

# Ex post evaluation – Laos

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**Sector:** Vocational training (CRS code: 114330)  
**Project:** Economic and Employment Promotion Programme in the PDR of Laos, Vocational training module III and IV (BMZ No. 2009 67 315, 2012 65 040\*; Training component BMZ No. 1930 05 212)  
**Implementing agency:** Department of Technical and Vocational Education, Ministry of Education and Sports (MoES)



## Ex post evaluation report: 2018

All figures in EUR million	Phase III (Planned)	Phase III (Actual)	Phase IV (Planned)	Phase IV (Actual)	Training component (Actual=Planned)
Investment costs (total)	6.00	5.50	5.00	6.83	0.20
Counterpart contribution	1.00	0.50	0.50	1.85	0.00
Funding	5.00	5.00	5.00	4.98	0.20
of which budget funds (BMZ)	5.00	5.00	5.00	4.98	0.20

\*) Random sample 2018

**Summary:** As part of phases III and IV of the vocational training programme, school buildings, workshops and accommodation were built and expanded in Laos for three vocational schools in the south of the country and for the Lao-German Technical School (LGTC) in the capital Vientiane, while equipment, machinery and teaching materials were also procured. In addition, other school infrastructure and equipment was financed in the six schools in the north of the country, which were already supported in phases I and II. Parallel to this, TC developed labour market-oriented training courses (curricula) and supported the training of teachers in specialist areas suitable for the labour market. Teacher qualifications for the vocational schools in the south of the country were also provided through a training component.

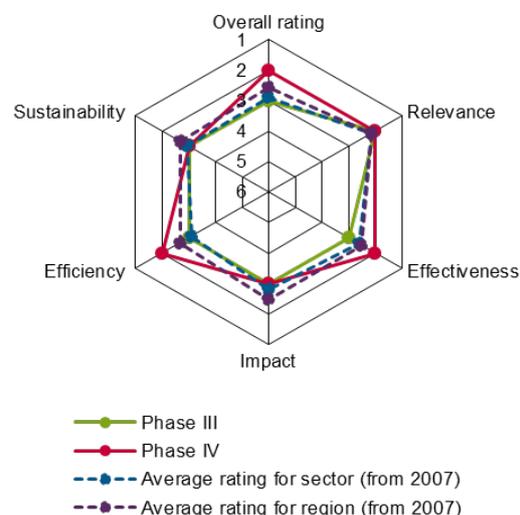
**Objectives:** The development objective (impact) of phases III and IV was to improve the framework conditions for competitive companies that are able to integrate into regional and global markets through the availability of a workforce with the right skills for the labour market. This supply of skilled workers should be provided through better labour market-oriented training (in terms of quality and quantity) as well as training at the selected vocational schools (programme schools) (outcome).

**Target group:** The target group was male and female school-leavers and trainees nationwide (on average 500-600 trainees per school) as well as the teachers at the programme schools. The companies taking on school-leavers also benefit from the project.

## Overall rating: 3 (Phase III), 2 (Phase IV)

**Rationale:** The relevance of the project is high in view of the increasing shortage of skilled workers in the country. The infrastructure and equipment created are being used, and the number of students has risen sharply in recent years. At the same time, though, there is a lack of qualified teachers. The project contributes to the availability of skilled workers and their employment, even if the figures are still low and cooperation with the business community needs to be expanded. Ensuring the sustainability of the investment will remain in the hands of the donors in the near future, as budgets and personnel for maintenance are rarely held available.

**Highlights:** The Lao-German Technical College (LGTC), which was primarily promoted in phase IV, is the most renowned technical vocational school in the country, has a placement rate on the labour market of almost 100% and enjoys a reputation beyond the national borders. The LGTC is a role model for the other schools.



## Rating according to DAC criteria

### Overall rating: 3 (Phase III), 2 (Phase IV)

Phase IV was planned in 2011 with Phase III as an anticipated appraisal and ultimately approved in 2012. The measures were implemented at the same time; some were implemented at different locations, while in some cases the same school was financed from both phases. The phases cannot be delimited from one another in terms of their effect and are therefore evaluated together — where possible, however, the phases were rated separately according to DAC criteria.

Ratings:	Phase III	Phase IV
Relevance	2	2
Effectiveness	3	2
Efficiency	3	2
Impact	3	3
Sustainability	3	3

### General conditions and classification of the projects

Since 2015, the vocational training programme has continued under the name Vocational Education in Laos (VELA)-FC (BMZ No. 2014 68180). The first two phases of the predecessor programme evaluated here underwent an ex post evaluation<sup>1</sup> in 2014 and were rated as no longer satisfactory, as they received an overall rating of 4. Although the projects had positive effects, these fell short of expectations. Despite being anchored in the objectives, the demand-driven orientation of the training courses was largely neglected in the design of the programme. All schools offered the same training courses as prescribed by the central government. Although the six vocational schools met the target utilisation rate of 80% on average, the effectiveness was rated as just satisfactory. The utilisation rate varied widely, however, and at times was significantly lower than the average at four out of six schools. Machinery and tools for practical training were put to adequate use in only two out of six schools.

Phases III and IV evaluated here represent a continuation of phases I and II and tie directly into the phases completed in 2009 and early 2011, respectively. Phases I and II, however, were only evaluated during the implementation of phases III and IV evaluated here ex post, meaning that the results of the 2014 EPE were not integrated into the design of phases III and IV; instead, these were integrated into the design of the now ongoing Phase V (project appraisal 2014). Nevertheless, adjustments were made during the implementation of phases III and IV, including as a consequence of the results of the 2014 EPE.

### Relevance

The regional integration into the Association of Southeast Asian Nations (ASEAN) — which had not yet been implemented at the project appraisal (PA), but was planned for 2015 — was to open up the Laotian economy and labour market and result in intensified competition with other countries in the region; this integration should allow the Laotian vocational training system to prepare for an increase in the demand for qualified specialists with support from the FC project. Laotian professionals had to become competitive and compete with qualified workers from Thailand and Vietnam (in the construction industry, for example). In 2011, the Ministry of Education and Sports (MoES) predicted that around 360,000 additional qualified professionals would be needed by 2016 and thus foresaw the need for better access to vocational training and qualification measures. The lack of skilled workers was due, on the one hand, to the poor quality of the basic education system and high drop-out rates — which precludes access to further education and

<sup>1</sup> Ex post evaluation Laos CP – Vocational training I & II (2014); overall rating: 4; BMZ No. 2004 66 169 and 2006 65 588: six vocational schools were supported in Northern Laos: Oudomxay, Phongsaly, Xiangkhouang, Houaphanh, Luang Namtha, Xayaburi.

vocational training — and to the lack of infrastructure and low quality of vocational training on the other. The Laotian labour market was still organised as a centrally planned economy: of the around 127,000 formal companies, 90% were SMEs<sup>2</sup>. There was a particular shortage of skilled workers<sup>3</sup> in these small, non-export-oriented companies, as the SMEs did not have the resources to meet the demand for skilled workers through in-house education, training, or higher-paid foreign labour<sup>4</sup>. The Laotian vocational training system was unable to meet the existing and projected demand in terms of quantity and quality, as it was unable to offer practical and future-oriented training, despite the increase in the number of vocational schools (core problem).

By financing the construction, expansion and rehabilitation of vocational school buildings as well as the procurement of teaching materials, textbooks and modern equipment (devices and machinery), the students of the supported vocational schools (programme schools) should be given the opportunity to gain work experience in operational production processes in addition to theoretical training (outcome). This should contribute to improved employment and income opportunities for graduates and lead to an expansion in the supply of skilled workers for companies (impact). The vocational training programme as a whole should therefore contribute to improving the framework conditions for the development of competitive small and medium-sized enterprises (DC programme objective). This results chain also appears plausible from today's perspective. The implementation was carried out in cooperation with TC, which developed curricula based on the labour market and was meant to train teaching and management personnel in methodology/teaching approaches such as personnel and financial management.

The concept has a number of weaknesses, however: the Laotian government intended to set up a vocational school in each province (silo mentality), with the provision of building services and equipment distributed among the donors. Irrespective of local needs, every vocational school taught the same curriculum<sup>5</sup> with the same facilities. No analysis of the level of demand, rate of utilisation or opportunities for specialisation (centres of excellence) in the individual schools took place.

Over the four phases, the FC project was geared exclusively towards the provision of building services and equipment for the prescribed subjects. As the only vocational school, the Lao-German Technical College (LGTC) has a certain degree of flexibility here. The concept had to be adapted over the course of the programme phases. Additionally, the impact logic outlined above assumes that teachers are available in sufficient numbers and with appropriate qualifications. Although TC support was used to address this potential bottleneck, the PA for phase III failed to take sufficient account of the low levels of qualification amongst teachers. The position of vocational teacher is not very attractive: working conditions are comparatively poor with relatively low pay and, although teachers are given civil servant status, they have no career opportunities. A sector analysis by the Asian Development Bank (ADB) in 2009 found that only 23% of the 1,260 vocational school teachers held a degree and 46% had less than five years of work experience. A training component planned at the PA was not implemented until 2015, after the 2014 EPE highlighted the low level of qualification. In addition to the low level of qualification amongst teachers, teacher availability should have been identified as a problem too. The vocational schools do not have enough teachers. This was previously confirmed by an informal study conducted by the MoES in 2010, which predicted that 200 more teachers would be needed by 2016.

The objectives of the project in terms of development policy were in line with those set out in the Laotian 7th National Socio-Economic Development Plan (2011-2015), which not only aims for high economic growth and a dynamic private sector, but also targets the improvement and expansion of vocational training opportunities for the first time. The objectives of the Laotian vocational training strategy (2016–2020) formulated during the project's lifetime include, but are not limited to: the development and improvement of existing vocational schools and improvements in the quality of teaching. The Laotian government has placed growing emphasis on vocational training in recent years. This is evidenced by the reforms under-

<sup>2</sup> Laotian definition of SMEs: small enterprise: < 19 employees; medium enterprise (ME): < 99 employees

<sup>3</sup> ILO Asia (2014): Survey of ASEAN employers on skills and competitiveness. Emerging Markets Consulting. Bangkok, Thailand.

<sup>4</sup> World Bank Enterprise Survey (2009): 0.6% of SMEs and 22.23% of MEs in Laos offer formal vocational training, compared to 36.96% of SMEs and 47.48% of MEs in other Eastern Asian countries. Foreign companies offer more vocational training (57.57% in Laos) as compared to 74.31% in Eastern Asian countries.

<sup>5</sup> Electrical engineering, welding technology and repairs, automotive engineering, carpentry, agriculture, hotel management, tailoring and construction

taken, the increasing — albeit still low — budget allocations, and cooperation with a large number of international donors in this sub-sector. The projects were provided as part of the German contribution to the "Sustainable Economic Development" priority area and operationalised under the DC programme "Promoting economic development and employment in Laos". Donor coordination has improved since the 2014 EPE. To ensure better content coordination, a "Technical and Vocational Education and Training Technical Working Group" has been set up between the government and international donors and meets on a regular basis. The image of vocational training has improved significantly in recent years thanks to a series of campaigns.

In special economic zones in particular, investments from well-known international investors (Toyota, Nikon) in the manufacturing sector promote economic transformation and diversification and have even helped the country to move from a low income country (LIC)<sup>6</sup> to a lower middle income country (LMIC)<sup>7</sup> since 2011 in the World Bank income classification. These developments and more make the promotion of vocational training for the qualification of skilled workers relevant from today's perspective.

**Relevance rating: 2 (both phases)**

### Effectiveness

The aim of the FC measure (module objective) was the qualitative and quantitative improvement of demand-driven training at selected vocational schools. The achievement of objectives (appropriate use and rate of utilisation) is to be measured using the following three indicators:

Indicator	Status PA, target value PA	Ex post evaluation
(1) Following commissioning of the newly created / rehabilitated capacities, these are utilised by trainees at a rate of at least 90%.	PA (2011) 0; objective: > 90%	Achieved. All programme schools are fully utilised (quantitative improvement of supply) with only two exceptions (Phongsaly (314 students) and Sekong (494 students)) — some schools are actually working beyond capacity, which in turn leads to compromises in terms of quality.
(2) All facilities are used for training purposes (formal and non-formal training) for at least 60% of their operating time.	PA (2011) 0; objective: > 60%	Achieved. It is not possible to calculate a reliable percentage because the rate of utilisation of the facilities is not monitored. Based on visits to selected schools, as well as surveys relating to the operation and condition of the facilities, a rate of utilisation in excess of 60% can be assumed. The high number of students is also indicative of a good rate of utilisation.
(3) The number of teachers increases in line with the number of students and the teachers receive regular training.	-	Not achieved. The number of teachers has been stagnant for years. Educational and professional training (also supported by DC and other donors) does, however, take place.

The programme schools have seen a significant increase in enrolments and completed courses in recent years, indicating an improved image and demonstrating the effectiveness of the vocational training campaigns run by the Ministry of Education (MoES) and the schools themselves. Particularly noteworthy here is the Lao-German Technical College, which enjoys a good reputation even outside of Laos. Each year

<sup>6</sup> Income classification according to the World Bank: per capita gross national income < USD 1,045

<sup>7</sup> Income classification according to the World Bank: per capita gross national income USD 1,046 – 4,125

over 2,000 students apply, of which around 600 are accepted. In the academic year 2016–2017, the number of female students at vocational schools grew to 43%. The majority of female students are enrolled in subjects such as tailoring, administration, accounting and hotel management, however, with just a few enrolled in technical professions. To change this — at least at the LGTC — female students will be accepted without having to sit the qualifying exam for technical curricula. The construction of separate male and female accommodation in six of the FC-supported programme schools was also effective in enhancing accessibility to vocational training for both sexes. Voucher schemes for poorer segments of the population (of which 40% are female) served as an incentive to attend short-term courses (non-formal training). With the exception of the schools in Phongsaly (which only received very limited funds from phase III and IV) and Sekong, the schools are fully utilised (indicator 1). Some schools are even overcrowded (e.g. Oudomxay), which leads to poor teaching quality due to the lack of teachers, overcrowded class-rooms (35 students in classrooms designed for 25) and classes sometimes taking place outdoors.

The facilities financed by the FC were found to be in place and the majority operate almost daily (indicator 2). Only a small number of devices are not in use because teachers did not know how to integrate them into practical lessons or spare parts were missing (see Sustainability). The ratio of theoretical to practical lessons is balanced for most of the curricula, as confirmed by interviews. Loss of teaching quality is caused by classroom overcrowding, and means that some practical lessons are given as demonstrations and students have to share equipment during exercises. To date, flexible adaptation of the equipment has taken place only at the LGTC, where new curricula in the high-demand areas of mining and hydroelectric technology have been introduced. In surveys, students and graduates were generally satisfied with the equipment for the purposes of acquiring basic knowledge; employers complained that the students' skills are not in line with the state of the art, due in part to the outdated equipment used in the workshops.

Despite the support provided by TC, including the provision of on-site specialists (formerly German Development Service) at the schools, there was still an additional need for training relating to the FC-financed equipment following installation and instruction by the supplier. This training was implemented in the three southern schools by means of a training component. Teachers received technical training in how to properly operate, maintain and use the facilities from both a technical and educational perspective. Without this training component, there would have been a risk that the FC-financed machinery and teaching materials might not have been included in the practical lessons. This measure had a positive effect on target achievement (indicator 3). Nevertheless, the number of teachers is still too low. The teacher-student ratio at the supported schools is between 1:10 and 1:20. There has been no increase in the number of teachers in recent years, and teachers who retire are rarely replaced because the budget provided by the MoES has been too low for years. Despite these facts, the ratios found in the programme schools are roughly in line with the average across all middle-income countries of 1:16<sup>8</sup>; the problem is thus attributable primarily to the qualification level of teaching staff.

All these aspects are also reflected in the results of the survey conducted on graduates and students from selected programme schools. While access to vocational training has improved (quantity), there is a lack of teaching materials and equipment, and the quality of teachers is also low.

In addition to qualified personnel and secured financing, competent training requires the provision of operational equipment and facilities as well as infrastructure (workshops, classrooms and student accommodation). The FC financing has made a significant contribution to eliminating the quantitative bottleneck by providing equipment which is suitable for the training areas on offer. The quality of teaching suffers due to under-qualified teaching staff and large class sizes. The LGTC, which was supported by much of the Phase IV funding, is an exception and serves as a model of effectiveness.

**Effectiveness rating: 3 (Phase III), 2 (Phase IV)**

### Efficiency

The total costs of EUR 12,532,000 (EUR 9.98 million in FC financing, EUR 2.35 million from equity capital and EUR 200,000 for the training component) were just under 7% higher than planned. The increase in costs was due to the construction of the LGTC and to the delays which occurred during implementation as

<sup>8</sup> <https://data.worldbank.org/indicator/SE.SEC.ENRL.TC.ZS?view=chart>

the result of factors such as the weak euro conversion rate at the time, which meant procurements had to be postponed for some time. These additional costs were paid by the project-executing agency on top of the originally agreed counterpart contribution.

Although the commitment succeeded in securing a direct follow-up to phases I and II, the implementation of phases III and IV was delayed by 13 months owing to the project locations being both distributed across the country and sometimes subject to flooding, making them hard to reach, as well as to the use of remaining funds from phases I and II<sup>9</sup>. In addition, the planning was adjusted during implementation (improved access for people with disabilities). The measures which the schools had agreed to implement themselves (fencing, furnishing, water supply) were only provided slowly too. Responsibility for these measures lay with the schools and provincial administrations. The implementing agency MoES and the consultant had to address this problem several times. In light of the good quality of the measures and equipment, the construction costs were significantly higher than those in the preceding phases, at an average of EUR 300 per m<sup>2</sup> of usable space. This was due to the falling exchange rate (Phase I / II, EUR 1 = LAK ~10,000-11,000, Phase III / IV, EUR 1 = LAK ~9,000-10,000) and rising labour costs. The appropriateness of the costs was confirmed in 2014 as part of an expert opinion. The sampled costs of FC-financed construction measures and FC-financed equipment taken from the school in Sekong and from the LGTC were lower in comparison to the costs of other donors<sup>10</sup>. The tenders for construction and delivery were made at the same time as far as possible. The construction and rehabilitation work was tendered at the national level, while delivery for equipment was tendered at the international level, which led to the problem that spare parts had to be procured internationally — albeit through a local agent — in many cases. The schools, however, lacked the funds for this. The production efficiency is evaluated as good overall.

Allocation efficiency has improved throughout the phases of the project. The schools are adequately utilised; the equipment is used appropriately. Yet, not all disciplines are in equal demand by students. While demand for hotel management and electrical engineering is high, construction and wood working are less popular. Although the workshops are put to use in general, a greater number of students could be taught or space and teaching resources could be saved. Nevertheless, the schools continue to offer these subjects in order to train future Laotian professionals in this now Vietnamese-dominated occupational field. The short-term courses offered (three or six months) are in high demand for all disciplines and also serve to ensure utilisation and revenue. Although fees are highly subsidised (where students do not have scholarships), student willingness to pay tuition fees is indicative of good allocation efficiency. Surveys indicate that the majority of students who enroll in the schools do so with the primary aim of starting a career. Some students who receive military scholarships or attend the LGTC are guaranteed a job following completion of their studies.

**Efficiency rating: 3 (Phase III) und 2 (Phase IV)**

### Impact

Improving the supply of skilled labour (impact) should help to improve conditions for the development of competitive enterprises.

Indicator	Ex post evaluation
At least 80% of successful vocational school graduates find employment related to their qualification either as salaried employees or as self-employed workers.	Not achieved, with the exception of the LGTC. It can be assumed that around 55% of the graduates surveyed will go on to find employment (including in family businesses) or become self-employed within three months of completing vocational school.

<sup>9</sup> Construction of additional teachers' accommodation in Salavan and Attapeu, renovation of a cafeteria and classrooms in Salavan, procurement of specialist literature in the Laotian language, construction and equipment of an agricultural department in Sekong, construction of student accommodation and an additional workshop at the LGTC.

<sup>10</sup> Joachim, Ina (2014): market price audit, vocational training III and IV, Laos.

The indicator was achieved only for the LGTC, which guarantees graduates a position following graduation thanks to institutionalised cooperation with the private sector (TOYOTA, Kubota, Rachabury Power Company (Thailand), BHS (Germany), among others). The other schools have small SME and ME initiatives in the provinces, however, collaborations are guaranteed only through internships. These unpaid internships, which all students complete, make an essential contribution to the practical relevance of their training. What is more, the services that schools provide to their communities (repairs, improvements, construction) generate revenue for the schools and allow teachers and graduate students to work together to help students gain insight into working life and make contacts.

The non-representative survey conducted as part of the EPE found that vocational school graduates in Xiangkhouang and Salavan are still predominantly employed in the public sector and state-owned enterprises, while those who studied at the LGTC are employed in the private sector.

According to a survey by the ILO<sup>11</sup>, the content of vocational training in Laos still appears to be satisfactorily aligned with the requirements of companies in a regional comparison (25% of employers are very satisfied and 27% are satisfied with the vocational training). Nevertheless, there is still room for improvement. Approximately 30% of companies surveyed complain that the training is not sufficiently tailored to local needs and that intercultural experience and knowledge of foreign languages is limited or non-existent — although many vocational school teachers now undertake training in Vietnam and Thailand. The schools do not offer sufficient specialisation<sup>12</sup>, despite this being in demand particularly at Chinese, Vietnamese and Thai companies which have the largest direct investment in the region. Overall, the private sector is still not sufficiently involved in shaping the country’s curricula, in selecting equipment, and in formulating sector strategies.

The range of courses offered (the same curriculum in every school) does not generally meet the requirements of the private sector (see Fig. 1). Surveys conducted among students indicate that a large number wish to go into self-employment. The schools offer little support to prepare them for this. Courses such as small business management, financial literacy, career counselling, and soft skills should be offered more frequently. These disciplines are also in high demand within the private sector (Fig. 1). At the same time, the start-up business framework in Laos remains problematic, and there is limited access to micro-credits. After improving its ranking from 165th to 139th in the World Bank Ease of Doing Business index between 2011 and 2016, Laos fell back to 141st in 2017. Laos performs particularly poorly in the areas of starting a business (164th), access to electricity (149th) and paying taxes (156th). Accordingly, only limited effects (contribution of the graduates to economic development) can be expected in the short term. Many participants of the short-term courses across almost all disciplines work in their family business after graduation, where they are able to improve quality and productivity.

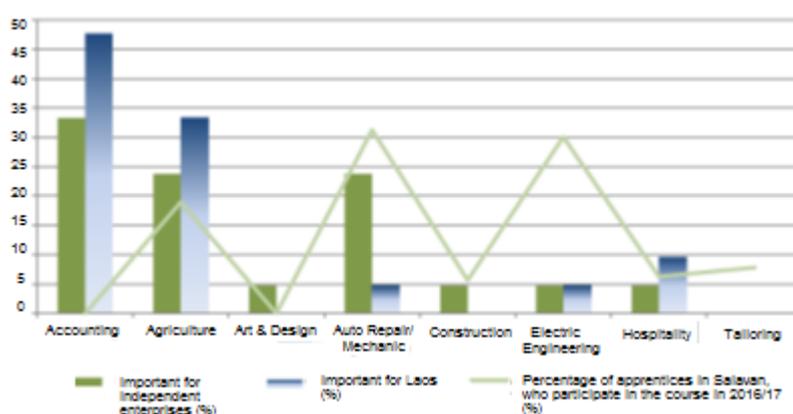


Fig. 1: Example showing the needs of employers and the range of disciplines offered by the vocational school in the Salavan Province (own research from Salavan employer survey results in the public sector (local government, public authorities and other public organisations (52% of the sample), in the manufacturing sector (workshops, etc. 14%), in the retail industry (29%) and in the hospitality industry (5%)).

Overall, the interviews and the results of the non-representative surveys indicate that the number of students who go on to find work after graduation is on the rise, especially in the electrical and automotive sectors. Since 2015, direct entry to positions in ministries or public administration is no longer possible. To access these jobs, prospective candidates must complete a separate exam (after successfully completing

<sup>11</sup> ILO (2015): Survey of ASEAN employers on skills and competitiveness. May 2014. Bangkok, Thailand.

<sup>12</sup> Own surveys conducted as part of the EPE indicate that 76% of surveyed entrepreneurs want more on-the-job training.

the higher diploma — only offered in a small number of the funded vocational schools in 2017/2018). It should be noted, however, that in most cases graduates from vocational schools in Salavan earned only slightly more — and in some cases, the same — as their colleagues without vocational training<sup>13</sup>. However, salaries differ greatly from region to region, as illustrated by selective interviews conducted during the EPE. The LGTC is a clear exception here. LGTC graduates earn on average almost twice as much as surveyed graduates from the programme school in Salavan.

Nevertheless, training at vocational schools has in many cases enabled graduates to enter a qualified profession. Establishing vocational training in Laos will take more time and will depend on the actual qualifications of the graduates. At present, the level of qualification is still too low for many of the schools to provide immediate practical added value for companies and the economy. German DC has made a visible, capacity-building contribution to the state vocational training system by supporting 13 of the 23 public vocational schools, all of which have a good reputation.

**Impact rating: 3 (both phases)**

### Sustainability

The structural substance of all buildings and facilities was of a consistently high quality. Maintenance and servicing work was carried out by the students and teachers themselves and thus depended heavily on their abilities as well as those of the school management. No specialist staff is hired for this purpose. The majority of maintenance contracts for equipment expired in 2016 and have not been renewed. There is an increased risk for the functionality of machinery, as maintenance cannot always be taken over by the school staff and, in some cases, expensive spare parts have to be procured for which there is little or no budget. The costs of operation and maintenance of buildings and equipment are financed, as far as possible, either from the central government's or provincial government's educational budgets, from state-subsidised student tuition or from other revenues (sale of manufactured products). Accordingly, devices for which it is difficult to procure spare parts are handled with care. Maintenance and development plans have been created in most cases, and there were no write-downs and/or corresponding provisions for sustainable investment planning.

Tools are tidied up after class end and locked away, workstations are cleaned, and waste is burned or buried. A significant lack of upkeep and cleanliness was noted in the LGTC student accommodation at the beginning of the mission. At an inspection at the end of the mission, all buildings had been cleaned and all damage repaired. A cleaning concept is set to be introduced by the school management by summer 2018. In the other schools, a half-day of cleaning takes place once a week, during which all students work together to clean buildings and equipment. Levels of cleanliness and care varied from school to school. The availability of water remains a challenge in some schools, especially at the end of the dry season. Although the agricultural classes were still able to irrigate the gardens, students in the student accommodation complained about an unreliable water supply. Water tanks are not yet available at all schools. Students and graduates indicated in a survey that the maintenance of facilities, and particularly of the student accommodation, was inadequate, e.g. lack of lighting and poor hygiene in the toilets.

At present, advanced teacher training is ensured solely through the German DC VELA-FC programme, which provides funding for the VEDI teacher education and training institute and finances teacher training scholarships for practical training. The further training of teachers for hospitality and hotel management (as well as the provision of equipment) will be ensured by LuxDev in future. It is unclear how the financing of future equipment, which must be geared towards the needs of the developing economic and industrial sectors, should take place.

For those students who have found a job after graduating from vocational school, it is important to continue the positive sustainable development of their skills and to contribute to economic development. Ensuring the systematic and sustainable anchoring of the vocational training concept in Laotian society and its recognition by the private sector will take more time, however, and will require examples of success. This requires dedicated personnel at all levels (ministry, provincial administration, school management and

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<sup>13</sup> The results of the survey in the Salavan province reveal that the surveyed graduates earn less than LAK 1 million on average, which is just above minimum wage.

teachers) who understand the concept of vocational training and know how to combine theory with practice. The fact that these positions are occupied by an entire generation which studied in Germany in the 1980s and embedded vocational training in Laos, but who are set to retire in two to three years, is a serious risk factor for the support of the vocational training sector in Laos.

Given the good condition of the facilities and equipment, but in light of the unsecured financial resources for maintenance, repair and teacher training, we assess the sustainability as satisfactory.

**Sustainability rating: 3 (both phases)**

### Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

<b>Level 1</b>	Very good result that clearly exceeds expectations
<b>Level 2</b>	Good result, fully in line with expectations and without any significant shortcomings
<b>Level 3</b>	Satisfactory result – project falls short of expectations but the positive results dominate
<b>Level 4</b>	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
<b>Level 5</b>	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
<b>Level 6</b>	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

### Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).