
- Enables identification and dialogue of emerging HRD policy issues.

Enables *inward facing efficiencies*:

- Enables LAI programming to be context-driven and responsive
- Facilitates approval of the LAI Annual Plan and budget
- Supports critical review of progress and outcomes, and identification and mitigation of risks
- Facilitates coordination across all program activities and functions.

Figure 8: Overview of key responsibilities for governance processes

- LAI: Drafting and finalising the Annual Plan and convening the PIG LAI
- PIG: Reviewing background data, deliberation and recommendations
- DFAT: Formal approval of the Annual Plan and convening the PSMC
- PSMC: Public endorsement of the Annual Plan

Figure 9: How governance processes are embedded in the annual planning cycle

- **September to October** – Commence annual planning
 - LAI annual planning commences to produce a first draft Annual Plan.
 - Project Implementation Group convened to assess new and current HRD capacity development projects and priorities for inclusion in the draft Annual Plan.
- **31 October** – Draft Annual Plan submitted to DFAT
- **November** – DFAT provides feedback on draft Annual Plan

- **1 December** – Final Annual Plan submitted to DFAT
- **December** – Program Steering and Management Committee convened to endorse the Annual Plan
- **May/June** – Mid-cycle Project Implementation Group meeting to review implementation progress and recommend adjustment or diversion of resources

Figure 10: Indicative approach to GEDSI activities

Activities and LAI III GEDSI Approach – indicative activity approach

Australia Awards Scholarships, Australia Awards Short Courses and targeted learning and development:

- GEDSI in selection, priority fields, learning levels/approaches, pre-departure and reintegration support, on-award enrichment
- Adjustments for PWD
- Supports for diverse participants – eg English language
- Dedicated AA
- On award enrichment
- Targeted course
- Leadership

Program governance and stakeholder engagement:

- GEDSI in agenda and working methods, representatives and logistics
- Adjustments and support

GEDSI enabling support:

- Mainstreaming
- Access
- Building blocks
- Culture

Scholar, alumni engagement and events management:

- GEDSI in event selection, network and mentoring structures, speakers
- Adjustments for PWD, support for diverse participants
- Targeted networks, events, mentoring
- Events/networks on inclusive HRD

Comms and public diplomacy:

- GEDSI in people and stories showcased
- Promotion sites and methods
- Translation
- Accessible media
- Target comms
- Showcase and celebration comms

Flexible technical assistance and analytical and research support:

- GEDSI in policy advice, key questions, reporting, research teams
- Accessible reports
- Adjustments for PWD researchers, etc
- Targeted research, analysis and advice
- Research, analysis and advice for inclusive HRD