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Vietnam: Second Secondary Education Sector Development Program
(Financed by the Japan Fund for Poverty Reduction)

Prepared by PMGroup
Hanoi, Vietnam

For Asian Development Bank

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Asian Development Bank



MINISTRY OF EDUCATION AND TRAINING



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(as of 14 December 2016)

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\$1.00	=	D22,644

LIST OF ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
ASEAN		Association of South East Asian Nations
BOET	–	Bureau of Education and Training (district)
BTC	–	Belgian Technical Cooperation
CPMU	–	central program management unit
CPS	–	Country Partnership Strategy
CQS	–	Consultant’s Qualification Selection
DMC		Donor Member Countries
DMF	–	design and monitoring framework
DOET	–	Department of Education and Training (province)
DPF	–	Department of Planning and Finance
DST	–	Department of Science and Technology
EA	–	executing agency
EMIS	–	education management information system
EOI	–	expression of interest
GAP	–	gender action plan
GDP		gross domestic product
GDFE	–	General Department of School Facilities, Equipment and Children Toys
GIZ		Gesellschaft für Internationale Zusammenarbeit
ICB	–	international competitive bidding
JICA		Japan International Cooperation Agency
LSE	–	lower secondary education
LSS	–	lower secondary school
MOU		Memorandum of Understanding
MDG		Millennium Development Goals
M&E	–	monitoring and evaluation
MOET	–	Ministry of Education and Training
MOF	–	Ministry of Finance
MPI	–	Ministry of Planning and Investment
NAM	–	National Achievement Monitoring
NCB	–	national competitive bidding
OECD	–	Organisation of Economic Cooperation and Development
ODA		Overseas Development Assistance
PAM	–	program administration manual
PBL	–	policy-based loan
PCR	–	program completion report
PISA	–	Programme of International Student Achievement

PPMS	–	project performance monitoring system
PPTA	–	Program Preparatory Technical Assistance
PSC	–	program steering committee
QCBS	–	quality- and cost-based selection
RFP	–	request for proposal
RRP	–	Report and Recommendation of the President
SBV	–	State Bank of Viet Nam
SESDP	–	Secondary Education Sector Development Program
SESDP II	–	Second Secondary Education Sector Development Program
STEM	–	science, technology, engineering, and mathematics
STP	–	simplified technical proposal
SY	–	school year
TALIS	–	Teaching and Learning International Survey
TOR	–	terms of reference
UNESCO		United Nations Educational, Scientific, and Cultural Organization
USAID		United States Agency for International Development
USE	–	upper secondary education
USS	–	upper secondary school
VND	–	Viet Nam Dong
WB		World Bank

NOTES

1. The fiscal year of the government ends on 31 December.
2. In this report, "\$" refers to US dollars unless otherwise stated.
3. In Viet Nam, school year (SY) ends on 31 May.

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I. EXECUTIVE SUMMARY

A. Introduction

1. This Final Report presents the proposed design and findings of the due diligence of the Second Secondary Education Sector Development Program (SESDP II), prepared by the Consultant engaged by the Asian Development Bank (ADB) for the implementation of the Project Preparatory Technical Assistance (PPTA) 8698 VIE. The report also provides the country and sector context, as well as the rationale for the proposed program. Finally, the report indicates how the performance of the program will be monitored and evaluated.

B. The Program

2. **Development Problems.** Viet Nam has evolved from one of the world's poorest countries 25 years ago to a lower middle-income country with a per capita income of \$2,109 in 2015. Between 1990 and 2007, Viet Nam's average annual gross domestic product growth was over 7%, while from 2010 to 2015 it averaged 5.9%.¹ The initial heavy reliance on export-led growth, anchored by investment in basic education, yielded the necessary skills to take advantage of cheap labor to begin its transition to prosperity.

3. Viet Nam, however, faces a new development challenge – low competitiveness and productivity. Viet Nam's global competitiveness index has remained low – from 64 in 2006-2007 to 56 in 2015-2016.² Levels of labor productivity in Viet Nam are low in comparison to other countries in the region with the exception of Laos and Cambodia. Viet Nam has progressed rather slowly and has failed to achieve the large increases in labor productivity realized by Singapore, Japan, Korea, Thailand, and Malaysia.³ The shortage of skilled workers is seen as hampering economic competitiveness and has become a key impediment to the country's capacity to realize the full benefits associated with rapidly growing investments.⁴ The World Bank's Knowledge Economy Index ranked Viet Nam 104th out of 144 countries on its preparedness to compete in the knowledge economy.⁵ The government forecasts a need for a large increase in the number of trained persons entering the workforce. However, the public-school system in its present form is unable to meet the country's projected needs for skilled labor, and thus requires a major reform. The government particularly emphasizes the need for reforming secondary education, which faces challenges to the production of graduates who immediately enter the labor market and those who continue on to higher education.

4. **Binding constraints.** Three major constraints impede the secondary education system's ability to produce a sufficient number of highly skilled graduates: (i) poor quality of teaching and learning, and low labor market relevance, (ii) inequitable access of disadvantaged groups to secondary schooling, and (iii) poor secondary education management and governance.

¹ General Statistics Office of Vietnam. <http://www.gso.gov.vn/default.aspx?tabid=622&ItemID=14774> (accessed June 22, 2016)

² The World Economic Forum. 2015. *Global Competitiveness Report 2015–2016*. Switzerland

³ OECD/The World Bank (2014), *Science, Technology and Innovation in Viet Nam*, OECD Publishing. Paris.

⁴ OECD/The World Bank. 2014, *Science, Technology and Innovation in Viet Nam*, OECD Publishing. Paris.

⁵ World Bank. 2014. Knowledge Economy Index, <http://data.worldbank.org/data-catalog/KEI> (accessed November 24, 2015).

5. **Poor quality of teaching and learning.** While Vietnamese students demonstrated high academic performance in the 2012 Programme of International Student Assessment (PISA), the current system of secondary education does not equip students with the competencies needed for the labor market.⁶ The instructional method in Viet Nam is still didactic and discourages creativity. The country recognizes the value of student-centered teaching methods, but only selected schools have introduced these. The government promotes science and technology as a key strategy for industrialization, but only 22% of university students majored in natural sciences in the SY2014/2015 far fewer than students studying humanities and social sciences (about 37%).⁷ A World Bank study on Vietnamese youths' preparation for the market economy found that general education in Viet Nam has contributed little to the development of cognitive, social, and behavioural skills that are critical for the workplace.⁸

6. **Inequitable access to secondary education.** In 2015, about 10% of the lower secondary aged youth did not attend LSS or equivalency programs provided through continuing education centers. Out-of-school youths are mainly girls, ethnic minorities, migrants from rural agricultural areas to urban or peri-urban poor areas, and those with disabilities. While the enrollment rate for girls and ethnic minorities has improved, youth from poor domestic migrant families and disabled youth who have completed primary education are marginalized.⁹ A UNICEF survey showed that 65% of migrant youth did not attend school.¹⁰ Migrant youth have limited access to the financial and academic support required to return to school. Youth with disabilities have good access to primary school, but very few continue to secondary education due to the lack of instructional materials and professionally trained special education teachers. Parents lack awareness of disabled children's right to an education and the understanding that many disabled youth can improve their employability if they complete secondary education and get vocational guidance.

7. **Weak educational governance and management.** Local autonomy for management decisions has been a long-standing feature in Viet Nam. This has resulted in significant differences in performance across local governments, where there are critical gaps in access to, and quality of education. The planning and management capacity of local government staff and schools are weak. The government and development partners conduct joint public expenditure reviews only for the central government---no information is available on education budget allocation and spending at the district and school levels. There is presently no mechanism for schools to decide on how to use financial resources based on their needs. The national achievement monitoring (NAM) system for secondary education collects student learning outcomes data only for three core subjects and one science subject every 3 years.¹¹ The NAM results are analyzed only by province, not by individual school. Vietnamese teachers' working conditions have never been assessed relative to international standards. Macro data on learning outcomes and the limited information on teachers does not help the school principals in

⁶ Organization of Economic Cooperation and Development (OECD). 2013. *PISA 2012 Results: What Students Know and Can Do*, OECD Publishing. Paris.

⁷ UNESCO. http://data.uis.unesco.org/Index.aspx?DataSetCode=EDULIT_DS&popupcustomise=true&lang=en (accessed 3 March 2016)

⁸ WB. 2014. *Skilling Up Vietnam – Preparing the Workforce for a Modern Market Economy*. Washington DC.

⁹ In 2012 the net enrollment rate (NER) in lower secondary education (LSE) for Kinh was 84.8% compared to 71.7% for ethnic minorities and at the upper secondary education level the rate was 65.3% for Kinh and 37.7% for ethnic minorities. For LSE, the NER for boys was 82.7% and for girls it was 85.2%, while at upper secondary education the NER for boys was 58.8% and for girls it was 66.5%.

¹⁰ S. Cameron. 2012. *Education, urban poverty and migration: Evidence from Bangladesh and Vietnam*.

http://www.unicef-irc.org/publications/pdf/iwp_2012_15.pdf (accessed 15 March 2016)

¹¹ NAM tests mathematics, literature (reading), and English, and one of the sciences (biology, chemistry, or physics).

addressing the individual needs and priorities of their schools. Less than 20% of schools have been accredited due to the lack of trained external evaluators. MOET provides management training to school principals, but the training has not helped strengthen the schools' accountability mechanism.

8. **ADB's value-addition through SESDP II.** Many of the ongoing education reforms and those consolidated under Resolutions 29 and 44 were identified and initiated through ADB's long-standing policy dialogue and engagement in secondary education. SESDP II builds on and scales up the SESDP reform actions. The SESDP II will help revise the teacher standards developed under SESDP. Targeted support will be provided to help emerging underserved groups access secondary education, including domestic migrants and disabled youth. The LSE equivalency program supported by SESDP will certify disadvantaged youth as LSS graduates, which will help improve their employability. SESDP II supports Viet Nam's continued participation in the PISA 2018 and 2021. SESDP II also supports Viet Nam's first-time participation in the 2018 Teaching and Learning International Survey (TALIS) of the Organization for Economic Co-operation and Development (OECD). TALIS will assess teacher's working conditions. The program will also seek synergy with ADB's support for the Improving Public Expenditure Quality Program, which will help improve the productivity of public financial resource allocation and budget implementation mechanisms.

9. **Impact and Outcome.** The program's impact is aligned with Viet Nam's Education Development Strategy, 2011–2020 and will contribute to workforce competitiveness, social equity, and lifelong learning opportunities for all secondary school graduates improvement. The outcome will be learning outcomes and competitiveness of secondary school graduates enhanced. Appendix 1 contains the Design and Monitoring Framework and Appendix 2 provides the Policy Matrix.

10. **Outputs.** To reach program objectives, the proposed policy reform actions to be undertaken by SESDP II are as follows:

- (i) Output 1: Quality and relevance of secondary education improved
 - 1.a. The quality of secondary learning improved through the model resource secondary schools.
 - 1.b. Sustainable provision of high-quality secondary teachers ensured.
 - 1.c. Quality of science and technology education in secondary schools enhanced.
 - 1.d. Vocational awareness and career planning for secondary students enhanced.
- (ii) Output 2: Equity of access to secondary education enhanced
 - 2.a. Access of disadvantaged domestic migrants to lower secondary education enhanced.
 - 2.b. Equity of access to lower secondary education for youth with disability improved.
- (iii) Output 3: Educational governance and management strengthened
 - 3.a. Capacity in mobilization of social resources for secondary education to meet requirement of decentralized education management strengthened.
 - 3.b. Accountability of secondary education quality strengthened.

11. **Program financing.** The program is estimated to cost \$107 million. The government has requested a policy-based loan in various currencies equivalent to \$50 million and a project

loan in various currencies equivalent to \$50 million from ADB's Special Funds resources to help finance the program. Both loans will have a 25-year term, including a grace period of 5 years, an interest rate of 2.0% per annum during the grace period and thereafter, and such other terms and conditions set forth in the draft program loan agreement. The government will provide counterpart funding of \$7 million from its central budget.

12. **Implementation arrangements.** MOET will be the executing agency (EA) for the proposed program and will have overall responsibility for program coordination and implementation. MOET will establish a program steering committee (PSC) to: (i) provide guidance in policy development and program implementation; (ii) provide guidance in identification of proposed investment activities based on prioritized targets; (iii) ensure coordination with relevant government agencies and stakeholders; (iv) monitor the program achievement of outcomes; and (v) ensure timely approval of reports, plans, annual budget estimates submitted to the Prime Minister. MOET will establish a Central Program Management Unit (CPMU) to oversee the day-to-day implementation of the program. The Department of Education and Training (DOET) of each province will assist the CPMU in coordinating project activities at the province level.

C. Due Diligence

13. **Economic and Financial.** The program will assist the government in creating strategic and long-term changes to develop the country's human resources. The program's economic internal rate of return (EIRR) is estimated at 17.2%, well above the economic opportunity cost of investment of 12%, indicating the program is economically viable. The program is also considered resource-efficient based on its benefit-cost ratio of 1.1, which is greater than 1. The fiscal impact analysis confirmed that the government has adequate financial resources and will be able to fulfill all its financial obligations under the program as total program costs are observed to be significantly less than 0.1% of total annual government expenditure. The financial sustainability analysis showed that the government, as the borrower, has strong capacity to cover both annual operation and maintenance costs and debt service requirements beyond the program implementation period as these are likewise significantly below 0.1% as a portion of total government annual expenditure.

14. **Financial management and procurement capacity assessment.** The financial management assessment confirmed that MOET and key implementing agencies have sufficient capacity for program implementation. The procurement capacity of the MOET and CPMU was assessed. The pre-mitigation financial management risk is deemed moderate. Procurements were grouped into large packages to streamline the procurement process, promote competition, and reduce governance risks associated with large numbers of small packages.

15. **Poverty and Social.** The program's second output particularly addresses socially disadvantaged youth, especially domestic migrants, the majority of which are urban poor, and youth with disabilities. The program has a gender equity theme and includes a gender analysis and gender action plan (GAP).

16. **Safeguards.** The program does not include any civil works. The program is categorized C for involuntary resettlement, indigenous people, and environment.

17. **Risks and Mitigating Measures.** The overall benefits and impacts are expected to outweigh the risks involved. Major risks and mitigating measures are described in detail in the risk assessment and management plan.

II. PROGRAM BACKGROUND

18. Several factors were considered during the design of the Second Secondary Education Sector Development Program (SESDP II). A sector analysis was completed (Appendix 3). First, a careful review was made of the economic and social development environment within Viet Nam over the past 20 years and the role that secondary education has played in that development. Second, past achievements in the secondary education sector were reviewed to ensure that the proposed program would build upon the current state of development - this included a review of the sector in general, the achievements of the first phase of the SESDP, and ADB's and other Overseas Development Assistance (ODA) in the secondary education sector interventions. Finally, to identify the focus of program activities, both the government's plans for future development and ADB's priorities in Viet Nam were analyzed to identify policy reforms and supporting investment activities.

A. Socio-economic Context

1. Labor Market Analysis

19. **Introduction.** Viet Nam has evolved from one of the world's poorest countries 25 years ago, to a lower middle-income country with a per capita income of \$2,109 in 2015. Viet Nam has gradually stabilized its macro-economy and controlled inflation. Between 1990 and 2007, Viet Nam's average annual gross domestic product growth was over 7%, while from 2010 to 2015 it averaged 5.9%.¹² Viet Nam's economic slowdown deepened after the global financial crisis in 2008, but the roots to this slow down can be traced to the years immediately before then, and its once powerful growth model has been running out of steam for some years.¹³ Rising agricultural output, better educational quality, and movement of labor into industry and service sectors contributed to the economy's growth, and growth momentum was sustained through inflows of domestic and foreign investment.¹⁴ The initial heavy reliance on export-led growth, anchored by investment in basic education, yielded the necessary skills to take advantage of cheap labor to begin its transition to prosperity.

20. Viet Nam, however, now faces a new development challenge – low competitiveness and productivity. Viet Nam's global competitiveness index has remained low – from 64 in 2006/07 to 56 in 2015/16.¹⁵ Levels of labor productivity in Viet Nam are low in comparison to other countries in the region except for Laos and Cambodia. Viet Nam has progressed rather slowly and has failed to achieve the large increases in labor productivity realized by Singapore, Japan, Korea, Thailand, and Malaysia.¹⁶ According to the World Bank (WB), labor productivity growth has actually been declining since the end of the 1990s across most industrial subsectors.¹⁷ The

¹² General Statistics Office of Vietnam. <http://www.gso.gov.vn/default.aspx?tabid=622&ItemID=14774> (accessed June 22, 2016)

¹³ United Nations Development Programme (UNDP) and Viet Nam Academy of Social Sciences (VASS) (2016) *Growth That Works for All: Viet Nam Human Development Report 2015 On Inclusive Growth*. Hanoi

¹⁴ Data showed that between 1988 and 2010, the number of foreign investment projects in Viet Nam rose from 37 to 1,237. Foreign registered capital reached nearly \$20 billion in 2010, up from only \$735 million in 1990. General Statistics Office, Hanoi, Viet Nam.

¹⁵ The World Economic Forum. 2015. *Global Competitiveness Report 2015–2016*. Switzerland

¹⁶ OECD/The World Bank (2014), *Science, Technology and Innovation in Viet Nam*, OECD Publishing. Paris.

¹⁷ International Bank for Reconstruction and Development / The World Bank and the Ministry of Planning and Investment of Vietnam (2016) *Overview Vietnam 2035 Toward Prosperity, Creativity, Equity, and Democracy*,

shortage of skilled workers is seen as hampering economic competitiveness and has become a key impediment to the country's capacity to realize the full benefits associated with rapidly growing investments.¹⁸ Vietnamese executives report that inadequately educated workforce was the third most problematic factors for doing business in Viet Nam.¹⁹ The World Bank's Knowledge Economy Index ranked Viet Nam 104th out of 144 countries on its preparedness to compete in the knowledge economy.²⁰ The government is forecasting the need for a large increase in the number of trained persons entering the workforce over the coming years but it recognizes that the current system of public schools in present form is not able to meet the projected needs for skilled labor for the country.²¹

21. To sustain high rates of growth, the country needs to transition from low skill labor-intensive activities to those that generate higher value. This transition requires a workforce that is equipped with the right skills, as well as an educational system that can provide school leavers with the desired competencies. For Viet Nam to make the most of its current middle-income stage of development, but also to avoid being perpetually trapped there, it will need to make the most productive use of its rich human resources.²² At middle-income stage, the importance of skills grows rapidly, because it is no longer enough just to rely on low-skilled jobs that anyone can do.

22. The government has recognized in its latest Socioeconomic Development Plan that the economy recovery has been slow, growth rates have not meet the targets, and the development gap between Viet Nam and others in the region is still large.²³ Further it acknowledges that national competitiveness has improved little, especially in terms of economy institutions, infrastructure, and technological innovation. The plan notes that Human resources quality improvement has been slow resulting in a shortage of high quality workers.

23. **Labor supply.** More than one million individuals enter the labor force each year.²⁴ Between 2000 and 2013, the country's labor force grew by nearly 40%, i.e., from 39 million to 53 million. Men and women each account for roughly half of the workforce, i.e., 51.4% and 48.6%, respectively. Most workers are still located in rural areas (about 70%), although this is rapidly changing because of urbanization. The agriculture sector accounts for about 50% of all jobs in the economy. Employment in industry steadily increased, albeit at a slow pace, from 2005 at around 18% to 21% in 2013, with manufacturing and construction providing the most jobs. During this same period, employment in the service sector also increased from around 27% to 32%, with workers employed in wholesale and retail trade accounting for more than third of those employed.

24. On average, over the period 2006-2012, about 84% of the labor force had no formal training for their jobs. Elementary occupations accounted for 40% of all jobs, while other low-skilled occupations, namely those in services and sales, agriculture and fishery, craft and

Washington DC.

¹⁸ OECD/The World Bank. 2014, *Science, Technology and Innovation in Viet Nam*, OECD Publishing. Paris.

¹⁹ World Economic Forum (2014) *Global Competitiveness Report 2014–2015*. Switzerland

²⁰ World Bank. 2014. Knowledge Economy Index, <http://data.worldbank.org/data-catalog/KEI>

²¹ Government of Viet Nam. 2011. Human Resources Development Master Plan, 2011–2020. Hanoi

²² Footnote 3

²³ Government of Viet Nam (2016) *Report On the Assessment of the Implementation of SEDP 2011-2015 and Socioeconomic Development Direction for 2016 – 2020*. Hanoi

²⁴ Based on the average increase in the labor force from 2000 to 2013.

related trades, and plant and machine operations comprised about 50% of the labor force.²⁵ Highly-skilled occupations, on the other hand, accounted for the remaining 10%.²⁶

25. **Labor Demand.** The demand for workers was 34% in the first half of 2015, up 11% in the previous year. However, the strongest growth in demand was observed for highly skilled and trained persons (e.g., architects, designers, engineers, IT professionals)²⁷ reflecting Viet Nam's "skill-based occupational transition" which began in the 1990s. Over the last two decades, jobs characterized by routine manual tasks have been declining and are being replaced by non-routine analytical ones. Employers now tend to hire workers with job-specific technical skills, strong cognitive and non-cognitive skills, leadership capabilities, problem solving and team working skills, and good communication skills.²⁸

26. **Issue - Limited competitiveness.** Viet Nam's global competitiveness index has remained basically unchanged between 2006 and 2015 and is about in the middle among all of the countries rated.²⁹ Over this time frame Singapore, the People's Republic of China, Indonesia, Cambodia, and Philippines have become more competitive. The government has acknowledged the need to improve the country's competitiveness by improving the infrastructure and developing a more skilled labor force. The government has likewise recognized the need to mitigate problems related to the shortage of skilled workers, low labor productivity, and lack of innovation and research and development capacity.³⁰

27. **Issue - Shortage of skilled workers.** Skills shortages and gaps in the labor force are already reportedly affecting Viet Nam's ability to absorb new foreign investment, and therefore limit the country's prospects for expanding productive employment. This may become a serious bottleneck to maximizing opportunities from the recently concluded Trans-Pacific Partnership negotiations. The situation is particularly difficult for young labor market entrants who face difficulties acquiring the right skills. While shortages and mismatches are a sign of a dynamic economy, a real concern is whether the education and training system can adjust quickly enough to evolving demands for technical skills. When Vietnamese executives were asked by those conducting a Global Competitiveness Report about the most problematic factors for doing business in Viet Nam, the problem mentioned third most frequently was an inadequately educated workforce. This education gap was noted in the government's Socio-economic Development Strategy 2011-2020. Strikingly, the government found 81.8% of workers, over

²⁵ Elementary occupations consist of simple and routine tasks, which mainly require the use of hand-held tools and often some physical effort.

²⁶ Organization for Economic Co-operation and Development, 2013. *Structural Policy Country Notes: Viet Nam*,

²⁷ See <http://www.vietnam-briefing.com/news/foreign-companies-report-labor-skills-shortage-vietnam.html> for more details.

²⁸ World Bank survey of employers in Hanoi and Ho Chi Minh City. See the World Bank Vietnam Development Report 2014 for more details.

²⁹ In 2006/2007, Viet Nam's Global Competitive Index was 64 while in 2014/2015 it was 68. The World Economic Forum ranks nations according to their competitiveness using a global competitiveness index comprised of 12 main variables derived from more than 100 indicators. The variables are legal and administrative framework, transport and communications infrastructure, macroeconomic stability, health and primary education, higher education and training, market efficiency for goods, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The listing illustrates the complexity of the task of boosting national competitiveness and that there are multiple pathways to greater competitiveness. World Economic Forum. 2014. *Global Competitiveness Report 2014-2015*. Switzerland.

³⁰ An article in Viet Nam News. 2015. AEC Challenges City's Workforce, 28 August, indicated that aside from the required professional skills, workers also need to improve their English skills to be competitive.

aged 15 and who were employed, have no qualifications.³¹ Viet Nam’s skills challenge can be broken down further into two components - “skills gap” and “skills shortage”. Skills gaps are often found in high and mid-level occupations where workers do not possess the required level of skill needed to perform complex analytical tasks. On the other hand, skills shortages are found when there are not enough workers in specific occupations, which is more widespread among elementary occupations.³² The shortage of skilled workers hinders not only the domestic private sector, but also foreign investors doing business in the country.

28. Issue - Low Labor Productivity. Levels of labor productivity in Viet Nam are low in comparison to other countries in the region.³³ Between 1970 and 2012 Vietnamese labor productivity levels have progressed rather slowly and have failed to achieve the increases in labor productivity realized by Philippines, China, Thailand, and Malaysia over this time period. According to the WB, labor productivity growth has actually been declining since the end of the 1990s across most industrial subsectors, as well as in mining, finance, and real estate.³⁴ Between 1994 and 1996 productivity grew an average of 7.0% but between 2010 and 2012 it only grew by 3.6% which was lower than China, Indonesia, Laos, and Cambodia.³⁵ In agriculture, labor productivity has grown robustly, but its level is still lower than in most of the region’s middle-income countries. With almost half the workforce still engaged in agriculture, Viet Nam has too many workers on its farms.³⁶ Low labor productivity is in part related to low levels of skills of workers but is also related to being effective and efficient in carrying out tasks, competencies which the education sector should be able to impart in students.

29. Issue - Lack of innovation and research and development (R&D) capacity. In 2012, Viet Nam ranked 104th out of 144 countries as indicated by the World Bank’s Knowledge Economy Index (KEI) which represents a country’s preparedness to compete in the knowledge economy.³⁷ The country’s ability to compete is dependent on an efficient innovation system made up of firms, research centers, universities, think tanks, consultants, and other organizations that can tap into the growing stock of global knowledge, adapt it to local needs, and create new technological solutions. It is dependent on an educated and appropriately trained population that is capable of creating, sharing, and using knowledge, and a modern and accessible ICT infrastructure that serves to facilitate the effective communication, dissemination, and processing of information. Contributing to Viet Nam’s low KEI is the country’s weak science, technology, and innovation capabilities, compounded by its nascent and fragmented national innovation system.³⁸ Research and development is still a peripheral activity in both the business and the public sectors. Increased competition in globalizing markets means that it is more important than ever to invest early in advanced technological capabilities; including R&D. Stronger innovation capabilities are essential for enterprises to position themselves better in global value chains. The 2014 Global Competitiveness Report found that Viet Nam’s technological readiness remains low (ranked 99th) and its businesses are especially slow in

³¹ The Government’s goal under the Socio-economic Development Strategy 2011-2020 is to increase the percentage of trained workforce to total labor force to 55% by 2015.

³² World Bank. 2013. *Skilling up Vietnam: Preparing the workforce for a modern market economy*, World Bank.

³³ OECD / The World Bank. 2014, ***Science, Technology and Innovation in Viet Nam***, OECD Publishing, Paris.

³⁴ International Bank for Reconstruction and Development / The World Bank and the Ministry of Planning and Investment of Vietnam (2016) *Overview Vietnam 2035 Toward Prosperity, Creativity, Equity, and Democracy*, Washington DC

³⁵ Footnote 3

³⁶ Footnote 3

³⁷ World Bank.2014. Knowledge Economy Index.

³⁸ Footnote15.

adopting the latest technologies (118th), thus forfeiting significant productivity gains through technological transfer.

30. **Issue - Gender disparity in the demand for labor.** According to a study produced by the ILO and Navigos Search, around 20% of 12,300 job postings (i.e., 1 in 5) were biased in favor of male applicants. Moreover, men were found to have more access to technical and managerial jobs, such as architecture, engineering, and IT, while women were limited to jobs in human relations, accounting, and general administration.³⁹ The gender bias inadvertently results in a pay gap, which limits the earning power of women. The government's 2015 MDG report indicates that while this gender pay gap has reduced in recent years, men overall still earn significantly more than women, and this is particularly marked in urban areas.⁴⁰

31. **The Challenge Ahead.** The challenge for secondary education, and for the education sector in general, is to produce graduates (and school leavers) that are not only technically skilled, but also have the capacity to critically analyze problems and solve these problems based on scientific knowledge and logic. Moreover, as the economy becomes more modernized and industrialized, these critical thinking and problem-solving skills are important requirements for communicating ideas in a teamwork setting. The role of government in meeting this challenge is to establish clear and achievable policy reforms for facilitating improvements in its education system, especially with regard to clearly defining the responsibilities and accountabilities in delivering improved quality of education and in increasing access to quality education among the age-eligible secondary education population at provincial and local levels. Moreover, "the role of government is to help to ensure a better information flow between employers, schools, and universities and students, and to enhance capacity and set the right incentives by freeing up universities to partner more effectively with businesses."⁴¹ This requires a change in behavior among all stakeholders in skills development, with inputs from schools and universities, employers, students, and parents of students as well.

32. To expand productive employment, the UN-VASS report summarizes what needs to occur in the labor market of Viet Nam is continuing to maintain macroeconomic stability while increasing economic efficiency and enhancing connectivity and technological readiness as well as nurturing innovation.⁴²

2. Social Development Context

33. Inclusive economic growth requires not only high sustainable growth but also ensuring that all members of society participate in and benefit from growth and that adequate protection has been provided for the poor and vulnerable. The detailed Poverty and Social Analysis is contained in Appendix 4. On the United Nations Development Programme's Human Development Index (HDI) Viet Nam ranks 116 out of 188 in the medium human development range of countries. Viet Nam made very good progress in terms of HDI prior to the global

³⁹ *Thanh Nien News*. 2015. Many job ads in Vietnam don't even try to hide gender bias: study. 8 March. <http://www.thanhniennews.com/business/many-job-ads-in-vietnam-dont-even-try-to-hide-gender-bias-study-39526.html>

⁴⁰ SRV and U. Vietnam (2015). Country report: 15 years achieving the Viet Nam millennium Development goals. Hanoi, Socialist Republic of Vietnam / UNDP

⁴¹ The World Bank. 2014. The Vietnam Development Report.

<http://www.worldbank.org/en/country/vietnam/publication/vietnam-development-report2014-skilling-up-vietnam-preparing-the-workforce-for-a-modern-market-economy>

⁴² Footnote 3

financial crisis of 2008 but Viet Nam's relative progress has been weaker, and its rate of improvement has slowed more than in comparator countries.⁴³ Economic growth in Viet Nam has been coupled with impressive progress in alleviating poverty and improving equity over recent years. Viet Nam has managed to achieve relatively rapid progress in economic growth without significant increases in inequality.⁴⁴ Viet Nam has made very impressive progress towards achieving many of its Millennium Development Goals (MDGs) goals, and is on track to meet others before the end of 2015.⁴⁵

34. From a poverty rate of 58.1% in 1990, the country has successfully reduced poverty to 14.2% in 2010 and to 9.6% by 2012.⁴⁶ While overall poverty levels have dropped remarkably, wide disparities still exist. The poverty rate in the economically disadvantaged regions fell from 58.3% in 2010 to 43.9% in 2012 but it is still almost five times as high as the national average. In addition, more than half of ethnic minority groups still live below the poverty line. Also, new forms of poverty are also starting to emerge.⁴⁷ These include chronic poverty, urban poverty, child poverty and poor domestic migrants. The government's plan to transition from the traditional one-dimensional poverty approach to a multidimensional poverty approach in Viet Nam will increasingly highlight these forms of poverty which have overlapping – and thus intensified - forms of disadvantages.^{48 49 50}

35. Viet Nam has made significant progress in achieving universal Primary education. In 2014, the net enrolment rate (NER) in Primary school was 99.0%.⁵¹ However, in the opinion of the GOV the speed of improvement in the educational sector has lagged behind national economic government growth and a fast-changing society.⁵² Inequality in educational access and quality persists among different ethnic groups and disparate geographical regions. Education reform in teaching and learning, and improvement in school facilities are still needed to achieve a more inclusive education system which implements the necessary measures to provide an appropriate education for all children in an integrated way. Inclusive education links both special and mainstream support services in a systematic approach to change.⁵³

36. Viet Nam has been very successful in increasing girls' participation in education at primary and secondary school levels. In the SY2014/15, females represented 47.9% of students

⁴³ Footnote 3

⁴⁴ Footnote 3

⁴⁵ The Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. Viet Nam committed to achieve the MDGs by 2015.

⁴⁶ Government of Viet Nam. Ministry of Planning and Investment, 2013. *Millennium Development Goals Full Report 2013 Achievements and Challenges In The Progress of Reaching Millennium Development Goals Of Vietnam*. Hanoi.

⁴⁷ UNICEF Viet Nam. No date. Overview - Viet Nam and the MDGs.

http://www.unicef.org/vietnam/overview_20392.html

⁴⁸ SRV. (2014). DECISION to issue an Action Plan for implementing Resolution 76/2014/QH13 of the National Assembly on speeding up sustainable poverty reduction target until 2020

⁴⁹ SRV. (2014). DECISION to issue an Action Plan for implementing Resolution 76/2014/QH13 of the National Assembly on speeding up sustainable poverty reduction target until 2020

⁵⁰ The Multidimensional Poverty Index (MPI) complements monetary measures of poverty by considering overlapping deprivations suffered by people at the same time. The index shows the number of people who are multi-dimensionally poor and the number of deprivations with which poor households typically contend with. It can be deconstructed by region, ethnicity and other groupings as well as by dimension (UNDP)

⁵¹ Ministry of Education and Training. 2014. *Education Statistics Yearbook 2013-2014*. Hanoi

⁵² Ministry of Planning and Investment 2013. *Millennium Development Goals Full Report 2013 Achievements and Challenges In The Progress of Reaching Millennium Development Goals Of Vietnam*. Hanoi.

⁵³ Handicap International. 2012. Policy Paper Inclusive Education. Technical Resources Division PP08.

enrolled at primary level, 48.8% in LSE, and 53.1% in USE level.⁵⁴ There are more males than females in the population. Females made up 48.3% of the children of the age of students in these grades. In addition, female students tend to outperform male students on international and national student assessments.⁵⁵ Viet Nam has one of the highest rates of representation of women in decision making in national parliament in the region: 25.8% of National Assembly deputies are women. However, Vietnamese women and girls continue to face serious obstacles - including poverty, limited access to higher education and employment opportunities, as well as persistent discriminatory attitudes and behavior.⁵⁶ More can be done to convince parents and communities that investing in girls' education reaps many benefits socially and economically. Global evidence shows that females who acquired knowledge and decision-making skills become empowered; live healthier, happier lives; care for their families better; and have better employment and income possibilities. Furthermore, better education for all has strong intergenerational impacts on increasing educational accomplishments for Viet Nam's future generations in improving welfare, and reducing disparities between ethnic groups.⁵⁷

37. Although Viet Nam has avoided the large increases in inequality in other fast-growing countries, the differences between rich and poor are still significant. The government's latest Socioeconomic Development Plan indicates that the lives of groups of people are still in difficulties and the poverty gap between regions and groups of citizens are still large.⁵⁸

38. Despite advances in all regions, significant differences remain in outcomes and rates of change. Among the six regions, the Northern Midlands and Mountain region has the lowest HDI values at 0.679, followed by the Central Highlands at 0.704. The Mekong River Delta is over represented in the near poor group. Significant social transformation is evident in the shrinking population shares of the poor and near poor, and the rapid expansion of the lower middle class.⁵⁹ Yet those in the middle are far from secure, and those still in poverty are harder to reach, particularly within remote ethnic minority communities.

39. Viet Nam has 54 ethnic groups; the ethnic majority Kinh comprise just under 86% of the population, whilst 53 ethnic minorities account for the rest of the populace. Most of these groups depend primarily on subsistence agriculture for their livelihood and inhabit mountainous, coastal, and remote areas with complex topographies, difficult transportation and communication systems, and harsh climates. While members of ethnic minorities have experienced gains in welfare since the early 1990s, they face a growing gap relative to the majority population.⁶⁰ With 15% of the population, they now make up half the poor and in recent years, progress for ethnic minorities has stalled on poverty reduction, child mortality, and nutrition.

40. Viet Nam's economic rise has been accompanied by the growth of its large cities. More than a third of the population now lives in cities or peri-urban areas and this is expected to rise

⁵⁴ MOET. 2013. *Education Statistics 2012-2013*. Hanoi

⁵⁵ Programme of International Student Assessment (PISA) 2012, *Programme for Analysis of Systems of Education under CONFEMEN* (PASEC) 2012, National Achievement Monitoring (NAM) grade 9 SY2008/09 and the grade 11 NAM SY2011/12,

⁵⁶ Footnote 22.

⁵⁷ Hai-Anh Dang 2010 (revised report for World Bank) *Indigenous Peoples, Poverty and Development*, Ch. 8 Vietnam, *A Widening Poverty Gap for Ethnic Minorities*

⁵⁸ Footnote 4i

⁵⁹ Footnote 3

⁶⁰ Footnote 19

to 50% by 2050. Migrant households have fewer assets, live in worse housing conditions and in areas less well served by public schools.⁶¹ The adults have lower educational levels than for urban 'native' households and both educational expenditure and achievement were lower for children from migrant households than for urban natives. Youth have difficulties in accessing the public-school system due to registration issues.^{62 63 64}

41. There is a clear relationship between poverty and disability. In 2006, the poverty headcount of households with a disabled member was 20 percent higher than that of households without one.⁶⁵ Disability affects women more than men. Viet Nam's policies for people with disabilities are highly inclusive but there are substantial shortcomings in implementing a broad agenda.⁶⁶ According to the 2009 Viet Nam Population and Housing Census of persons aged five years or older in Viet Nam, almost 6.1 million, or 7.8%, live with one or more disability in seeing, hearing, walking or cognition and of these, 385,000 are persons with severe disabilities. While the government has provided financial support programs to the disabled, youth with a disability remain restricted in accessing education opportunities, leading to few job opportunities and limited integration in the community.

42. Viet Nam is experiencing a significant policy shift in relation to Sustainable Poverty Reduction and a focus on Education as one of the main 5 dimensions. Under the direction of Resolution 80 and Resolution 76, the National Assembly and Central Poverty Reduction Steering Committee is encouraging line ministries to look at poverty in a concerted and multi-dimensional way. Better and more effective measurement and targeting of poverty is anticipated with the evolution of this approach.

43. The global Sustainable Development Goals were agreed at the United Nations Headquarters in New York on 25th September 2015, with Viet Nam as a signatory.⁶⁷ There are 17 goals which replace and expand on the MDGs goals.⁶⁸

3. Challenges of the Education Sector

44. While Viet Nam's secondary education is now better organized, more diversified, and better funded, there are still many issues that limit the ability to respond to the needs of a growing economy. The Secondary Education Sector Problem Analysis (Appendix 3) identified the core sector problem as follows: The education sector is not providing enough school leavers with the competencies required for inclusive economic growth. The following main contributing factors were identified: (i) low quality of graduates and school leavers; (ii) insufficient access; (iii) inequality of quality and access; and (iv) weaknesses in sector management and governance.

a. Low Quality of Graduates and School Leavers

⁶¹ Footnote 11

⁶² Footnote 40.

⁶³ Footnote 3

⁶⁴ General Statistics Office, Ministry of Planning and Development (2012). *The 1/4/2012 time-point population change and family planning survey: major findings*. Hanoi

⁶⁵ Footnote 3

⁶⁶ Footnote 19

⁶⁷ Viet Nam News (2015). President: Viet Nam commits to successfully implementing SDGs. Hanoi. from <http://vietnamnews.vn/politics-laws/276320/president-viet-nam-commits-to-successfully-implementing-sdgs.html>

⁶⁸ <https://sustainabledevelopment.un.org/?menu=1300>

45. **Quality – Acquired student competencies are not sufficient to meet the needs of the country.** There is a persistent perception that the quality of education being received by students is low and that the competencies of the graduates or those leaving the system prior to graduation are not meeting the needs of the country either in terms of the labor market and economic development, or in terms of social development.⁶⁹ A recent WB report indicated that the Vietnamese education system is inclusive, high-quality, and largely equitable through lower-secondary education but above that level it is exclusive, inequitable, and mediocre.⁷⁰ The draft of the Socio-Economic Development Plan (SEDP) 2016–2020 continues to call for the improving the quality of human resources and enhance the science, technology potential completing the innovative, fundamental, and comprehensive renovation of education.⁷¹ The government's Education Development Strategy 2011-2020 noted that the quality and effectiveness of the education sector are low relative to the development requirements of the country and with those of other developed countries; and, in addition, the knowledge and skills of undergraduates are not meeting job market requirements. Resolution 29 on Fundamental and Comprehensive Innovation in Education noted that the quality and effectiveness of education are still lower than desired. Generally, the education system is more theoretical than practical.

46. **Quality - Poor quality of science and technology education.** Of particular concern is the fact that most Vietnamese secondary students have not been acquiring competencies in science and technology. At the secondary school level Viet Nam needs to have a multidisciplinary approach to science and technology education that gives particular attention to the provision of basic knowledge, life skills and scientific literacy for all, as well as preparation for the world of work. In a rapidly-evolving world, science and technology education is an important instrument in the search for sustainable development and poverty reduction. Yet educational systems are faced with the challenge of science and technology education that has lost relevance by not being able to adapt current scientific and technological developments.

47. **Quality – Lack of vocational knowledge and the required cognitive skills for vocations.** Employers have identified the cognitive skills that are required for employment. The new curriculum has been designed to be a better match the needs of the market place but there needs to be approaches developed which will allow students to be aware of various vocational options and the cognitive skills required to find employment. Further, students need to understand what training they would need to prepare for various career paths.

48. **Quality – The desired curriculum has not been implemented as planned.** There is evidence that the current curriculum was never fully implemented in classrooms as intended and it did not have the desired impact on student learning. The present curriculum was to be a broader in scope, thereby bringing more relevance to the needs of the labor market by introducing new textbooks and teaching methods that created a more active and student-centered learning environment.⁷² New textbooks were developed and teachers received extensive training on new approaches in learning and teaching. Despite these efforts, a 2011 study by Viet Nam's National Institute of Education Sciences came to the conclusion that the current curriculum did not equip students with the knowledge and skills needed for future careers and that the limited relevance and quality of secondary education is one of the key

⁶⁹ Footnote 3

⁷⁰ Footnote 19

⁷¹ Government of Viet Nam (2016) *Report On the Assessment of the Implementation of SEDP 2011-2015 and Socioeconomic Development Direction for 2016 – 2020*. Hanoi

⁷² ADB 2011. *Completion Report; Upper Secondary Education Development Project* in Viet Nam. Manila.

constraints for the development of a skilled labor force.⁷³The main instructional technique continues to be direct instruction rather than learning approaches that equip students with desired competencies. MOET has recognized the need to comprehensively revise the curriculum and textbooks implemented after 2017, and has moved to make this occur. The challenge will be to find a professional development strategy or new school model that will fundamentally change teacher behavior in the classroom so that students will in fact acquire the desired competencies.

49. **Quality – Too few teachers have requisite skills.** Highly effective systems provide diverse learning methods or pedagogical techniques, making use of ‘student-centered’ approaches more consistent with acquiring the competencies needed by modern economies such as thinking skills, practical applications, and higher order behavioral skills including teamwork and decision-making. The instructional method in Viet Nam is still basically didactic teaching, asking learners to memorize knowledge, discouraging criticism, creativity, and self-study. MOET has successfully introduced a system to assess teachers relative to professional standards. However, the ratings appear to overestimate the true abilities of teachers and many see the ratings as not being a valid representation of teachers’ skills. The perception is that the expertise of some teachers hardly meet minimum requirements and that there is a small group of teachers who show lack of commitment or unethical life-styles, posing a negative impact on teachers’ reputation in the society. Also, MOET officials have indicated the need to update the teacher standards based on the new Resolution on the Comprehensive Education Renovation and is looking for support for upgrading the teacher standards.

50. As mentioned in the previous section, the current professional development model for teachers does not appear to have resulted in the desired changes to teaching behaviors. Teacher trainings and expertise improvement is still seen as being ineffective. Policies and compensations for teachers and management staff are not satisfactory, failing to motivate teachers to provide students with effective instruction and make efforts to improve their profession skills. Consideration needs to be given to create alternatives to decentralize professional development. Further, it would be important to utilize innovative school models, including individual school plans that include evidence of the characteristics of local communities and students, which can be used to inform the professional growth plans of teachers and principals. Teachers also need to be involved in experimenting with innovative techniques as part of their individual growth through collegial collaboration activities.

51. **Quality - Lack of pedagogical innovations.** Despite intense efforts for change pedagogical methods, the main instructional technique utilized in Viet Nam classrooms continues to be direct instruction rather than learning approaches that are more appropriate to the development of the desired student competencies contained in the new curriculum. Generally, efforts to change teacher classroom behavior have not been effective. A new school model that will fundamentally change teacher behavior in the classroom so that students will in fact acquire the desired competencies is required. The government has undertaken fundamental comprehensive renovation of secondary education. A new school model that implements all of the innovations envisioned within the government’s reform agenda needs to be implemented.

b. Insufficient Access

⁷³ Viet Nam National Institute of Education Sciences. 2010. *Assessment of Quality of Upper Secondary Curriculum and Textbooks*. Author: Hanoi.

52. Too many of the possible student population are not receiving an education. Despite the tremendous increase in the relative number of students enrolled at all levels in the education sector, too many are not receiving enough education for Viet Nam to move forward economically and socially. In SY2013/14, there were about a half a million boys and girls who were of the age to be in LSE, but who were not enrolled. At the USE level, there were over 1.5 million young people not enrolled. Having such a high percentage of the population not obtaining a secondary education represents a very significant loss to the economy. These young people are not obtaining the competencies required to fully contribute to the economy. Viet Nam's USE enrolment numbers lag behind its economic competitors. Among the Asian participants in PISA 2012, Viet Nam had the lowest percentage of 15-year-olds participating in school.

53. Enrolments in science and technology are too low. Viet Nam will need to increase the number of secondary school and higher education graduates with the capacity to use technology to increase productivity and use science to innovative. Recent UNESCO data show that upper income East Asian countries and most European countries have between 20 and 30 percent of their high school graduates enrolling in science and technology fields, with often one third in sciences. By contrast, in Viet Nam, nearly 50% of all students enrolled in higher education are enrolled in the two academic majors of economics/business and education, with only about 15% of students enrolled in technology and almost none in the hard sciences. To spur interest in enrolling in science and technology in higher education and to develop the capacities to be successful at this level, knowledge and skills development must begin in secondary school. Although the PISA 2012 indicated that Viet Nam students are highly competitive internationally in science and mathematics, most upper secondary school students avoid advanced mathematics and science and opt instead for the basic education stream.

54. Quantity and quality of facilities are not sufficient. Much effort has been made to increase the number of secondary schools and to improve the quality of the facilities. However, if Viet Nam is going to meet the challenge of moving from a low middle to a middle-income nation, it will need to increase the number of USE graduates. If the enrolment in SE is to significantly increase, space will need for between 1 and 1.5 million more students. It is anticipated that by the end of SY2014/15, 25% of secondary schools will be accredited by meeting the country's National School Standards (NSS), evidence suggests that many of the remaining 75% of school facilities are inadequate and out-of-date. Temporary and old classrooms still exist, especially in remote areas and many libraries, laboratories, classes for special purposes, and other teaching resources are not up to NSS levels. Equipment and teaching tools no longer meet requirements of experiments and desired practices as outlined in the current curriculum, nor the new curriculum to be implemented after 2017. Efforts to increase enrolments in science and technology will require purpose built classrooms supported by the required equipment.

c. Inequality of Quality and Access

55. Inequitable quality and access to educational opportunities. The government has continued efforts to increase access and retain in school students from vulnerable groups including the ethnic minorities, rural poor, domestic migrants, physically disabled, and females. However, the approaches have not been sufficiently inclusive to date and need to be more

innovative. The government has noted that inequality in educational access and educational quality persists among different ethnic groups and in disparate geographical regions.⁷⁴ The household income the geographic location of where the child goes to school, whether the child belongs to an ethnic minority and whether their first language is Vietnamese or not all affect the quality of education the child receives and the amount of access the child will have. Of course, where a student lives is also related to whether the student’s family is poor, or belongs to an ethnic minority. Fifty per cent of students living in poverty are from an ethnic minority and most ethnic minority students live in remote rural areas. Girls from ethnic minority groups can be particularly disadvantaged educationally, Poverty among ethnic minority groups is closely associated with low or limited access to opportunities for education and training, often resulting in low agricultural productivity and exclusion from participation in local governance. This is an example of multi-dimensional poverty.

56. The results from the grade 11 National Achievement Monitoring (NAM) (Table 1) indicate that students who are from low socio-economic level (level 1) have scores that are significantly lower than students from a high level (level 4). Households incur substantial direct and indirect costs for education, including school fees and the cost of textbooks, materials, uniforms, food, and transportation, all of which combine to hinder school enrollment among poor families. A large part of the opportunity cost of education, which increases at the LSE level, is the loss of child labor from household production. According to the National Child Labor Survey, 9.6% of children aged 5 to 17 in Viet Nam are child workers- this is about 1.75 million children. Vietnamese law specifies that children under the age of 13 are not allowed to work, and those between 13 and 15 years of age can only work in special circumstances.⁷⁵ PISA 2012 analyses showed that schools with more socio-economically disadvantaged students tended to have lower-quality resources than schools with more advantaged students. Fairness in resource allocation is not only important for equity in education, but is also related to the performance of the education system as a whole. The results show that school systems with high student performance in mathematics tend to allocate resources more equitably between advantaged and disadvantaged schools.

Table 1: Percentage of Students Meeting Standards by Socio-economic Level Grade 11 National Achievement Monitoring SY2011/12

Socio-economic level	Mathematics	Literature	English
Level 1	28.1	32.8	5.9
Level 2	47.5	51.6	15.5
Level 3	61.7	56.8	29.0
Level 4	79.6	67.9	61.8

Source: Center of Education Quality Assurance, MOET. National Achievement Monitoring Grade 11 SY2011/12 Summary Report

57. **Inequity – Limited access of migrant youth to LSE.** As noted in the section on Social Development Context new forms of poverty are emerging. While urban poverty has substantially decreased, rapid urbanization and the influx of immigrants from rural areas in recent years has challenged the rising living standards and socio-economic development in urban areas. Poor urban residents, especially domestic migrants, can suffer from a shortage of social capital, the

⁷⁴ Footnote 24.

⁷⁵ Government of Viet Nam. 2012. Labor Code. Law No. 10/2012/QH13

capacity to find alternative livelihoods, limited access to public services including schooling, and a lack of social integration. While it is clear that some youth potentially eligible for LSE are out of school in urban areas, not enough is known yet about how many are out of school or the reasons for not attending school. Three different studies report different rates of enrolment from as low as 35% of poor migrant households, but they all reported general difficulties in accessing the public-school system due to registration issues.⁷⁶⁷⁷

58. Inequity - Limited participation of children with a disability. According to the of 2009 Viet Nam Population and Housing Census of persons aged five years or older in Viet Nam, almost 6.1 million, or 7.8%, live with one or more disability in seeing, hearing, walking or cognition and of these 385,000 are persons with severe disabilities. Per the assessment of National Assembly Committee on Social Affairs in 2008, only 36.8% of disabled people have ever attended primary or secondary schools. In the SY2013/14, Viet Nam there were only 13,572 students with a disability attending LSE which is 0.3% of the student population at this level, and 1,520 or 0.1% of the student at USE.⁷⁸ This data reveals that educational opportunity for disabled people is still very limited. While the government has provided financial support programs to the disabled, they remain restricted in accessing education opportunities leading to few life skills and job opportunities.

59. Viet Nam's policies for people with disabilities are highly inclusive, but there are substantial shortcomings in implementing a broad agenda.⁷⁹ Foremost among the government's commitment to inclusion are the 2010 Law on Disabilities, and the UN Convention on the Rights of Person with Disabilities, which Viet Nam ratified in February 2015. Protecting people with disabilities is also in the constitution. Despite these commitments more than half the children with severe disabilities never attend school. Getting these children into basic opportunities to participate in society and to engender attitudes of inclusion among others should be a major goal of the government

d. Weaknesses in Sector Management and Governance

60. Governance - Managers' skills are not sufficient to administer a decentralized system. The government's stated intention is to increase decentralization through an improved financial allocation model and increased site based decision making.⁸⁰ In many ways the education system in Viet Nam is already decentralized in that the majority of funding for education comes from the local level. While the government is responsible for determining national policies and programs, local autonomy for management decisions has been a long-standing feature of Viet Nam's political landscape. While this has resulted in local ownership, it has created fundamental challenges in relation to clarity of functional assignments, financial management, accountability, and monitoring and evaluation of the efficiency of educational expenditures. This has resulted in significant differences in outcomes and performance across

⁷⁶ Footnote 11

⁷⁷ Jones, N., E. Presler-Marshall, et al. (2014). Falling between the cracks: How poverty and migration are resulting in inadequate care for children living in Viet Nam's Mekong Delta. London, Overseas Development Institute: 79. from <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9306.pdf>

⁷⁸ Government of Viet Nam. 2015. Department of Planning and Finance, Ministry of Education and Training.

⁷⁹ Footnote 19

⁸⁰ Government of Viet Nam. 2102 Education Development Strategy 2011-2020 and Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training

local governments, where there are critical gaps in access and quality of service provision in some locales.

61. The EDS (2011-2020) indicates the national education management system needs to be improved by decentralizing the system; strengthening cooperation between line ministries, sections and provinces; and strengthening management capacity. This plan also indicates there is a need to build an independent system to verify educational quality and publish results in the media. The strategy calls for the enhancement of education institutions' autonomy and accountability and for an enhanced information and communication technology (ICT) application for improvement of education management. While MOET has provided extensive management training in the past, the planning capacity of DOETs and school principals is still generally weak particularly relative to decentralized decision making. It takes time to shift educational management systems and may take years to change the required policies, but the development of a road map for change is the minimal requirement. In addition to extensive development of the skills of managers, a detailed assessment of financial and administrative capacity and a new policy framework for the decentralization of budget planning and allocation to ensure the sustainable delivery of secondary schooling needs to be developed.

62. **Governance - Decentralized governance requires a new accountability system.** No country has risen to high-income status without strong economic and political institutions.⁸¹ Aggregate indicators such as the Worldwide Governance Indicators show a robust correlation between high rankings on institutional quality and overall prosperity. Among these dimensions, Vietnam does well on government effectiveness and on political stability, but on accountability, it remains in the bottom tenth of all countries, and its relative ranking across all countries has fallen since 1996. Access to information, key to citizens holding the state accountable, is still lacking. The country's governance practices have neither encouraged openness and transparency nor promoted public discussion of the state's actions. Information and data are difficult to acquire.

63. Countries invest significant public resources in education and the public and policy makers are naturally concerned about the quality of education provided. In recent years, there has been a shift in the publics' and government's focus away from control over the resources and the components of the educational structure toward a focus on the outcomes of the system. There has been more interest in measuring what students have actually learned rather than the conditions that surround learning. Growing out of this moment is the idea of accountability, which is a concept of governance associated with the expectation of account-giving. Accountability is the acknowledgment and assumption of responsibility for actions, decisions, and policies including the administration, governance, and implementation within the mandate and encompassing the obligation to report, explain and be answerable for results. The OECD has reviewed the results from PISA 2009 and 2012 in more than 70 countries and found that the most effective systems are ones that have a decentralized administration system coupled with a public accounting for results. Decentralization without accountability was found to provide low results on the PISA assessment.

64. Countries chose to use different forms of external assessment and the schools' own quality-assurance and self-evaluation efforts to collect data and plan for improvement. Accountability frameworks involve the annual collection, analysis, planning and reporting on a number of different elements (for example: student achievement; dropout rates; completion

⁸¹ Footnote 19

rates; teacher, parent and student perceptions; and secondary school to post-secondary transition rates) nationally and for each school and province. As with all assessments, it is good practice to collect information about several different elements about school performance from various sources. However, one of the major external assessments often involves the collection of data and analysis of results from achievement tests that are administered to all students each year at a selection of grade levels. The cost of this type of accountability system is relatively inexpensive compared to the total amount of funds expended in the education sector and relative to other inspection models.

65. Viet Nam has recently made a significant start on developing outcome measures of student performance at the national level by developing the NAM at grade 9 and 11 and by becoming a participant in PISA. MOET will need to develop a policy framework that supports accountability and the development of tools and skills for the annual collection, analysis, planning and reporting on many different elements.

66. **Governance – Using fiscal resources strategically.** Since Doi Moi, considerable state resources have been devoted to education in Viet Nam. The expenditure per year as a proportion of the per capita GDP is comparable to Viet Nam’s middle-income neighbors and well above the 16% East Asia and Pacific regional average. Public expenditure on education at 5.4% of GDP compares well with some of East Asia’s wealthiest nations, such as the Republic of Korea. Between 1999 and 2014 MOET annually planned for around 29% of the national education budget for the primary level and 22% percent for lower secondary education (LSE). Relatively high levels of expenditure on primary and LSE alongside relatively average developmental outcomes raise serious efficiency concerns.⁸² As can be seen in Table 2 the total expenditure on education has more than doubled between 2009 and 2013 while the total number of students has only increased by about 5%. The unit cost allocated to education per student has increase even relative to inflation. To date, the government has been able to increase funding for education. It may be difficult, however, for the government to continue to sustain this level of growth, resulting in it not being able to continue to maintain the remarkable improvement in education quality as has been the case in the 10 years. The government has agreed to conduct a medium-term budget review for the education sector in 2015 and enter into policy dialogues on how to strategically and effectively use the education budget and consider what subsectors/areas should be prioritized to ensure achievement of Resolution No. 44/NQ-CP on Radical Changes in Education and Training objectives.

Table 2: Financing per Student, Secondary Education, 2009-2013

⁸² Footnote 3

Item	2009	2010	2011	2012	2013
Lower secondary education					
Total number of lower secondary education students ^a	5,214,045	4,968,302	4,926,401	4,869,839	4,932,390
Total funding for lower secondary education (VND billion/year)	21,767	26,336	30,489	41,799	44,804
Average funding per lower secondary education student (VND/student/year)	4,174,686	5,300,805	6,188,899	8,583,241	9,083,629
Upper secondary education					
Total number of upper secondary education students ^a	2,886,090	2,835,025	2,755,210	2,675,320	2,532,696
Total funding for upper secondary education (VND billion/year)	10,864	13,593	15,421	19,772	21,093
Average funding per upper secondary education student (VND/student/year)	3,764,262	4,794,667	5,597,033	7,390,518	8,328,279

VND = Viet Nam Dong

^a Data on number of students obtained from Department of Planning and Finance (DPF), Ministry of Education and Training (MOET).

B. Government Education Strategy, Policy and Plans

67. The policy framework for long-term development of education is defined and guided by the following key government strategies and plans: the Socio-economic Development Strategy 2011-2020 (SEDS), Socio-economic Development Plan 2011-2015 (SEDP), Human Resources Development Strategy 2011-2020 (HRDS)⁸³, Human Resources Development Master Plan 2011-2020 (HRDMP)⁸⁴, Human Resource Development for Education Sector during 2011-2020 (HRDES)⁸⁵, Education Development Strategy 2011-2020 (EDS)⁸⁶, Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training⁸⁷, Resolution No. 44/NQB.-CP on Radical Changes in Education and Training to Meet Requirements of Industrialization and Modernization in a Socialist-Oriented Market Economy in Course of International Integration⁸⁸, and Decision No: 2653/QD-BGDĐT Action Plan of The Education Sector for the Implementation of Resolution No. 29⁸⁹.

68. The government has indicated that the quality and effectiveness of the education sector are low relative to the development needs of the country. Further, the government has undertaken to fundamentally and comprehensively renovate the secondary education system and has developed an action plan starting a number of initiatives to bring this about. The Program will support the government to both set new policies and develop and test innovative models for change that can be scaled up to achieve inclusive growth nationwide. The Program

⁸³ Government of Viet Nam. 2011. *Decision No.579/QD-TTg - Decision Approving the Strategy on Development of Vietnamese Human Resources During 2011-2020*. Hanoi.

⁸⁴ Government of Viet Nam. 2011. *Decision No.1216/QD-TTg - Decision Approving the Master Plan on Development of Vietnam's Human Resources During 2011-2020*. Hanoi.

⁸⁵ Ministry of Education and Training. 2011. *Decision No. 6639 - Decision approving the Human Resource Development for Education Sector during 2011-2020*. Hanoi

⁸⁶ Government of Viet Nam. 2012. *Decision No.711/QD-TTg - Decision Approving the. Education Development Strategy 2011-2020*. Hanoi.

⁸⁷ Central Committee of the Communist Party of Viet Nam at the Central Conference XI. 2013. *Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training*. Hanoi

⁸⁸ Government of Viet Nam. 2014. *N29-NQ/TW - Resolution No. 44/NQ-CP on Radical Changes in Education and Training to Meet Requirements of Industrialization and Modernization in a Socialist-Oriented Market Economy in Course of International Integration*. Hanoi

⁸⁹ Approved by the Minister of Education, 25 July 25 2014

will support the following government initiatives to improve the achievement of secondary students:

- (i) **Implementation of curriculum content that is suited to the needs of the nation.** The curriculum is to be simplified and modernized. It should suit the needs of the learners while meeting the requirements of the domestic and international labor market. It is to be more practical and should sharpen the skills in applying the theories to reality. It will help develop the creativity and learning autonomy among learners while engendering a desire for lifelong learning and for international integration. The new curriculum should increase the application of science, and technology. The curriculum is to be based on the development of student competencies.
- (ii) **Radically change teaching and learning methods.** Teaching and learning methods should encourage the learners' independence, creativity, and application of knowledge. Teaching should avoid imposition of knowledge, passive learning, and rigid memorization. Teaching methodologies and teaching plans should suit the characteristics of the students in the local community.
- (iii) **Allow for decentralized development of learning resources.** Textbooks, teaching, and learning materials should be developed that suit the needs of the corresponding learners, paying attention to students that belong to ethnic minorities or who are handicapped.
- (iv) **Fundamentally change the method of student assessment.** Examinations and the way of measuring the results of learning are to be innovated. Classroom assessment is to be given more value, particularly related to measurement of the desired student competencies.
- (v) **Improve the quality of educators and administrative officers.** This improvement is to come from making radical changes in the aims, content, methods of training, retraining, and evaluation of teachers and management officials. The intent is to standardize educators by level; provide incentives; and encourage improvement of professional skills. The government is to introduce new policies on salary to attract higher quality teachers into education. The desire to develop a force of leading experts and teachers in all education levels.
- (vi) **Develop within students a career orientation.** The aim is to ensure that students graduating from LSE have the fundamental knowledge to meet the requirements after leaving school and that USE students have vocational guidance, which prepares them for post-secondary education or career initiation. Students should receive career guidance during compulsory education.
- (vii) **Fundamentally change education management by enhancing autonomy and responsibility.** Decentralization is to be increased by raising the sense of responsibility and encourage independence and creativity. Local education administration agencies are to participate in deciding personnel, finance, and administration. The education quality of the whole country, each locality, and educational institutions is to be assessed and disclosed. There is to be participation in international education quality assessment to improve education quality. The mechanism for receiving and processing information about education is to be changed. The role of school councils is to be emphasized.
- (viii) **Increase support for disadvantaged students.** This is to be achieved by completing policies on tuition fees and on supporting beneficiaries of incentive policies.
- (ix) **Improve Facilities.** This involves the renovation of the poor physical condition of

school infrastructure to meet the NSS and provision of basic instructional materials to improve teaching and learning processes.

69. **Socio-Economic Development Strategy 2011-2020 (SEDS).** This strategy sets a vision (overall objectives) along with main objectives and orientations to achieve the vision. It acknowledges the need to move beyond the current economic model, which is based on the low labor cost and intensive capital investment, and move towards higher efficiency, productivity, and competitiveness as the core of growth. The education system is to meet the demand of human resource development, while ensuring social equity in education and life-long learning opportunities for all people. Education and training, and science and technology are to meet the requirements of the country's industrialization and modernization.

70. **Socio-Economic Development Plan 2016-2020 (SEDP)** This plan which is underdevelopment sets key targets for socio-economic development and the environment up to 2020 and provides the detailed guidance to implement the three orientations which the SEDS specified. To increase the human resources quality and enhance the science, technology potential the plan calls for the continued innovative, fundamental, and comprehensive renovation of education and training. The focus is on developing high quality human resources by innovating the program, enhancing living skill, reducing the study load in secondary school levels, enhancing in-depth knowledge and industrial style in vocational training, and promoting creative thinking and self-study.

71. **Education Development Strategy 2011-2020 (EDS)** This plan was prepared to implement the nation's objectives set in the SEDS 2011-2020 by developing and improving the quality of human resource, especially skillful and talented staff. It covers issues related to education at all levels from pre-school to higher education and continuing education with the purpose of reforming the Vietnamese education system fundamentally and comprehensively by 2020 through standardization, modernization, socialization and international integration. The issues addressed by the plan are related to the quality of education, education management, and the lack of educational equity for marginalized people. Its eight solutions (or actions) are as follows: (i) innovate education management; (ii) improve the capacity of teaching and education management staff; (iii) reform context and methodology of teaching, examination and quality assessment; (iv) increase investment resources and innovate financial mechanisms for education; (v) enhance the connection between training with usage, scientific research and technology transfer to meet the society's demands; (vi) enhance support for disadvantaged regions, ethnic minorities and social beneficiary students; (vii) develop education science; and (viii) extend and enhance international cooperation in education.

72. **Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training.** The resolution focuses on the comprehensive renovation of the education and training system. It states that education is the top priority of the Communist Party, the government, and the people and that investment in education means investment in development and is therefore the top priority in socio-economic development plans. Fundamental and comprehensive changes in education means changes in attitudes, contents, methods, policies, administration of the government, and administration of educational institutions. It calls for the participation of families the community, the society, and the learners themselves. For secondary education, it sets the following targets to be achieved by 2020: (i) new curriculum; (ii) cultivate the gifted; (iii) help students determine their careers; (iv) encourage lifelong learning; (v) 9-year education is compulsory; and (vi) 80% youngsters over 18 years of age must complete secondary education or equivalent

73. **Resolution No. 44/NQ-CP on Radical Changes in Education and Training to Meet Requirements of Industrialization and Modernization in a Socialist-Oriented Market Economy in Course of International Integration.** The resolution identifies the following primary tasks and assigns responsibility for their achievement: (i) develop awareness of the radical forthcoming changes in education and training; (ii) complete the national education system; (iii) make changes in educational programs of various levels; (iv) make changes in the form and methods for the examination and evaluation of the education and training results; (v) develop teaching staff and education management officials; (vi) enhance involvement of the private sector in education and vocational training; (vii) change management of education and vocational training; (viii) improve the facilities and application of the information technology to education and vocational training and; (ix) proactively seek and improve international cooperation in education and vocational training.

74. **Decision No: 2653/QĐ-BGDĐT Action Plan of the Education Sector for the Implementation of Resolution No. 29⁹⁰.** This decision identifies the key tasks and measures to implement the action program for Resolution No. 29. The action plan is the basis for the MOET to develop implementation plans and directives, implementation arrangements, supervising, and monitoring and evaluating the implementation of Resolution No. 44.

C. Relationship with Other Programs and Projects

75. There are a number of other project being undertaken by ADB and other development partners. Appendix 5 provides a summary of the other projects most related to the proposed program. Table 3 provides a summary of all of the development partners active in Viet Nam.

1. ADB'S Past and Ongoing Support for Secondary Education

76. ADB has been a major development partner in the education sector since the 1990s. As agreed with the government and other Overseas Development Agencies (ODA) operating in Viet Nam, ADB focuses its support mainly on basic education, including TVET, and secondary education. In addition, ADB has also extended its support, to a smaller degree, to other subsectors, including teacher education and higher education. In the LSE and USE subsectors, ADB is the leading ODA assisting the government in improving access, quality, and relevance of secondary education, especially for disadvantaged groups and disadvantaged areas.

77. **Completed Projects.** Since 2006 there have been seven ADB loans for secondary education completed. The key achievements and contribution of these projects, based on project completion reports (PCRs), are summarized below.

78. **Loan 1537-VIE: Lower Secondary Education Development Project** (\$50 million, 1997-2006).⁹¹ The general objective of the Project was to assist the government in developing LSE through 3 expected outputs: (i) improving quality of LSE; (ii) increasing access to LSE; and (iii) institutional development for LSE. Overall, LSEDP was effective in improving the quality and equity of LSE. The increase in the number of fully furnished classrooms enhanced the access to schooling facilities and eliminated triple shifting in poor areas. The enrolment rate increased

⁹⁰ Approved by the Minister of Education, 25 July 25 2014

⁹¹ ADB. 2007. *Completion Report: Lower Secondary Education Development Project in Viet Nam*. Manila.

from 77% in SY1998/99 to 89% in SY2003/04. The Project target of reducing the gap in enrolment rate by 15% was achieved, the dropout rate reduced by 35%, the repetition rate decreased by 60%, the completion rate increased by 16%, on-schedule graduation rate increased by 20% and the ratio of student/teacher ratios decreased due to the increase of teachers in project schools. By the end of the project, 31 out of 64 provinces of the country had achieved universal LSE.

79. **Loan 1718-VIE: Teacher Training Project** (\$25 million, 1999-2008).⁹² The overall objective of this project was to assist the government in improving the quality and efficiency of LSE through provision of a sufficient number of qualified teachers. The project contributed to achieving the intended impact of improved overall quality and efficiency of LSE. It equipped new LSE teachers with the knowledge and skills needed for the modernized curriculum, active-learning teaching methods, and revised textbooks and instructional materials. By the end of the project, the net enrollment rate for LSE increased from 49% in SY1997/1998 to 81% in SY2005/06; the percentage of qualified LSE teachers increased from 84% to 96%, the LSE student/teacher reduced from 29:1 to 21:1; and the LSE dropout rate decreased from 8% to 1%.

80. **Loan 1979-VIE: Upper Secondary Education Development Project** (\$55.00 million, 2004-2011)⁹³ aimed to help the government expand quality USE by supporting quality improvement in USE; improving access, equity, and USE participation in disadvantaged provinces; and strengthening management. The project implemented new upper secondary curricula, textbooks, learning materials, teaching methods, and support systems in schools in the 22 project provinces; supplied technical centers for career orientation with materials and equipment; upgraded 4 demonstration schools attached to teacher training universities; supplied computers, libraries, teaching materials, and science equipment to ethnic minority boarding schools and 128 model schools; developed a new model technical upper secondary school to offer vocational courses; provided equipment to support the new curricula and to demonstrate the effective use of learning materials in support of student-centered learning to three schools; and provided in-country and overseas training to teachers and education managers. By project completion, 2,441 schoolrooms had been constructed and provided with furniture, equipment, and sanitation facilities. The Project examined different approaches to defining policies the financing of education, decentralizing education management, and developing a student-based education management information system (EMIS) to help identify and support vulnerable groups in the rural areas.

81. **Loan 2115-VIE Second Lower Secondary Education Development Project** (\$55 million 2004-2013)⁹⁴ was a follow-up to the Lower Secondary Education Development Project (LSEDP) and was designed to support the government in universalizing quality LSE by 2010. This was achieved by providing in-service training that covered student-centered teaching methods including the use of information communication technology (ICT) in classrooms; improvements in the assessment of student learning, vocational orientation and continuing education; investing in the infrastructure of LSSs, particularly for disadvantaged and ethnic minority students; the introduction of fundamental school quality levels (FSQLs), and in-service training on planning and management. However, the project was rated as only partially satisfactory due to poor performance of the EA.

⁹² ADB. 2008. *Completion Report: Teacher Training Project in Viet Nam*. Manila.

⁹³ ADB. 2013. *Completion Report: Upper Secondary Education Development Project in Viet Nam*. Manila.

⁹⁴ ADB. 2013. *Completion Report: Second Lower Secondary Education Development Project in Viet Nam*. Manila.

82. Loan 2298-VIE Upper Secondary and Professional Teacher Development Project (\$34 million, 2007-2014).⁹⁵ The Project was designed to support the government's development goals to improve the quality of secondary education through support for teacher education for US and PS education. The specific outcomes were: (i) improved quality of US and PS pre-service and in-service teacher training; (ii) expanded access for ethnic minorities, particularly women, to US and PS teacher development; (iii) strengthened capacity for planning, management, and delivery of teacher training for US and PS; and (iv) improved facilities to strengthen instructional capability in teacher training institutes.

83. Loan 2384-VIE Lower Secondary Education for the Most Disadvantaged Regions Project (\$50 million, 2007-2014).⁹⁶ The Project improved access to more equitable learning opportunities for disadvantaged groups and strengthened social and economic inclusion through universal secondary education. The Project improved the net enrollment rate in LSE in the 103 target districts by (i) building schools, classrooms, semi-boarding facilities, and teacher housing in remote areas; (ii) providing in-service and pre-service teacher training to meet the needs of ethnic minorities and girls; (iii) developing instructional materials including bilingual materials in the Vietnamese and ethnic minority languages, and materials for information and communication technology training and on the ethnic minority education management system; (iv) providing targeted scholarships; and (v) pilot-testing innovative initiatives including school feeding programs and awareness-raising programs to promote secondary education among the hardest-to-reach groups.

84. Loan 2582/2583-VIE Secondary Education Sector Development Program (\$60 million, 2009-2015) closed December 2015. The Project improved the learning outcomes of secondary students through the effective and accountable management of secondary education, improving the quality to enhance international competitiveness, and providing better access and equity for disadvantaged groups. The Project has completed the following: (i) updating the Secondary Education Sector Master Plan 2011-2020; (ii) developing new national standards and establishing a national accreditation board for secondary schools; (iii) introducing a new human resource management strategy for secondary teachers; (iv) strengthening ICT in secondary education; (v) upgrading and accrediting secondary teachers; (vi) development of a national achievement monitoring (NAM) system and participating in PISA; (vii) introducing a system for periodic upgrading of secondary curriculum; (viii) upgrading Foreign Language training; (ix) supporting gifted students; (x) expanding continuing education; (xi) expanding integrated education for disabled students; (xii) ensuring equitable treatment for girls/females and ethnic minorities; and (xiii) pilot-testing the Conditional Cash Transfer (CCT) program.

85. Ongoing Portfolio. As the lead donor in the education sector, ADB has a current project portfolio valued at about \$450 million.

86. Loan 2652/2653-VIE Skills Enhancement Project (\$70 million, 2010-2016)⁹⁷ is being implemented under MOLISA. The project supports Viet Nam's efforts to increase its competitiveness in regional and global markets by developing highly skilled industrial workers. The project is funding training programs in public and private vocational colleges in the

⁹⁵ MOET. 2013. Upper Secondary and Professional Teachers Development Project Completion Report. Hanoi.

⁹⁶ ADB. 2007. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Socialist Republic of Viet Nam for Lower Secondary Education for the Most Disadvantaged Regions*. Manila.

⁹⁷ ADB. 2010. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Socialist Republic of Viet Nam for the Skills Enhancement Project*. Manila.

automotive technology, electrical manufacturing, hospitality and tourism, information and communication technology (ICT), and navigation and shipping industries – all of which currently lack sufficient skilled workers. It is providing management and instructor training to upgrade skills, and improve planning and allocation of resources, and will also help develop new curricula and training materials with support from the industries. Credit line facility has been provided to selected private colleges to upgrade their equipment and facilities with institutions.

87. Loan 2750/3571-VIE University of Science and Technology of Hanoi Development Project (\$213 million, 2011-2017)⁹⁸, was approved in April 2011. This project seeks to establish an international standard teaching and research university focused on science and technology.

88. Loan 2929-VIE Second Upper Secondary Education Development Project (\$90million, 2012-2019) is a continuation of the first Upper Secondary Education Development Project, which was successfully completed in 2011. The Project will promote its ongoing reform of USE through upgrading of teaching and learning to international standards, improving student access and retention, and strengthening school management for USE. The project will be national in scope, with investments to improve access targeted to selected disadvantaged provinces. The Project will provide textbooks and instructional materials based on the new upper secondary education curriculum; improve the academic environment for gifted USE students; support continuing education centers to improve in-service teacher training; improve the quality of foreign language training and education, and establish centers for pedagogical excellence. To increase access and retention of disadvantaged groups the Project will provide new facility development at existing USSs in target provinces; provide support for ethnic minority boarding schools; pilot an inclusive education program for students with special needs and provide capacity development of private sector schooling. To strengthen planning and management, the Project will develop the capacity of USE managers, provide block grants to support local government, support for pilot research studies for USE, and support research and training capacity for education management.

89. Loan 3201-VIE Second Lower Secondary Education for the Most Disadvantaged Areas (\$80million, 2015-2020) is a continuation of the first Lower Secondary Education for the Most Disadvantaged Regions Project, which was successfully completed 31 December 2014. The Project is designed to reduce disparities in socioeconomic development between regions and ethnic groups. The outcome will be more equitable access and retention of ethnic minorities, girls, and disadvantaged children in LSSs in the northern midland and mountainous areas, central highlands, Mekong River Delta, and north central and central coastal areas, which are frequently affected by typhoons. To increase access to LSE necessary facilities will be provided. To improve the quality and relevance of LSE the project will develop new regional competency-based textbooks to address the needs in disadvantaged areas. New school clusters will be established to help improve the quality of LSE in poor isolated LSSs by networking them using information and communication technology within school clusters.

90. Support for Inclusive Economic Growth. The seven completed and four ongoing ADB projects have sought to help Viet Nam achieve high and sustainable growth by improving the quality of the secondary and higher education programs, thereby improving the knowledge and skills of future employees. The other broad outcome of these projects has been to reduce disparities in socioeconomic development between regions and ethnic groups, thereby

⁹⁸ ADB. 2011. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Socialist Republic of Viet Nam for the University of Science and Technology of Hanoi Development Project*. Manila.

promoting broader access to skilled jobs and social support thereby reducing poverty and vulnerability.

2. Other Development Partners Active in the Sector

A. Major Development Partners: Strategic Foci and Key Activities

91. Several development partners (DPs) have provided support to the education sector in Viet Nam. Major partners are the multilateral agencies, including the Asian Development Bank (ADB), the World Bank, the European Union (EU), the United Nations Children’s Fund (UNICEF), and the United Nations Educational, Scientific, and Cultural Organisation (UNESCO). Major bilateral partners include Japan International Cooperation Agency (JICA), Belgian Technical Cooperation, Germany’s Gesellschaft für Internationale Zusammenarbeit (GIZ), Department for International Development of the United Kingdom, Australia’s Department of Foreign Affairs and Trade (DFAT), United States Agency for International Development (USAID), and the Government of France. Nongovernment organizations (NGOs) include VVOB of Belgium, Plan International, OXFAM of Great Britain, and Handicap International. The major recent and current projects funded by these DPs are listed in Table 3.

Table 3: Major Development Partners by Subsector

Development Partners ^a	Project/Program Name	Duration	Amount (million)
Primary Education			
BTC	Viet Nam–Belgium Training Facility	2006–2011	€1.0
DFID	Targeted Budget Support for the National Education for All Programme	2005–2011	£21.0
Denmark	Support to Art Primary Schools, 2011–2015	2011–2015	DKr3,900
EU	Support to the Renovation of Education Management	2011–2015	€10.0
UNESCO	Promoting Gender Equity in Education	2008–2011	US\$0.2
UNESCO	Improving the Quality of Mother Tongue-based Literacy and Learning	2008–2011	US\$0.2
UNESCO	The UN Decade of Education of Sustainable Development	2005–2014	US\$0.1
UNESCO	Education for Sustainable Development Curriculum Review	2009–2011	US\$0.1
UNICEF	Child-Friendly Primary Education	2006–2010	US\$3.0
World Bank	Primary Education for Disadvantaged Children Project	2003–2010	US\$243.6
World Bank	Viet Nam Intergenerational Deaf Education Outreach Project	2011–2015	US\$3.0
World Bank	Viet Nam – Global Partnership for Education Viet Nam Escuela Nueva Project	2013–2016	US\$84.6
World Bank	Viet Nam School Readiness Promotion Project	2013–2017	US\$100.0
World Bank/DFID/BTC	School Education Quality Assurance	2009–2015	US\$181.4
Secondary Education			
ADB	Lower Secondary Education for Most Disadvantaged Regions	2007–2014	US\$50.0
ADB	Second Lower Secondary Education Development	2004–2013	US\$55.0
ADB	Upper Secondary Education Development	2003–2011	US\$65.4
ADB	Upper Secondary and Professional Teacher Development	2006–2014	US\$34.0
ADB	Second Upper Secondary Education Development	2012–2019	US\$90.0
ADB	Second Lower Secondary Education for the Most Disadvantaged Areas Project	2015–2020	US\$80.0
ADB	Second Secondary Sector Development Program	2017–2023	US\$200.0
World Bank	Renovation of General Education Project	2016–2021	US\$77.0
Technical and Vocational Education and Training			
ADB	Skills Enhancement	2010–2016	US\$70.0
GIZ	Program Reform of Vocational Education	2008–2014	€16.2
GIZ	Vietnamese–German Vocational Training Center	2011–2015	€2.0
GIZ	Regional Leadership and Capacity Building in TVET in Indonesia, Laos, Viet Nam	2011–2014	€3.8
GIZ	Regional Cooperation to Improve the Training of TVET Personnel in	2013–2017	€8.0

Development Partners ^a	Project/Program Name	Duration	Amount (million)
JICA/JST	ASEAN Development of Crop Genotypes for the Midlands and Mountain Areas of North Vietnam	2010–2015	US\$3.0
JICA	Project for Strengthening of Tay Bac University for Sustainable Rural Development of the Northwest Region (TBU)	201–2014	US\$3.3
JICA/JST	Establishment of Carbon-Cycle System with Natural Rubber (Hanoi University of Technology)	2011–2016	
Tertiary			
ADB	University of Science and Technology of Hanoi Development (New Model University)	2012–2018	US\$190.0
JICA	Higher Education Development Support on ICT	2006–2014	¥6,408
France	Support for Hanoi University	2010–2020	US\$100.0
NUFFIC (Netherlands)	The Second Profession-Oriented Higher Education Project (POHE)	2012–2015	
World Bank	Viet Nam New Model University	2010–2017	US\$200.6
World Bank	Viet Nam Higher Education Development Policy Program – Third Operation	2013–2014	US\$50.0
World Bank	Second Operation of the Higher Education Development Policy Program	2010–2011	US\$50.0
World Bank	Second Higher Education Project	2007–2012	US\$70.5
World Bank	Viet Nam Enhancing Teacher Effectiveness Program	2016–2021	US\$100.0
USAID	Higher Engineering Education Alliance Program	2010–2015	US\$4.5
Education Sector Development			
ADB	Secondary Education Sector Development	2010–2015	US\$60.0
ADB	PPTA – Second Secondary Education Sector Development	2015–2016	US\$1

ADB = Asian Development Bank, BTC = Belgian Technical Cooperation, DFID = Department for International Development (United Kingdom), EU = European Union, GiZ = Gesellschaft für Internationale Zusammenarbeit, JICA = Japan International Cooperation Agency, JST = Japan Science and Technology Agency, PPTA = Program Preparatory Technical Assistance, UNESCO = United Nations Education, Scientific and Cultural Organisation, UNICEF = United Nations Children's Fund.

^a Sector titles used are from the ADB Project Classification Review (2 April 2014).

Source: Asian Development Bank. Websites of development partners.

92. Active partners in primary education. To support the government's policies to achieve the Millennium Development Goals, including universal primary education, many DPs and NGOs have joined forces to contribute to the diverse portfolio of assistance requested by the government. BTC, EU, UNESCO, UNICEF, and the World Bank have funded projects to provide equitable access to quality education. UNESCO's activities included sector-wide education policy and planning, literacy and lifelong learning, education for sustainable development, teacher education, and climate change and disaster risk reduction. A medium-term expenditure policy framework in primary education was developed with the support of the World Bank and other DPs. The EU is implementing, with other DPs, the Sector Policy Support Program for Education for All, and is supporting the development of an education management information system through the Support for the Renovation of Education Management Project.

93. Active partners in secondary education. ADB has been a major DPs in the education sector since the 1990s. As agreed with the government and with other overseas development assistance (ODA) agencies operating in Viet Nam, ADB's main focus of support is on secondary education. ADB projects have helped Viet Nam achieve high and sustainable economic growth by improving the quality of the secondary education program, thereby improving the knowledge and skills of future employees. ADB has developed a strong partnership with MOET and has committed to support secondary education, particularly in subsector policy reform and inclusive secondary education for disadvantaged groups, such as ethnic minorities and poor or near-poor groups. Recently the World Bank has proposed two projects that will impact secondary education. The first is the Renovation of General Education Project, which is designed to raise student learning outcomes by (i) revising and implementing the curriculum following a

competency-based approach; and (ii) improving the effectiveness of instruction by creating and disseminating textbooks aligned with the revised curriculum. The second project is the Vietnam Enhancing Teacher Education Program, which is designed to build capacity to assess and improve teachers' effectiveness through quality professional development delivered in schools. The project will support various teacher training institutions to implement the first phase of the government's plans to establish the Viet Nam Teacher Education Network (VTEN).

94. Active partners in technical and vocational education. Under the government's Socio-economic Development Strategy (SEDS), 2011–2020, technical and vocational education and training (TVET) has gained recognition and received a boost from the government's plan to develop a skilled workforce for the economy. Several DPs have provided support to this subsector, including ADB, GIZ, the Nordic Development Fund, British Council, and some NGOs. German development cooperation, through GIZ, has provided both financial and technical support. ADB has financed two TVET projects: (i) the Vocational Technical Project, co-financed by the Nordic Development Fund, French Development Agency (Agence Française de Développement), and a grant from JICA; and (ii) the Skills Enhancement Project, 2010–2015, financed solely by ADB to support Viet Nam's efforts to increase its competitiveness in regional and global markets.

95. Active partners in higher education. The World Bank has been the leading DP in higher education. It has funded five projects in the subsector and is currently providing support for a new model university project. ADB also provides funding support to the new model university project. The two major bilateral partners in higher education are the governments of Japan and France. Japan has supported capacity building of technical universities under the Higher Education Development Support for ICT Project. It also supports the ASEAN University Network / Southeast Asia Engineering Education Development Network, and Strengthening of Tay Bac University for Sustainable Rural Development. France provides major support to the Hanoi Technical University. USAID provides support to help technical universities and vocational colleges transform engineering education into active project-based programs.

B. Institutional Arrangements and Processes for Development Coordination

96. The DPs have adopted a strategic approach within a general framework to focus on different levels of education or different geographical areas. The Education Sector Group (ESG), comprising MOET, multilateral and bilateral DPs, and NGO representatives, coordinate their activities. The main function of the ESG is to ensure aid effectiveness, minimize or avoid duplication, improve cooperation, and reduce transaction costs. The ESG has played a key role in enhancing working relations and aligning efforts to improve the education sector. It also provides consolidated comments on government education policies and shares information through regular meetings about education projects financed by ESG members.

C. Achievements and Issues

97. DPs have supported education development in Viet Nam at all levels. ODA for the education sector represents about 5.5–6.0% of total public expenditures. In 2013, all 23 DPs working in the education sector conducted a mapping of education programs and projects. This exercise helped the government and the DPs rationalize and align their priorities and resources to provide support to the education sector in the next cycle. However, what is still needed is to more clearly identify how each project is related to government plans.

98. As ADB is the major supporter of secondary education, which is expanding especially in disadvantaged and less-developed areas, the main challenge is to develop a coherent framework and strategy that will address disparities in access and quality of secondary education, especially in disadvantaged areas, and support the smooth transition from lower to upper secondary education.

D. ADB's Sector Forward Support Approach and Programs

99. **Strategy 2020.** This is ADB's overarching corporate strategy which aims to make its operations more selective and focused on areas where ADB has comparative advantages in light of its limited resources, while addressing the region's development challenges. The midterm review of Strategy 2020 identified priorities which determine ADB's strategic focus leading up to 2020.⁹⁹

100. **Poverty Reduction and Inclusive Economic Growth.** ADB will pursue its vision of eradicating extreme poverty and reducing vulnerability and inequality by expanding its support for achieving rapid and inclusive economic growth. The focus on creating and expanding access to economic opportunities as a measure of inclusive growth is especially pertinent in view of the widening inequality in Viet Nam and the pervasive circumstances that continue to limit opportunities for large parts of the country's population. Inclusive economic growth has three interconnected requirements (pillars): (i) high and sustainable growth to create and expand economic opportunities, including jobs; (ii) broader access to economic opportunities, including jobs, especially for the poor and disadvantaged, to ensure that members of society can participate in and benefit from growth; and (iii) provision of adequate social protection to reduce poverty and vulnerability.¹⁰⁰ ADB will continue to support infrastructure projects that benefit lagging areas and help achieve the Millennium Development Goals. ADB will help strengthen governance systems and institutional capacities to support effective, timely, and corruption-free delivery of public services. Good quality, inclusive education is essential to building human capital and a highly skilled labor force to underpin inclusive economic growth. For this reason, ADB has identified education as a core area of operations. By 2020, ADB will expand education operations to 6%–10% of its annual approvals of financial assistance up from the current 3%.

101. **Environmentally and Climate Change.** With the region facing serious environmental challenges, ADB will scale up its support for climate change adaptation. The education sector is not a major driver of environmental degradation or climate change. However, the links between low levels of education and vulnerability to environmental impacts, and in particular climate change impacts are well documented in development literature. The National Target Program to Respond to Climate Change and the National Climate Change Strategy, stress the importance of raising awareness about climate change and potential responses. Furthermore, Viet Nam's National Strategy on Climate Change, the SEDP 2016-2020 and the Green Economic Development Plan emphasize the need to transition Viet Nam to a higher-tech, more energy efficient economy. To help mitigate the adverse physical and financial effects of natural disasters on local schools and communities, instructional materials and in-service materials on disaster management education can be produced and provided. Also, the development of facilities that are resilient to climate change impacts, particularly in the typhoon-affected coastal areas, can also help mitigate the adverse effects of climate change.

⁹⁹ ADB. 2014. *Policy Paper Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

¹⁰⁰ ABD. 2013. *Guidelines on Inclusive Economic Growth in the Country Partnership Strategy*. Manila.

102. **Infrastructure Development.** Infrastructure will remain the main focus of ADB operations. ADB will strengthen outcomes of infrastructure projects by improving sector engagement, technical designs, and implementation. It will promote sustainability of infrastructure by emphasizing operations and maintenance. ADB will develop infrastructure projects on a larger scale than its own resources would allow through co-financing and by leveraging private sector investments more effectively. ADB will also pursue policy, regulatory, and governance reforms to strengthen public infrastructure management systems and promote the role of the private sector in infrastructure development.

103. **Middle-income Countries.** As a large majority of its Donor Member Countries (DMCs) will attain middle-income country (MIC) status by 2020, ADB will sharpen its strategic approach to stay relevant and responsive to their development needs. MICs continue to encounter challenges in reducing poverty (about 90% of Asia's extreme poor lived in MICs in 2010) and vulnerability, especially in remote areas and among marginal groups. Rising inequality, environmental sustainability, and resilience to climate change impacts are also major challenges. ADB will support inclusive growth, infrastructure development, and governance improvement in lower MICs like Viet Nam.

104. **Private Sector Development and Operations.** ADB will systematically expand assistance for private sector development and operations to 50% of annual operations by 2020. It will work to strengthen the business environments in DMCs to promote private investment. The private sector exists at all levels of education in Viet Nam from pre-primary to higher education but is most prominent at the pre-primary, vocational and higher education levels. Increasing levels of private provision of education is a key part of the government's cost-shifting or socialization strategy. The government has targeted that 40% of students will be attending non-public higher education institutions by 2020.¹⁰¹ The existence of a private education sector can open up significant opportunities in Viet Nam to tap private sector resources and expertise to help them meet their educational and economic objectives. One potentially fruitful direction for reform is the adoption of education public-private partnerships (PPPs). PPPs can bring many benefits, including greater efficiency and quality in delivery, improved aiming of education spending toward target groups such as girls and the disadvantaged and providing scope for bypassing rigid regulations such as government employment rules and pay scales that hamper schools' ability to meet the needs of the communities they serve. The government has shown it is receptive to private involvement in education and partnerships between the public and private sectors.

105. **Gender Initiatives** Interventions in the secondary education sector in Viet Nam have and will continue to address access and affordability issues, and lack of gender sensitive and locally relevant curricula and teaching methods. Gender parity is being achieved in Viet Nam, which is the result in part of gender mitigation efforts in ADB funded projects. Gender gaps in achievement and access remains an issue for certain geographic regions and for certain minority groups. Gender specific interventions in the sector will include social equity measures such as scholarships and financing schemes to increase access and affordability; transitional and remedial courses for LSE and out-of-school female children to meet upper secondary standards; gender sensitive curricula and physical design of schools, setting targets and

¹⁰¹ Government of Viet Nam. 2005. *Resolution on Comprehensive and Fundamental Reform of Higher Education in Vietnam 2006-2020* (No. 14/2005). Hanoi.

capacity development for female and ethnic minority teachers, managers, and education planners.

106. Development of the Education Sector. ADB's education sector strategy emphasizes strengthening quality, inclusiveness, and relevant skills at all levels of education, and the utilization of new and innovative models of service delivery and financing while promoting regional cooperation and cross-border collaboration.¹⁰²

107. ADB will assist countries to move beyond a narrow focus on school enrolment at the basic level to boosting quality and moving toward universal secondary education. ADB supports broad policy reforms and capacity development, as well as strengthening of social protection measures that help females and disadvantaged students attend school. ADB supports comprehensive education programs to improve basic and secondary education to meet international development targets. Decentralized approaches are supported. It will also help countries rationalize education planning and financing. ADB will design projects to be attractive for private investment while meeting the objectives of governments. ADB supports efforts to increase the use of information and communication technology in education service delivery.

108. The Country Partnership Strategy (CPS) for 2012–2015 focuses ADB assistance to Viet Nam on three pillars: inclusive growth, enhancing economic efficiency, and environmental sustainability.¹⁰³ To maximize ADB's development impacts, six sectors for development within Viet Nam have been prioritized. One of the priority sectors is education.

109. Intersection of ADB Strategy and Government Plans ADB's Country Partnership Strategy (CPS) for 2012–2015 is fully aligned with Viet Nam's Socio-economic Development Strategy 2011-2020 (SEDS) and supports Viet Nam's efforts to address issues related to its recent transition to a middle-income country and to reach its goal of obtaining industrial status by 2020.

110. ADB Sector Forward Strategy. Viet Nam's economy is not performing efficiently compared with its neighbors and labor productivity is low. Increasing productivity and reducing skill shortages, particularly in foreign direct investment industries, where there are frequent complaints about the lack of highly skilled laborers, managers, and supervisors, can spur further increases in competitiveness. In addition, Viet Nam needs to improve its efficiency by moving to higher value-added and knowledge industries. At the same time, measures must be put in place to ensure that growing industrialization and the need to improve efficiency are not accompanied by widening inequality. The strong thrust towards greater competitiveness and higher levels of value added must be accompanied by an equally strong thrust to promote social inclusiveness. The government has recognized the need for inclusive economic growth and sees improvement to education as a major tool to achieve this goal.

111. To date ADB's support to education in Viet Nam has been mainly through project specific investment loans. This has proven very successful in expanding access and inclusiveness in basic education and in building the foundation for a modern education system. However, at this point the government has expressed interest in a more coherent approach to

¹⁰² ADB. 2012. *Country Partnership Strategy: Viet Nam 2012-2015*. Manila.

¹⁰³ ADB, 2010. *Education by 2020: A Sector Operations Plan*. Manila. The Midterm Review of Strategy 2020 conducted in April 2014 concluded that the strategy including *Education by 2020* remains valid and relevant in its broad strategic directions to address the development challenges

planning and implementation at strategic, regulatory, budgetary, and operational levels. At the same time, ADB has also been exploring the desirability of a programmatic approach to lending. Programmatic approaches are seen as being more effective and responsive to client demand and can better assist governments to design, implement, budget, monitor, and evaluate programs relative to their own plans. These approaches tend to be directly linked to the achievement of verifiable results with less attention on inputs. Programmatic lending uses the government program institutions and systems, which strengthens capacity of the entire system and avoids development of parallel systems. Improved coordination among development partners is also possible though this modality of lending and it can overcome factors that contribute to slow disbursement and implementation.

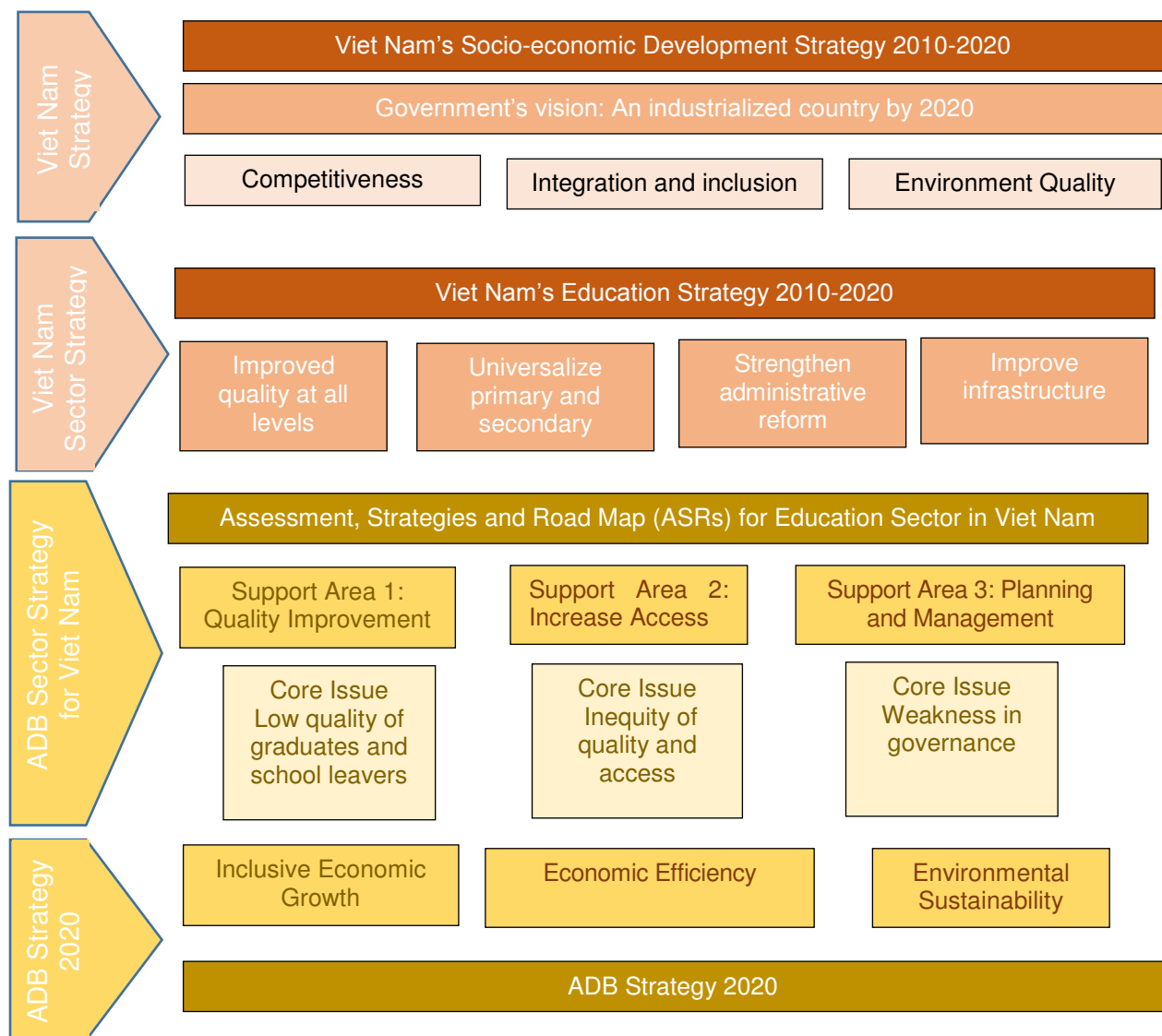
112. One of the requirements of a programmatic approach is that there needs to be in place strategic long and medium term development plans. The government has now put in place a policy framework that gives that direction and has demonstrated strategic management. Also required is a system with a relatively developed institutional capacity which Viet Nam has developed through its experience with various ODA projects. Viet Nam has begun the development of a monitoring and evaluation system, which is vital to the success of this approach. ADB has recognized that the needs of developing middle-income countries such as Viet Nam are different from emerging countries and see this form of support as one that may be more appropriate for countries at that stage of development.

113. ADB is planning to utilize a programmatic approach to the development of education and TEVT in Viet Nam over the period 2016-2020, the Second Secondary Education Sector Development Project. The SESDP II as a sector development program will have elements of programmatic approach in that it is proposed that the largest amount of funding will be for Policy Based lending to support the government's policy reform agenda and will be designed to address specific solutions identified in government policy. In addition, the SESDP II will assist MOET to implement its action plans for selected priority areas identified in Resolutions 29 and 44. The plan is that a comprehensive program, Education and Skills Sector Development Program (ESSDP) will be designed. ESSDP will include 3 sub-programs, which are interlinked and address the key sector issues that need ADB's financial supports. Sub-programs will be financed based on most suitable lending modality (Results-based, Policy-based, Investment or Technical Assistance). A framework for monitoring and evaluation will be set out. The areas will be selected aiming to have synergy with national- and WB-supported projects. ESSDP would be designed to address and be responsive to the 4 key pillars under the new SEDP 2016-2020. The comprehensive program would address the sector challenges from both pro-growth and inclusive growth points of views. It is envisioned that the first phase of ESSDP will be initiated in 2018 and will be designed to address issues related to more effective management and increased quality to strengthen post-secondary TVET through reforms and investment using PBL or Results Based Loan (RBL) for approximately \$ 250m. The second phase of ESSDP could be initiated in 2019 and be designed to address issues related to management and quality through strengthened science and technology education development at the USE, HE, and Post-graduate levels with RBL or PBL loan modalities at an estimated cost of between \$250m and \$300m. The third phase may start in 2020 and would be designed to improve access and quality by promoting inclusive economic growth through universal secondary education using RBL or PBL and be designed for between \$200m and \$250m.

114. **ADB's Priorities for Viet Nam** ADB's Country Partnership Strategy (CPS) for 2012–2015 is fully aligned with Viet Nam's Socio-economic Development Strategy 2011-2020 (SEDS) and supports Viet Nam's efforts to address issues related to its recent transition to a middle-

income country and to reach its goal of obtaining industrial status by 2020. ADB has identified education as a core sector for continued support and scaling up activities to increase access, improve the educational quality, and target support for the poor. The design and activities of SESDP II are consistent with ADB’s policy for the education sector, ADB Education by 2020–A Sector Operations Plan, and the CPS for Viet Nam, 2012-2015. The outputs of the Program directly reflect ADB’s policies and priorities to support education development in Viet Nam. Figure 1 shows the strategic linkages among the government’s direction, ADB’s priorities and the Program’s outcomes. The government and ADB discussed and agreed on SESDP II during the 2016 Country Programming Mission (CPM) for Viet Nam, and the in a Memorandum of Understanding (MOU) signed by the Ministry of Planning and Investment and ADB CPM mission on 31 August 2015. The SESDP II is included in the Lending Table 2016-2018 as an appendix of CPM MOU.

Figure 1: Strategic Linkages



III. THE PROPOSED PROGRAM

A. Rationale

115. **Development problems.** Viet Nam has evolved from one of the world's poorest countries 25 years ago to a lower middle-income country with a per capita income of \$2,109 in 2015.¹⁰⁴ Between 1990 and 2007, Viet Nam's average annual gross domestic product grew by over 7%, while from 2010 to 2015, it averaged 5.9%.¹⁰⁵ The initial heavy reliance on export-led growth, anchored by investment in basic education, yielded the necessary skills to take advantage of cheap labor to begin its transition to prosperity.

116. Viet Nam, however, faces a new development challenge—low competitiveness and productivity. Viet Nam's global competitiveness index has remained low: ranging from 64 in 2006-2007 to 56 in 2015-2016.¹⁰⁶ Levels of labor productivity in Viet Nam are low in compared to other countries in the region. Productivity in Singapore in 2013 was nearly 15 times that of Viet Nam. Viet Nam's productivity was only one-fifth that of Malaysia and two-fifths that of Thailand.¹⁰⁷ The World Bank's Knowledge Economy Index ranked Viet Nam 104th out of 144 countries on preparedness to compete in the knowledge economy.¹⁰⁸ To sustain growth and increase competitiveness and productivity, the country needs to transition from low-skilled, labor-intensive activities to those generating higher value. It requires highly skilled workers to realize the full benefits associated with rapidly growing investment. The government forecasts a need for a large increase in the number of trained persons entering the workforce. However, the public-school system in its present form is unable to meet the country's projected needs for skilled labor, and thus requires a major reform. The government particularly emphasizes the need for reforming secondary education, which faces challenges to the production of graduates who immediately enter the labor market and those who continue on to higher education.

117. **Binding constraints.** Three major constraints impede the secondary education system's ability to produce a sufficient number of highly skilled graduates: (i) poor quality of teaching and learning, and low labor market relevance, (ii) inequitable access of disadvantaged groups to secondary schooling, and (iii) poor secondary education management and governance.

118. **Poor quality of teaching and learning.** While Vietnamese students demonstrated high academic performance in the 2012 Programme of International Student Assessment (PISA), the current system of secondary education does not equip students with the competencies needed for the labor market.¹⁰⁹ The instructional method in Viet Nam is still didactic and discourages creativity. The country recognizes the value of student-centered teaching methods, but only selected schools have introduced these. The government promotes science and technology as a key strategy for industrialization, but only 22% of university students majored in natural sciences

¹⁰⁴ General Statistics Office of Vietnam, https://www.gso.gov.vn/Default_en.aspx?tabid=766 (accessed June 21, 2016)

¹⁰⁵ General Statistics Office of Vietnam. <http://www.gso.gov.vn/default.aspx?tabid=622&ItemID=14774> (accessed October 7, 2016)

¹⁰⁶ The World Economic Forum. 2015. *Global Competitiveness Report 2015–2016*. Geneva.

¹⁰⁷ International Labour Organization. 2014. *2013 Labor Force Survey*. Geneva.

¹⁰⁸ World Bank. Knowledge Economy Index. <http://data.worldbank.org/data-catalog/KEI> (accessed November 24, 2014)

¹⁰⁹ Organization of Economic Cooperation and Development (OECD). 2013. *PISA 2012 Results: What Students Know and Can Do*, OECD Publishing, Paris.

in the SY2014/2015 far fewer than students studying humanities and social sciences (about 37%).¹¹⁰ A World Bank study on Vietnamese youths' preparation for the market economy found that general education in Viet Nam has contributed little to the development of cognitive, social, and behavioural skills that are critical for the workplace.¹¹¹

119. Inequitable access to secondary education. In 2015, about 10% of the lower secondary aged youth did not attend LSS or equivalency programs provided through continuing education centers. Out-of-school youths are mainly girls, ethnic minorities, migrants from rural agricultural areas to urban or peri-urban poor areas, and those with disabilities. While the enrollment rate for girls and ethnic minorities has improved, youth from poor domestic migrant families and disabled youth who have completed primary education are marginalized.¹¹² A UNICEF survey showed that 65% of migrant youth did not attend school.¹¹³ Migrant youth have limited access to the financial and academic support required to return to school. Youth with disabilities have good access to primary school, but very few continue to secondary education due to the lack of instructional materials and professionally trained special education teachers. Parents lack awareness of disabled children's right to an education and the understanding that many disabled youth can improve their employability if they complete secondary education and get vocational guidance.

120. Weak educational governance and management. Local autonomy for management decisions has been a long-standing feature in Viet Nam. This has resulted in significant differences in performance across local governments, where there are critical gaps in access to, and quality of education. The planning and management capacity of local government staff and schools are weak. The government and development partners conduct joint public expenditure reviews only for the central government---no information is available on education budget allocation and spending at the district and school levels. There is presently no mechanism for schools to decide on how to use financial resources based on their needs.

121. The national achievement monitoring (NAM) system for secondary education collects student learning outcomes data only for three core subjects and one science subject every 3 years.¹¹⁴ The NAM results are analyzed only by province, not by individual school. Vietnamese teachers' working conditions have never been assessed relative to international standards. Macro data on learning outcomes and the limited information on teachers does not help the school principals in addressing the individual needs and priorities of their schools. Less than 20% of schools have been accredited due to the lack of trained external evaluators. MOET provides management training to school principals, but the training has not helped strengthen the schools' accountability mechanism.

122. Government sector strategy and reform agenda. The government's Education Development Strategy, 2011–2020 lays out the direction for education development.¹¹⁵ In line

¹¹⁰ UNESCO. http://data.uis.unesco.org/Index.aspx?DataSetCode=EDULIT_DS&popupcustomise=true&lang=en (accessed 3 March 2016)

¹¹¹ WB. 2014. *Skilling Up Vietnam – Preparing the Workforce for a Modern Market Economy*. Washington DC.

¹¹² In 2012 the net enrollment rate (NER) in lower secondary education (LSE) for Kinh was 84.8% compared to 71.7% for ethnic minorities and at the upper secondary education level the rate was 65.3% for Kinh and 37.7% for ethnic minorities. For LSE, the NER for boys was 82.7% and for girls it was 85.2%, while at upper secondary education the NER for boys was 58.8% and for girls it was 66.5%.

¹¹³ S. Cameron. 2012. *Education, urban poverty and migration: Evidence from Bangladesh and Vietnam*. http://www.unicef-irc.org/publications/pdf/iwp_2012_15.pdf (accessed 15 March 2016)

¹¹⁴ NAM tests mathematics, literature (reading), and English, and one of the sciences (biology, chemistry, or physics).

¹¹⁵ Government of Viet Nam. 2012. Prime Minister's *Decision No. 711/QĐ-TTg 711/QĐ-TTg - Decision Approving the*

with the long-term education strategy, Resolution Nos 29 and 44 consolidate key education policy reforms for the medium term.¹¹⁶ These reforms are: (i) upgraded curriculum to meet learner and labor market needs; (ii) improved competencies in science and technology; (iii) new teaching methods to encourage learners' creativity; (iv) decentralized development of textbooks and learning materials; (v) professional teacher development; (vi) better understanding about career options and cognitive skills required in the workplace; (vii) enhanced autonomy of schools; (viii) enhanced support for disadvantaged groups; and (ix) upgraded school infrastructure. The Socio-economic Development Strategy, 2011–2020, sees education as a key driver for poverty reduction and expansion of access to social services, including vocational training and health care. Reflecting the importance given to education and its reform agenda, the government has increased annual spending on education and training by about 130% from 2009 to 2013. In 2013, 15.9% of the government's total annual expenditure was allocated to education and training.

123. **ADB experience and lessons.** ADB is one of Viet Nam's leading development partners in secondary education, with eight loans to the country since 1996. Of five completed projects, four were evaluated as successful and one as highly successful.¹¹⁷ These loans have helped Viet Nam enhance both the quality of and access to secondary education. The net enrollment rate (NER) for (LSE) rose from about 70% in 2000 to 90% in SY2014/15. Teacher training has been upgraded and more than 80% of schools have met the school standards. Three key lessons from the past projects are reflected in the design of the SESDP II: (i) secondary education should promote students' employability; (ii) future development assistance should align with national education strategies and help fill resource gaps; and (iii) local project implementing agencies often play a key role in successful implementation. ADB's engagement in secondary education is reflected in the country partnership strategy 2016-2020, which prioritizes secondary education in its overall program.¹¹⁸

124. **Achievements of secondary education sector development program.** SESDP helped the government achieve 10 secondary education reforms in 2010–2015. The major achievements include the following: (i) the development of teacher standards and teacher assessment; (ii) improved access of ethnic minority youth to secondary education through improvement of the LSE equivalency program; and (iii) strengthened learning outcome assessment by introducing international measurement through Vietnamese students' first participation in PISA in 2012. SESDP has further introduced national assessment through the NAM.

125. **ADB's value-addition through SESDP II.** Many of the ongoing education reforms and those consolidated under Resolutions 29 and 44 were identified and initiated through ADB's long-standing policy dialogue and engagement in secondary education. SESDP II builds on and

Education Development Strategy 2011-2020, Ha Noi.

¹¹⁶ Central Committee of the Communist Party of Viet Nam. 2013. Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training. Hanoi. Government of Viet Nam. 2014. – Prime Minister's Resolution No. 44/NQ-CP on Radical Changes in Education and Training. Ha Noi

¹¹⁷ ADB. 2007. *Completion Report: Lower Secondary Education Development Project in Viet Nam*. Manila; ADB. 2013. *Completion Report: Upper Secondary Education Development Project in Viet Nam*. Manila; ADB. 2013. *Completion Report: Second Lower Secondary Education Development Project in Viet Nam*. Manila; ADB. 2015. *Completion Report: Upper Secondary and Professional Teacher Development Project in Viet Nam*. Manila; ADB. 2016. *Completion Report: Lower Secondary Education for the Most Disadvantaged Regions Project in Viet Nam*. Manila.

¹¹⁸ ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020*. Manila.

scales up the SESDP reform actions. The SESDP II will help the revise the teacher standards developed under SESDP. Targeted support will be provided to help emerging underserved groups access secondary education, including domestic migrants and disabled youth. The LSE equivalency program supported by SESDP will certify disadvantaged youth as LSS graduates, which will help improve their employability. SESDP II supports Viet Nam's continued participation in the PISA 2018 and 2021. SESDP II also supports Viet Nam's first-time participation in the 2018 Teaching and Learning International Survey (TALIS) of the Organization for Economic Co-operation and Development (OECD). TALIS will assess teacher's working conditions. The program will also seek synergy with ADB's support for the Improving Public Expenditure Quality Program, which will help improve the productivity of public financial resource allocation and budget implementation mechanisms.

126. **Development coordination.** Most of the education sector development partners support primary education. ADB and the World Bank are the major contributors to the ongoing reform of secondary education. Among the education reforms stated in Resolution No. 29 and No. 44, the World Bank has been supporting curriculum and textbook revision as well as teacher training. The remaining policy reforms are supported by ADB. The program will complement the World Bank-supported projects and strengthen development coordination.

127. **Sector development program.** A sector development program (SDP) is proposed for SESDP II. A SDP is relevant because policy reform will result in substantial financial and social costs. The policy actions completed under the policy-based loan (PBL) will set the institutional and regulatory framework required for the reform, while the project loan will enable the government to develop reform paradigms. For example, the government has approved a new vocational knowledge and cognitive skills program under the PBL. The project loan will help develop a tailor-made school-based vocational guidance model that is relevant to local labor market needs. Furthermore, the government has decided to use the proceeds of the PBL to support the nationwide implementation of the reforms. Lessons drawn from SESDP which was also a SDP, showed that the combination of a PBL and a project loan concentrated efforts and resulted in achievement of major reforms.

B. Impact and Outcome

128. The program's impact is aligned with Viet Nam's Education Development Strategy, 2011–2020 and will contribute to workforce competitiveness, social equity, and lifelong learning opportunities for all secondary school graduates improvement. The outcome will be learning outcomes and competitiveness of secondary school graduates enhanced.

C. Outputs of the Program

129. The nationwide implementation of the PBL and the project loan will be coordinated. The PBL will support the institutionalization and timely implementation of government directives and policies on secondary education. The policy matrix is Appendix 2. Appendix 6 provides details of project loan activities and budget allocations. Since the project loan will support the implementation of PBL reforms, the outputs of the two loans' will be the same. The program will support three outputs as well as project management activities, as described below.

1. Quality and Relevance of Secondary Education Improved

130. **The quality of secondary learning improved through the model resource secondary schools.** The quality of secondary learning will be improved through the introduction of a new autonomous school model that will promote the acquisition of desired student competencies. One of the strategies that MOET is using to bring about fundamental and comprehensive reforms is the development of an innovative model resource secondary school. The model is intended to fundamentally change teacher behaviors so students can acquire the desired competencies in the new curriculum.

131. The project loan will fund the development of materials for teachers, educational managers, and community stakeholders to assist with the implementation of the model resource secondary schools. The handbooks will provide teachers with guidelines for teaching each of the six core subjects in both LSSs and upper secondary schools (USSs), as well as four additional topics related to the (i) organization of teaching activities, (ii) school autonomy, (iii) new assessment methods for student performance, and (iv) organizing teaching to connect to real life. These materials will be introduced through training for approximately 5,000 participants, including management staff, teachers, educational experts, parents, and community representatives who will be involved in the implementation of the new school model. Approximately \$6.96 million worth of equipment will be provided to schools in disadvantaged areas. To increase the reach of this sub-output's impact nationwide, the educational materials developed will be digitized, and videos of sample lessons will be developed and uploaded to MOET's Connected School System website.

132. **Sustainable provision of high-quality secondary teachers ensured.** In 2011, SESDP supported the first nationwide teacher assessment based on professional standards. Since then, approximately 95% of secondary teachers were evaluated every year. However, the evaluation results do not appear to accurately reflect the real quality of teachers. MOET has revised the professional standards for teachers and managers and now requires that the assessment system be revised accordingly. MOET has issued the following new policies: (i) *Joint Circular No. 22/2015/TTLT-BGDDT-BNV* issued on 16 September 2015, regulating codes and professional title standards of public LSE teachers; (ii) *Joint Circular No. 23/2015/TTLT-BGDĐT-BNV* issued on 16 September 2015 for regulating codes, professional title standards of public upper secondary teachers; and (iii) *Circular No. 27/2015TT-BGDDT* dated 30 October 2015 on issuance of regular training programs for education managers of LSSs, USSs, and schools with multi-educational levels.

133. This sub-output will support the implementation of assessments based on the revised teacher and principal professional standards. Implementing these new standards will require human capacity development for both teachers and educational managers who will be tasked with assessing teachers' productivity. Therefore, training using both e-training and face-to-face training methods will be provided to 5,000 educational stakeholders over a five-year period. Initially, about 50% of the participants will be involved in professional development over a two-year period, so that they will have an opportunity to first learn about, then actually apply, techniques for rubrics, model portfolios, examples of feedback by supervisors, and norming exercises for supervisors in their own schools and provinces.

134. After two years of refinement, these participants will help disseminate proven assessment techniques to others across Viet Nam. To facilitate scaling up, an operational handbook on practical teaching - learning, experiment methods, soft skills education, and psychological consulting will be developed. These will include 28 training modules with

attendant training videos, which will be uploaded onto MOET's Connected School System website.

135. Quality of science and technology education in secondary schools enhanced. A Science, Engineering, Technology, and Mathematics (STEM) program will be introduced into USSs to increase the number of USE graduates entering either post-secondary education or careers related to science and technology.¹¹⁹ Through this new focus, the government intends to build a solid foundation for technological advances in its economy. The new models of specialized secondary schools will focus on an integrated curriculum that highlights practical applications of science, mathematics, and technology. A guideline for the implementation of integrated STEM education for USE were issued by MOET as part of *Official Letter No. 4502/BGDDT-GDTrH* dated 03 September 2015 on the mission of secondary education in SY2015/2016.

136. The project loan will support the following: (i) study on modern educational programs and methods to improve STEM schools; (ii) development of 12 instructional manuals on best practices to teach in an integrated manner the connections of science and technology subjects to real world contexts; (iii) provision of a series of trainings to about 5,000 secondary educational managers and core teachers to conceptualize and understand the desired reforms and use instructional manuals; (iv) furnishing 70 model STEM schools with approximately \$12.43 million of up-to-date and relevant equipment and teaching materials; and (v) extending the impact of the materials and model development by producing videos of virtual experiments and uploading these on MOET's Connected School System website.

137. Vocational awareness and career planning for secondary students enhanced. Career and vocational counseling is in its embryonic form in Viet Nam, and students do not have a good understanding of potential career options for their future. MOET has issued a policy to develop a new Vocational Knowledge and Cognitive Skills Development Program in *Official Letter No. 4502/BGDDT-GDTrH*, dated 03 September 2015, on the mission of secondary education in SY2015/2016.

138. One important step needed to help female and male students match their interests and abilities is the design or adaptation of a web-based program to assess secondary student interest and aptitude related to future vocational careers. This assessment will be used as the nationwide platform for career and vocational planning tailored to individual students. On this basis, vocational awareness and career planning programs will be developed for approximately 71,000 students from 63 USSs. Training and support will be provided over four years to about 7,800 teachers, educational managers, and local community stakeholders. Topics will include methods to improve vocational awareness, career planning for students, career selection that suits the capability of each student by teaching of subjects, thematic learning based on new general education, forums on career orientation, and trips to local vocational establishments. The project loan will also provide approximately \$5.04 million worth of equipment to model schools so that other educators in the regions can visit these schools to see how to best institute vocational and career awareness programming. Materials developed under this sub-output will be digitized and uploaded on MOET's Connected School System website.

¹¹⁹ Details regarding STEM are available in the paper, *Ideas re Science and Technology Education at Secondary Level* prepared under the PPTA in August 2015, Hanoi.

2. Equity of Access to Secondary Education Enhanced

139. **Access of disadvantaged domestic migrants to LSE enhanced.** Rapid urbanization and the influx of migrants from rural areas in recent years have posed challenges to socioeconomic development in urban areas. Poor urban residents, especially domestic migrant youth, find it difficult to find alternative livelihood and have limited access to public services including schooling. Providing greater access for domestic migrant youth to LSE will contribute to the government's goal of universal education. MOET has issued *Decree No. 20/2014/ND-CP*, dated 24 March 2014, on universalization and illiteracy eradication, and *Decree No. 86/ND-CP*, dated 02 October 2015, regulating school fee collection and management mechanism for education institutions under the national education system and the policy of school fee reduction, exemption, and support from SY2015/2016 to SY2020/21.

140. To date, there are no specific baseline data on the total number of female and male domestic migrant youth. The initial activity under this output will be to conduct a survey on the education situation of migrant youth in disadvantaged urban areas within the industrial zones in six large provinces/cities. The purpose of the survey is to generate baseline data for a socio-economic situation analysis of the domestic migrant youth to determine the sex and numbers in this group; their ethnicity, age, home provinces, reasons for migrating to cities/urban areas, education level and/or reasons for dropping out from school; economic activities of households of female and male domestic migrant youth, their living conditions and plans (including their perception of enrolling in LSE), and constraints and opportunities for each sex, and other relevant information. After the initial survey, instructional materials will be developed for staff of the provincial Departments of Education and Training (DOETs) and the district Bureaus of Education and Training (BOET), as well as LSS principals so they can conduct similar surveys to identify migrant youth not currently in the educational system and then design systems to encourage enrollment in appropriate educational programs. These methods and tools will be shared with 600 DOET and BOET staff and LSS principals through workshops in two geographic regions where the domestic migrant issue is most acute.

141. **Equity of access to LSE for youth with disability improved.** The UNESCO Institute of Statistics found that 90% of Vietnamese children with disabilities are out-of-school. Most parents of children with disabilities lack awareness of the rights of disabled children, including their right to an education. Schools and teachers need assistance in implementing methods to make school environments inviting to these youths and their parents. There is an additional need to help educators adapt instruction to a more inclusive educational setting. MOET has issued the following new policies guiding the promotion of more equitable access of students with disability: (i) *Circular No. 01/2015/TT-BLDTBXH*, dated 6 January 2015, guiding case management of people with disabilities; and (ii) *Decision No. 524/QĐ-TTg*, dated 20 April 2015, on approval of the proposal to reinforce and develop a network of social support institutions for the period, 2016–2025.

142. Project loan resources will be used to: (i) develop materials to encourage youth with special needs to attend LSSs; (ii) provide professional development for 630 people to use the these materials to foster a more equitable enrollment of youth with special needs; (iii) develop specialized and adaptive learning materials for disabled students for the six general education subjects in the new curriculum for four LSS grade levels (6, 7, 8, and 9); (iv) provide training focused on using the new adaptive materials to 4,000 teachers and education managers over four years in different regions of Viet Nam; and (v) provide equipment to 28 disabled student education supporting institutions. To extend the impact of this sub-output, the materials

described above, along with additional videos on sample lessons, will be uploaded to MOET's Connected Schools system.

3. Educational Governance and Management Strengthened

143. **Capacity in mobilizing social resources for secondary education to meet the requirements of decentralized education management strengthened.** The government's intention is to improve the effectiveness and efficiency of education management by increasing decentralization through an improved financial allocation model and by increasing school-based decision-making, where principals and teachers exercise their professional judgment on resource allocation and instructional practices. To improve the effectiveness and efficiency of education management, the program will support an evaluation of the mobilization and utilization of financial resources, which will identify results and weaknesses in financial management, then support MOET to develop proper financial mechanisms, partially contributing to improvements in investment efficiency of the State and society. *Decision No: 2653/QD-BGDĐT, Action Plan of the Education Sector for the Implementation of Resolution No. 29*, issued on 25 July 2014 contains policies on the evaluation and completion of decentralization of State management of education, including the implementation of autonomy, self-responsibility for the educational and training institutions and defined the functions, tasks, and organizational structure of DOETs and BOETs. *Joint Circular No. 71/2014/TTLT-BTC-BNV* issued on 30 May 2014 regulates the autonomy and accountability in the utilization of financial resources in the administration of public agencies. The Prime Minister also issued *Decree 16/2015/ND-CP* on 14 February 2015, which stipulates the mechanism for the exercise of autonomy by public administrative units.

144. To gather information for a public expenditure and budget review, a study will be conducted to assess the mobilization and use of public resources in education and training at various levels within the secondary school sector. To disseminate the findings of this study, a two-day workshop on the decentralization of education management will be held for 945 educational managers from all 63 provinces. Other activities to increase autonomy will be undertaken as part of Output 1a related to the development of the model resource secondary schools.

145. **Accountability of secondary education quality strengthened.** Educational decentralization without accountability has been found to provide poor results in terms of student achievement. Accountability frameworks involve the annual collection, analysis, planning, and reporting on a number of different elements nationally and for each province and school. One common type of external assessment involves the collection of data and analysis of results from achievement tests administered to students annually at various grade levels.

146. With support from SESDP, the government made a significant start on national outcome measures of student performance by developing the NAM at grades 9 and 11 and by participating in the Programme of International Student Achievement (PISA) in 2012 and 2015. Also, with the support of SESDP, MOET initiated the accreditation of secondary schools involving independent external assessments against national school quality standards. This system needs to be expanded. To further develop the accountability system, MOET issued the following policies: (i) *Decision No: 2653/QD-BGDĐT, Action Plan of the Education Sector for the Implementation of Resolution No. 29* (a) directing education and training institutions on the renovation of objectives, content, and examination and evaluation of the quality of education and training to meet the requirements of capacity development, and (b) approving a study on the establishment of individual education quality inspection centers and building regulations to organize

the accreditation of educational institutions; (ii) *Official Letter No. 370/KHTC-ODA*, dated 8 June 2015 of Department of Planning and Finance (DPF), on Viet Nam’s participation in the Teaching and Learning International Study (TALIS); (iii) *Official Letter No. 2210/BGDDT-KTKDCLGD*, dated 5 December 2015, on the implementation of accreditation activities to improve the quality of education in pre-school and general education institutions and continuing education centers (CECs); and (iv) *Official Letter No. 4850/BGDDT-KTKDCLGD*, dated 21 September 2015, guiding the implementation of examination and education quality accreditation for SY2015/2016.

147. The project will continue to support financing PISA for 2018 and 2021 and expand support for international assessments to include TALIS. TALIS is a survey of teaching and learning conditions in 20 schools nationwide (20 teachers and the principal in each school), which will provide MOET with valuable data on teaching conditions in Viet Nam compared to other countries. Support for PISA and TALIS will include OECD required fees, support for teacher training, and support for OECD required meetings. Equipment for the TALIS office will also be provided. The accountability framework will involve scaling up of the NAM so that it can be administered annually to schools involved in the initial implementation of the model resource secondary schools and STEM. Reports will need to be provided within three months, which will mean that the processes for development of assessment and reporting of results will need to be streamlined. Currently, there are not enough trained accreditors to meet the need for the external assessment of schools. Thus, SESDP II will support the training of about 3,000 potential accreditors for school accreditation.

4. Project Management Activities

148. The project will provide advisory support and capacity development for the effective and transparent achievement of the program outputs.

149. **Program implementation and monitoring capacity strengthened.** The project will support program-specific monitoring and assessment of results based on the performance indicators in the program Design and Monitoring Framework (DMF). It will also provide related training programs for the central program management unit (CPMU). The project will support three national workshops (Inception, Midterm Review, and Final). In addition, the project will provide external audit services covering the full period of project loan implementation.

150. **Provision of implementation support.** The project will provide equipment and furniture for CPMU operation. It will also provide international and national consultants to help MOET and other related agencies in implementing a high-quality program in a timely manner.

IV. IMPLEMENTATION PLANS

151. Implementation plans have been prepared and agreed to cover (i) project readiness activities and advanced actions, ensuring that loan effectiveness is activated in a timely manner; and (ii) overall implementation plan. The overall plan will be adjusted at the time of loan effectiveness, then reviewed and updated on an annual basis during the project implementation period. These plans are set out below.

A. Program Readiness Activities

Table 4: Program Readiness Activities

Indicative Activity	2016	2017	Responsibility
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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Advance Actions	[Gantt bar from Apr to Mar]												MOET/PPTA PMU/ CPMU Loan	
Retroactive financing actions														
Establish Program Implementation arrangements				[Gantt bar from Jul to Mar]										MOET/ADB
Board approval (Nov16)										[Gantt bar in Nov]			ADB	
Loan signing										[Gantt bar in Dec]			ADB/SBV	
Government legal opinion										[Gantt bar from Jan to Mar]			MOJ/SBV	
Government budget inclusion										[Gantt bar from Jan to Mar]			MOF/MOET	
Loan effectiveness													[Gantt bar in Mar]	ADB

ADB = Asian Development Bank; CPMU= central program management unit; MOET=Ministry of Education and Training; MOJ=Ministry of Justice; MOF=Ministry of Finance; PMU=program management unit; PPTA=Project Preparatory Technical Assistance; SBV=State Bank of Viet Nam
Source: ADB Staff

Table 5: Advance Actions

	Proposed Advance Actions	Timeline	Responsible Parties
1	Recruitment of Consultants		
1.1	Development of draft TORs for the loan consultants - Individual consultants including Project Start-up, model resource school, and STEM consultants - Loan implementation consultants through a consulting firm(s)	April 2016	ADB/PPTA PMU
1.2	Consulting firm for project implementation (QCBS) (The entire process takes about 12 months until contract signing.) - Prepare draft Request for Proposals (RFP) - Prepare draft advertisement - Upon ADB approval, place advertisement for Expression of Interests (EOI) - Evaluate submitted EOIs	After loan negotiations	CPMU
1.3	Recruitment of individual consultants (project start-up, model resource school and STEM consultants) - Advertise for EOIs - Evaluate EOIs - Submit to ADB - Upon ADB approval conduct contract negotiations After Loan Effectiveness, sign contract	After loan negotiations	CPMU
2	Procurement		
2.1	Development of (i) Procurement Plan and (ii) Procurement Packages.	April 2016	ADB/PPTA PMU
2.2	Development of Standard Bidding Documents and submission to ADB for approval of application, including: <i>Selected Equipment (ICB)</i> 1. Standard Invitation for Bids 2. Standard Bid Evaluation Report	After loan negotiations	CPMU

	Proposed Advance Actions	Timeline	Responsible Parties
	3. Standard Contract		
3	Establishment of CPMU		
3.1	Nomination of staff - Loan CPMU Director - Chief Accountant - Unit Head of Procurement Unit and Contract Management	October 2016 November 2016 November 2016	MOET
3.2	Approval of nominated staff - Loan CPMU Director - Chief Accountant - Unit Head of Procurement Unit and Contract Management	November 2016 December 2016 December 2016	ADB
3.3	Loan CPMU Director will nominate the unit heads of the relevant divisions which require staff for immediate implementation: - Finance and Planning - Administration	January 2017	CPMU Director/ MOET
3.4	Approval of nominated staff - Finance and Planning - Administration	January 2017	ADB
3.5	Recruitment of all remaining unit heads for loan CPMU (to be acceptable to ADB; submission of CVs to ADB)	From 2017	CPMU Director/ MOET

ICB=international competitive bidding; STEM= science, technology, engineering and mathematics; QCBS=quality- and cost-based selection

B. Overall Program Implementation Plan

Figure 2: Indicative Implementation Schedule

No.	Activities	2016		2017				2018				2019				2020				2021				2022				2023	
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
	Loan Approval	▲																											
	Loan Signing	▲																											
	Loan Effectiveness		▲																										
1	Output 1: Quality and Relevance of Secondary Education Improved																												
1 a)	The quality of secondary learning improved through the supports to the model resource secondary schools																												
1	Selection and Fielding of Advance Action Consultants		■	■																									
2	Recruitment of Service Provider for Instructional Materials				■	■																							
3	Implementation									■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
4	In-country Training for Implementation of NSSM							■	■		■		■		■		■		■		■		■		■		■		
5	Procurement of Teaching Equipment																												
6	Recruitment of Service Provider for Digitalization of Material and Production of Videos				■	■																							
7	Digitalization of Materials, Production of Videos, and Website development													■	■		■		■		■		■		■		■		
1 b)	Sustainable provision of high-quality secondary teachers ensured																												
1	In-country Training for Implementation of Professional Standards																												
2	Digitalization of Materials, Production of Videos, and Website development																												
1 c)	Quality of science and technology education in secondary schools enhanced																												
1	Conduct Study on methods to improve STEM schools																												
2	Develop the instruction material for STEM																												
3	In-country Training for New STEM Instruction material																												
4	Digitalization of Materials, Production of Videos, and Website development																												
5	Provision of Equipment																												
1 d)	Vocational awareness and career planning for secondary students enhanced																												
1	Conduct Study on modern career planning programs																												
2	Development Career Aspiration Assessment Software																												
3	Training on Methods to Improve Vocational Awareness and Career Planning																												
4	Provision of Vocational Equipment for 63 Schools																												
5	Digitalization of Materials, Production of Videos, and Website development																												
2	Output 2: Equity of Access to Secondary Education Enhanced																												
2 a)	Access of disadvantaged domestic migrants to LSE enhanced																												
1	Survey on the educational conditions of migrant youths																												
2	Training on Method to conduct survey																												
2 b)	Equity of access to LSE for youth with disability improved																												
1	Training on methods to encourage and mobilize disabled students																												
2	Training on methods to teach to visually and hearing impaired students																												
3	Procurement of Teaching Equipment for Disabled Children																												
4	Digitalize materials and develop video of sample lessons																												

Overall Project Implementation Schedule (Cont'd)

No.	Activities	2017				2018				2019				2020				2021				2022				2023		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
3	Educational Governance Strengthened																											
3 a)	Capacity in mobilizing social resources for secondary education to meet the requirements of decentralized education management strengthened																											
1	Conduct the public expenditure and budgeting review of the central and selected local governments																											
2	Workshop on mobilization and utilization of resources for decentralization reform																											
3 b)	Accountability of secondary education quality strengthened																											
1	PISA 2018																											
2	PISA 2021																											
3	TALIS 2018																											
4	Support for NAM First Round																											
5	NAM Second Round																											
6	NAM Third Round																											
7	Training for Accreditation of School Quality																											
8	In country Training on Accreditation of Schools																											
4	Project Management Activities																											
4.1	Central Program Management Office (CPMU)																											
1	Establish CPMU																											
2	Open Imprest Accounts																											
3	Recruit Program Implementation Consultants																											
4	Program Implementation Consulting Firm input																											
5	Monitoring and Evaluation																											
6	Annual Audit																											
7	Prepare and Submit Quarterly and Annual Reports																											
8	Prepare and submit Program Completion Report																											
9	Maintain and operate CPMU																											
4.2	Procurement Packages																											
1	Equipment for CPMU and Office Equipment for TALIS (NCB)																											
2	Procurement of Teaching Equipment for NSSM																											
3	Procurement of Equipment for STEM																											
4	Procurement of Vocational Equipment for 63 Schools																											
5	Procurement of Teaching Equipment for Disabled Children																											
6	Recruitment of service providers (typical)																											
4.3	Consultant Selection																											
1	Program Implementation Consulting Firm																											
2	Start Up Consultants (ICS)																											
3	Audit Firm																											
5	ADB Review																											
1	Inception																											
2	Annual Review																											
3	Mid-term Review																											
4	Program Completion Report																											
	Loan Closing																											

= Scheduled Activities
 = milestones
 = Grouped Activities

V. PROGRAM MANAGEMENT ARRANGEMENTS

A. Program Implementation Organizations: Roles and Responsibilities

Table 6: Roles and Responsibilities

Program Implementation Organizations	Management Roles and Responsibilities
Steering Committee	<p>A program steering committee (PSC) will be established by the Ministry of Education and Training (MOET). The PSC will be responsible for:</p> <ul style="list-style-type: none"> • guidance in policy development and overall program implementation; • guidance in identification of investment activities based on prioritized targets; • ensure coordination with relevant government agencies and stakeholders; and • monitor the program achievement of outcomes.
MOF	<p>Policy-based loan (PBL)</p> <ul style="list-style-type: none"> • MOF will be responsible for administering the funds from the PBL in close consultation with the government and MOET, which is responsible for implementing the program. • MOF will open a foreign currency account at the State Bank of Vietnam (SBV) to draw the loan from ADB for the PBL. <p>Project Loan</p> <p>In collaboration with the Central State Treasury, MOF will be responsible for approval of the applications of funds, and the management of record revenues and expenditures for the project accounts.</p>
Executing Agency <ul style="list-style-type: none"> • MOET 	<p>MOET as the executing agency for the program will be responsible for overall program management and coordination including:</p> <ul style="list-style-type: none"> • setting up of the CPMU; • oversight supervision and monitoring of all program activities; • coordination and liaison with ADB and other stakeholders;
Implementing Agency <ul style="list-style-type: none"> • CPMU 	<p>A CPMU will be established within MOET and will be responsible for day to day implementation of the program including:</p> <ul style="list-style-type: none"> • preparation of master plan, detailed annual project and program implementation plans, annual disbursement and procurement plans, and annual financial and accounting plans and schedules; • procurement of goods and services for all project components; • recruitment of consulting services, including program implementation consulting firm; • establishment and management of the imprest account; • preparation of withdrawal applications and replenishment of the imprest account; • management and disbursement of counterpart funds; • management and organization of the program office and human resources; • coordination and liaison with ADB, other relevant government agencies, and implementation partners and stakeholders; • establishment and implementation of the project performance management system (PPMS) and monitoring, evaluation, and reporting on program implementation progress; • organization of surveys for collection of baseline data, mid-term

Program Implementation Organizations	Management Roles and Responsibilities
	<p>data, end of period information;</p> <ul style="list-style-type: none"> • preparation of quarterly and annual progress reports, mid-term report and program completion report; • recruitment of firm for annual audit of program accounts; • preparation of annual forecast of contract awards and disbursements; • organization and management of training programs, including workshops; and • insurance that the program is implemented in conformity with relevant ADB and government procedures and regulations, and good governance;
<ul style="list-style-type: none"> • DOET 	<p>DOET will assist the CPMU in coordinating project activities at the provincial level, including:</p> <ul style="list-style-type: none"> • establishment of program implementation plans at the provincial level; • report on the progress of implementation to the CPMU; • coordination with DOET to distribute instruction materials, and allocation of equipment to beneficiary schools under the guidance of the CPMU; • collaboration with CPMU to manage and organize teacher training; • instruct the Bureaus of Education and Training to implement the program at the district level; • monitor program activities province wide.
<ul style="list-style-type: none"> • BOET 	<p>Under the direction of DOET, BOETs will assist in coordinating program activities in the lower education schools at the district level</p>
<ul style="list-style-type: none"> • ADB 	<p>ADB will be responsible for:</p> <ul style="list-style-type: none"> • provision of funds for a PBL and a project loan from Asian Development Fund resources; • overseeing the implementation of the program; • ensuring compliance with the loan agreement and the project administration manual; • monitoring implementation arrangements, disbursement, procurement, consultant selection, and reporting; • monitoring schedules of activities, including funds flow; • reviewing compliance with agreed procurement procedures; • reviewing compliance with loan covenants; • ensuring effectiveness of the program to achieve its expected outputs and outcomes, safeguards, and anti-corruption measures; • approving of procurement activities and withdrawal applications; • disbursement of funds for allowable expenditures; • analyzing the outcome of the capacity building and training programs; • monitoring conformity with ADB anti-corruption policies; • undertake an inception mission and periodic review missions; and • undertaking a joint midterm review mission and a program completion mission.

BOET = Bureau of Education and Training; CPMU = central program management unit; DOET = Department of Education and Training; MOET = Ministry of Education and Training; MOF = Ministry of Finance; PBL = policy-based loan; PPMS = project performance management system; PSC = Program Steering Committee; SBV = State Bank of Viet Nam

Source(s): Project Preparatory Technical Assistance

B. Key Persons Involved in Implementation

Executing Agency		
Ministry of Education and Training	Officer's Name & Position:	Vice Minister Nguyen Vinh Hien
	Telephone:	+84-4-38681520
	Email address:	nvhien@moet.edu.vn
	Office Address:	35 Dai Co Viet, Hai Ba Trung District, Hanoi.
Asian Development Bank		
Southeast Asia Department	Staff Name & Position	Ayako Inagaki Director, Human and Social Development Division, Southeast Asia Department
	Telephone No.	+63-2-632-4444
	Email address	ainagaki@adb.org
Mission Leader	Staff Name & Position	Eiko K. Izawa, Senior Education Specialist, Human and Social Development Division
	Telephone No.	+63-2-632-4444
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C. Program Organization Structure

152. MOET will be the executing agency (EA) for the proposed program and will have overall responsibility for program coordination and implementation. MOET will establish a program steering committee (PSC) to: (i) provide guidance in policy development and program implementation; (ii) provide guidance in the identification of proposed investment activities based on prioritized targets; (iii) ensure coordination with relevant government agencies and stakeholders; (iv) monitor program achievement of outcomes; and (v) ensure the timely approval of reports, plans, and annual budget estimates submitted to the Prime Minister. The PSC will meet bi-annually or as needed and will be chaired by the Vice Minister of the Department of Secondary Education of MOET. The PSC may include representatives from the Ministry of Planning and Investment (MPI), Ministry of Finance (MOF), State Bank of Viet Nam (SBV), as well as concerned departments, bureaus, and institutions from MOET, including the Education Quality Testing and Accreditation Department, the Department of Teachers and Education Managers, Department of Overseas Training, General Department of School Facilities, Equipment and Children Toys (GDFE); Department of Science and Technology of the Department of Higher Education (DHE), Department of Secondary Education (DSE), Department of Planning and Finance (DPF) department of MOET, and others, as may be required. MOF will be responsible for management and monitoring of funds under the PBL.

153. MOET will establish a CPMU to oversee the day-to-day implementation of the program. The CPMU will assist the PSC and MOET in the management and implementation of the Project Loan, assist in monitoring policy development, and assess the achievement of development objectives in secondary education. It will also be responsible for the recruitment of consultants and procurement of all goods and services related to the program, establishment and operation of a project performance monitoring system (PPMS), planning and budgeting of all program activities, and opening and managing the imprest account for the project loan. The CPMU will consist of a full-time director, a deputy director, and a financial assistant cum chief accountant. Specialists in administration, finance, monitoring and evaluation (M&E), procurement, instructional materials, and staff development who are acceptable to ADB will assist the CPMU Director. The CPMU will also include administrative staff consisting of secretaries, translators, finance officer, and other support staff. Activities related to teacher

training and other sub-outputs will be supported by MOET and other relevant government agencies. The CPMU will work in collaboration with Education Quality Testing and Accreditation Department, Department of Teachers and Education Managers, DFE, STD, SED, and DSE to implement the various activities under the program.

154. The CPMU will be responsible for the overall management of program activities, including: (i) development of a master plan, detailed annual program and project implementation plans, and annual disbursement and procurement plans; (ii) procurement and contract management for all goods and services contracts and consulting services, in accordance with government and ADB requirements and procedures; (iii) establishment and management of an imprest account and preparation of withdrawal applications and replenishment of imprest account as well as management and disbursement of counterpart funds in accordance with the law and ADB regulations; (iv) management and organization of program office and human resources; (v) coordination and liaison with ADB, other relevant government agencies, implementation partners, and stakeholders; (vi) establishment and implementation of a PPMS, M&E, and reporting on program implementation progress; (vii) organization of surveys for the collection of baseline data, mid-term data, end of project information; (viii) preparation of quarterly and annual program progress reports, mid-term report, and PCR; (ix) recruitment of an audit firm and ensuring the annual audit of program accounts in conformity with ADB and government requirements; (x) organization and management of training programs, including workshops; and (xi) ensuring that the program is implemented in conformity with relevant ADB and government procedures and regulations and good governance.

155. The DOET of each province will assist the CPMU in coordinating project activities at the province level. Specifically, DOETs will: (i) develop plans to implement the program at the local level; (ii) report regularly on the progress of project implementation to the CPMU; (iii) provide instruction materials and equipment to beneficiary schools under the guidance of the CPMU; (iv) collaborate with the CPMU to manage and organize teacher training; (v) direct the implementation of the new school model, enhancing science and technology education and vocational education; and (vi) monitor program activities at the commune level. DOETs' involvement in procurement will be limited to assisting the CPMU in the selection of beneficiaries and in the delivery of centrally procured materials and equipment as all procurements will be done by the CPMU. All DOET staff have participated in SESDP and have experience with the program. BOETs, under the direction of the DOETs, will assist in coordinating activities at the LSE level in the districts. The BOETs' role will be to assist the DOETs and CPMU in communicating with the LSSs.

156. The schools will be assisted in implementing the program initiatives by various partners. For instance, schools will seek out local business partners to assist in the development of STEM and vocational orientation and career awareness. Similarly, institutions of higher education may be asked to play a role in providing expertise in STEM education. The role of school councils will be defined as part of the development of site-based decision making. The local community will have a role in supporting the implementation of most program innovations. The program organization structure is shown in Figure 3, while the organization of the CPMU is in Figure 4.

Figure 3: Overall Organization Structure of the Program

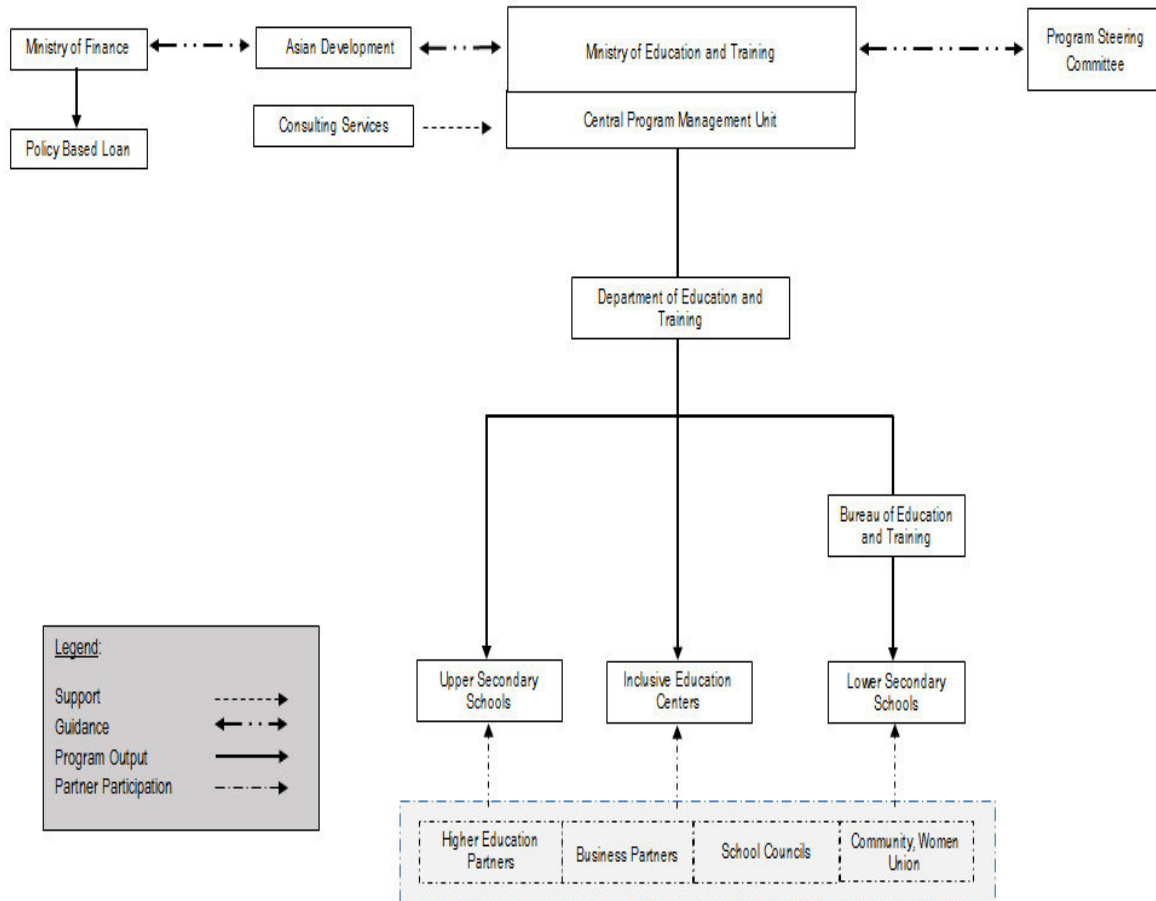
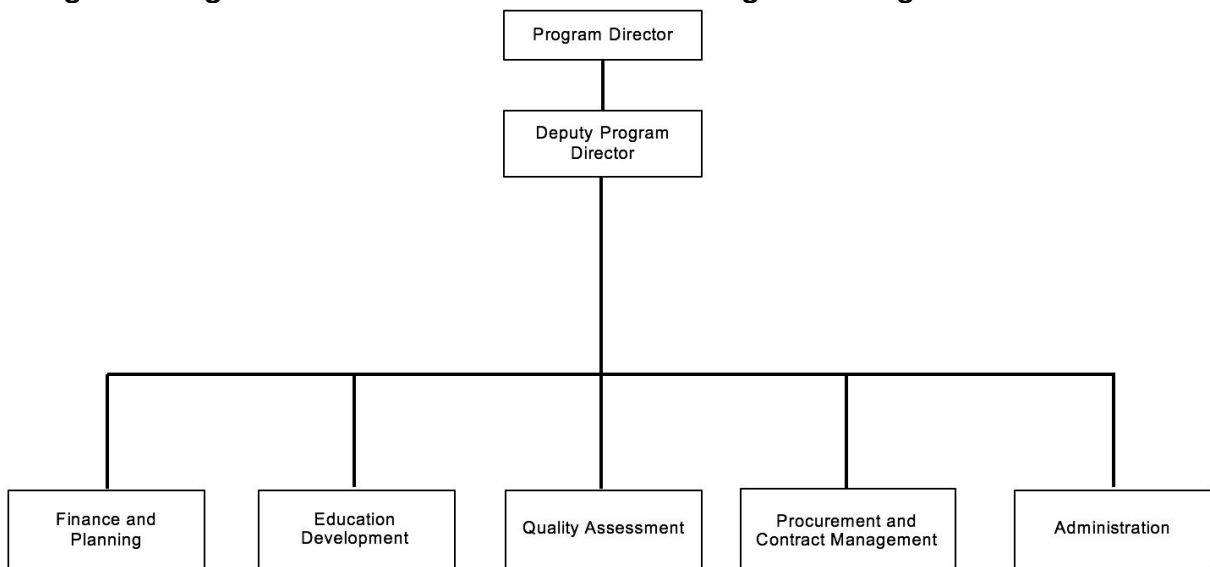


Figure 4: Organization Structure of the Central Program Management Unit



5. COSTS AND FINANCING

157. **Overall program investment plan.** SESDP II, as an education sector development program, consists of activities designed to support MOET in the implementation of the education sector strategic plan and its priority reform areas. SESDP II is comprised of two loans, a project loan of \$50 million and a PBL of \$50 million, both to be obtained from ADB's Asian Development Fund (ADF), and a government counterpart fund of \$7 million to be sourced from the government's national budget. The overall program financing plan is presented in Table 7.

Table 7: Overall Program Investment Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank ADF (Project loan)	50.0	46.7
Asian Development Bank ADF (Policy-based loan)	50.0	46.7
Central Government	7.0	6.5
Total	107.0	100.0

Note: Numbers may not sum precisely due to rounding.
Source: Asian Development Bank estimates.

158. The proposed financing plan for the ADB project loan of \$50 million and the government's counterpart fund of \$7 million is summarized in Table 8.

Table 8: Project Investment Plan (\$ million)

Item	Amount ^a
A. Investment Cost^b	
1. Quality and relevance of secondary education improved	33.27
2. Equity of access to secondary education enhanced	3.56
3. Educational governance and management strengthened	6.54
4. Project management activities	5.78
Total Investment Cost (A)	49.15
B. Contingencies^c	4.54
C. Financing charges during implementation^d	3.31
Total (A+B+C)	57.00

Note: Numbers may not sum precisely because of rounding.

^a Investment costs include taxes and duties amounting to about \$5.04 million. About \$4.71 million will be financed by the central government while about \$0.33 million will be financed by ADB. All government counterpart fund, including taxes and duties, will be in the form of cash and kind.

^b In 2016 prices. Bank charges will be financed from the Operational Costs category and to be financed by the government.

^c Physical contingency is set at 5% of total base cost. Price contingencies are based on escalation rates for domestic and international costs estimated for Viet Nam. The annual escalation rate for domestic costs is estimated at 5.0% for each year from 2017 – 2022, while annual escalation rate for international costs is estimated at 1.4% for 2017 and 1.5% for each year from 2018 - 2022.

^d ADF loan terms include: (i) 25-year maturity period, including a 5-year grace period; (ii) interest rate of 2% per annum during the 5-year grace period; (iii) interest rate of 2% during the amortization period; (iv) equal amortization for 20 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

159. Project expenditure categories are all in line with those defined by the regulations on State budget spending for secondary education development. Based on the nature of project expenditure categories and activities, the project loan will be spent on provision of teaching aids, textbooks, and instructional materials, laboratory equipment, furniture, various training for teachers and education managers, support for targeted disadvantaged groups, operations research, and consulting services. The ADB loan will be integrated into the state budget for the education sector and will be allocated to MOET-CPMU for use in project implementation

activities. The central government counterpart fund will be allocated for project activities that will be implemented by CPMU and for covering duties and taxes.

A. Cost Estimate Preparation and Revision

160. The cost of activities, goods, and services under each category for each project output is calculated based on the specific objectives of each sub-output and demand for specific investments, e.g., demand for new or supplementation of equipment given the number of participants and school beneficiaries. The cost of each activity or category of project sub-output is calculated based on two methods: (i) regulation and cost norms; and (ii) current market price, where cost norms are not regulated.

161. Unit prices applied in calculating the cost of each project activity or category are general unit prices, e.g., unit cost for one person per day per training course. In order to achieve the maximum effectiveness of project investments, the calculation of project costs and applied unit prices have been reviewed as follows: (i) application of market price in the calculation of equipment cost to avoid unrealistic estimates; (ii) provision of flexibility to allow for minor changes in procurement and project implementation arrangements in accordance with changes in secondary education in the future; and (iii) preparation of project cost estimates based on recent cost information from past and ongoing education projects in Viet Nam and taking into account future price fluctuations particularly to avoid cost overruns.

162. Detailed cost estimates (i) by expenditure category; (ii) based on allocation and withdrawal of loan proceeds; (iii) by financier; (iv) by output/component; and (v) by year are presented in sections C-G in the following pages.

B. Key Assumptions

163. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: D22,425 = \$1.00 (as of 29 August 2016)
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 9: Escalation Rates for Price Contingency Calculation

Item	2017	2018	2019	2020	2021	2022	Average
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Source(s): ADB International Cost Escalation Factors 2014 – 2018 and ADB Domestic Cost Escalation Factors 2014-2019.

C. Detailed Cost Estimates by Expenditure Category

Table 10: Detailed Cost by Expenditure Category

Item	(\$ million)			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost ^a	
A. Investment Costs^b				
1 Equipment	7.74	18.07	25.82	52.5
2 Instruction Materials	-	4.20	4.20	8.5
3 Staff Development	-	9.31	9.31	18.9
4 Studies and Surveys	-	4.25	4.25	8.6
5 Consulting Services ^c	3.28	-	3.28	6.7
Subtotal (A)	11.02	35.83	46.86	95.3
B. Recurrent Costs^b				
6 Operational Costs	-	2.30	2.30	4.7
Subtotal (B)	-	2.30	2.30	4.7
C. Total Base Cost (A+B)	11.02	38.13	49.15	100.0
D. Contingencies				
1 Physical ^d	0.25	2.22	2.47	5.0
2 Price ^e	0.16	1.91	2.07	4.2
Subtotal (D)	0.41	4.13	4.54	9.2
E. Financing Charges During Implementation^f	3.31	-	3.31	6.7
Total Project Cost (C+D+E)	14.74	42.26	57.00	116.0

Note: Numbers may not sum precisely because of rounding.

^a Investment costs include taxes and duties amounting to about \$5.04 million. About \$4.71 million will be financed by the central government while about \$0.33 million will be financed by ADB. All government counterpart funds, including taxes and duties, will be in the form of cash and kind.

^b In 2016 prices. Bank charges will be financed from the Operational Costs category and will be financed by the government.

^c Includes annual audit services amounting to \$0.30 million for the duration of program implementation and will be contracted under consultant

services and financed under the ADB program loan.

^d Physical contingencies are estimated based on 5% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Viet Nam. Annual escalation rate for domestic costs is estimated at 5% for each year from 2017 – 2022 while annual escalation rate for international costs is estimated at 1.4%

for 2017, and 1.5% for each year from 2018 – 2022.

^f ADF loan terms include: (i) 25-year maturity period, including a 5-year grace period; (ii) interest rate of 2% per annum during the 5-year grace period; (iii) interest rate of 2% during the amortization period; (iv) equal amortization for 20 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

D. Allocation and Withdrawal of Loan Proceeds

Table 11: Allocation and Withdrawal of Funds

No	Expenditure category	Amount Allocated		ADB Financing % and Basis for Withdrawal from the Loan Account
		Category (\$ '000)	Subcategory (\$ '000)	
1	Equipment	23,234		90% of total expenditure claimed
2	Instruction Materials	4,200		100% of total expenditure claimed*
3	Staff Development	9,313		100% of total expenditure claimed*
4	Studies and Surveys	4,251		100% of total expenditure claimed*
5	Consulting Services	3,276		100% of total expenditure claimed*
6	Financial Charges During Implementation	3,308		100% of total amount due
7	Unallocated	2,418		
	Total	50,000		

* Inclusive of taxes and duties imposed within the territory of the Borrower

E. Detailed Cost Estimates by Financiers

Table 12: Detailed Cost Estimates by Financiers

Item	Asian Development Bank				Central Government				Total	
	Amount Net of Tax (\$ million)	Taxes and Duties (\$ million)	Total Amount (\$ million)	% of Cost Category	Amount Net of Tax (\$ million)	Taxes and Duties (\$ million)	Total Amount (\$ million)	% of Cost Category	Amount ^a (\$ million)	% Financed
A. Investment Costs^b										
1 Equipment	23.23	-	23.23	90.0	-	2.58	2.58	10.0	25.82	100.0
2 Instruction Materials	4.20	-	4.20	100.0	-	-	-	-	4.20	100.0
3 Staff Development	9.31	-	9.31	100.0	-	-	-	-	9.31	100.0
4 Studies and Surveys	4.25	-	4.25	100.0	-	-	-	-	4.25	100.0
5 Consulting Services ^c	2.95	0.33	3.28	100.0	-	-	-	-	3.28	100.0
Subtotal (A)	43.95	0.33	44.27	94.5	-	2.58	2.58	5.5	46.86	100.0
B. Recurrent Costs^b										
6 Operational Costs	-	-	-	-	2.30	-	2.30	100.0	2.30	100.0
Subtotal (B)	-	-	-	-	2.30	-	2.30	100.0	2.30	100.0
C. Total Base Cost (A+B)	43.95	0.33	44.27	90.1	2.30	2.58	4.88	9.9	49.15	100.0
D. Contingencies										
1 Physical ^d	1.32	-	1.32	53.2	-	1.16	1.16	46.8	2.47	100.0
2 Price ^e	1.10	-	1.10	53.2	-	0.97	0.97	46.8	2.07	100.0
Subtotal (D)	2.42	-	2.42	53.2	-	2.12	2.12	46.8	4.54	100.0
E. Financing Charges During Implementation^f	3.31	-	3.31	100.0	-	-	-	-	3.31	100.0
Total Project Cost (C+D+E)	49.67	0.33	50.00	87.7	2.30	4.71	7.00	12.3	57.00	100.0

Note: Numbers may not sum precisely because of rounding.

^a Investment costs include taxes and duties amounting to about \$5.04 million. About \$4.71 million will be financed by the central government while about \$0.33 million will be financed by ADB. All government counterpart funds, including taxes and duties, will be in the form of cash and kind.

^b In 2016 prices. Bank charges will be financed from the Operational Costs category and will be financed by the Government.

^c Includes annual audit services amounting to \$0.30 million for the duration of program implementation and will be contracted under consultant services and financed under the ADB program loan. This category also includes financing of taxes accruing to consulting services which is in line with OM H 31 OP para. 8 and 9, p. 4.

^d Physical contingencies are estimated based on 5% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Viet Nam. Annual escalation rate for domestic costs is estimated at 5% for each year from 2017 – 2022 while annual escalation rate for international costs is estimated at 1.4% for 2017, and 1.5% for each year from 2018 to 2022.

^f ADF loan terms include: (i) 25-year maturity period, including a 5-year grace period; (ii) interest rate of 2% per annum during the 5-year grace period; (iii) interest rate of 2% during the amortization period; (iv) equal amortization for 20 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

F. Detailed Cost Estimates by Outputs

Table 13: Detailed Cost Estimates by Outputs

Item	Quality and Relevance of Secondary Education Improved		Equity of Access to Secondary Education Enhanced		Educational Governance and Management Strengthened		Project Management Activities		Total Cost ^a (\$ million)
	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	
A. Investment Costs^b									
1 Equipment	24.43	94.6	1.22	4.7	0.07	0.3	0.10	0.4	25.82
2 Instruction Materials	2.40	57.1	1.28	30.5	0.52	12.4	-	-	4.20
3 Staff Development	6.34	68.1	1.06	11.4	1.89	20.3	0.01	0.2	9.31
4 Studies and Surveys	0.10	2.4	-	-	4.05	95.4	0.10	2.3	4.25
5 Consulting Services ^c	-	-	-	-	-	-	3.28	100.0	3.28
Subtotal (A)	33.27	71.0	3.56	7.6	6.54	14.0	3.49	7.4	46.86
B. Recurrent Costs^b									
6 Operational Costs	-	-	-	-	-	-	2.30	100.0	2.30
Subtotal (B)	-	-	-	-	-	-	2.30	100.0	2.30
C. Total Base Cost (A+B)	33.27	67.7	3.56	7.2	6.54	13.3	5.78	11.8	49.15
D. Contingencies									
1 Physical ^d	1.67	67.7	0.18	7.2	0.33	13.3	0.29	11.8	2.47
2 Price ^e	1.40	67.7	0.15	7.2	0.28	13.3	0.24	11.8	2.07
Subtotal (D)	3.07	67.7	0.33	7.2	0.60	13.3	0.53	11.8	4.54
E. Financing Charges During Implementation^f	2.24	67.7	0.24	7.2	0.44	13.3	0.39	11.8	3.31
Total Project Cost (C+D+E)	38.58	67.7	4.13	7.2	7.59	13.3	6.71	11.8	57.00

Note: Numbers may not sum precisely because of rounding.

^a Investment costs include taxes and duties amounting to about \$5.04 million. About \$4.71 million will be financed by the central government while about \$0.33 million will be financed by ADB. All government counterpart funds, including taxes and duties, will be in the form of cash and kind.

^b In 2016 prices. Bank charges will be financed from the Operational Costs category and to be financed by the government.

^c Includes annual audit services amounting to \$0.30 million for the duration of program implementation, which will be contracted under consultant services and financed under the ADB program loan.

^d Physical contingencies are estimated based on 5% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Viet Nam. Annual escalation rate for domestic costs is estimated at 5% for each year from 2017 - 2022 while annual escalation rate for international costs is estimated at 1.4% for 2017, and 1.5% for each year from 2018 to 2022.

^f ADF loan terms include: (i) 25-year maturity period, including a 5-year grace period; (ii) interest rate of 2% per annum during the 5-year grace period; (iii) interest rate of 2% during the amortization period; (iv) equal amortization for 20 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year

Table 14: Detailed Cost Estimates by Year

Item	2017 (\$ million)	2018 (\$ million)	2019 (\$ million)	2020 (\$ million)	2021 (\$ million)	2022 (\$ million)	Total Cost ^a (\$ million)
A. Investment Costs^b							
1 Equipment	0.17	-	10.50	8.43	2.99	3.73	25.82
2 Instruction Materials	0.00	1.96	1.77	0.42	0.05	-	4.20
3 Staff Development	3.26	6.05	-	-	-	-	9.31
4 Studies and Surveys	0.21	3.83	0.21	-	-	-	4.25
5 Consulting Services ^c	0.99	0.85	0.38	0.31	0.31	0.43	3.28
Subtotal (A)	4.64	12.69	12.86	9.16	3.36	4.16	46.86
B. Recurrent Costs^b							
6 Operational Costs	0.38	0.38	0.38	0.38	0.38	0.38	2.30
Subtotal (B)	0.38	0.38	0.38	0.38	0.38	0.38	2.30
C. Total Base Cost (A+B)	5.02	13.07	13.24	9.54	3.74	4.54	49.15
D. Contingencies							
1 Physical ^d	0.25	0.66	0.67	0.48	0.19	0.23	2.47
2 Price ^e	0.21	0.62	0.54	0.38	0.14	0.17	2.07
Subtotal (D)	0.47	1.28	1.20	0.86	0.33	0.40	4.54
E. Financing Charges During Implementation^f	0.12	0.29	1.25	0.91	0.33	0.41	3.31
Total Project Cost (C+D+E)	5.60	14.64	15.70	11.31	4.40	5.35	57.00

Note: Numbers may not sum precisely because of rounding.

^a Investment costs include taxes and duties amounting to about \$5.04 million. About \$4.71 million will be financed by the central government while about \$0.33 million will be financed by ADB. All government counterpart funds, including taxes and duties, will be in the form of cash and kind.

^b In 2016 prices. Bank charges will be financed from the Operational Costs category and to be financed by the government.

^c Includes annual audit services amounting to \$0.30 million for the duration of program implementation and which will be contracted under consultant services and financed under the ADB program loan.

^d Physical contingencies are estimated based on 5% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Viet Nam. Annual escalation rate for domestic costs is estimated at 5% for each year from 2017 – 2022 while annual escalation rate for international costs is estimated at 1.4% for 2017, and 1.5% for each year from 2018 – 2021.

^f ADF loan terms include: (i) 25-year maturity period, including a 5-year grace period; (ii) interest rate of 2% per annum during the 5-year grace period; (iii) interest rate of 2% during the amortization period; (iv) equal amortization for 20 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

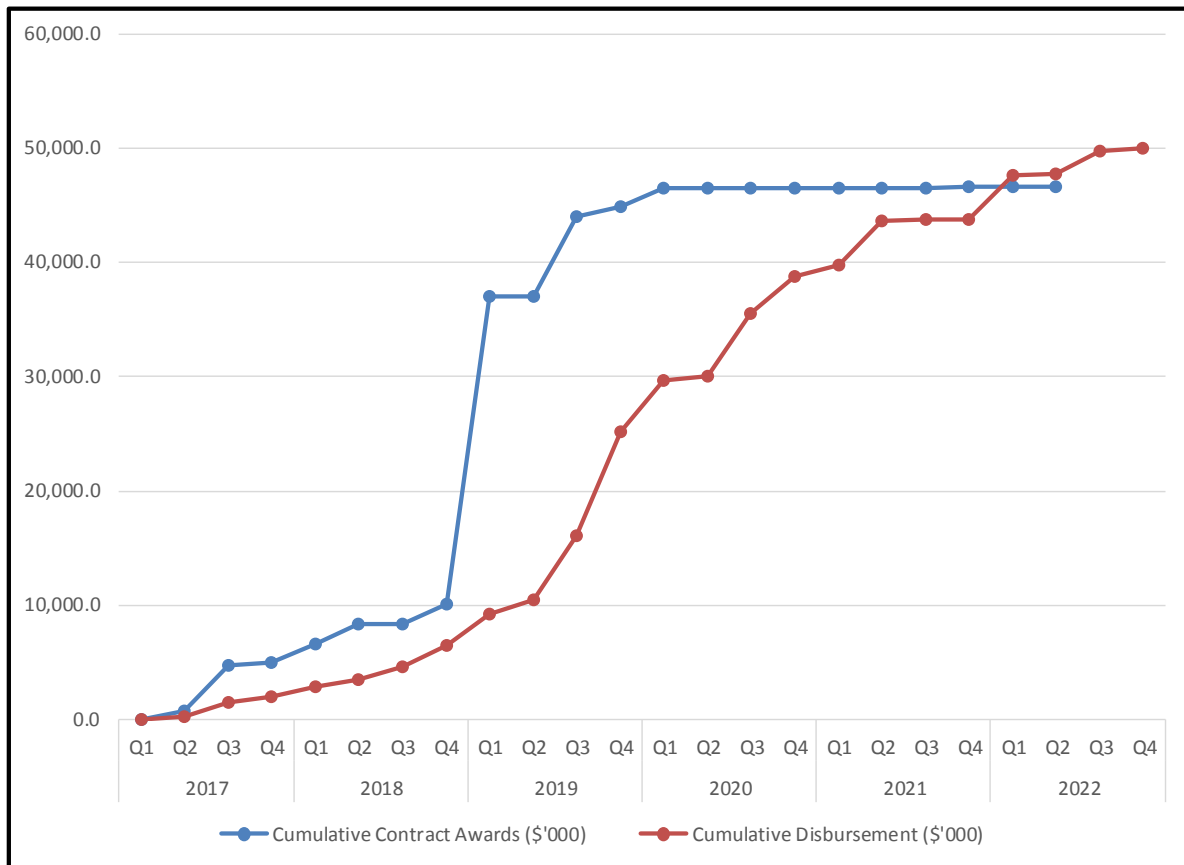
H. Contract and Disbursement S-Curve

164. Table 15 and Figure 5 show the quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing, which will be recorded in ADB's systems and reported through e-Ops. Counterpart funds are excluded. The projections of contract awards include contingencies and unallocated amounts, but exclude front-end fees, service charges, and interest during construction:

Table 15: Schedule of Contract Awards and Disbursements

Year	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2017		704	4,080	208	4,993		262	1,159	608	2,029
2018	1,665	1,734		1,720	5,120	834	607	1,132	1,829	4,402
2019	26,896		6,993	860	34,749	2,837	1,132	5,709	9,116	18,794
2020	1,690				1,690	4,383	484	5,470	3,275	13,612
2021				139	139	921	3,868	98	98	4,985
2022						3,865	98	1,944	271	6,178
Total					46,690					50,000

Figure 5: S-curve



I. Fund Flow Diagrams

165. The fund flow arrangements for the PBL are shown in Figure 6, and the arrangements for the project loan are in Figure 7:

Figure 6: Policy-Based Loan Fund Flow Arrangement

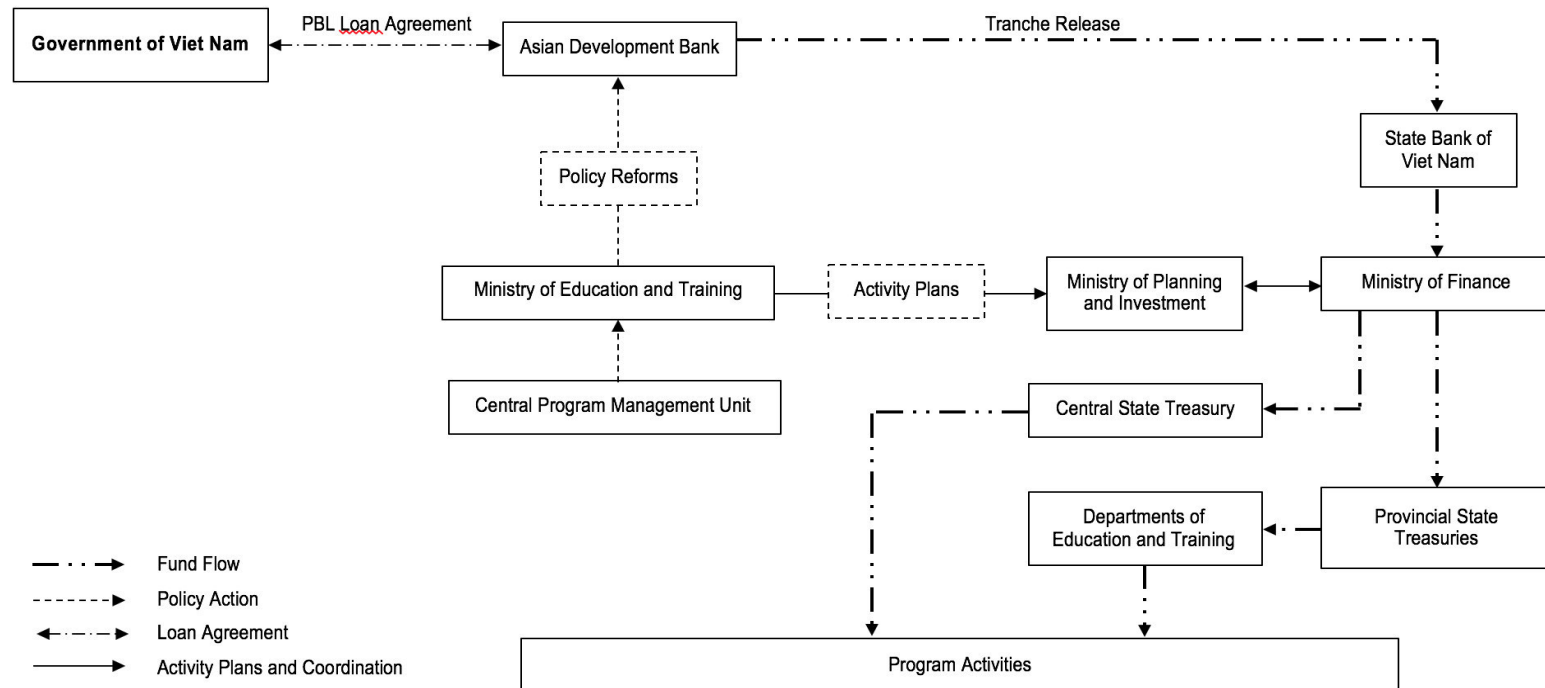
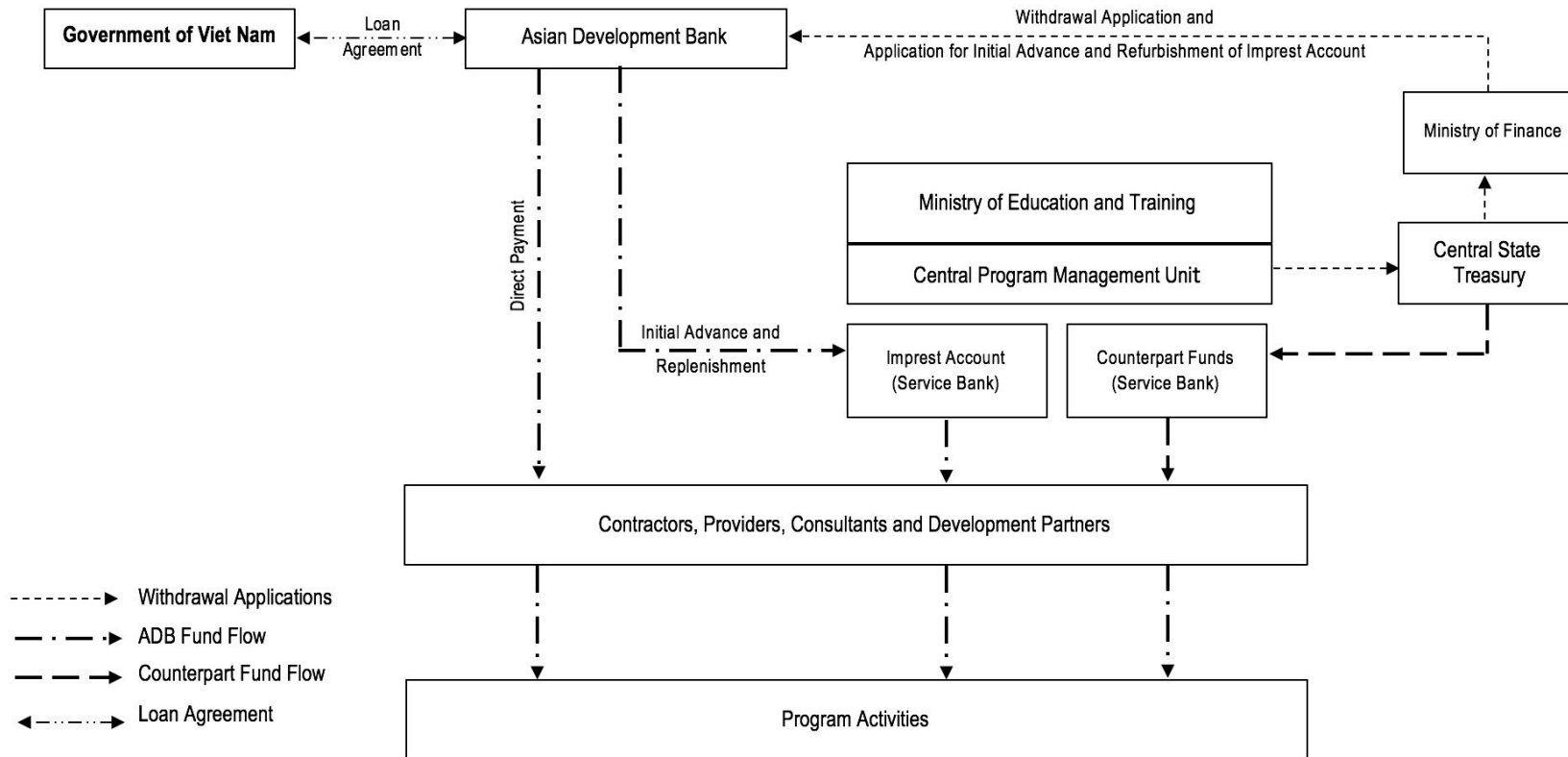


Figure 7: Project Loan Fund Flow Arrangement



VI. FINANCIAL MANAGEMENT

A. Financial Management Assessment

166. A financial management assessment was conducted in April 2016 in accordance with ADB’s Guidelines for the Financial Management and Analysis of Projects and Financial Due Diligence. The financial management assessment rates the financial management capacity of MOET as satisfactory and concludes that the overall pre-mitigation financial management risk is low. The assessment found that MOET, the EA, has vast experience with ADB’s procedures related to consultant recruitment and procurement of goods and works. This experience is seen as very helpful and an advantage for ensuring effective project/program implementation. The Department of Secondary Education, Department of Planning and Finance (DPF) and General Department of Education Facilities, Equipment, and Children’s Toys (GDPE) all have clear organizational structures, which indicate the chain of command and responsibility from leaders down to staff, as well as within the various sections or divisions under each department. Staff members in all departments have at least a university degree, and about 65 of them hold either a master’s or a doctorate degree in various fields and have a fair to good command of English. Almost all staff have participated in at least one training course on project management, financial management, and procurement, provided through either ADB or World Bank funded projects and implemented by MOET.

167. Given its functions and mandate for managing secondary education, as well as its satisfactory track record in implementing eight ADB-funded secondary education projects/programs and similar projects funded by other development partners, the Department of Secondary Education is assessed as the appropriate agency to manage SESDP II. DSE also has the capacity to effectively manage the financial resources of the program.

168. Overall, the financial management assessment considered the capacity of MOET, including funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements as satisfactory. However, key financial management risks were also identified, namely: (i) the inability of the government to deliver the expected policy reforms to meet all the conditions in the policy reform matrix; (ii) unexpected delays in implementation of policy reform-related activities due to diversion of program funds to other sectors by the central government; (iii) low quality of accounting staff at central level; and (iv) slow disbursements caused by slow payments that are controlled by the State Treasury at central level. It is concluded that the overall pre-mitigation financial management risk of the EA is moderate. The borrower and the EA have agreed to implement an action plan to address identified deficiencies (Table 16). Financial management risks and risk mitigation measures should be reviewed and updated throughout the life of the project.

Table 16: Financial Risk Assessment and Proposed Mitigation Measures

Risk	Brief Description of Risks	Activities to Mitigate Risks
A. Project Investment Loan		
1	Low quality of accounting staff at central level. Non-competitive salary and allowance cost norms make it difficult to attract qualified accountants with good English competence to	By July 2016, MOET will assign, from its ranks, a competent, full-time, English-speaking Chief Accountant with experience in the implementation of ADB-funded projects in the social sectors. By September 2016, the CPMU Program Director should also recruit qualified accountants to support the Chief

Risk	Brief Description of Risks	Activities to Mitigate Risks
	join the CPMU especially for the post of Chief Accountant.	Accountant. A qualified start-up consultant with financial management expertise will be recruited by the CPMU to assist it in this aspect of project management immediately after Loan Agreement signing (advanced action).
2 Envisaged severe delay in implementation	The CPMU may experience difficulties in managing project funds and their subsequent allocation during the first two years of project implementation.	International and national start-up specialists will prepare a detailed, user-friendly Financial Management Manual and conduct training for the CPMU accounting staff between January and March 2017 before the loan becomes effective. By September 2016, the CPMU will recruit a qualified Procurement Officer with ADB or World Bank experience in procurement. The International and National Procurement Specialists will conduct training on procurement for relevant staff within one month of initial deployment.
3 Insufficient and late counterpart fund in cash or in kind contribution from central government.	MOET is not in a strong financial position to ensure that counterpart funds for the project are provided in full and on time.	Written commitments will be obtained by MOET/CPMU from the central government at the time of Loan Agreement (December 2016) to secure counterpart funding for the whole project.
4 Slow disbursements caused by slow payments which are controlled by State Treasury at the central level.	Lack of qualified staff and poor understanding of policies, guidelines, and procedures of donor-funded projects may cause delay in application and withdrawal of funds as well as payments to contractors.	Once loan negotiations are completed, the CPMU will prepare realistic payment documents to be submitted to the State Treasury no later than December 2016. Throughout program implementation, the CPMU will closely follow-up with the State Treasury and provide clarifications when needed. Start-up Specialists and the Procurement Specialists will the build capacity for CPMU and central State Treasury staff on project and financial management during their field deployments.
5 Late and poor quality annual audited financial statements submitted.	CPMU may not prepare and complete procedures to recruit competent annual auditors on time. This, may in turn, delay the submission of annual audit reports thereby delaying the release of findings necessary to aid CPMU in improving its financial management.	The CPMU will annually recruit auditors on a competitive basis using the consultants' qualification selection method. CPMU will start the process of recruiting auditors well in advance every year to provide ample time to conduct the audit and avoid delays. The recruitment process should be initiated by the start of the third quarter of each year for the following year's audit.
6 Misuse of funds for targeted support and funds intended for supporting	MOET may not implement the approved activities after receiving funds for targeted support	CPMU will provide clear and detailed guidelines and closely monitor the implementation and spending for approved activities under targeted support and other cost categories.

Risk	Brief Description of Risks	Activities to Mitigate Risks
other project activities.	and funds intended to support other activities.	
B. Policy-based Loan		
1 The government is unable to deliver the expected policy reforms to meet all the conditions in the policy matrix for the release of the loan tranche.	MOET may not be able to achieve the policy targets set out in the policy reform matrix due to slow progress in program implementing.	ADB will require that the achievement of all policies is a covenanted during loan negotiations. CPMU will conduct regular dialogues and consultations with high-level MOET officials to apprise them on program progress and on the requirements for achieving the policy reforms as stipulated in the agreed-upon policy reform matrix. ADB bi-annual Review Missions will confirm the progress in achieving the policy reforms required for tranche release.
2 Unexpected delays in implementation of policy reform-related activities due to diversion of program funds to other sectors by the central government.	MOET may experience difficulties and subsequent delays in the implementation of policy reform activities due to extraordinary circumstances that may require a change in the priority spending of the central government which, may require the diversion of funds meant for policy reforms in the country's secondary education sector to other sectors.	Following the disbursement of the PBL to the State Bank of Viet Nam, the Prime Minister will issue an official letter to approve the use of PBL funds for the planned policy-reform activities on the basis of proposals from MOET and comments from MPI, and MOF.

ADB=Asian Development Bank; CPMU=central program management unit; MOET = Ministry of Education and Training; MOF = Ministry of Finance; MPI = Ministry of Planning and Investment

B. Disbursement

1. Disbursement Arrangements for ADB Funds

169. **Policy-based loan.** The PBL of US\$50 million will have a term of 25 years, including a grace period of 5 years, and an interest rate of 2% per year during the grace period and 2% per year during the 20-year loan amortization period. The PBL will be withdrawn upon loan effectiveness (after MOET completes the policy commitments). The PBL will be implemented in the form of budget support for secondary education in the education and training sector. The government guarantees that the official development agency loans will not be used as part of the state budget for education sector, but as a source of additional funding to assist the government in the implementation of activities to achieve prioritized objectives in secondary education (Resolution No. 29 of Government).

170. The PBL will be disbursed to a foreign currency bank account of the State Budget, then converted into Viet Nam Dong and transferred to the State Treasury bank account owned and managed by MOF. MOET will be responsible for summarizing the plans and allocation of the PBL to MOET for the provinces (if any), then sending reports to MPI and MOF for submission to the Prime Minister, and to the National Assembly for approval (additional annual funding).

171. The utilization of the PBL for specific objectives and activities will be decided on by the government. The Prime Minister will issue an official letter to approve the utilization of the PBL for procurement of equipment or investment in civil works on the basis of proposals from MOET and comments from MPI and MOF. When the PBL is disbursed to the state budget, planning, estimation, disbursement mechanism, and procurement will comply with the current regulations of the Viet Nam Budget Law.

172. **Project loan.** The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),¹²⁰ and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

173. By the end of January of each year, the CPMU will prepare procurement and disbursement plans for that particular year on a quarterly basis. This plan will be discussed and agreed upon by the ADB project supervisor prior to official submission to ADB. The content of the plans will be used by ADB and CPMU as basis for project monitoring and evaluation.

174. The CPMU will be responsible for disbursing earmarked loan funds to various development partners, i.e., selected schools involved in the project, which will, in turn, be responsible for implementing specific activities as prescribed and related to the policy reform of the secondary education subsector.

175. **Imprest fund procedure.** The CPMU, on behalf of the government, will open a dollar imprest account to receive advances and project loan proceeds at a commercial bank (service bank) chosen by the State Bank of Viet Nam (SBV). The imprest account is opened, managed, additionally funded and settled in accordance with ADB's *Loan Disbursement Handbook* (2015 as amended from time to time). The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. The CPMU may request for initial and additional advances to the imprest account based on an Estimate of Expenditure setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents will be submitted to ADB or retained by the CPMU in accordance with ADB's *Loan Disbursement Handbook* when liquidating or replenishing the imprest account.

176. **Statement of expenditure procedure.**¹²¹ The statement of expenditure (SOE) procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest account. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions,

¹²⁰ Loan Disbursement Handbook: <http://www.adb.org/Documents/loan-disbursement-handbook>.

¹²¹ SOE forms are available in Appendixes 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

177. Before the submission of the first withdrawal application, MOET should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signature of each authorized person. The minimum value per withdrawal application is set in accordance with the Loan Disbursement Handbook. Individual payments below this amount should be paid (i) by the EA/IA and subsequently claimed to ADB through reimbursement, or (ii) through the imprest fund procedure, unless otherwise accepted by ADB.

2. Disbursement Arrangements for Counterpart Fund

178. The government will provide counterpart funds of \$7.0 million equivalent (6.5% of total cost of the program) sourced from the central budget. A counterpart fund will be recorded in MOET's annual financing plan and allocated following the Budget Law. The counterpart fund will be used for: (i) project implementation support activities, such as salaries for MOET staff in the CPMU, regular CPMU office expenditures, initial office repairs, purchase of office equipment, and project implementation monitoring; (ii) taxes for equipment and furniture and other items procured at CPMU level; and (iii) price contingency for project investment activities (on a pro rata basis).

C. Accounting

179. MOET will maintain, or cause to be maintained, separate books and records, by funding source, for all expenditures incurred on the project by adopting accrual-based accounting following the equivalent national accounting standards. MOET will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

180. MOET's CPMU is required by government to comply with Vietnamese Accounting Standards (VAS). The CPMU will implement government accounting policies and procedures to ensure that cost allocations to the various funding sources are readily identified. This system allows for the proper recording of program financial transactions, including the allocation of expenditures to the respective cost components, disbursement categories, and sources of funds. Controls are in place concerning the preparation and approval of transactions. The systems used are adequate to properly account for, and report on, the program's activities and disbursement categories. No concern was identified in terms of possible erroneous transactions to be provided under the SESDP II.

181. The Program Director has full authority to execute transactions under the program subject to ADB approval. The CPMU's Chief Accountant will delegate authority to his/her finance accounting staff to record transactions, including the custody of assets involved in the transactions. Program management staff, as authorized by the Program Director, will order and monitor all goods and services, and all payments will be prepared by the accounting staff. Bank reconciliation will be prepared by the accounting staff and approved first by the Chief Accountant and secondly by the Program Director. Projects in MOET normally use a computerized accounting system which means that it will be easy to reconcile the general

ledger at CPMU. All the accounting and supporting documents will be retained by the program at the central level on a permanent basis.

182. The ADB loan will be managed in accordance with ADB policies and government regulations. Payments will be made through: (i) direct payment for procurement of goods through international competitive bidding (ICB), limited international bidding (LIB), national competitive bidding (NCB), and consulting services; and (ii) an imprest account for payments for the remaining activities.

183. A central counterpart fund from the State budget will be allocated to the CPMU's account with the State Treasury.

184. MOET will represent the government in maintaining program accounts and accounting books based on allocations for all program expenditures in accordance with the principles and standards of international accounting and government regulations as well as the articles provided in the loan agreement. CPMU will be responsible for the preparation of program quarterly financial reports.

D. Auditing and Public Disclosure

185. MOET will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. MOET will submit to ADB the audited project financial statements together with the auditors' opinion in the English language within six months of the end of each fiscal year.

186. MOET will also cause the entity-level financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. The audited entity-level financial statements, together with the auditors' report and management letter, will be submitted in the English language to ADB within one month after their approval by the relevant authority.

187. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether or not the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether or not loan and grant proceeds were used only for the purposes of the project; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

188. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

189. The MOET and the CPMU have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹²² ADB reserves the right to require a change in the auditor (in a manner

¹²² The following are ADB's approach and procedures regarding delayed submission of audited project financial statements: (a) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed; (b) When audited

consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

190. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).¹²³ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 14 calendar days of the date of their acceptance by posting them on ADB's website. The Audit Management Letter will not be disclosed.

VIII. PROCUREMENT AND CONSULTING SERVICES

A. Procurement Capacity Assessment

191. The procurement capacity of the MOET and the central program management unit (CPMU) was assessed. The assessment is contained in Appendix 9. The pre-mitigation procurement management risk is deemed moderate. The risk assessment and risk management plan will mitigate risks through (i) advance action for early recruitment of consulting services to build capacity in procurement and good governance, (ii) recruitment of qualified CPMU staff, (iii) development of a financial management manual, and (iv) CPMU staff training. Procurements were streamlined to promote competition and reduce governance risks associated with large numbers of small packages.

B. Advance Contracting and Retroactive Financing

192. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2015, as amended from time to time). The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower and MOET have been advised that approval of advance contracting does not commit ADB to finance the program.

193. **Advance contracting.** To expedite start-up and early implementation of the project loan, MOET and ADB agreed to use advance action for selected consulting services packages. Under ADB approved advance action, the EA will carry out initial program activities prior to loan effectiveness including preparation of bid documents, request for proposals (RFPs), and advertisement for Expression of Interest (EOI) from consulting firms and individual start up consultants. These actions are expected to expedite procurement and recruitment of consultants following loan effectiveness. Advance actions for the recruitment of consulting firm will include preparation of detailed terms of reference (TOR), preparation of RFP, upon approval of ADB (Submission 0) advertisement for EOI, evaluation of EOIs and shortlisting (Submission 1). Upon loan effectiveness, RFPs will be issued to shortlisted firms. For recruitment of

project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months; and (c) When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

¹²³ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

individual consultants for project start-up, model resource school and STEM, the CPMU will prepare detailed TORs and advertise for EOIs. The EOIs will be evaluated and then submitted to ADB for approval. Upon approval of ADB, contract negotiations with the first ranked candidates will be carried out and the contracts will be signed immediately after loan effectiveness. Advance action will also include preparation of bidding documents for procurement equipment for the CPMU. No contract shall be signed before loan effectiveness. The issuance of invitations to bid under advance action will be subject to ADB approval.

194. **Retroactive financing.** No retroactive financing is required for the program.

C. Procurement of Goods, Works, and Consulting Services

195. All procurement of goods and services to be financed by the ADB project loan will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). For goods and services valued at more than \$2,000,000, procurement will be carried out following ICB procedures. NCB procedures acceptable to the ADB will be followed for contracts for goods and services valued at less than \$2,000,000, but more than \$100,000. Contracts for goods valued at less than \$100,000 will be procured following shopping procedures. Procurement through NCB will follow the government's *Law on Procurement No. 43/2013/QH13* dated November 26, 2013 ("Law on Procurement") and *Decree No. 63/2014/ND-CP* dated June 26, 2014 (collectively referenced to as the "National Procurement Laws") subject to the modifications described in the NCB Annex attached to the Procurement Plan. In case of inconsistency between ADB procedures and government procedures, ADB procedures will prevail. The proceeds of the loans will be disbursed in line with ADB's *Loan Disbursement Handbook* (July 2012, as amended from time to time). Appendix 2 of that handbook provides details regarding procurement procedures.

196. Procurement of goods and services following ICB, NCB and shopping procedures will be carried out by the CPMU with support and assistance from consultants from the program implementation consulting firm. All ICB contracts will require ADB prior approval. The first contract under NCB, and shopping procedures will be subject to ADB prior approval but subsequent contracts of similar nature will be subject to ADB post approval. Prior and post review thresholds are included in the procurement plan in Section D below.

197. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

198. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Appendix 10. Appendix 11 contains an Indicative List of Packages Required Under the Project Loan.

199. The program will require assistance from international and national consultants during implementation. Approximately 77 person-months of international consultants and 166 person-months of national consultants are required. Program implementation will require the services of international and domestic advisers to help set up the financial management system, manage procurement, develop staff, and coordinate consultants' inputs. Program implementation will also require specialists input in education, human resources policies; STEM; vocational education; health; financial management; and accountability as well as large scale assessment.

All ADB-financed consultants will be selected and engaged by the CPMU in accordance with ADB's Guidelines on the Use of Consultants (March 2015 as amended from time to time). Six consultants (12 person-months international, 21 person-months national) will be recruited following individual consultant selection procedures to ensure early implementation of startup activities. All other consultants will be recruited through a firm following quality- and cost-based selection (QCBS) procedures with a quality/cost ratio of 80:20 to provide assistance during implementation as well as technical expertise. The TOR for consulting services are detailed in Appendix 12.

VII. DUE DILIGENCE

200. The program has been classified as category “C” for environment, involuntary resettlement, and indigenous peoples. The project loan does not include civil works or construction activities and, therefore, is not expected to have an impact on environment during and after implementation. It will also not involve any land acquisition or involuntary resettlement. Program policy reforms and investments will be applied nation-wide, including areas with ethnic minorities. Some of the selected beneficiary schools will be in disadvantaged areas and some will likely have students from ethnic minority groups, but the program is not targeting specific provinces with high populations of ethnic minority students. Nevertheless, the impact of the program on ethnic minorities will be monitored and reported periodically to ADB through the PPMS.

A. Economic Analysis

201. The detailed economic analysis is in Appendix 11.

202. **Government expenditure for the education sector.** Total annual expenditure of the Government of Viet Nam on education and training increased from D88,421 billion in 2009 to D202,909 billion in 2013, an increase of about 129.5% over the period (Table 17).¹²⁴ The share of education and training expenditure out of total government expenditure has remained within the ranges 12–16% and 5.0–5.7% of the country's gross national product over the period, 2009–2013. During the same period, capital expenditure for education and training increased from D19,101 billion to D47,305 billion (an overall increase of about 147.7%), while recurrent expenditure grew from D69,320 billion to D155,604 billion (an increase of about 124.5%).

Table 17: Trends in the Financing of Education in Viet Nam, 2009–2013

Item	2009	2010	2011	2012	2013
GOV expenditure on education and training (D billion) ^a	88,421	115,676	136,840	185,951	202,909
GOV capital expenditure for education and training (D billion) ^b	19,101	37,470	37,471	58,815	47,305
GOV recurrent expenditure for education and training (D billion) ^c	63,320	78,206	99,369	127,136	155,604
GOV annual expenditure (D billion) ^d	715,216	850,874	1,034,244	1,170,924	1,277,710
Total education and training expenditure as share of total expenditure (%)	12.4%	13.6%	13.2%	15.9%	15.9%
Total Viet Nam GDP (D billion, current price) ^e	1,809,148	2,157,828	2,779,881	3,245,419	3,584,262
Proportion of total GOV education and training expenditure to GDP	4.9%	5.4%	4.9%	5.7%	5.7%

¹²⁴ Most recent expenditure data (i.e., 2014 and 2015) are not available either from the Ministry of Education and Training or Ministry of Finance.

GOV expenditure annual growth rates:

Expenditure on education and training	30.8%	18.3%	35.9%	9.1%
Capital expenditure for education and training	96.2%	0.0%	57.0%	-19.6%
Recurrent expenditure for education and training	12.8%	27.1%	27.9%	22.4%

GDP=gross domestic product, GOV=Government of Viet Nam, D=Viet Nam Dong

Notes:

- (i) Capital expenditure includes new goods and civil works and rehabilitation.
 - (ii) Recurrent expenditure includes wages and benefits, subsidies, and services payments.
 - (iii) Reliable data for 2014 and 2015 are not available from either the Ministry of Education and Training (MOET) or the Ministry of Finance (MOF).
- ^a Data for 2009–2012 were provided by the Department of Planning and Finance (DPF), MOET, based on data from MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013, which is about 9.12%.
- ^b GOV capital expenditure for education and training was calculated by subtracting GOV recurrent expenditure for education and training from GOV's total expenditure for education and training.
- ^c Data for 2009–2012 were obtained from Government Annual Expenditure, MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013.
- ^d Data for 2009–2013 were obtained from MOF.
- ^e Focus Economics. *Cambodia Economic Outlook*. 2016. <http://www.focus-economics.com/countries/vietnam>

203. Although the government expenditure for education and training has increased each year between 2009 and 2013, the level of change has been somewhat erratic, with an average annual growth rate of 23.5%. Variations in capital expenditure for education and training during the period, with an average annual growth rate of 33.4%, appear to be the cause of this variation. Allocations for recurrent expenditure for education and training were steadier, exhibiting an average annual growth rate of 22.6% for the same period.

204. **Distribution of government expenditure on education and training.** Provincial governments accounted for 91.1% of expenditure in 2009, decreasing to about 87.4% in 2013. The central government accounted for 8.9% of the expenditure in 2009, increasing to 12.6% in 2013 (Table 18). The provincial government's larger share of the total government expenditure reflects the decentralized nature of expenditures, giving the sub-national government (SNG) level greater responsibility for administering education funds allotted to their respective jurisdictions.

Table 18: Distribution of Government Expenditure on Education and Training, 2009–2013

Item	2009	2010	2011	2012	2013
GOV expenditure on education and training (D billion) ^a	88,421	115,676	136,840	185,951	202,909
Share of central government of GOV expenditure on education and training (V billion) ^b	7,870	14,302	14,273	23,518	25,663
Share of central government of GOV expenditure on education and training (%)	8.9%	12.4%	10.4%	12.6%	12.6%
Share of provincial government of GOV expenditure on education and training (V billion) ^c	80,551	100,669	122,567	162,434	177,247
Share of provincial government of GOV expenditure on education and training	91.1%	87.0%	89.6%	87.4%	87.4%

D=Viet Nam Dong, GOV=Government of Viet Nam

- ^a Data for 2009–2012 were provided by staff of Department of Planning and Finance (DPF), MOET, based on data from Ministry of Finance (MOF). For 2013, the value was estimated based on the annual growth rate of Government of Viet Nam (GOV) expenditure on education and training for the period, 2012–2013, which is about 9.12%.
- ^b GOV capital expenditure for education and training was calculated by subtracting GOV recurrent expenditure for education and training from GOV expenditure for education and training.
- ^c Data for 2009–2012 were obtained from Government Annual Expenditure, MOF. For 2013, the value is estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013.

205. **Implications of fiscal decentralization.** In order for SNGs to carry out their responsibilities under the fiscal decentralization program of Viet Nam’s education sector, the central government needs to provide transparent policies that are: (i) based on sound, evidence-based analysis; (ii) clear in terms of development goals and priorities; (iii) effective in providing a realistic fiscal framework for public expenditure; and (iv) clear in delineating roles and accountability of the state, provinces, districts, and communes to facilitate effective service delivery by SNGs.¹²⁵ All stakeholders should be involved in budget preparation at both the national and SNG levels, with provisions for dissemination, and consultation as part of the disclosure process prior to legislative approval.¹²⁶ Moreover, measures to strengthen the accountability chain from the central government to the SNGs should be established by the central government and follow recognized international accounting standards. Internal and external audits of SNG expenditures should also be undertaken every year and completed within a prescribed timetable to derive lessons that may be useful to policymakers for subsequent fiscal planning. Capacities of SNGs in the areas of code of conduct, fiscal management, and anti-corruption measures and practices should be strengthened.

1. Financing of Secondary Education in Viet Nam

206. The total government expenditure on LSE increased from D21,767 billion in 2009 to D44,804 billion in 2013, an increase of 105.8%. Total expenditure for upper secondary education (USE) increased from D10,864 billion in 2009 to D21,093 billion in 2013, an increase of 94.2%. Expenditures on LSE and USE as a proportion of total government expenditure on education and training, however, remained steady at about 22% for LSE and 11% for USE over the period. Expenditures on LSE and USE as a proportion of the country’s GDP has likewise remained steady at about 1.2% for LSE and 0.6% for USE (Table 19).

Table 19: Trends in the Financing of Secondary Education in Viet Nam, 2009–2013

Item	2009	2010	2011	2012	2013
GOV expenditure by level of secondary education					
Lower secondary education (D billion) ^a	21,767	26,336	30,489	41,799	44,804
Upper secondary education (D billion) ^a	10,864	13,593	15,421	19,772	21,093
Total GOV education and training expenditure (D billion) ^b	88,421	115,676	136,840	185,951	202,909
Expenditure by level of secondary education as proportion of GOV expenditure on education and training					
Lower secondary education	24.6%	22.8%	22.3%	22.5%	22.1%
Upper secondary education	12.3%	11.8%	11.3%	10.6%	10.4%
Expenditure by level of secondary education as proportion of GDP					
Lower secondary education	1.2%	1.2%	1.1%	1.3%	1.3%
Upper secondary education	0.6%	0.6%	0.6%	0.6%	0.6%

GDP = gross domestic product, GOV = Government of Viet Nam, D = Viet Nam Dong

^a Data provided by staff of the Department of Planning and Finance (DPF), Ministry of Education and Training (MOET), based on data from Ministry of Finance (MOF).

^b Data for 2009–2012 were provided by staff of DPF, MOET based on data from MOF. For 2013, the value is estimated by applying an annual growth rate of 9.12%.

207. Data provided by the MOET Department of Planning and Finance indicated that the average cost per LSE student had increased from D4.175 million in 2009 to D9.084 million in

¹²⁵ Mountfield, E. and C.P.W. Wong. 2005. *Public Expenditure on the Frontline: Toward Effective Management by Subnational Governments, East Asia Decentralizes: Making Local Governments Work*. World Bank, Washington, DC.

¹²⁶ *Ibid.*

2013, an increase of about 117.6%. Over the same period, the average cost per USE student increased from D3.764 million to D8.328 million, an increase of 121.2%.

2. Fiscal Impact and Financial Sustainability

208. **Fiscal impact.** A financial plan is presented with projections of annual total expenditures of the government, including those for the overall education and training sector and the secondary education subsector, as well as the funding needed to finance program expenditure during the period of program implementation (Table 20).¹²⁷ The total annual SESDP II cost (i.e., counterpart fund, ADB project loan, and ADB policy-based loan) as a proportion of the government's total annual expenditure is small, ranging from 0.005% in 2017, increasing to 0.032% in 2020, and decreasing to 0.009% in 2023 (Table 20). As the impact of the cost of the second secondary education sector development program (SESDP II) on the government's total annual budget is insignificant, the financial analysis confirmed that the government has adequate financial resources and will be able to fulfill all its financial obligations under the program.

Table 20: Fiscal Impact of the Program

Item	2017	2018	2019	2020	2021	2022	2023
Government of Viet Nam expenditure:							
Total expenditure (D trillion) ^a	1,369.9	1,518.1	1,682.3	1,864.2	2,065.9	2,289.3	2,536.9
Total expenditure on education (D trillion) ^b	347.5	409.1	481.6	566.9	667.3	785.5	924.7
Total expenditure on secondary education (D trillion) ^c	106.4	124.4	145.5	170.12	199.0	232.7	272.1
SESDP-II total cost^d							
- Counterpart funding (D billion)	8.17	20.99	42.30	39.33	29.18	33.18	228.0
- ADB investment loan (D billion)	63.6	159.5	310.7	279.3	200.5	220.6	
- ADB policy-based loan (D billion)		65.2	165.0	321.4	288.6	207.2	228.0
- Total ADB loan (D billion)	63.6	224.7	475.7	600.7	489.1	427.8	228.0
Calculated ratios:							
Proportion of ADB loan to total expenditure	0.005%	0.015%	0.028%	0.032%	0.024%	0.019%	0.009%
Proportion of ADB loan to total expenditure on education	0.018%	0.055%	0.099%	0.106%	0.073%	0.054%	0.025%
Proportion of ADB loan to total expenditure on secondary education	0.060%	0.181%	0.327%	0.353%	0.246%	0.184%	0.084%

¹²⁷ Based on average annual growth over the period, 2010–2014, the government's total expenditure grew annually at about 11%, expenditure on education and training grew annually at about 18%, while expenditure on secondary education grew at an annual rate of 17%. These rates were applied in the projections for the period, 2016–2021.

ADB=Asian Development Bank, D=Viet Nam Dong, SESDP II=Second Secondary Education Sector Development Project

- ^a Total annual expenditure is projected to increase at 11% per year based on the average growth rate of government annual expenditure over the period, 2010–2014, based on data obtained from the General Statistics Office (GSO).
- ^b Total education expenditure is projected to increase at 18% per year based on the average growth rate of government annual education expenditure over the period, 2010–2014, based on data obtained from GSO.
- ^c Total secondary education expenditure is projected to increase at 17% per year based on the average growth of government annual secondary education expenditure over the period, 2010–2014, based on information obtained from the DPF of MOET.
- ^d Annual disbursements of project loan and program loan were converted from their dollar values to Viet Nam dong using adjusted exchange rates for the period, 2017–2023.

209. **Financial sustainability.** Further analysis showed that the government, as the end-borrower, is capable of covering both annual operation and maintenance (O&M) costs and debt service requirements beyond the program implementation period. These costs are significantly less than 1% of total annual government expenditure on education over the period, 2017-2025 (Table 21).

Table 21: Financial Sustainability

Item	2017	2018	2019	2020	2021	2022	2023	2024	2025
O&M and loan repayment:									
Annual O&M cost (D billion) ^a	16.6	17.0	17.6	18.2	18.8	19.5	20.1	20.8	21.5
Investment for replacing equipment (D billion) ^b					624.2				
Annual cost of salaries of project-assigned personnel (D billion) ^c	25.1	25.8	26.6	27.6	28.5	29.4	30.4	31.4	32.5
Repayment of loan interest and principal ^d	1.3	5.8	15.5	28.1	38.8	114.9	123.3	198.3	199.1
Annual interest payment on project loan (D billion)	1.3	4.5	10.9	16.8	21.4	26.5	27.4	28.3	23.4
Annual repayment on project loan principal (D billion)						66.3	68.5	70.8	73.2
Annual interest payment on policy-based loan (D billion)		1.3	4.6	11.2	17.4	22.1	27.4	28.3	29.3
Annual repayment on policy-based loan (D billion)								70.8	73.2
Total annual O&M cost and annual loan repayment (D billion)	43.0	48.6	59.8	73.9	710.3	163.9	173.9	250.5	253.1
Government of Viet Nam expenditure:									
Total expenditure (D trillion)	1,369.9	1,518.1	1,682.3	1,864.3	2,065.9	2,289.3	2,536.9	2,811.3	3,115.4
Total expenditure on education (D trillion)	347.5	409.1	481.6	566.9	667.3	785.5	924.7	1,088.5	1,281.4
Calculated ratios:									
Proportion of O&M cost and loan repayment to total expenditure	0.003%	0.003%	0.004%	0.004%	0.034%	0.007%	0.007%	0.009%	0.008%
Proportion of O&M cost and loan repayment to total expenditure on education	0.012%	0.012%	0.013%	0.013%	0.106%	0.021%	0.019%	0.023%	0.020%

O&M=operation and maintenance, D=Viet Nam Dong

^a Annual O&M cost is estimated at 3% of total investment on civil works, equipment and furniture, and vehicles.

Item	2017	2018	2019	2020	2021	2022	2023	2024	2025
^b Replacement of equipment is every five years. ^c Estimate based on project cost estimates. ^d Annual repayments on interest charges and principal of project loan and program loan are converted from their dollar values to Viet Nam Dong using adjusted exchange rates for the period, 2017–2025.									

B. Financial Assessment

210. The financial management assessment was conducted in accordance with ADB. 2005. *Financial Management and Analysis of Projects*. Manila (Appendix 12)

1. Macroeconomic Context

211. In the 25 years from 1990 to 2015, Viet Nam has evolved from one of the world's poorest countries to a lower middle-income country with a per capita income of \$2,109 in 2015.¹²⁸ During this 25-year period, growth was mainly driven by heavy reliance on export revenues and increased investments.¹²⁹ Rising agricultural output, better education, and movement of labor into industry and the service sectors have likewise contributed to the growth of the economy. Growth momentum has also been sustained through inflows of domestic and foreign investments. Viet Nam's economic objective for the period, 2011–2020, is to maintain macroeconomic stability, with gross domestic product growing at 7–8% per year.¹³⁰ However, Viet Nam now faces new challenges in its development. To sustain growth, the country needs to transition from low skill, labor-intensive activities to those that generate higher labor productivity and add greater value to products. This will require a workforce that is equipped with the right skills and an educational system that can provide school graduates and leavers with the desired competencies.

2. Labor Market Situation

212. **Labor supply.** More than one million individuals enter the labor force each year.¹³¹ Men account for about 51.4% and women, 48.6% of the workforce. In the 1990s, about 70% of workers were in rural areas, but this has rapidly changed due to urbanization. In 2014, the agriculture sector accounted for about 47% of all jobs in the economy, decreasing from 58% in 2004. Employment in industry increased steadily, albeit at a slow pace, from around 17% in 2004 to 21% in 2014, with manufacturing and construction providing the most jobs.¹³² Employment in the service sector increased from around 25% in 2004 to 32% in 2014, with wholesale and retail trade absorbing more than 30% of those employed in the sector.¹³³

213. **Labor demand.** The strongest growth in demand was for highly skilled and trained persons (e.g., architects, designers, engineers, IT professionals), reflecting Viet Nam's "skill-based occupational transition," which began in the 1990s.¹³⁴ Starting in the early 2000s and until

¹²⁸ General Statistics Office of Vietnam (GSO). https://www.gso.gov.vn/Default_en.aspx?tabid=766 (accessed 21 June 2016)

¹²⁹ *Ibid.*

¹³⁰ Socialist Republic of Viet Nam. *Socio-economic Development Strategy (SEDS), 2011–2020*. Hanoi.

¹³¹ Based on the average increase in the labor force from 2000 to 2013.

¹³² World Bank. <http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS/countries/VN?display=default>

¹³³ *Ibid.*

¹³⁴ Viet Nam Briefing. 30 July 2014. *Foreign Companies Report Labor and Skills Shortage in Viet Nam*. <http://www.vietnam-briefing.com/news/foreign-companies-report-labor-skills-shortage-vietnam.html>.

2014, jobs characterized by routine manual tasks have been declining and are being replaced by non-routine analytical ones. Employers now tend to hire workers with job-specific technical skills, strong cognitive and non-cognitive skills, leadership capabilities, as well as good problem solving, teamwork, and communication skills.¹³⁵

3. Justification of the Program

214. **Labor market issues.** An assessment of Viet Nam's labor market revealed several major issues that need to be addressed for the country's economy to progress towards its goal of modernization and industrialization. These include: (i) limited competitiveness due to problems related to low labor productivity;¹³⁶ (ii) inadequately educated workforce, which hinders local and foreign investors from doing business in the country; (iii) weak science, technology, and innovation capabilities in both the public and private sectors, which have inhibited private enterprises from better positioning themselves in global value chains; and (iv) gender disparity in the demand for labor, contributing to job postings biased in favor of male applicants and inequality in salaries that limits the earning power of women.

215. **The challenge ahead.** The challenge for secondary education and for the education sector, in general, is to produce graduates (and leavers) who are technically skilled and also have the capacity to analyze and solve practical problems based on scientific knowledge and logic. Moreover, as the economy becomes more modernized and industrialized, these skills become important requirements for communicating ideas in an interdisciplinary environment. To meet this challenge, the government must establish clear and achievable policy reforms to facilitate improvements in its education system, especially with regard to clearly defined responsibilities and accountabilities in the delivery of improved education services. Moreover, the government will need to improve information flow between employers, schools, universities, and students and encourage universities to partner more effectively with private businesses.¹³⁷ This requires a change in the methods used for skills development among all stakeholders, with inputs from schools and universities, employers, students, and parents.

4. The Program

216. The program will improve the quality of, and increase access to, secondary education. This will, in turn, result in an increase in the net enrolment rate (NER) at the LSE level, from about 90% (base year: SY2014/15) to 95% by 2023, for an increase of about 278,444 students attending LSE. The NER in USE is expected to increase from about 60% (base year: SY2014/15) to 80% by 2023, an increase of about 949,086 enrollees. The program will, therefore, produce additional workers/employees with better technical, cognitive, and behavioral skills.

5. Economic Analysis

¹³⁵ World Bank. 2014. *World Bank Development Report: Survey of Employers in Hanoi and Ho Chi Minh City*. Washington, D.C.

¹³⁶ Aside from the required professional skills, workers also need to improve their English skills in order to be competitive.

¹³⁷ World Bank. 2014. *The Vietnam Development Report*. Washington, D.C.

217. The economic analysis determined the economic viability of the program, which consists of a project investment loan of \$50.0 million, government counterpart funding of \$7.0 million, and a policy-based loan (PBL) amounting to \$50.0, for a total program cost of \$107.0 million.¹³⁸

218. **Assumptions Used in the Economic Analysis of the Program** In conducting the economic analysis, all economic benefits and costs were presented in constant 2016 prices and estimated using the world price numeraire method by applying a standard conversion factor (SCF) of 0.9 and a shadow wage rate factor (SWRF) of 0.8.¹³⁹ Program life was assumed at 25 years and a discount rate of 12% was applied in the calculation of the program’s economic internal rate of return (EIRR).

219. The incremental enrolment of LSE students was estimated at 278,444 students/year while the incremental enrolment of USE students was estimated at 1,153,287 students/year.¹⁴⁰ These numbers are projected to remain at these levels each year over the period, 2023–2041.¹⁴¹ Key assumptions for projecting the number of students completing LSE and USE are in Table 22.

Table 22: Assumptions for Projecting Number of Students Completing LSE and USE

Item	Lower Secondary			Upper Secondary		
	Without Program	With Program	Increment	Without Program	With Program	Increment
(i) Number of students ^a	4,928,672	5,207,116	278,444	2,592,278	3,541,364	949,086
(ii) Net enrolment rate ^b	90%	95%	5%	60%	80%	20%
(iii) Dropout rate ^c	0.9%	0.5%	-0.4%	1.8%	0.9%	-0.9%
(iv) Promotion rate ^d	97.7%	99.7%	2.0%	97.3%	99.2%	1.9%
(v) Completion rate ^e	82.7%	91.5%	8.8%	84.3%	92.7%	8.4%
(vi) Percentage of LSE students not pursuing USE ^f		19.2%				
(vii) Employment rate of LSE graduates seeking work ^g						
(viii) Employment rate of USE graduates seeking work ^h		30.3%			60.0%	

LSE=lower secondary education, USE=upper secondary education

^a Number of students “without program” was obtained from MOET staff while number of students for “with program” is the target to be achieved under the program.

^b Net enrolment rate (NER) “without program” was obtained from MOET staff, while NER for “with program” is the program target.

^c Dropout rate for “without program” was obtained from staff of the Department of Finance and Planning (DFP) of MOET, while the dropout rate for “with program” is the Program target.

^d Promotion rate for “without program” was obtained from staff of DFP, while the promotion rate for “with program” is the program target.

^e Completion rate for “without program” was obtained from staff of DFP, while the completion rate for “with program” is the program target.

¹³⁸ The economic analysis was undertaken in accordance with ADB. 1993. *Guidelines for Economic Analysis of Projects*. Manila. Details of the economic analysis are presented in LD19.

¹³⁹ ADB. 2013. *Report and Recommendation of the President to the Board of Directors to the Socialist Republic of Viet Nam for the Productive Rural Infrastructure Sector Project in the Central Highlands*. Manila.

¹⁴⁰ By 2023, the total number of incremental USE enrollees will reach 949,086. During this same year, about 204,201 LSE graduates will join these new USE graduates in enrolling in USE, resulting in a total incremental USE student-enrollees of 1,153,287 per year over the period, 2023-2041. These LSE graduates are those who enrolled in LSE in 2019, when up-scaled investments will be made by the government under the PBL, and who would have completed all LSE requirements in three years.

¹⁴¹ The number of LSE and USE students was based on the actual number of students in SY2014/2015 and did not take into account the declining trend of young population due to the aging trend in the country for the base case scenario.

- ^f Percentage of LSE students not pursuing USE was obtained from DFP.
^g Employment rate of LSE graduates seeking work was based on 2014 data from the GSO, Ministry of Planning and Investment (MPI).
^h Employment rate of USE graduates seeking work was based on the participation rate of the World Bank for 2014.

220. The average annual wage earnings of workers with LSE credentials was estimated at \$632/person/year.¹⁴² Nguyen Xuan Thanh estimated that one year of education increases the average earning capacity of an individual by 11%.¹⁴³ For example, the average annual wage of a worker with only primary education was estimated at D27,596,400/person/year (or \$1,238/person/year at D22,295 to US\$1.00). In estimating the average annual wage of a worker with LSE, the value \$1,238/person/year increases by 11% each year over the three-year LSE program to arrive at the average annual wage rate of a worker with LSE (i.e., $\$1,238 \times 111\%^3 = \$1,693$ /person/year). In estimating the future annual earnings generated by an LSE student, who has completed all requirements of LSE but decided to find employment immediately after, his/her average wage rate (i.e., \$1,693/person/year) was projected over a 20-year period, during which he/she is assumed to remain employed. The net present value (NPV), at a 12% discount rate, of the sum of his/her annual income stream (i.e., \$12,645) was annualized by dividing it by 20 years. The resulting value is the financial value of future annual earnings of a worker who has completed LSE, estimated at \$632/person/year. For a student who has completed all USE requirements, future earnings are about \$865/person/year. This was calculated by increasing the basic annual wage earnings of a worker with LSE, about \$632/person/year, by 11% for each year of USE.

221. Total capital investment cost (excluding price contingencies, interest charges, fees, and taxes) was spread over the duration of program implementation of six years. Incremental program-related operation and maintenance (O&M) costs were assumed at 3.0% of the total capital cost, and replacement of equipment was assumed to be carried out every five years.¹⁴⁴ Incremental recurrent cost was estimated based on the incremental number of secondary students accruing to the program which was then multiplied by MOET's estimate of recurrent cost per student for 2016. The resulting value was then adjusted to its 2016 economic value and projected over a period of 20 years (2017–2041) at an annual growth rate of about 10%. The opportunity cost of an LSE student was estimated at \$462/LSE student/year,¹⁴⁵ while that for a USE student was estimated at \$632/USE student/year.¹⁴⁶ These are expressed in economic values.

6. Quantification of Program Benefits from Improved Income-generating Capacity of Secondary Education Graduates

222. Improved access to, and quality of, secondary education is expected to bring about significant benefits in terms of improved future earnings of those LSE and USE students who have completed all the requirements of their respective curricula. The benefits from improved future earnings of secondary education students will be generated from two benefit streams: (i) income stream of LSE students who complete all requirements of LSE but decide not to pursue USE and find employment instead; and (ii) income stream of USE graduates who complete all USE

¹⁴² The average wage of workers with LSE credentials was obtained from the GSO.

¹⁴³ Nguyen Xuan Thanh. 2006. *Estimating the Return to Education in Viet Nam: A Difference-in-Difference Approach*. John F. Kennedy School of Government. Harvard University. Cambridge, Massachusetts, USA.

¹⁴⁴ These were suggested by staff of the CPMU/MOET.

¹⁴⁵ The annual opportunity cost of LSE students is based on information obtained from the GSO.

¹⁴⁶ Calculated as follows: $\$462/\text{LSE student/year} \times 1.11^3 = \$632/\text{USE student/year}$.

curriculum requirements and decide to find employment rather than pursue higher education. Improved access is expected to result in an increase in LSE NER from 90%, under the “without program situation,” to 95% under the “with program” scenario. For USE, NER is expected to increase from 60% to 80%.¹⁴⁷

223. The number of LSE enrollees is projected to increase by 278,444 students/year, of whom 252,818 are expected to complete all LSE requirements starting in 2022 until 2041. About 48,617 LSE graduates (19.2%) will not pursue USE and will decide to join the labor market. Of these, about 14,731 students (30.3%) are expected to find employment.¹⁴⁸ The annual benefits from incremental income generated by newly employed LSE graduates were estimated based on the difference between the value of future earnings of one who completed LSE, estimated at \$632/person/year, and the value of future earnings of one without LSE, estimated at \$462/person/year. The difference (\$170/person/year) was then multiplied by the total number of newly employed LSE graduates under the program for specific years, and projected over an assumed 20-year employment period and adjusted by an SCF of 0.9 and an SWRF of 0.8 to arrive at the economic benefits from future earnings of employed LSE students. The economic benefits are projected to increase from \$1.80 million in 2022 to \$36.05 million in 2041, for total accumulated economic benefits of \$378.53 million for the period.

224. By 2022, about 204,201 LSE graduates, net of LSE graduates who have sought employment, will enroll as USE students. Total incremental USE student enrollees are projected to increase to 1,153,287 students in 2023.¹⁴⁹ This is further projected to remain at this level every year over the period, 2023–2041. Correspondingly, the incremental number of USE graduates is expected to increase to 1,051,053 students in 2026 and is projected to remain at this level until 2041. Of this total, about 60% will find employment.¹⁵⁰ The annual benefits from incremental income generated by newly employed USE graduates were derived by estimating the difference between the value of future earnings of one who completed USE, estimated at \$865/person/year, and the value of future earnings of one without USE, estimated at \$632/person/year. The difference (\$232/person/year) was then multiplied by the total number of newly employed USE graduates under the program for specific years, and projected over an assumed 20-year employment period and adjusted by an SCF of 0.9 and an SWRF of 0.8 to arrive at the economic benefits generated by USE graduates who found employment. The total incremental economic benefits derived from the annual income generated by USE students finding employment are projected to increase from \$5.83 million in 2022 to \$1,860.19 million in 2041, or total accumulated economic benefits of \$17,386.56 million for the period.

7. Estimation of Costs

225. Specific costs estimated cover program investments, O&M costs, and policy reform-related investments. The local cost of labor was converted by using an SWRF of 0.8. Non-traded costs other than labor costs were adjusted by an SCF of 0.9. The economic value of foreign costs, mainly traded costs, was assumed to be equal to their financial values.

¹⁴⁷ “Without program” situation refers to base year 2014.

¹⁴⁸ Employment rate is low as workers with only LSE credentials will typically find difficulty in gaining employment in jobs which require higher skills. This provides the rationale for encouraging students to pursue higher secondary education. Source: GSO, MPI. 2014. *Labor Investigation Report*. Hanoi.

¹⁴⁹ The target NER of 80% is to be achieved by 2023.

¹⁵⁰ The GSO uses an employment rate of 41.5% for workers with USE, while the World Bank estimates an employment rate of around 70% for Viet Nam. For the purpose of the economic analysis, an employment rate of 60% was applied.

Incremental annual O&M cost was assumed at 3.0% of capital investment costs. The incremental recurrent cost incurred under the program was estimated based on the total incremental number of secondary students accruing to the program multiplied by the recurrent cost per student per year. The estimate of the recurrent cost per student was based on the 2015 MOET estimate, adjusted to its 2016 economic value, and projected over a period of 20 years (2017–2041) at an annual growth rate of about 10%. The incremental economic opportunity cost of LSE and USE students for each year was calculated by multiplying the annual incremental number of LSE and USE students who have completed all requirements, by the corresponding economic opportunity cost/student/year. The resulting values were added to estimate the total incremental opportunity cost of the program.

8. Economic Analysis Results

226. **EIRR calculation.** Program investments were assessed as economically viable as the EIRR (14.7%) is above the economic opportunity cost of investment of 12%.

227. **Sensitivity analysis.** The sensitivity analysis indicated that the EIRR is sensitive to changes in costs and enrolment, as the sensitivity indicator values for these change variables are significantly greater than 1. Switching values confirmed the sensitivity of EIRR to changes in cost and enrolment variables.

C. Safeguards

228. The program does not include any civil works. The program is categorized C for involuntary resettlement, indigenous peoples, and the environment as both project loan and PBL will not have any potential impact on involuntary resettlement, indigenous peoples, and environment.

D. Risks and Mitigating Measures

229. The overall benefits and impact are expected to outweigh the risks involved. Major risks and mitigating measures are summarized in Table 23 and described in detail in the risk assessment and management plan Appendix 13.

Table 23: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Lack of commitment to increase autonomy prevent effective implementation of decentralization of secondary education	ADB will closely monitor program implementation, including increased autonomy. The planned public expenditure review will gauge the local commitment to increase autonomy. Training to strengthen capacity in decentralized planning, budgeting, and management will be provided.
Poor quality of bidding documents may slow the procurement process	MOET will assign from its ranks a competent, full-time, English-speaking CPMU with experience in implementation of ADB-funded projects. All procurement templates are translated into Vietnamese and translation is verified by ADB resident mission staff.
The CPMU may experience difficulties in initial management managing of project funds.	A detailed, user-friendly financial management manual will be prepared, and training conducted for relevant CPMU staff before the loan becomes effective. CPMU will recruit a qualified procurement officer with ADB or World Bank experience.

Risks	Mitigating Measures
Slow disbursements may delay project implementation	CPMU to prepare realistic payment documents and to actively monitor the progress of procurement actions. Build capacity on financial management for CPMU, MOET, and central state treasury staff.
There may be disputes when two contracts conflict	Translation of procurement documents including bidding documents and contracts will be verified by ADB.

ADB = Asian Development Bank, CPMU = central program management unit, MOET = Ministry of Education and Training

Source: Asian Development Bank.

E. Gender and Social Dimensions

230. During program preparation, a poverty and social assessment (Appendix 4), including gender analysis, was undertaken in accordance with ADB guidelines. Consultations with project loan beneficiaries were conducted in selected project sites. A summary poverty reduction and social strategy (Appendix 14) has been prepared to present project benefits and mitigation measures to address social impacts and enhance the distribution of project benefits.

2. Poverty and Social Benefits

231. **Key poverty and social issues.** From a poverty rate of 58.1% in 1990, the country has successfully reduced poverty to 6.0% in 2014 although wide disparities still exist.³³ The poverty rate in the economically disadvantaged regions fell from 58.3% in 2010 to 32.6% in 2014, but it is still almost 5 times as high as the national average. In addition, more than half of ethnic minority groups still live below the poverty line and make up 46.7% of the total poor households. Further new forms of poverty are starting to emerge.¹⁵¹ These include chronic poverty, urban poverty, child poverty and migrant poverty. Viet Nam has been very successful in increasing girls' participation in education at the secondary levels. Also female students tend to outperform male students on international and national assessments.¹⁵² However, Vietnamese women continue to face serious obstacles including poverty, limited access to higher education and employment opportunities, as well as persistent discriminatory attitudes and behaviors.¹⁵³ The male-female birth ratio increased from 111.2/100 in 2010 to nearly 114 in 2013. Also gender-based violence is widespread. In 2012, 85.1% of domestic violence victims were women. Viet Nam's economic rise has been accompanied by the growth of its large cities, which puts pressure on urban housing, infrastructure, services and social-welfare systems. According to the 2009 Viet Nam Population and Housing Census of persons aged 5 years or older in Viet Nam, almost 6.1 million, or 7.8%, live with one or more disability in seeing, hearing, walking or cognition but the assessment of *National Assembly Committee on Social Affairs* in 2008 found only 36.8% of disabled people have ever attended primary or secondary schools.

232. **Beneficiaries.** The program is designed to improve the quality of secondary education, which, in turn, is envisioned to improve the performance of secondary education students. The program is expected to increase the NER at the LSE level from about 90% (2014 base year) to 95% by 2023 which is an increase of about 278,500 LSE students attending LSSs. It is expected that there will be an increase of about 15% (about 2,000 youth) in the number of youth with

¹⁵¹ UNICEF Viet Nam - Overview - Viet Nam and the MDGs.

¹⁵² Programme of International Student Assessment (PISA) 2012, Programme for Analysis of Systems of Education Under CONFEMEN 2012, National Achievement Monitoring (NAM) grade 9 SY2008/09 and the grade 11 NAM SY2011/12.

¹⁵³ UNICEF Viet Nam - Overview - Viet Nam and the MDGs.

disability attending LSE or equivalent as a result of the program. The percentage of youths within the age range for USE and enrolling in USE is expected to increase from about 60% (2014 base year) to 80% by 2023, an increase of about 949,000 youths.

233. Support will be provided by the PBL to establish 25 USSs in disadvantaged provinces, benefiting about 28,000 USE students, and support the construction of functional rooms, libraries, laboratories, and other support facilities as well as provide teaching equipment in an additional 85 USSs in disadvantaged communes, benefiting about 90,000 students.

234. The support provided by the program to improve the current secondary education program is expected to result in improvements in the skills of secondary education graduates. It is expected that at least 5% more secondary students will demonstrate the desired competencies to an acceptable standard as measured by the NAM. This means that 60,000 more LSE and about 42,000 more USE students will have acquired the minimum competencies required to be successful in a modern society. In support of interventions for improving student performance, the project loan will provide additional teaching equipment for 189 LSE model resource schools and 189 upper secondary model resource schools which, respectively, will benefit about 90,200 LSE and 212,500 USE students. To help improve science and technology education which, in turn, will improve students' cognitive skills and practical knowledge in basic science subjects, the project loan will also provide 63 USSs with teaching equipment for science and technology, benefiting about 71,000 USE students. In addition, another 63 USSs will be provided with teaching equipment for enhancing vocational education which will benefit an additional 71,000 USE students. As a result of program interventions, about 480,000 new USE students will graduate by 2023, of which 278,000 will become new members of the country's active labor force.¹⁵⁴ This additional labor force will be equipped with better technical, cognitive, and behavioral skills.

3. Program Features to Address Poverty and Social Issues

235. The program design addresses cross-cutting issues with special focus on domestic migrant youth in six selected urban areas, and children with disabilities in all provinces. Since there is scant information about out-of-school domestic migrant youth, a study will be carried out to collect and analyze both qualitative and quantitative data for this group, disaggregated by gender, to inform how best to retain or enroll migrant youth in school. Program activities will address students with disability – specifically those with vision or hearing impairments – by strengthening the capacity of educational institutions to cater to these special needs. It should be noted that neither domestic migrant youth nor children with disability are necessarily poor. Their limited access to school might be predominantly related to structural barriers, for example, for domestic migrant youth, the lack of necessary documentation could constrain enrolment in urban schools. For children with disabilities, the lack of appropriate resources (including human) may not meet their needs, or negative perceptions of those with disabilities might hinder school attendance. Such issues will be taken into consideration during program implementation.

4. Gender and Development

¹⁵⁴ This conservative estimate is based on the increase in upper secondary education NER of 506,500 students, less student dropout which is estimated at 0.94% per year which is based on MOET, Education and Training Year Book, 2014, and an employment rate of about 58% based on <http://www.tradingeconomics.com/vietnam/employed-persons>

236. To help achieve the program's goal of making quality secondary schooling more sustainable, inclusive, and equitable for females and males alike, Output 2 is specifically designed to assist domestic migrant youth and children with disabilities to enter and remain in school. The interventions will address access and affordability; the lack of gender-responsive, disability-sensitive and locally relevant curricula, teaching methods and attitudes; the limited capacity of female and male teachers, especially in teaching disabled youth; the lack of understanding by parents and communities of the benefits of educating girls, disabled children and domestic migrant youth; and the limited capacity of staff at all levels to integrate gender sensitivity into policies, procedures, and daily work routines.

237. **Gender Action Plan (GAP).** The GAP will focus on ensuring gender equity in all project outputs. The GAP is in Appendix 15. The plan and gender responsive indicators used to monitor and evaluate the program activities will enhance gender-mainstreaming efforts to promote equality of educational outcomes. GAP actions include the following, among others: (i) equal numbers of females and males attending major workshops; (ii) materials to support teacher training are gender, ethnicity and disability responsive; (iii) major studies, surveys, and reports include data disaggregated by sex and ethnicity; (iv) training to promote STEM implementation includes ways to encourage more female students to study science and technology subjects; (v) Vocational Knowledge and Cognitive Skills Development Program is geared to match the different needs and interests of female and male students; (vi) the review of how the provinces determine how money is allocated to local government will include a review of how funds are earmarked specifically for gender activities; and (vii) the methods for student assessment item development include strategies to ensure the items are free of gender and ethnic bias and the analysis of items includes checking for bias.

5. Implementation and Monitoring

238. The CPMU will be responsible for GAP implementation and will appoint gender focal person in each unit to ensure annual planning, implementation and M&E of the GAP as part of project activities. The CPMU will recruit gender consultants (3 person-months, international and 9 person-months, national) to provide technical assistance to CPMU in implementation M&E and reporting of GAP and related DMF targets. CPMU staff and consultants will collaborate with parents associations, Women Union and active NGOs in project site activities. All gender indicators will be included in the project M&E framework. All quarterly/bi-annual program ADB reports will include sex-disaggregated data on the above indicators as well as progress updates on project GAP implementation.

VIII. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Program Design and Monitoring Framework

239. The DMF for the program has been agreed on between ADB and the government (Appendix 1). Program progress, inputs, outputs, outcomes, and impacts will be monitored according to the DMF. The final PCR will use the DMF as the basis upon which program success will be measured. A single DMF is approved for both the PBL and the project loan. The completed actions of the policy reform and the deliverables of the investment components are outputs. The tranche conditions of the policy component are reflected as output indicators. While the high-level project design (impact and outcome) are unlikely to change during the course of project implementation, changes may occur at the output and inputs levels of the

DMF. The continued relevance of the DMF and specific targets will be monitored as part of the program supervision and the DMF will be updated when necessary.

B. Monitoring

240. There are three phases to the monitoring and evaluation schedule: (i) start up when the overall monitoring and evaluation system is developed and baseline data are collected; (ii) during program implementation; and (iii) final assessment. Baseline data collection disaggregated by sex, ethnicity and where possible disability, will be conducted prior to the initial program activity. ADB will conduct an inception mission within two months of program start, and a review mission every 6 months, which includes assessing progress on the extent to which outputs and outcome are attained. The Mid-term Review Mission will indicatively be scheduled in mid-2020. Within six months after the physical completion of the project loan, the Program Director will submit to the government and ADB a PCR.

241. The CPMU will be responsible for monitoring and reporting performance of the program against the DMF indicators and targets. A Monitoring and Evaluation (M&E) consultant will be recruited to support CPMU to set up a gender responsive M&E system for the program with result-based M&E indicators. At the commencement of program implementation, the CPMU, with the assistance of the program start-up consultants and the M&E consultant, will use baseline information from MOET's existing education information management system (EMIS) to develop a comprehensive PPMS to generate data systematically on the inputs and outputs of the components, as well as the indicators to be used to measure program impact, taking into account the scope of the components. The CPMU will (i) refine the PPMS; (ii) confirm achievable targets; (iii) finalize monitoring, recording, and reporting arrangements; and (iv) establish M & E systems and procedures, no later than six months after loan effectiveness. Data from the EMIS will be supplemented by three surveys to obtain data and information for baseline, mid-term, and final review.

242. For the baseline survey, the CPMU will collect data disaggregated by sex, ethnicity and, where possible, disability and domestic migrants, regarding a number of DMF indicators such as teaching behavior in the classroom; student achievement and confidence levels; student vocational awareness; and student, parent, and community attitudes toward the school. Fortunately, there are available data collection tools and surveys developed by other projects which can be modified for these purposes. In addition, data for each school for NER, dropout rates and attendance rates disaggregated by sex and ethnicity will be collected. As much as possible, baseline data will be collected prior to the initial program activity. Data collection will consist of actual visits to a sample of schools to observe teachers and to undertake the distribution and collection of various surveys.

243. The CPMU Program Director will be responsible for on-going performance monitoring during program implementation and will be responsible for reporting progress and achievement related to the program outputs to the government and ADB as outline in Section D Reporting.

244. Compliance monitoring. Compliance with policy, legal, financial, economic, environmental, social, and other covenants contained in the loan and project agreements will be monitored by CPMU. The CPMU will report the latest situation with respect to covenant compliance in each of its semi-annual progress reports to ADB. ADB will monitor compliance through a review of the CPMU progress reports and through selective follow-up discussions or more detailed reviews during supervisory missions.

245. **Safeguards monitoring.** Since the program has been classified as category “C” for environment, involuntary resettlement and indigenous peoples, no action plans were required.

246. **Gender and social dimensions monitoring.** Gender and social dimensions will be monitored internally through the PPMS using ADB’s GAP monitoring framework.¹⁵⁵ Specific indicators and targets from the GAP have been included in the DMF. At the beginning of the project, the CPMU, with assistance from consultants, will develop the PPMS and associated forms to generate data systematically for each output, including selected indicators requiring sex-disaggregated data in the DMF and the GAP.

C. Evaluation

247. Program reviews on performance progress, problems faced, constraints and proposed solutions will be jointly made by ADB and the government every 6 months. CPMU will be responsible for providing information and data disaggregated by sex, ethnicity and disability where possible, for these semi-yearly reviews. A Memorandum of Understanding containing the agreed upon actions will be signed by the government and ADB following each review.

248. ADB and the government will conduct a mid-term review at the middle of the program to: (i) review program scope, design, and implementation mechanism; (ii) review the performance progress as compared with design targets and milestones; (iii) review compliance with loan covenants; and (iv) propose necessary adjustments. Results of the mid-term review will be presented and discussed at a Mid-term Workshop by representatives of stakeholder groups, consultants, and ADB. Necessary corrective actions will be decided at the workshop.

249. Within 6 months of physical completion of the project loan, the CPMU Program Director will submit a PCR to ADB analyzing implementation, program performance and achievements against targets as well as expected program impact.¹⁵⁶

D. Reporting

250. The CPMU will prepare and submit to the government and ADB quarterly progress reports in a format consistent with ADB's project performance reporting system, describing (i) program implementation progress; (ii) problems and constraints; and (iii) proposed actions and solutions. These quarterly reports will provide information necessary to update ADB's project performance reporting system.¹⁵⁷ The CPMU will provide consolidated annual reports including (i) progress achieved by output as measured through the indicator's performance targets; (ii) key implementation issues and solutions; (iii) an updated procurement plan; and (iv) an updated implementation plan for the next 12 months. CPMU will provide a PCR within 6 months of physical completion of the project. To ensure that the project will continue to be both viable and sustainable, project loan accounts and the executing agency audited financial statement

¹⁵⁵ ADB's Handbook on Social Analysis: A Working Document, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

¹⁵⁶ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

¹⁵⁷ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

251. In compliance with the minimum requirements of ADB's Public Communications Policy (2011), CPMU will be responsible for: (i) designating a focal point for regular contact with people affected by the program and other stakeholders; (ii) identifying mechanisms for feedback during design and implementation; (iii) identifying details of types of information to be disclosed, and mechanisms for public notice including language and timing; and (iv) implementing and monitoring disclosure and dissemination.

252. The CPMU will liaise with MOET and other related agencies in order to outline program implementation. The CPMU will coordinate with the 63 provincial DOETs to direct, monitor and acquire feedback for smooth program implementation. The DOET and BOETs in each province will support the CPMUs in the implementation of program activities. BOETs will ensure that LSS teachers understand the program outline, purpose, and meaning. Three formal national workshops (inception, mid-term and final) will be organized to provide information to and elicit input from stakeholders. For each program, activity workshops are planned to introduce the activity and seek the cooperation of stakeholders.

253. Program documents will be disclosed on the ADB's and/or MOET's website. Table 24 outlines the framework of communication strategy to be implemented under the program.

Table 24: Stakeholder Communication Strategy

Project Documents	Means of Communication	Responsible Party	Frequency	Audience(s)
Design and Monitoring Framework (DMF)	ADB website	ADB	Included in Report and Recommendations of the President	Program-affected people
Report and Recommendations of the President (RRP)	ADB website	ADB	Within 2 weeks of approval of the loan	All stakeholders including the general public
Legal Agreements	ADB website	ADB	No later than 14 days of approval of the program	All stakeholders including the general public
Project Administration Manual (PAM)	ADB and MOET website	ADB and MOET	After loan negotiations	General public, project contractors and consultants
Project Performance Management System	MOET website	MOET	Routinely disclosed, no specific requirements	General public and program-affected people
Major Change in Scope	ADB website	ADB	Within 2 weeks of approval of the change	Program-affected people
Progress Reports	ADB and MOET website	ADB and MOET	Within 2 weeks of circulation to the Board or management	All stakeholders including the general public

Project Documents	Means of Communication	Responsible Party	Frequency	Audience(s)
			approval	
Completion Reports	ADB and MOET website	ADB and MOET	Within 2 weeks of circulation to the Board for information	All stakeholders including the general public
Evaluation Reports	ADB website	ADB	Routinely disclosed, no specific requirements	All stakeholders including the general public

Appendix 1: DESIGN AND MONITORING FRAMEWORK

Impact the Program is Aligned with workforce competitiveness, social equity, and lifelong learning opportunity for all secondary school graduates improved (Viet Nam's Education Development Strategy, 2011–2020) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome</p> <p>Learning outcomes and competitiveness of secondary school graduates enhanced.</p>	<p>By 2024</p> <p>a. The results of PISA 2018 and 2021 were improved (results disaggregated by sex and further by ethnicity) (Baseline: mean average score mathematics 511, reading 508, science 528 in 2012)</p> <p>b. The proportion of unemployed male and female youth aged 15–24 decreased by 10% for females and 7% for males (Baseline: Unemployed 51.9% and female 57.0% in Q3 2014)</p> <p>c. The percentage of university students studying science and technology increased by 5% for males and 8% for females (Baseline: 22.4% of all students in 2014)</p>	<p>a. OECD PISA result reports (every 3 years)</p> <p>b. Ministry of Planning and Investment, General Statistics Office Report on Quarterly Labor Force Survey</p> <p>c. UNESCO, Institute for Statistics, annual report</p>	<p>Lack of commitment to increase autonomy may delay implementation of policy reform activities</p>
<p>Outputs</p> <p>1. Quality and relevance of secondary education improved</p>	<p>Program by 2016</p> <p>1a. Model resource secondary schools developed (Baseline: 2014 no policy)</p> <p>1b. Professional teacher standards revised (Baseline: 2014 old standards)</p> <p>1c. STEM established (Baseline: 2014 no policy)</p> <p>1d. School-based vocational knowledge and cognitive skills program introduced (Baseline: 2014 no program)</p> <p>Project by 2023</p> <p>1a. Nationwide model resource secondary schools and STEM implemented in approximately 440 schools (Baseline: 0 in SY2016).</p> <p>1b. There were 18,000 more secondary teachers using the upgraded teaching method and 12,000 more USE teachers teaching STEM using gender-sensitive teaching methods and encouraging more females to study STEM in colleges (Baseline: model resource schools=45,000; STEM=0 in SY2016)</p> <p>1c. Students in model resource secondary schools and STEM schools meeting acceptable standards on NAM increased by 5%. (results disaggregated by sex and further by ethnicity) (Baseline: mathematics grade 9</p>	<p>Program</p> <p>Government Policy</p> <p>1a. Official Letter No. 4668 BGDĐT-GDTrH</p> <p>1b. Joint Circular No. 23/2015/TTLT-BGDĐT-BNV</p> <p>1c. Official Letter No. 4509/BGDĐT-GDTrH</p> <p>1d. Official Letter No. 4509/BGDĐT-GDTr</p> <p>Project</p> <p>1a. MOET quarterly Program progress reports</p> <p>1b. MOET annual evaluation reports from the phased introduction of model resource schools and STEM (disaggregated by sex)</p> <p>1c. Center of Education Quality Assurance, MOET annual evaluation of student competencies of the new curriculum as measured by grade 9 and 11 NAM results in</p>	<p>CPMU may experience difficulties in the initial management of project funds</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>58.1% in SY2009 and grade 11 54.9% in SY202)</p> <p>1d. Revised nationwide system of assessment (results disaggregated by sex and further by ethnicity) were used to evaluate 90% of the secondary teachers and principals (Baseline: 0 in SY2016)</p> <p>1e. 65,000 secondary students receive market-related vocational and career orientation, of which at least 50% of beneficiary students are female (Baseline: 0 in SY2016)</p> <p>1f. TALIS data on teaching and learning conditions was available to policy makers (Baseline SY2016: Not applicable)</p>	<p>model resource and STEM schools and control group schools.</p> <p>1d. MOET's Department of Teachers and Managers, annual reports from new automated system</p> <p>1e. MOET annual progress reports disaggregated by sex and ethnicity</p> <p>1f. OECD TALIS report available in 2020</p>	
<p>2. Equity of access to secondary education enhanced</p>	<p>Program by 2016</p> <p>2a. Access for domestic disadvantaged migrant youth to lower secondary education increased by at least 15% for females and 10% for males (Baseline 2014: 65% do not attend)</p> <p>2b. Access of children with disabilities increased (Baseline 2014: 85% not attending)</p> <p>Project by 2023</p> <p>2a. Data was available on the educational conditions of disadvantaged youth who are domestic migrants. (Baseline: Not applicable in 2016)</p> <p>2b. Increase in the number of youth with a disability attending LSE or equivalent (15% female and 20% male), data disaggregated by sex and further by ethnicity (Baseline: 13,572 in SY2014)</p>	<p>Program</p> <p>Government Policy 2a. Decree No. 20/2014/ND-CP</p> <p>2b. Circular No. 01/2015/TT-BLDTBXH</p> <p>Project</p> <p>2a. MOET 2019 report on disadvantaged domestic migrants (disaggregated by sex and ethnicity)</p> <p>2b. Annual MOET education statistics yearbook</p>	<p>Fiscal constraints may limit public investment in education and shift toward greater socialization of school costs, which may limit access for poorer families.</p>
<p>3. Educational governance and management strengthened</p>	<p>Program by 2016</p> <p>3a. Decentralization of secondary schooling through site-based decision-making promoted (Baseline: 2014 policy in Decrees No. 29 and No. 44 express general support but not specific)</p> <p>3b. The accountability mechanism in secondary schools strengthened (Baseline: 2014 data from PISA 2012 and NAM available but no trend data and not for schools)</p> <p>Project by 2023</p> <p>3a. Public expenditure and budgeting review of secondary education subsector conducted (Baseline: Not applicable in 2016)</p> <p>3b. 80% of teachers in selected beneficiary</p>	<p>Program</p> <p>Government Policy 3a. Joint Circular No. 71/2014/TTLT-BTC-BN</p> <p>3b. Official Letter No. 370/KHTC-ODA</p> <p>Project</p> <p>3a. MOET public expenditure report issued in 2019</p> <p>3b. MOET pre-post survey of</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>schools participating in the pre-post survey of Output 3 activities indicated that the site-based decision-making is promoted (Baseline: 0% in 2016)</p> <p>3c. 80% of model resource schools, districts, and provinces have developed the assessment report on site-based decision-making using data disaggregated by sex and further by ethnicity (Baseline: 0% in 2016)</p> <p>3d. National report for Viet Nam from PISA 2018 and 2021 released within 2 years of the official administration and results disaggregated by gender and further by ethnicity (Baseline: Not available in 2016)</p> <p>3e. Data from grade 9 and 11 NAM was available for model resource and STEM schools, districts, and provinces within 3 months of official administration and results disaggregated by gender and further by ethnicity (Baseline: Not applicable in 2016)</p>	<p>provincial and school staffs disaggregated by sex and level of decision-making authority plus interviews with provincial female and male staff issued in 2021</p> <p>3c. MOET annual accountability reports for the model resource schools, districts, and provinces</p> <p>3d. MOET national report on PISA 2018 and 2021</p> <p>3e. Annual Center of Education Quality Assurance, MOET, school, district, province NAM reports for grade 9 and 11</p>	
<p>Key Activities with Milestones</p>			
<p>Output 1. Quality and relevance of secondary education improved</p> <p>1.1 Start phased implementation of model resource secondary schools and STEM education by Q3 2018. 1.2 Start staff development to meet the requirements of the professional standard by Q3 2018. 1.3 Implement materials and novel teaching methods for vocational awareness in selected schools by Q3 2019.</p> <p>Output 2. Equity of access to secondary education enhanced</p> <p>2.1 Plan and conduct a survey on the educational conditions of migrant youths by Q1 2019. 2.2 Digitalize materials and develop videos of lesson samples on education for youths with special needs by Q2 2019.</p> <p>Output 3: Educational governance and management strengthened</p> <p>3.1 Conduct the public expenditure and budgeting review of the central and selected local governments by Q4 2018. 3.2 Prepare the PISA 2018 and TALIS 2018 through training and provision of necessary facilities. 3.3 Participate in PISA 2018 and TALIS 2018 by Q2 2018. 3.4 Plan and implement NAM based on the results of PISA 2018.</p>			
<p>Project Management Activities</p> <p>Establish CPMU by Q1 2017. Collect the baseline data for all indicators in 2017 within 6 months after the loan effectiveness. Recruit project start-up consultants within 3 months of loan effectiveness. Organize inception workshop (within 2 months of consultant deployment), midterm workshop (2019), and final review workshop (2023).</p>			
<p>Inputs</p> <p>ADB \$100 million (two loans from Asian Development Fund) Government: \$7 million</p>			
<p>Assumptions for Partner Financing</p> <p>Not applicable.</p>			

ADB = Asian Development Bank; CPMU = central program management unit; IT= information technology; LSE = lower secondary education; MOET = Ministry of Education and Training; NAM = national achievement monitoring; OECD = Organisation for Economic Co-operation and Development; PISA = Programme for International Student Assessment; STEM = science, technology, engineering, and mathematics; SY = school year; TALIS = Teaching and Learning International Survey; UNESCO = United Nations Educational, Scientific, and Cultural Organization; USE = upper secondary education.

^a Eleventh Congress of Viet Nam Communist Party. 2010. *Education Development Strategy, 2011–2020*. Ha Noi

Source: Asian Development Bank.

Appendix 2: POLICY MATRIX

Outputs	SESDP II Accomplishments from July 2014 to June 2016	Medium-term direction and expected results 2014 to 2023
Output 1. Quality and relevance of secondary education improved		
1.1: The quality of secondary learning improved through the development of model resource secondary schools.	<p>The Government of Viet Nam (through the Ministry of Education and Training) develops the model resource secondary schools, which serve as the platform for implementing the student-centered teaching methods and active learning. Accomplishments included:</p> <ol style="list-style-type: none"> 1. MOET has initiated the preparation and nationwide implementation of Viet Nam model resource secondary schools. The concept, selection criteria, and the initial budget request for model resource secondary schools have been developed. 2. MOET has issued guidance on the student assessment based on the model resource secondary schools, which is multi-aspect evaluation of the quality of learning through competency based assessments in the classroom and on evaluations. 	<ul style="list-style-type: none"> • Teachers are able to successfully use the model resource school methodology in a gender responsive manner.¹⁵⁸ • Students in model resource secondary schools have higher achievement on the National Achievement Monitoring (NAM) than schools not on model resource secondary schools (sex-disaggregated data collected) • Support to the model resource secondary schools sustained.
1.2: The sustainable provision of high quality secondary teachers ensured.	<p>The government improves the quality of secondary school teachers by revising professional teacher standards and strengthening the process of teacher quality monitoring and development. Accomplishments included:</p> <ol style="list-style-type: none"> 3. MOET has developed and approved revised professional standards for secondary teachers which are gender responsive. 4. MOET has developed a training program on the usage of the revised professional standards for provincial/district education offices (provincial Department of Education and Training [DOET] and district Bureau of Education and Training [BOET]) and school management. 5. MOET has developed the new pre-service teacher training (PRESETT), in-service teacher training (INSETT) to meet 	<ul style="list-style-type: none"> • Teacher assessments are conducted based on the revised nationwide system of assessment which is applied in a gender responsive manner. • The assessments of teachers are judged to be valid and reliable by the Department of Teachers and Education Managers.

¹⁵⁸ Examples of a gender responsive approach are: (i) equal numbers of females/males attend training, (ii) equal numbers of females/males are appointed as lead trainers, (iii) training is held at times and places that suit males and females, (iv) separate latrines for females and males are provided at all training venues, (v) language and images in all training materials are gender neutral and free of stereotyping, and (vi) females as well as males have opportunities to respond in question and answer sessions.

Outputs	SESDP II Accomplishments from July 2014 to June 2016	Medium-term direction and expected results 2014 to 2023
	requirements under the revised professional standards.	
1.3: The quality of science and technology education in secondary schools enhanced.	<p>The government improves the quality of Science, Technology, Engineering and Mathematics (STEM) education by establishing the new STEM school model at upper secondary education level, where STEM teaching methods are developed, implemented, and gradually expanded nationwide. Accomplishments included:</p> <p>6. MOET has developed the guidelines for the implementation of an integrated education model for Science, Technology, Engineering and Mathematics (STEM) for USE.</p> <p>7. MOET has developed the selection criteria and an initial list of candidate STEM schools.</p>	<ul style="list-style-type: none"> • The government has ramped up nationwide implementation of the STEM school model. • Teachers are able to successfully use the new STEM teaching method in a gender responsive manner. • Students in STEM model schools have higher achievement on NAM than non-STEM model schools. • Gender gaps in STEM enrollments are narrowed.
1.4: Vocational awareness and career planning for secondary students enhanced.	<p>The government has introduced a tailor-made, school-based vocational knowledge and cognitive skills program to help secondary school students understand potential career options available in provincial labor markets and help them make decisions about courses or programs to enroll in for USE and postsecondary. Accomplishments included:</p> <p>8. MOET has developed guidance on the new Vocational Knowledge and Cognitive Skills Development Program.</p> <p>9. MOET has developed the draft list of the pilot schools for the new Vocational Knowledge and Cognitive Skills Development Program.</p>	<ul style="list-style-type: none"> • Students have access to market-related vocational and career orientation, which will contribute to the improvement of the youth employment rate (50% participation by females). • Vocational and career guidance is provided to go beyond social and gender stereotypes.
Output 2. Equity of access to secondary education enhanced		
2.1: The access of disadvantaged domestic migrants to lower secondary education enhanced.	<p>The government increases access for domestic disadvantaged migrant youths to lower secondary education through financial, academic, and mentoring supports and improved access to schooling. Accomplishments included:</p> <p>10. MOET has issued the direction on national universalization and illiteracy eradication.</p> <p>11. MOET has developed a new regulation on school fee collection and management mechanism for public schools and issued a regulation on school fee reduction, exemption, and support from SY2015/2016 to</p>	<ul style="list-style-type: none"> • A nationwide survey of the demand and supply barriers to enrolling and staying in schools for disadvantaged domestic migrant youths is conducted and an action plan is developed (sex-disaggregated data is collected to glean issues/ barriers for males and females). • The government will undertake further support programs for

Outputs	SESDP II Accomplishments from July 2014 to June 2016	Medium-term direction and expected results 2014 to 2023
	SY2020/21.	disadvantaged domestic migrant youths to obtain an education (with specific strategies for females and males needs and interests).
2.2: Equity of access to lower secondary education for youth with disability improved.	<p>The government increases the access for children with disabilities who have completed primary education to the lower secondary education system and improves their employability skills by strengthening the education of students with special needs, including through better training of special education teachers and upgraded instructional materials. Accomplishments included:</p> <p>12. MOET has developed a new guiding note to promote more equitable access for youth with disabilities.</p> <p>13. MOET has developed and approved the initiative to reinforce and develop a network of education support institutions for disabled students.</p>	<ul style="list-style-type: none"> • The government makes materials for hearing and visually impaired youth available nationally. • More youth with a disability receive an education (sex-disaggregated data or target for females). • The government undertakes further programs to encourage youth with a disability to obtain an education (specific programs on males and females based on needs and interests).
Output 3. Educational governance and management strengthened		
3.1: Capacity in mobilization of financial resources for secondary education to meet requirement of decentralized education management strengthened	<p>The government promotes the decentralization of secondary schooling through site-based decision-making and increases autonomy for budget allocation. Accomplishments included:</p> <p>14. MOET has initiated the process of decentralization of public education and training institutions and assigned the functions, tasks, and structures of local education offices including DOET.</p> <p>15. MOET has developed the regulation on the mobilization and utilization of financial resources that are managed by local governments.</p> <p>16. The government has developed the new policy to promote the autonomy of public institutions including schools.</p>	<ul style="list-style-type: none"> • School principals are assessed by the revised professional standards for education managers. • Public expenditures and budget reviews for secondary education subsector conducted. • School management receives planning and management training to implement more effective education resource allocation within the school.
3.2: Accountability of secondary education quality strengthened	<p>The government strengthens the accountability mechanism in secondary schools through the implementation of school accreditation and assessment of school-based learning outcomes by applying international standards. Accomplishments included:</p>	<ul style="list-style-type: none"> • More personnel can conduct the accreditation of secondary schools and more schools are externally evaluated. • The results of the PISA 2018/2021,

Outputs	SESDP II Accomplishments from July 2014 to June 2016	Medium-term direction and expected results 2014 to 2023
	17. MOET has registered and started preparation for the participation in TALIS 2018. 18. MOET has developed guidance on strengthening educational institutions through external assessments of student learning and on the implementation of examination and education quality accreditation for SY2015/2016. 19. MOET has issued guidance on improving the quality of secondary schools through secondary school accreditation, including the establishment of individual education quality inspection centers and building regulations to organize the accreditation of educational institutions. 20. MOET has issued guidelines on the implementation of accreditation activities to improve the education quality of pre-school, general education, and CEC institutions.	NAM, and TALIS2018 are provided to school managers to help facilitate school-based decisions to improve both the quality of schools and teaching and learning. <ul style="list-style-type: none"> • The data from PISA 2018, PISA 2021, and TALIS is provided to leaders in MOET in a form that will facilitate decision making on policy reforms. • The data from grade 9 and 11 NAM is provided to MOET, DOETs, BOETs, and schools in a form that will facilitate adjustments to the teaching and learning at the school level.

Note: In Vietnam, the official policies and regulations promulgated by the government and the ministries are classified as follow: (i) “Decrees”/ “Resolutions” promulgated by the government; (ii) “Circulars”/ “Joint Circulars” contain the highest level of policies that can be promulgated by line ministers; (iii) “Decisions” promulgated by the Prime Minister or the ministers for occasional events; and (iv) “Official Letters” issued by the government or ministry.

BOET = Bureau of Education and Training; CEC = Continuing Education Centers; DOET = Department of Education and Training; DPF = Department of Planning and Finance; LSE = lower secondary education; LLS = lower secondary schools; MOET = Ministry of Education and Training; NAM = National Achievement Monitoring; PISA = Programme of International Student Assessment; STEM = science, technology, engineering, and mathematics; SY = school year; TALIS = Teaching and Learning International Survey; USE = upper secondary education; USS = upper secondary schools.

Appendix 3: SECTOR ASSESSMENT (SUMMARY): SECONDARY EDUCATION¹⁵⁹

A. Sector Performance, Problems, and Opportunities

1. **Country context.** Viet Nam has been an economic and social success story. Economic growth in Viet Nam has been coupled with impressive progress in improving equity over recent years. However, it now faces a new development challenge—low competitiveness and productivity. For Viet Nam to make the most of its current middle-income stage of development and to avoid being perpetually trapped there, it will need to make more productive use of its human resources.¹⁶⁰

2. **Education system and performance.** In Viet Nam, the general education system consists of pre-primary programs catering to students three to five years old; primary education, which provides a five-year program for students starting at six years of age; lower secondary education (LSE), covering grades 6–9 and catering to students 11–14 years old; and upper secondary education (USE) for grades 10–12. Viet Nam has been experiencing a declining birth rate, which is reflected in the dip in the total number of students in the educational system around SY2008/09. Enrolment in pre-primary and primary have increased in the last five years, but enrollment in LSE and USE are still lower than historic highs. In SY2014/15, about 4.42 million students were attending pre-primary schools, 7.54 million students were enrolled in primary education, 5.10 million in LSE, and 2.44 million in USE. Universal primary education was one of the Millennium Development Goals achieved in Viet Nam with a net enrolment rate (NER) of 99% in SY2014/13. However, the government’s targets of achieving a NER for LSE of 95% and 80% for USE have not yet been realized (SY2014/15 was 90.1% for LSE and 61.0% for USE).

3. Achievements in Viet Nam’s education sector are impressive. The government has placed a high priority on education. Teacher standards have been developed, student-centered teaching has been introduced, school accreditation agency has been established, and learning opportunities for disadvantage groups have been expanded. The results from the Programme of International Student Assessment (PISA), 2012 showed that the students of Viet Nam are competitive internationally.¹⁶¹ The Socio-Economic Development Plan, 2016–2020 also showed that the education sector performed well over the period 2011–2015, but several constraints and unmet targets persist and need to be addressed.¹⁶²

4. **High academic performance but low labor market relevance.** As the economy becomes more modernized and industrialized, the challenge for secondary education is to produce graduates and school leavers who are technically skilled with the capacity to critically analyze and solve problems. The government’s Education Development Strategy (EDS), 2011–2020 noted that (i) the quality and effectiveness of the education sector are low, and (ii) workers’ knowledge and skills do not meet the requirements of the labor market. In a rapidly evolving world, science and technology education is an important instrument. Although the PISA 2012 results indicated that Vietnamese students are highly competitive internationally in science and

¹⁵⁹ This summary is based on ADB 2016, *Viet Nam Education and Training Sector Assessment, Strategy, and Roadmap*, Hanoi. (Available on request).

¹⁶⁰ United Nations Development Programme (UNDP) and Viet Nam Academy of Social Sciences (VASS). 2016. *Growth That Works for All: Viet Nam Human Development Report 2015 on Inclusive Growth*. Ha Noi.

¹⁶¹ OECD (2013), *PISA 2012 Results: What Students Know and Can Do – Student Performance in Mathematics, Reading and Science (Volume I)*, PISA, Paris, OECD Publishing.

¹⁶² Government of Viet Nam. 2016. *Socio-Economic Development Plan, 2016–2020*. Ha Noi.

mathematics, most upper secondary school students do not major in mathematics and science in higher education.

5. The present curriculum was designed to be broader in scope and more relevant to labor market needs.¹⁶³ New textbooks were developed, and teachers received extensive training on new approaches to learning and teaching. Despite these efforts, a 2010 study by Viet Nam's National Institute of Education Sciences concluded that (i) the current secondary education curriculum did not equip students with the knowledge and skills needed for future careers, and (ii) the quality of secondary education was one of the key constraints to the development of a skilled labor force.¹⁶⁴ The Ministry of Education and Training's (MOET) National Achievement Monitoring (NAM) assessment found that only 58.1% of grade 9 students passed the national mathematics assessment, while even fewer grade 11 students (54.9%) passed the mathematics assessment, and only 24.2% grade 11 students passed the English assessment.¹⁶⁵

6. The government has recognized the need to undertake a fundamental and comprehensive renovation of secondary education. A new curriculum, to be implemented after 2017, is being designed to better match marketplace needs. Highly effective systems provide diverse learning methods or pedagogical techniques, making use of 'student-centered' approaches that are more consistent with acquiring competencies needed. The challenge will be to find professional development strategies or new school models that will change teacher behavior in the classroom so that students will, in fact, acquire the desired competencies.

7. A system to assess teachers' performance relative to professional standards was introduced in SY2011/12. However, teacher ratings appear to overestimate their true abilities, and many believe that the ratings are not a valid representation of teachers' skills. Further, the current professional development model for teachers does not appear to have resulted in the desired changes to teaching behaviors. It will be important to utilize innovative school models, including individual school plans that include evidence of the characteristics of local communities and students to inform the professional growth plans of teachers and principals.

8. Secondary education graduates, both students who enter the labor market immediately after graduation and students who continue post-secondary education, have encountered difficulty in finding jobs. Current secondary education does not provide students with the cognitive, social, and behavioral foundation skills that are critical to being successful in the workplace. Vocational orientation provided in secondary schools often does not help the students to acquire good vocational awareness and understand what kind of jobs are available, as the orientation is general and does not reflect local labor market's needs and features.

9. **Inequality of access to educational opportunities.** Too many young people are not receiving enough education for Viet Nam to move forward economically and socially. In SY2013/14, about half a million boys and girls of lower secondary school (LSS) age were not enrolled in the school system. At the USE level, over 1.5 million young people were not enrolled. Having such a high percentage of the population not obtaining secondary education represents a significant loss to the economy. The government has continued efforts to increase access to education and retain in

¹⁶³ ADB. 2011. *Project Completion Report: Upper Secondary Education Development Project in Viet Nam*. Manila.

¹⁶⁴ Viet Nam National Institute of Education Sciences. 2010. *Assessment of Quality of Upper Secondary Curriculum and Textbooks*. Ha Noi.

¹⁶⁵ Government of Viet Nam, Ministry of Education and Training, Center of Education Quality Assurance. 2012. *Results from the National Achievement Monitoring*. Ha Noi.

school students from vulnerable groups, including ethnic minorities, domestic migrants, physically disabled, and females. Despite these attempts, however, inequality in educational access and quality persists among different ethnic groups and geographical regions.¹⁶⁶

10. A detailed analysis of the needs of various groups found that several projects funded by overseas development assistance and government programs were targeting students from ethnic minorities, but few interventions targeted the disadvantaged youth from domestic migrant families or youth with disabilities. With rapid urbanization, it is clear that some youths in urban areas are potentially eligible for LSE but are out of school. However, not enough is known yet about this number nor about the reasons for not attending school, and educational opportunities for disabled youth are limited. According to the Viet Nam Population and Housing Census, nearly 7.8% of persons aged 5 years or older live with one or more disability, but in SY2013/14, only 0.3% of the LSE student population was classified as disabled.¹⁶⁷

11. **Weaknesses in sector governance and management.** The government's stated intention is to increase decentralization through an improved financial allocation model and increased site-based decision making.¹⁶⁸ In many ways, Viet Nam's education system is already decentralized in that 88% of funding for education comes from the local level. While the government is responsible for determining national policies and programs, local autonomy for management decisions has been a long-standing feature of Viet Nam's political landscape. This has resulted in significant differences in performance across local governments. While MOET has provided extensive management training in the past, the planning capacity of provincial staff and school principals is still generally weak, particularly in decentralized decision making.

12. Viet Nam's ranking on the Worldwide Governance Indicators, compared with all countries, has fallen since 1996.¹⁶⁹ As governments invest significant public resources in education, the quality of education is of concern to the general public and to policymakers. Viet Nam's educational system needs an accountability framework involving the annual collection, analysis, planning, and reporting of a number of elements at the national, provincial, and school levels. The country has recently made a significant start on developing outcome measures of student performance at the national level by developing the NAM at Grades 9 and 11 and internationally, by participating in PISA.

B. Government's Sector Strategy

13. **Government sector policy and strategy.** The policy framework for the long-term development of education is defined and guided by the following key government strategies and plans: (i) Socio-economic Development Strategy, 2011–2020 (SEDS); (ii) EDS, 2011–2020; (iii) Resolution No. 29, Comprehensive Innovations of Education and Training; and (iv) Resolution No. 44, Radical Changes in Education and Training to Meet the Requirements of Industrialization and Modernization.¹⁷⁰ Overall, there is a commitment from the highest levels of

¹⁶⁶ Government of Viet Nam. 2012 *Education Development Strategy, 2011–2020*. Ha Noi.

¹⁶⁷ Viet Nam Governmental Statistics Office. (2013) *Vietnam Household Living Standard Survey 2012*. Ha Noi and Government of Viet Nam. 2015. Department of Planning and Finance, Ministry of Education and Training, Ha Noi.

¹⁶⁸ Government of Viet Nam. 2012. *Education Development Strategy, 2011–2020 and Resolution No. 29-NQ/TW 8 on Comprehensive Innovations of Education and Training*. Ha Noi.

¹⁶⁹ International Bank for Reconstruction and Development (IBRD)/The World Bank, and the Ministry of Planning and Investment of Vietnam. 2016. *Overview Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy*, Washington D.C., USA.

¹⁷⁰ Government of Viet Nam. 2010. *Socio-Economic Development Strategy (SEDS), 2011–2020*. Ha Noi.

government for comprehensive reforms to enhance education quality that will, in turn, foster integration and competitiveness in the labor market.

14. **Education reform agenda.** MOET is planning changes in multiple areas that, taken together, are meant to achieve the desired renovation of the system: (i) the curriculum is to be simplified and modernized to meet the needs of learners while better addressing the requirements of the labor market; (ii) teaching and learning methods are to avoid the imposition of knowledge, passive learning, and rigid memorization, and are to encourage the learners' independence, creativity, and application of knowledge; (iii) textbooks, teaching, and learning materials are to suit the needs of the corresponding learners, paying attention to students that belong to ethnic minorities or who are disabled; (iv) innovations planned for examinations and classroom assessment are to give more value to the measurement of the desired student competencies; (v) improvement in the quality of educators is to come from making changes to the aims, content, methods of training, retraining, and evaluation of teachers and management officials; (vi) students are to receive career guidance during compulsory education; (vii) local education administration agencies are to participate in decisions about personnel, finance, and administration; and (viii) the education quality of the whole country, each locality, and educational institution is to be assessed and disclosed. Increased support is to be provided to disadvantaged students.

15. **Education finance.** Viet Nam's 2013 expenditure on education and training was 15.9% of the total government budget. This level is comparable to Viet Nam's middle-income neighbors and to the regional average of East Asia and the Pacific. Public expenditure on education, at 5.7% of GDP, compares well with some of East Asia's wealthiest nations. The government is targeting to spend 20% of its total budget on education and training, reflecting the importance placed on education as a strategy for human resource development to achieve its goal of becoming an industrial country.¹⁷¹

C. ADB Sector Experience and Assistance Program

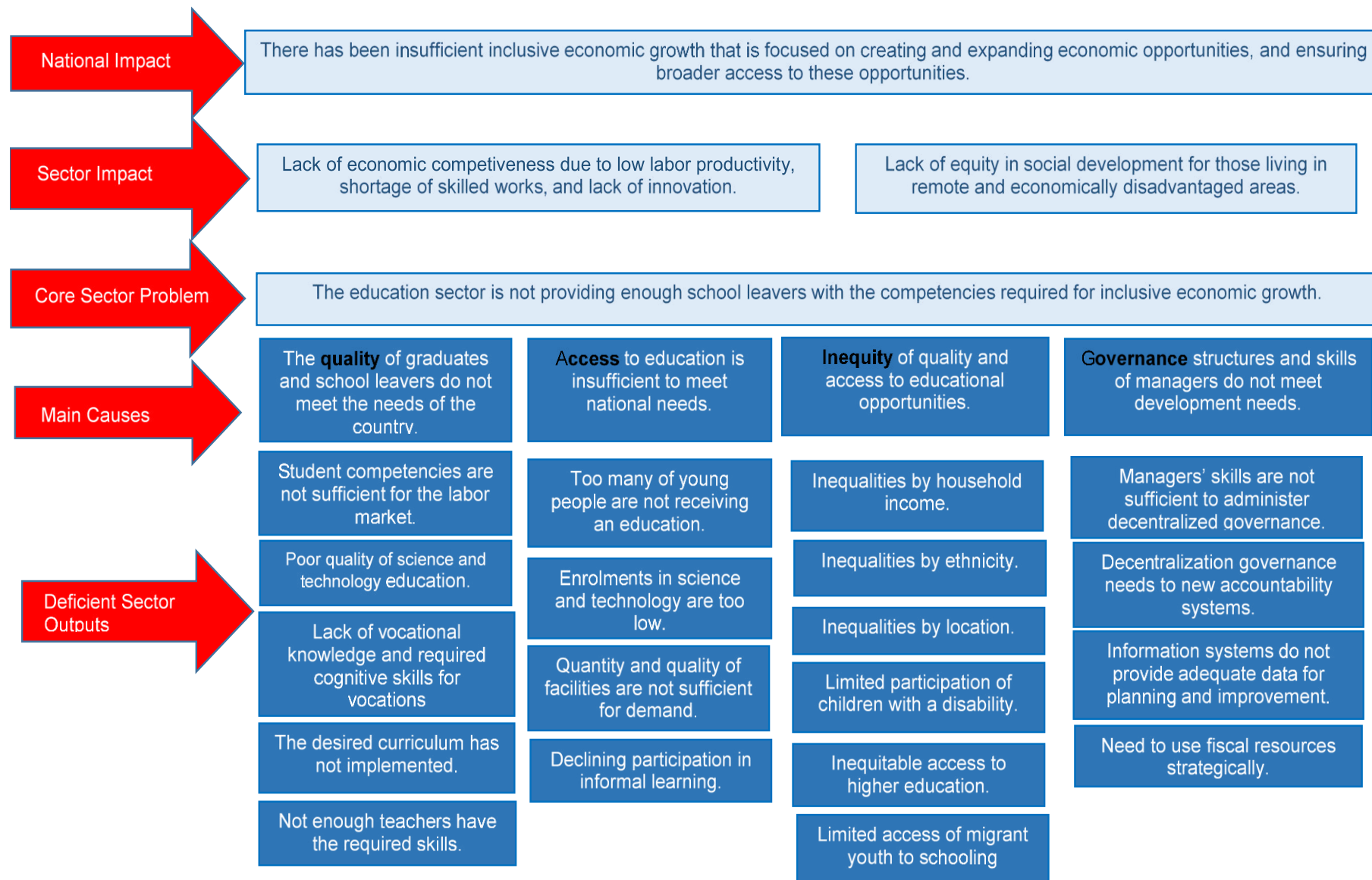
16. **ADB intervention in the sector and country partnership.** ADB has been a major development partner in Viet Nam's education sector since 1997. ADB focuses its support mainly on secondary education. In this sector, ADB is the leading development partner assisting the government to improve access, quality, and relevance of secondary education, especially for disadvantaged groups and disadvantaged areas. ADB's six completed and two ongoing secondary education projects have helped Viet Nam achieve high and sustainable growth by improving the quality of the secondary education program, thereby improving the knowledge and skills of future employees. The other broad outcome of these projects has been to reduce disparities in socioeconomic development between regions and ethnic groups, thereby promoting broader access to skilled jobs and social support to reduce poverty and vulnerability.

17. ADB's Country Partnership Strategy (CPS) for 2016–2020¹⁷² is fully aligned with Viet Nam's SEDS, 2011–2020 and supports Viet Nam's efforts to address issues related to its recent transition to middle-income status and to reach its goal of attaining industrial status by 2020. ADB has identified education as a core sector for continued support and scaling up of activities to increase access, improve educational quality, and target support for the poor.

¹⁷¹ Government of Viet Nam. 2012. *Education Development Strategy, 2011–2020*. Ha Noi.

¹⁷² ADB. 2016. *Country Partnership Strategy: Viet Nam 2016-2020*. Manila.

Education Sector Problem Analysis



Appendix 4: POVERTY AND SOCIAL ANALYSIS

A. INTRODUCTION

1. This Poverty and Social Analysis includes: (i) a brief overview of the progress that has been made by the Government of Viet Nam to address issues of poverty and inequity; (ii) the government's policies regarding education and poverty reduction; (iii) the ADB's poverty reduction strategy; (iv) a description of a multidimensional approach to poverty reduction; (v) national gender issues and policies; (vi) a summary of key constraints and lessons learned from other projects; (vii) how the program will address the identified issues; and (v) the proposed gender action plan (GAP) and implementation arrangements.

1. Summary of Progress on Poverty Reduction and Promotion of Social Equality

2. Viet Nam has made considerable advances in relation to human development, gender equality, and poverty reduction as the country transitioned from low to middle income country status. Viet Nam has already achieved, or is on track to achieve, most of its Millennium Development Goals (MDGs). Since the 1990s, about 43 million people in Viet Nam have moved out of poverty. From a poverty rate of 58.1% in 1990, the country successfully reduced poverty to 14.2% in 2010 and to 6.0% in 2014.¹⁷³ This is among the fastest poverty declines in Asia. The proportion of the population that is undernourished fell from 45.6% in 1991 to 12.9% in 2013. Universal primary education was attained in 2000, and the country is on track to achieving universal secondary education. Gender gaps have been closed at primary and secondary school levels. In 2012, the ratio of girls to boys in primary was 1.01; in secondary, it was 1.00; and in tertiary education, it was 1.02. Furthermore, the gender gap between literate men and women fell from 10% in 1989 to just over 4% in 2009.¹⁷⁴ Viet Nam has also reduced the mortality rate of children under five years old from 50.6 per 1,000 live births in 1990 to 23.8 in 2013. The infant mortality rate also fell from about 44% to 16% over the same period.¹⁷⁵ In addition, maternal mortality has decreased, and economic opportunities for both men and women have expanded.

3. Compared to other countries in the region, Viet Nam has high relative rates of female labor participation (around 72% compared to 81% for males), and female representation in the National Assembly is just over 24%.¹⁷⁶ Viet Nam's gender development index (GDI) ranks 58 out of 138, ahead of its neighbors: Thailand at 69 and the Philippines at 78.¹⁷⁷

4. While overall poverty levels have dropped remarkably, wide disparities still exist, which can lead to certain groups being 'left behind' in the overall economic growth and social development of the country. These groups include both rural and urban poor, including domestic migrants, people with disabilities, women, and ethnic minority groups.¹⁷⁸ The poverty rate in the economically disadvantaged regions of the country fell from 58.3% in 2010 to 43.9%

¹⁷³ Ministry of Planning and Investment (MPI), Socialist Republic of Viet Nam (SRV). 2013. *Millennium Development Goals Full Report, 2013: Achievements and Challenges in the Progress of Reaching Millennium Development Goals of Vietnam*. Hanoi.

¹⁷⁴ World Bank. 2011. *Vietnam Country Gender Assessment*. Washington, D.C.

¹⁷⁵ Footnote 1.

¹⁷⁶ Ray-Ross, S. 2012. *Gender Analysis*. USAID/Vietnam. Hanoi.

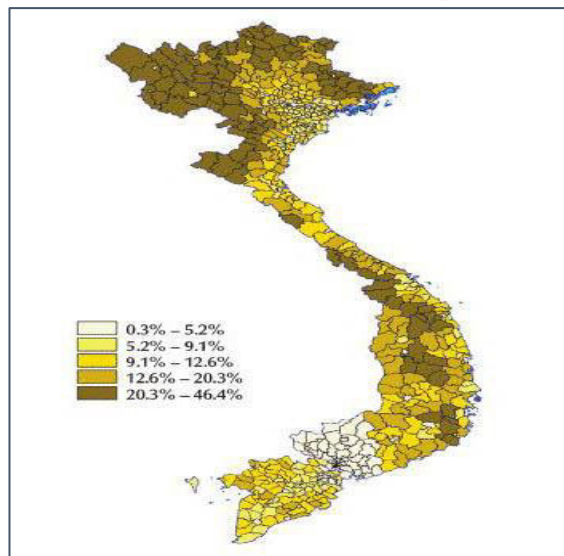
¹⁷⁷ ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020*. Manila.

¹⁷⁸ Strategic Risk Asia. 2014. *Asia Risk Report, 2014*. www.strategic-risk-global.com/Journals/2014/07/24/d/a/l/Vietnam.pdf

in 2012, but it is still almost five times as high as the national average. Poverty is largely a rural phenomenon, with 95% of the poor living in rural areas, and is concentrated in the North West and North East, in the border areas of the North Central and South Central Coast, and in parts of the Central Highlands.¹⁷⁹ In addition, more than half of the ethnic minority groups still live below the poverty line, and new forms of poverty are starting to emerge.¹⁸⁰ These include chronic poverty, urban poverty, female poverty, child poverty, and poor domestic migrants. The government’s plan to transition from the traditional one-dimensional poverty approach to a multidimensional poverty approach will increasingly highlight these forms of poverty, which can have overlapping—and, thus, intensified—forms of disadvantage.^{181 182}

5. Figure 1 illustrates the percentage of the local population living in poverty in each province. It shows that certain areas—predominantly highland/mountainous regions with many of the ethnic minority groups—have much larger proportions of the population living in poverty.

Figure 1: Density of Poverty and Poverty Gap, by District, Viet Nam



Source: <http://www.vietnam-briefing.com/news/choosing-sourcing-partner-vietnam.html/>

6. From a gender perspective, Viet Nam remains unequal in many ways. For example, boys are more likely than girls to be out of school at the secondary level, but within the

¹⁷⁹ World Bank. 2015. *Adjusting to a Changing World*. World Bank East Asia and Pacific Update. April 2015. Washington, D.C. <http://www.worldbank.org/content/dam/Worldbank/Publications/eap/EAP-Economic-Update-April-2015.pdf>.

⁸ UNICEF Viet Nam. *Overview - Viet Nam and the MDGs*. Hanoi.

⁹ SRV. 2014. *Decision to issue an Action Plan for implementing Resolution 76/2014/QH13 of the National Assembly on Speeding up Sustainable Poverty Reduction Target until 2020*. Hanoi.

¹⁰ The Multidimensional Poverty Index (MPI) complements monetary measures of poverty by considering overlapping deprivations suffered by people at the same time. The index shows the number of people who are multi-dimensionally poor and the number of deprivations with which poor households typically contend with. It can be deconstructed by region, ethnicity and other groupings as well as by dimension. (UNDP)

¹¹ Footnote 4, p. 1.

workforce, women are concentrated in lower level, poorly paid jobs.¹⁸³

2. Poverty and Social Analysis Methodologies

7. Both primary and secondary data and information were used in the poverty and social analysis. For the primary data, the PPTA184 national consultants, under the direction of the Deputy Team Leader, and together with the Project Management Unit (PMU) designed and conducted a survey, in July/August 2015, to obtain information on key areas of potential relevance to the proposed SESDP II. The objective was to collect information and opinions from stakeholders from various geographical areas of the country on eight possible thematic areas. These were: (i) new secondary school model; (ii) teacher development to meet the requirements of education renovation; (iii) renovation of science and technology schools; (iv) strengthening and improvement of private lower secondary and upper secondary schools (LSSs/ USSs; (v) creation of schooling opportunities for students from the ethnic minorities; (vi) creation of learning opportunities for students with disabilities; (vii) creation of schooling opportunities for domestic migrants; and (viii) vocational orientation for LSE/USE students.

8. Data were collected from education managers in the Departments of Education and Training (DOETs), Bureaus of Education and Training (BOETs), and principals and teachers, including males and females belonging to different ethnic groups, from LSSs and USSs in various parts of Viet Nam (Table 1). In addition, interviews were conducted with school directors and school locations were assessed.

Table 25: Data Collection Locations for SESDP II

Location	Details
Hai Phong City	<ul style="list-style-type: none"> Meeting with education managers, teachers, and representatives from 15 provinces (Hai Phong, Ha Giang, Phu Tho, Dien Bien, Son La, Tuyen Quang, Thanh Hoa, Hoa Binh, Ha Nam, Ninh Binh, Nghe An, Ha Tinh, Quang Binh, Quang Tri, Thua Thien Hue) Meeting with Hai Phong DOET and visits to Tran Phu Science and Technology School, Thai Phien USS, and Anhxatnh private USS
Dak Lak Province	<ul style="list-style-type: none"> Education managers and teachers from Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Kon Tum, Dak Nong, Dak Lak, Phu Yen, Gia Lai, Khanh Hoa, Ninh Thuan, Binh Thuan, Binh Phuoc, Tay Ninh, Dong Nai, Lam Dong Meeting with representatives from 15 provinces Meeting with Dak Lak DOET and visits to Dak Lak Science and Technology USS, one private boarding school, Center for inclusive Education, and open group discussion with representatives from Krong Ana district
Ho Chi Minh City	<ul style="list-style-type: none"> Meeting with Ho Chi Minh City (HCMC) DOET, Science and Technology School, and one private school
Can Tho City	<ul style="list-style-type: none"> Meeting with representatives from Ba Ria–Vung Tau, HCMC, Long An, Binh Duong, Dong Thap, An Giang, Kien Giang, Ca Mau, Tra Vinh, Soc Trang, Tien Giang, Ben Tre, Vinh Long, Can Tho, Hau Giang, Bac Lieu Distribution and collection of questionnaires

Source: SESDP II PPTA Consultants

9. Secondary information was obtained from a wide range of documents, including reports of previous projects, statistics from MOET and other government agencies, the PPTA Inception Report, and a variety of studies produced by different development partners (DPs). (The key documents are cited in this report.

¹⁸⁴ TA 8698-VIE: Second Secondary Education Sector Development Program.

B. POVERTY AND SOCIAL ASSESSMENT

1. Physical and Geographic Profile of the Regions¹⁸⁵

10. Viet Nam is located in Southeast Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, as well as China, Laos, and Cambodia, and has a total land area of 331,210 km². The terrain is generally low, with a flat delta in the south and north, central highlands and hills and mountains in the far north and northwest. Current environmental issues include logging and slash-and-burn agricultural practices, which contribute to deforestation and soil degradation; water pollution and overfishing threatening marine life populations, and groundwater contamination limiting potable water supply. Growing urban industrialization and population migration are rapidly degrading the environment in Hanoi and Ho Chi Minh City.

11. Viet Nam is composed of 58 provinces and five centrally governed cities, which are on the same administrative level as provinces. These 63 provinces/cities are often grouped into three key economic zones, namely:

- Northern (Hanoi City, Hai Phong City, and the provinces of Hung Yen, Quang Ninh, Hai Duong, Ha Tay, Bac Ninh, and Vinh Phuc);
- Central (Da Nang City and the provinces of Thua Thien Hue, Quang Nam, Quang Ngai, and Binh Dinh); and
- Southern (HCMC and the provinces of Binh Duong, Ba Ria–Vung Tau (BRVT), Dong Nai, Tay Ninh, Binh Phuoc, and Long An).

12. The General Statistics Office of Vietnam (GSO) further groups these provinces and cities into the following eight regions:

- Northwest (Tây Bắc), which consists of four inland provinces in the west of Viet Nam's northern part: two along Viet Nam's border with Laos and three border China);
- Northeast (Đông Bắc) with 11 provinces that lie to the north of the highly populated Red River lowlands, many of which are mountainous;
- Red River Delta (Đồng Bằng Sông Hồng) consisting of nine small but populous provinces along the mouth of the Red River, as well as Hanoi (the national capital) and the municipality of Hai Phong, the latter two being independent of any provincial government;
- North Central Coast (Bắc Trung Bộ) with six provinces in the northern half of Viet Nam's narrow central part and stretching from the coast in the east to Laos in the west;
- South Central Coast (Nam Trung Bộ) with seven coastal provinces and the municipality of Da Nang in the southern half of Viet Nam's central part;
- Central Highlands (Tây Nguyên) comprising the five inland provinces of south-central Vietnam, mostly mountainous and mostly inhabited by ethnic minorities;
- Southeast (Đông Nam Bộ) consisting of five provinces plus the municipality of HCMC, which draw domestic migrants from poor rural areas, including those from ethnic minority groups; and

¹⁸⁵ Sources: Vietnam's Regions and Key Economic Zones. 2012. <http://www.vietnam-briefing.com/news/vietnams-regions-key-economic-zones.html/#sthash.lkm5mt4B.dpuf>; Index Mundi. 2014. *Vietnam Geography Profile 2014*. http://www.indexmundi.com/vietnam/geography_profile.html; and <http://www.vietnam-briefing.com/news/vietnams-regions-key-economic-zones.html/>

- Mekong River Delta (Đồng bằng Sông Cửu Long), Viet Nam's southernmost region, consisting of 12 provinces plus the municipality of Cần Thơ.

2. Progress towards Meeting the MDGs

13. Economic growth in Viet Nam has been coupled with poverty reduction and improvement in equity over recent years. The ADB's Social Protection Index (SPI) summarizes the extent of social protection in Asia and Pacific countries providing a comprehensive measure of social protection (Table 26). (The latest available social protection index is for 2009–2010.)

Table 26: ADB's Social Protection Index for Selected Countries, 2009

	Social Protection Index, Overall	Social Protection Index for Social Insurance	Total Social Protection Expenditure, as % of GDP
Cambodia	0.0	0.0	0.7
China, Republic of	0.1	0.1	5.4
India	0.1	0.0	1.5
Indonesia	0.0	0.0	1.2
Japan	0.4	0.4	19.3
Korea, Republic of	0.2	0.2	7.9
Malaysia	0.2	0.1	3.5
Philippines	0.1	0.1	2.4
Singapore	0.2	0.2	3.4
Sri Lanka	0.1	0.1	3.2
Thailand	0.1	0.1	3.4
Viet Nam	0.1	0.1	4.0

Source: Online inquiry, 19 May 2015. ADB Social Protection Index <http://spi.adb.org/spidmz/index.jsp>

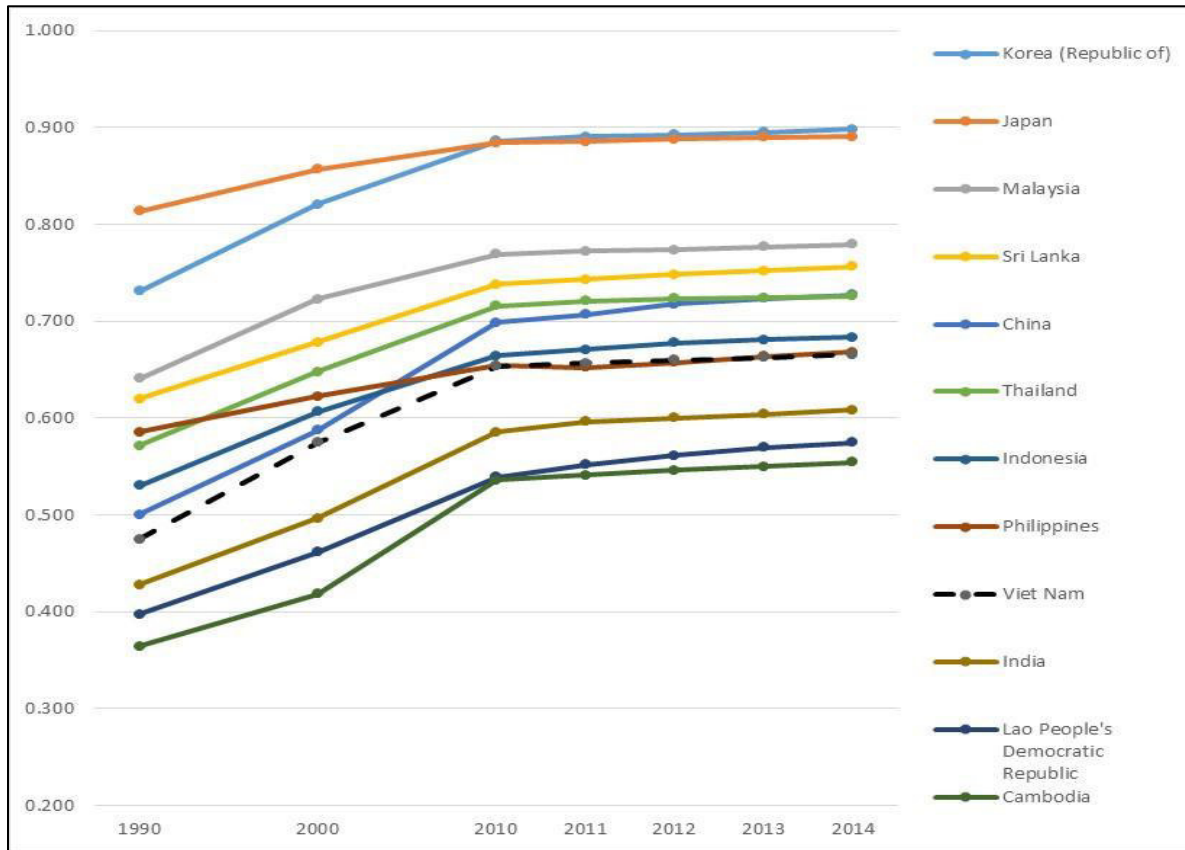
14. Figure shows Viet Nam's progress on the United Nations Development Programme's Human Development Index (HDI) compared to several countries in the region. On this index, Viet Nam ranks 116 out of 188 in the **medium** human development range of countries. Viet Nam made very good progress in terms of HDI prior to the global financial crisis of 2008, but its relative progress has been weaker, and its rate of improvement has slowed more than in comparator countries.¹⁸⁶

15. Table 27 compares Viet Nam's HDI value, ranking, and component data with those of some other countries in Asia and the Pacific. Many countries in East Asia and the Pacific have achieved remarkable economic growth and poverty reduction, but often accompanied by rising inequalities. Viet Nam has managed to achieve relatively rapid progress in economic growth without significant increases in inequality.¹⁸⁷

¹⁸⁶ UNDP and VASS. 2016. *Growth That Works for All: Viet Nam Human Development Report 2015 on Inclusive Growth*. Hanoi.

¹⁸⁷ Footnote 13, p. 4.

Figure 2: Human Development Index, 1990-2014



Source: United Nations Development Programme (UNDP) and Viet Nam Academy of Social Sciences (VASS). 2016.

Table 27: Viet Nam's Human Development Index Compared to Selected Countries

Country	HDI Rank	Human Development Index (HDI)	Life Expectancy at Birth	Expected Years of Schooling	Mean Years of Schooling	Gross National Income (GNI) per Capita
		Value	(years)	(years)	(years)	(2011 PPP \$)
Korea (Republic of)	17	0.898	81.9	16.9	11.9	33,890
Malaysia	62	0.779	74.7	12.7	10.0	22,762
China	90	0.727	75.8	13.1	7.5	12,547
Thailand	93	0.726	74.4	13.5	7.3	13,323
Indonesia	110	0.684	68.9	13.0	7.6	9,788
Philippines	115	0.668	68.2	11.3	8.9	7,915
Viet Nam	116	0.666	75.8	11.9	7.5	5,092
India	130	0.609	68.0	11.7	5.4	5,497
Laos	141	0.575	66.2	10.6	5.0	4,680
Medium human development		0.630	68.6	11.8	6.2	6,353
East Asia and Pacific		0.710	74.0	12.7	7.5	11,449
World		0.711	71.5	7.9	12.2	14,301

Source: UNDP and VASS. 2016.

16. Viet Nam has made very impressive progress towards achieving the MDGs. It has successfully met some of the goals and was on track to meet others before the end of 2015 (Table 28).¹⁸⁸ However, if Viet Nam is to achieve all the MDGs with equity, it is important that progress is sustained, rising disparities are better targeted, risks are anticipated, and the remaining gaps addressed.

Table 28: Viet Nam’s Progress towards Meeting the MDGs

Goal	Target	Progress
Goal 1: Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Halve the proportion of people whose income is less than \$1.25 a day • Achieve full and productive employment and decent work for all • Halve the proportion of people who suffer from hunger 	<ul style="list-style-type: none"> • Population below \$1.25 (PPP) per day (1993=63.7%; 2008=16.9%) • Employment-to-population ratio (1996=74.5%; 2012=75.5%) • Population undernourished (1991=45.6%; 2013=12.9%)
Goal 2: Achieve universal primary education	<ul style="list-style-type: none"> • All children complete a full course of primary schooling 	<ul style="list-style-type: none"> • In 2011, 97.5% pupils starting grade 1 reach last grade of primary • In 2014, the NER in primary was 98.9%.
Goal 3: Promote gender equality and empower women	<ul style="list-style-type: none"> • Eliminate gender disparity in primary and secondary education 	<ul style="list-style-type: none"> • In 2012, the ratio of girls to boys in primary was 1.01; in secondary education, it was 1.00, and in tertiary education, it was 1.02.
Goal 4: Reduce child mortality	<ul style="list-style-type: none"> • Reduce by two-thirds the under-5 mortality rate 	<ul style="list-style-type: none"> • Children under 5 mortality rate per 1,000 live births (1990=50.6 and 2013=23.8)
Goal 5: Improve maternal health	<ul style="list-style-type: none"> • Reduce by three-quarters the maternal mortality ratio (MMR) • Achieve universal access to reproductive health 	<ul style="list-style-type: none"> • MMR per 100,000 live births (1990=140; 2013=49) • In 2011, 77.8% of married women, 15-49 years old, reported using some contraceptive method.
Goal 6: Combat HIV/AIDS, malaria, and other diseases	<ul style="list-style-type: none"> • Have halted and begun to reverse the spread of HIV/AIDS • Achieve universal access to treatment for HIV/AIDS for all those who need it • Have halted and begun to reverse the incidence of malaria and other major diseases 	<ul style="list-style-type: none"> • HIV incidence rate, 15-49 years old (2000=0.07; 2013=0.03) • In 2011, 57.7% of people with advanced HIV infection were covered by antiretroviral therapy. • In 2011, there were 108 notified cases of malaria per 100,000 population.
Goal 7: Ensure environmental sustainability	<ul style="list-style-type: none"> • Halve the proportion of the population without sustainable access to safe drinking water and basic sanitation • Achieve a significant improvement in the lives of slum dwellers 	<ul style="list-style-type: none"> • Proportion of population using improved drinking water sources (1990=61%; 2012=95%) • Proportion of population using improved sanitation facilities (1990=37%; 2012=75%) • Slum population as percentage of urban (1990=60.5%; 2009=35.2%)
Goal 8: Develop a global partnership for development	<ul style="list-style-type: none"> • Develop further an open, rule-based, predictable, non-discriminatory trading and financial system • Deal comprehensively with developing countries’ debt • In cooperation with the private sector, make available the benefits of new technologies, especially information and communication technology (ICT) 	<ul style="list-style-type: none"> • Developed country imports from developing countries admitted duty free (1996=26.7%; 2012=67.2%) • Debt service as percentage of exports of goods and services and net income (1996=3.2; 2012=1.8) • Mobile-cellular subscriptions per 100 inhabitants (1990=0; 2012=131) • Internet users per 100 inhabitants (1990=0; 2013=43.9)

¹⁸⁸ The MDGs are eight international development goals established following the Millennium Summit of the UN in 2000, where the Millennium Declaration was adopted. Viet Nam committed to achieve the MDGs by 2015.

Source: UN. 2014. *The Millennium Development Goals Report*; 2014 Statistics for Viet Nam. New York.

17. **MDG 1: Eradicate extreme poverty and hunger.** From a poverty rate of 58.1% in 1990, the country has successfully reduced poverty to 14.2% in 2010 and to 9.6% in 2012.¹⁸⁹ While overall poverty levels have dropped remarkably, wide disparities still exist. The poverty rate in the economically disadvantaged regions fell from 58.3% in 2010 to 43.9% in 2012, but it is still almost five times as high as the national average. In addition, more than half of ethnic minority groups still live below the poverty line. Also, new forms of poverty are starting to emerge,¹⁹⁰ including chronic poverty, urban poverty, child poverty, and migrant poverty. Tackling these new forms of poverty will require tailored and multispectral approaches that recognize that poverty is about more than just a household's income level in relation to a monetary defined poverty line.

18. **MDG 2: Achieve universal primary education.** Viet Nam has made significant progress in achieving universal primary education. In 2014, the NER in primary school was 99.0%.¹⁹¹ As of 2013, 97.5% of children who entered grade 1 completed five years of primary education.¹⁹² Of these, over 90% continue to LSE, with no significant differences between regions or between urban and rural areas. To build on these achievements in the next five years and ensure that the progress will be maintained, several areas need attention, particularly the quality and the cost of education. In the opinion of the government, the speed of improvement in the education sector has lagged behind national economic growth and a rapidly changing society.¹⁹³ Inequality in education access and uneven education quality persist among different ethnic groups and disparate geographical regions. Education reform in teaching and learning qualities, as well as improvement in school facilities, are still needed.

19. **MDG 3: Promote gender equality and empower women.** Viet Nam has been very successful in increasing girls' participation in education at primary and secondary levels. In SY2012/13, females represented 47.7% of students enrolled at the primary level, 48.5% in LSE, and 53.0% in USE.¹⁹⁴ Also, female students tend to outperform male students on international and national student assessments.¹⁹⁵ Viet Nam has one of the highest rates of representation of women in decision making in national parliament in the region: 25.8% of National Assembly deputies are women. However, Vietnamese women continue to face serious obstacles, including poverty, limited access to higher education and employment opportunities, as well as persistent discriminatory attitudes and behavior.¹⁹⁶ In addition, persistent son preference and devaluing of girls is demonstrated in the rising male to female ratio at birth. The male-female birth ratio increased from 111.2/100 in 2010 to nearly 114 in 2013.¹⁹⁷ Also, gender-based violence is acknowledged to be a serious problem in Viet Nam. In 2012, 85.1% of domestic

¹⁸⁹ Footnote 1, p.1.

¹⁹⁰ UNICEF Viet Nam. *Overview - Viet Nam and the MDGs*. Hanoi.

¹⁹¹ MOET. 2014. *Education Statistics Yearbook, 2013-2014*. Hanoi

¹⁹² GSO. 2013. *The 1/4/2013 Time-Point population Change and Family Planning Survey*. Hanoi.

¹⁹³ Footnote 1.

¹⁹⁴ MOET. 2013. *Education Statistics. 2012-2013*. Hanoi.

¹⁹⁵ Programme of International Student Assessment (PISA). 2012. *Programme for Analysis of Systems of Education under CONFEMEN (PASEC), 2012, National Achievement Monitoring (NAM), Grade 9, SY2008/09 and the Grade*

11 NAM SY2011/12.

¹⁹⁶ UNICEF Viet Nam. *Overview - Viet Nam and the MDGs*. Hanoi.

¹⁹⁷ International Bank for Reconstruction and Development (IBRD), The World Bank, and the Ministry of Planning and Investment of Vietnam (MPI). 2016. *Overview: Vietnam 2035 toward Prosperity, Creativity, Equity, and Democracy*. Washington, D.C.

violence victims were women. Inequality still exists in advanced educational levels and in access to decent work.¹⁹⁸

20. **MDG 4: Reduce child mortality.** Viet Nam has achieved the targets for both under-5 mortality (from 50.6 per 1,000 live births in 1990 to 23.8 in 2013) and infant mortality (36.5 per 1,000 live births in 1990 to 19.0 in 2013).¹⁹⁹ Furthermore, the ratio of children under 5 years old, who are underweight, fell from 25.2% in 2005 to 18.9% in 2009. However, disparity in access to health care services among different ethnicities and regions remains. In 2011, the under-5 mortality rate of ethnic minorities was three times higher than that of Kinh children.²⁰⁰

21. **MDG 5: Improve maternal health.** Maternal mortality has declined considerably over the last two decades, from 140 per 100,000 live births in 1990 to 49 per 100,000 live births in 2013. Good progress has also been made in expanding access to quality reproductive health, including maternal and neonatal health, family planning, increased use of modern contraception, and establishment of stronger programmes, policies, and laws for reproductive health and rights; as well as measures to provide quality services to the poor and other vulnerable groups.²⁰¹ To achieve the targets on maternal health care in 2015, it is essential that Viet Nam accelerates the implementation of more rigorous programs for improving maternal and reproductive health, especially those targeting remote and economically disadvantaged areas.²⁰²

22. **MDG 6: Combat HIV/AIDS, malaria and other diseases.** In 2011, Viet Nam achieved the MDG target of controlling malaria and tuberculosis. Good progress has also been observed in preventing and combating HIV/AIDS. In 2012, the number of newly identified HIV-infected cases reduced by 22% compared to 2011, and by 31.5% compared to 2001. The proportion of HIV patients receiving ARV drugs in 2011 is 22 times higher than 2005.²⁰³ However, there are still many challenges confronting the country's progress in controlling HIV/AIDS, especially in remote and economically disadvantaged areas.

23. **MDG 7: Ensure environmental sustainability.** Viet Nam has shown strong commitment to environmental concerns at the international and policy level, and significant achievements have been made. Forest coverage has increased from 27.8% in 1990 to 39.7% in 2011. Today, about 83% of the rural population has access to safe water, compared with 30% in 1990, and 77% have sanitary latrines. For Viet Nam to achieve this goal, further progress is required, particularly around water and sanitation and climate change. There are still differences in access to clean water between regions and between rural and urban areas, with the lowest level of access in the Northern mountains, Mekong Delta, and Central Highlands regions. Viet Nam is among the countries hardest hit by climate change, mainly through rising sea levels and changes in rainfall and temperatures.²⁰⁴ More than one million people in Viet Nam are affected each year by natural disasters, and the number and severity of disasters are expected to increase.

¹⁹⁸ Footnote 1, p.1.

¹⁹⁹ UN. 2014. *The Millennium Development Goals Report. 2014, Statistics for Viet Nam.* New York.

²⁰⁰ Footnote 1.

²⁰¹ UNICEF Viet Nam - Overview - Viet Nam and the MDGs

²⁰² Footnote 1, p.1.

²⁰³ Footnote 1, p.1.

²⁰⁴ Yu, Bingxin. 2010. *Impacts of Climate Change on Agriculture and Policy Options for Adaptation: The Case of Vietnam.* International Food Policy Research Institute. Washington, D.C.

24. **MDG 8: Develop a global partnership for development.** Poverty reduction and sustainable development are linked to trade, debt relief, and aid, better enabled by developing global partnerships. Viet Nam has made major strides in developing global partnerships for development since 2000, including joining the World Trade Organization (WTO), expanding cooperation with ASEAN, spending a term as a non-permanent member of the UN Security Council (2008-2009), and being involved in a number of new free trade agreements. Ensuring social equity and sustainability of the country's development process will require continued and expanded partnerships in all areas in the coming years.

3. Remaining Challenges

25. Although Viet Nam has avoided the large increases in inequality in other fast growing countries, the differences between rich and poor are still significant. The government's latest Socioeconomic Development Plan indicates that the lives of groups of people are still in difficulty, and the poverty gap between regions and groups of citizens is still large.²⁰⁵ Further, the plan is concerned that poverty reduction results are not sustainable, and the possibility of relapsing into poverty is high.

26. **Uneven human development across regions.** In spite of advances in all regions, significant differences remain in outcomes and rates of change. As shown in Table 29, among the six regions, the Northern Midlands and Mountain region has the lowest HDI values at 0.679, followed by the Central Highlands at 0.704. The Southeast region has the highest value at 0.811. The urban population accounts for only 29.6 % of the total population, but makes up 35.6 % of the lower middle income group, 53.2% of the upper middle income group, and 51.9% of the high-income group. The Mekong River Delta is over-represented in the near poor group.

Table 29: Regional Human Development, 2012

	Human Development Index (HDI)	Life expectancy (years)	Adult Literacy (% 15 years and above)	Gross Enrolment Rate (%)	GDP per capita (PPP) (US\$)
Whole Country	0.752	73.05	94.50	63.43	3,979
Northern Midlands and Mountains	0.679	70.29	88.80	58.27	1,939
Red River Delta	0.770	74.27	97.50	72.50	3,594
North Central and Central Coastal regions	0.730	72.41	94.30	62.79	2,891
Central Highlands	0.704	69.40	92.10	59.80	2,854
Southeast region	0.811	75.69	96.90	63.55	8,021
Mekong River Delta	0.746	74.39	93.10	59.29	3,573

Source: UNDP and VASS. 2016.

27. **Poor and near poor.** Significant social transformation is evident in the shrinking population shares of the poor and near poor, and the rapid expansion of the lower middle class.²⁰⁶ Yet those in the middle are far from secure, and those still in poverty are harder to reach, particularly within remote ethnic minority communities. Mostly still employed in the informal sector, the poor, the near poor, and the 'new middle' face productivity constraints, which curtail further advances in human development and render them vulnerable to sudden

²⁰⁵ Footnote 4, p. 1.

²⁰⁶ Footnote 3, p. 1.

shocks and reverses.

28. Income mobility provides insights into micro-factors influencing social transformation in Viet Nam's rapidly growing economy. From 2010-2012, a significant 41.4% of the near poor moved into the lower middle income class, while only 11.2% fell back to the poor group.²⁰⁷ However, upward movement for the lower middle class was more difficult and less likely than falling back into the near poor group: 8.6% successfully moved up, as opposed to over 12.2% falling back to become near poor. The share of vulnerable employment dropped substantially from 66.0% in 2007 to 61.7% in 2009, but rose slightly to 62.8% in 2010, and then stabilized around this figure during the slowdown from 2011 to 2014.²⁰⁸ The persistently high rate of non-farm informal employment indicates that, while the movement out of agriculture may be a route out of poverty for many people, as evidenced by decades of rapid poverty reduction, many workers are still caught in the non-farm informal sector with low earnings, poor working conditions, and no access to the formal social protection system. In addition to the poor, there is a need to focus both on the near poor and the vulnerable lower middle income group, whose incomes are not substantially above the poverty line, typically work in informal jobs, and are urban migrants or small-scale farmers.

29. **Ethnic minority groups.** Viet Nam has 54 ethnic groups. The ethnic majority, Kinh, comprise just under 86% of the population, while 53 ethnic minorities account for the rest of the populace. Almost one-fifth of people living in rural areas of Viet Nam belong to ethnic minority groups, who depend primarily on subsistence agriculture for their livelihood and inhabit mountainous, coastal, and remote areas with complex topographies, difficult transportation and communication systems, and harsh climates. While the ethnic minorities have experienced gains in welfare since the early 1990s, there is a growing gap between them and the ethnic majority.²⁰⁹ With 15% of the population, they now make up half of the poor, and in recent years, progress for ethnic minorities has stalled on poverty reduction, child mortality, and nutrition. Many ethnic minority citizens remain largely disconnected from the country's larger economic success. Not only are the ethnic minority groups more likely to have poor socioeconomic outcomes compared to the Kinh (e.g., more poverty; less access to health facilities, formal financial services, and markets; lower wages, less schooling and educational resources, especially for females), the male-female gap tends to be larger in their communities.²¹⁰ Poor capability and the lack of self-confidence in using the Vietnamese language also present a problem for ethnic minorities in accessing education, communicating with the mainstream population, and attaining high-salaried jobs. Furthermore, the ethnic minorities' customs of early marriage and having many children contribute to their prevailing poverty. Thus, many ethnic minority families migrate to urban centers in search of a better life for themselves and their children.²¹¹

30. Although the government has promulgated many policies to support ethnic minorities, and significant progress has been made, unequal development and high poverty levels among ethnic groups remain. Viet Nam's poverty rate is highest in the Northwest (28.6%), followed by the Northeast (17.4%), Northern Central Area (15.0%), and Central Highlands (15.0%). Figure provides a comparison of poor households in different areas of the country. Although ethnic

²⁰⁷ Footnote 3, p. 1.

²⁰⁸ Footnote 3, p.1.

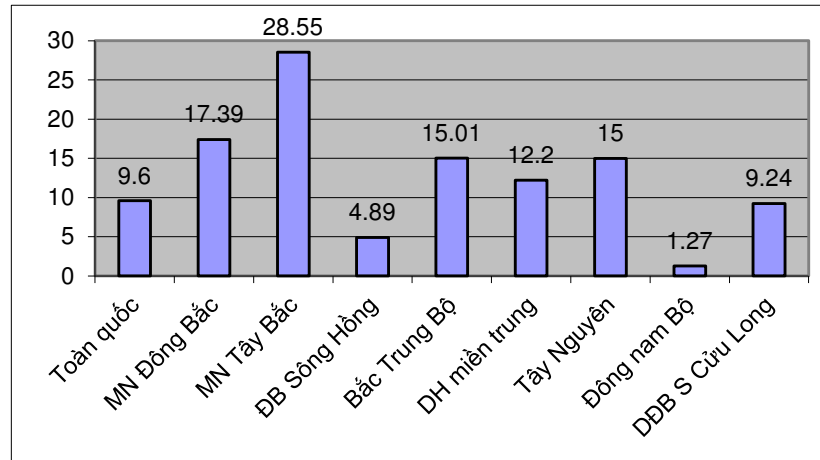
²⁰⁹ Footnote 24, p. 8.

²¹⁰ Hai-Anh Dang. 2009 and revised in 2010. *Indigenous Peoples, Poverty and Development*. Chapter 8: Viet Nam a Widening Poverty Gap for Ethnic Minorities. World Bank. Washington, D.C.

²¹¹ Action Aid International Vietnam. 2014. *Access to Social Protection of Migrant Workers: Policy Brief*. Hanoi.

minority populations account for only 14% of the total population, the number of poor households among such groups represents almost 50% of the total number of poor households. In terms of income, the average income of ethnic minority households is only one-sixth of the national average.²¹²

Figure 3: Percentage of Poor Households by Area, 2012



Source: MOLISA

31. **Rural to urban migration.** Viet Nam's economic rise has been accompanied by the growth of its large cities. More than one-third of the population now lives in cities and peri-urban areas, and this is expected to rise to 50% by 2050. Moreover, these areas account for a major part of the country's gross domestic product (GDP). Urbanization has helped drive economic growth by supplying sources of labor. The strong pattern of migration from rural to urban areas is expected to grow, which is a normal and healthy pattern in growing economies. However, it can put pressure on urban housing, infrastructure, services, and social welfare systems, if not carefully planned and managed, and lead to new forms of multidimensional poverty. In addition, basic infrastructure, such as schools and health care, may not be available in peri-urban areas since development in these areas may be less controlled. Deprivation can develop in terms of basic non-monetary factors, such as health and education and access to basic services.²¹³

32. Data from the GSO²¹⁴ indicate that the Red River Delta area had a slight drop in net-migration rate in 2013 (-0.3%). In the same year, the Southeast region had the highest net-migration rate (8.3%), and the largest number of in-migrants, of about 243,000 people, equivalent to 45% of total in-migrants. This suggests that job opportunity was the most important factor in decisions to migrate to other parts of the country. The Central Highlands also had a positive net migration rate. However, it should be noted that these data include those who have completed USE and are moving on to tertiary-level education in more urban areas. The data showed that about two-thirds of migrants have completed lower secondary level or beyond.

²¹² Phan Thi Lac. 2013. LSEMDAP II Ethnic Minority Plan.

²¹³ SRV and UNDP Viet Nam. 2015.

²¹⁴ GSO. 2013. *The 1/4/2013 Time-Point Population Change and Family Planning Survey: Major Findings*. MPI. Hanoi http://www.gso.gov.vn/Modules/Doc_Download.aspx?DocID=17009.

33. More than five million Vietnamese do not have permanent registration where they live.²¹⁵ Problems of access to education faced by migrants are driven by Viet Nam's household registration system, which, though loosely implemented with respect to employment, often restricts access to basic services.²¹⁶ Access may be gained, usually through informal side payments, but most migrant households are poor, particularly newer migrants, and lack social or financial resources to manage this kind of transaction.

34. Migrant households have fewer assets and live in worse housing conditions and in areas less served by public schools.²¹⁷ The adults have lower educational levels than the urban 'native' households, and both educational expenditure and achievement were lower for children from migrant households than for urban natives. Various studies have reported different rates of school attendance for children from domestic migrant families. The Urban Poverty Survey of 2009 found that while 88% of children in poor urban resident households were enrolled in school, the rate was only 35% for poor migrant households.²¹⁸ Another study found that 64.6% of migrant students attended public schools, compared to 82.1% among permanent residents.²¹⁹ A third study found 82.7% of migrant children attending a public school compared to 95.7% of permanent residents.²²⁰ Even though these reports indicate different rates of enrolment, all indicate general difficulties in accessing the public-school system due to registration issues.

35. Not being able to afford school fees seems to be one reason why children of migrants miss out on school. Seven percent of migrant families cite 'cannot afford school fees' as the reason for their children not attending school, compared to 2.1% of permanent residents. Household registration governs the availability of official support. Children from permanent resident families were more likely to have reduced or no school fees than migrant children, at 27.4% vs. 21.4%.²²¹

36. **Persons with a disability.** There is a clear relationship between poverty and disability. In 2006, the poverty head count of households with a disabled member was 20% higher than that of households without one.²²² Disability affects women more than men. Viet Nam's policies for people with disabilities are highly inclusive, but there are substantial shortcomings in implementing a broad agenda.²²³ According to the 2009 Viet Nam Population and Housing Census of persons aged 5 years or older, almost 6.1 million, or 7.8%, live with one or more disability in seeing, hearing, walking, or cognition, and of these, 385,000 are persons with severe disabilities. According to the assessment of the *National Assembly Committee on Social Affairs* in 2008, only 36.8% of disabled people have ever attended primary or secondary schools. In SY2013/14, there were only 13,572 students with a disability attending LSE, which is 0.3% of the student population at this level, and 1,520 or 0.1% of the students at USE.²²⁴ These data revealed that educational opportunities for disabled people are still very limited. While the government has provided financial support programs to the disabled, they remain restricted

²¹⁵ Footnote 24, p. 8.

²¹⁶ Footnote 13 and 24.

²¹⁷ Cameron, S. 2012. *Education, urban poverty and migration: Evidence from Bangladesh and Vietnam*. UNICEF Office for Research. Florence. http://www.unicef-irc.org/publications/pdf/iwp_2012_15.pdf.

²¹⁸ Footnote 40, p. 11.

²¹⁹ Footnote 13, p. 4.

²²⁰ GSO.2012. *The 1/4/2012 Time-Point Population Change and Family Planning Survey: Major Findings*. Hanoi.

²²¹ Footnote 13, p. 4.

²²² Footnote 13, p. 4.

²²³ Footnote 24, p. 8.

²²⁴ Government of Viet Nam. 2015. Department of Planning and Finance, Ministry of Education and Training.

from access to education, leading to few job opportunities and limited integration in the community. Providing disabled youth with basic opportunities to participate in society and to engender attitudes of inclusion, among others, is crucial to their participation in society.²²⁵

4. Government Policy on Education and Poverty Reduction

37. The government has made sustainable poverty reduction a central issue of its 2011-2020 *Socio-Economic Development Strategy (SEDS)* aimed at improving and incrementally raising the living conditions for the poor. The government is seeking to narrow the gap between urban and rural areas, among regions, ethnic minorities, and population groups. The latest draft of the *Socio-Economic Development Plan (SEDP), 2016-2020* retains support for social policy beneficiaries, the poor, and ethnic minorities. *Resolution No. 80/NQ-CP on Sustainable Poverty Reduction during 2011-2020* was signed by the Prime minister on 19 May 2011 and states the following:

- To achieve the poverty reduction objectives is a major policy of the Party and the State aiming to improve material and spiritual lives for the poor, contributing to narrowing the gap in living standards between rural and urban areas, among regions, ethnic minorities, and population groups. It also demonstrates Vietnam's determination to achieve the United Nations Millennium Development Goals.
- Poverty reduction results are not really sustainable.,The number of households living just above the poverty line and the annual rate of households relapsing into poverty remain high; the rich-poor gap among regions and population groups is still rather wide, the poor's life is still fraught with difficulties, especially in mountainous and highland regions and ethnic minority areas.
- Support for education and training is to include:
 - To effectively implement the policies on school fee exemption and reduction, scholarships, social allowances, and learning expense support for poor students at all educational levels, particularly pre-school level;
 - To continue implementing preferential credit policies toward students, especially poor pupils; and
 - To implement policies on preferential treatment toward teachers working in disadvantaged areas; to encourage the formation and expansion of study promotion funds; and to prioritize early investment in school buildings and classrooms in poor communes and extremely disadvantaged villages and hamlets to reach set standards.

38. *Resolution No. 76/2014/QH13 on The Achievement of the Sustainable Poverty Reduction Goal by 2020* was passed by The National Assembly of the Socialist Republic of Viet Nam on 24 June 2014. It sets out 13 tasks, of which the following pertain to the education sector:

- To elaborate a new poverty line using the multidimensional approach to ensure minimum living standards and access to basic social services; to finalize the criteria for classification and the process of identification of poor subjects and localities; and to survey, classify, and publicize the rate of poor households and households living just above the new poverty line;

²²⁵ Footnote 24, p. 8.

- To achieve the poverty reduction goal under the five-year (2016-2020) National Assembly Plan, minimizing poverty relapse;
- To implement conditional support policies toward eligible subjects and localities in order to increase the opportunity for the poor to benefit from these policies and encourage their active and positive participation; to maintain and add some other appropriate support policies for households living just above the poverty line; and
- To raise the quality of universal education and the rate of professionally trained laborers in rural and ethnic minority areas; to classify laborers and provide them with rational and effective job training; to maintain policies on support for pupils and students from poor households and households living just above the poverty line; to increase the rate of pupils attending schools at the right age in localities with difficult and extremely difficult conditions; to develop boarding and semi-boarding general education schools of an appropriate size for ethnic minority youth; to reform and improve the effectiveness of appointment-based enrolment based on the demands of employers.

39. Based on the direction for implementing *Resolution 76/2014/QH13* on the Action Plan, *Decision 2324/QD-TTg* was developed with specific reference to MOET. The following are specific actions to be undertaken:

- Integrate three policies (*Decision 85/2010/QD-TTg* dated 21 December 2010 on issuing some policies to support semi-boarding students; *Decision 12/2012/QD-TTg* dated 24 January 2012 on policies to support high school students in extremely disadvantaged areas; and *Decision 36/2013/QD-TTg* dated 18 June 2013 on policies to provide rice to students in extremely disadvantaged areas) to supplement specific policies for semi-boarding ethnic minority schools;
- Revise and supplement *Decision 2123/QD-TTg* dated 22 November 2010 on approving a Master Plan on education development for extremely small ethnic groups in 2010-2015, on expanding policy support to 16 extremely small ethnic groups; and
- Integrate existing policies into a policy that meets the demand of poor and near poor families for education and training.

40. In 2015, MOET proposed to support the implementation of the above Action Plan. This move indicates that MOET has the responsibility to cooperate with relevant line ministries (MOLISA, CEMA, MOF, and MPI) in the conduct of research to integrate current policies into a policy system that will meet the minimum essential demand of poor and near-poor people for education.

41. In addition to these regulations, the government's *2010 Law on Persons with Disabilities* defines the responsibility of MOET and schools relative to the provision of an education to students with a disability.²²⁶ MOET has issued the following new policies to guide the promotion of more equitable access of students with a disability: (i) *Circular No. 01/2015/TT-BLDTBXH* dated 6 January 2015 guiding case management of people with disabilities; and (ii) *Decision No. 524/QD-TTg* dated 20 April 2015 on the approval of the proposal to reinforce and develop a network of social support institutions for the period, 2016–2025.

²²⁶ Government of Viet Nam. 2010. *Law No. 51/2010/QH12 on Persons with Disability*. Hanoi.

42. Finally, providing greater access of domestic migrant youth to LSE will contribute to the goal of increasing the number of youth enrolled in LSE, as outlined in *Decree 20 on Universal Education*.²²⁷ The *Education Development Strategy, 2011-2020 (EDS)* set the target of 70% of students with a disability attending school.²²⁸

5. Poverty Reduction in ADB's Country Partnership Strategy

43. The strategic thrusts of ADB's *Country Partnership Strategy for Viet Nam, 2016–2020* comprise the three pillars of inclusive growth, enhancing economic efficiency, and environmental sustainability.^{229, 230} Accordingly, the strategy recognizes that poverty and inequity among different groups is caused by inadequate social safety nets; vulnerability to environmental degradation and climate change; low productivity and competitiveness due to inefficient public sector management, shortages of skilled labor, and infrastructure bottlenecks; strong growth in the gross domestic product (GDP) over the past decade but high credit growth triggered by high inflation; and the lack of transparency, clarity, or consistency in economic policy.

44. ADB's current strategy in Viet Nam considers the following actions as having potential to strengthen poverty reduction: (i) integrating the poor, the vulnerable, and women into development through enhanced economic efficiency; better infrastructure; rural development; better access to economic resources and stronger support to education; and support for institutional, policy, and management reform in social service delivery; and (ii) tackling environment and climate change challenges at the national and subnational levels through appropriate natural resource management and the adoption of clean technology in infrastructure, strengthened environmental governance, and regional cooperation to enhance the resilience of the region and its constituent countries.

45. To date, the degree of participation of various segments of society in development has been varied, creating large disparities in poverty reduction across different population subgroups, notably rural vs. urban and by geographic region and ethnic groups. In sum, the main constraints to poverty reduction are low returns on social sector investments caused by inefficient planning and implementation, lack of access to social infrastructure, an inadequate social safety net, and vulnerability to natural disasters and climate change. The poor are particularly vulnerable to food inflation, which is considerably higher than in comparable countries in the region because of structural impediments in markets.

46. In addition, the *2015 Viet Nam Education Sector Assessment, Strategy, and Roadmap* identified hitherto neglected areas related to out-of-school domestic migrant youth and children of secondary school age with disabilities. SESDP II will directly or indirectly support both these groups and implement an overall strategy to increase enrolment in LSE, in general, seeking to include those from other disadvantaged groups.²³¹

²²⁷ Government of Viet Nam. 2014. *Decree No. 20/2014/ND-CP on Educational Universalization or Illiteracy Eradication*. Hanoi.

²²⁸ Approved by *Prime Minister's Decision No.711/QĐ-TTg* dated 13 June 2012 (*Decision Approving the Education Development Strategy 2011-2020*).

²²⁹ Note that the revised CPS, 2016-2020 was to be initiated in December 2015, with endorsement due by September 2016. The notes here were taken from ADB. *Country Partnership Strategy: Viet Nam, 2016–2020*.

²³⁰ The *CPS, 2016-2020* will be initiated in December 2015 with endorsement due in 2016.

²³¹ ADB. 2015. *Viet Nam Education Sector Assessment, Strategy, and Roadmap*. Southeast Asia Department Working Paper. Hanoi.

47. In the ADB *Country Business Operations Plan (CBOP), 2015-2017*, support was provided for the project preparatory technical assistance (PPTA) for SESDP II, which began in June 2015 and was to be completed by June 2016. The program is consistent with ADB’s CPS for Viet Nam, 2012–2015 and with ADB’s policy for the education sector, *ADB Education by 2020—A Sector Operations Plan*, both of which continue to support education development in Viet Nam, emphasizing greater relevance to the needs of society and the labor market.

6. Multi-dimensional Approach to Poverty Reduction

48. Viet Nam is experiencing a significant policy shift in relation to sustainable poverty reduction and a focus on education as one of the main five dimensions. Under the direction of *Resolution 80* and *Resolution 76*, the National Assembly and the Central Poverty Reduction Steering Committee are encouraging line ministries to look at poverty in a concerted and multi-dimensional manner. Better and more effective measurement and targeting of poverty is anticipated with the evolution of this approach and experience from other middle income countries (MICs), such as Mexico, Columbia, Brazil, and Malaysia. This methodology has been integrated into the design of a new poverty survey that was applied by the Ministry of Labor, Invalids, and Social Affairs (MOLISA) and GSO in 2015.²³²

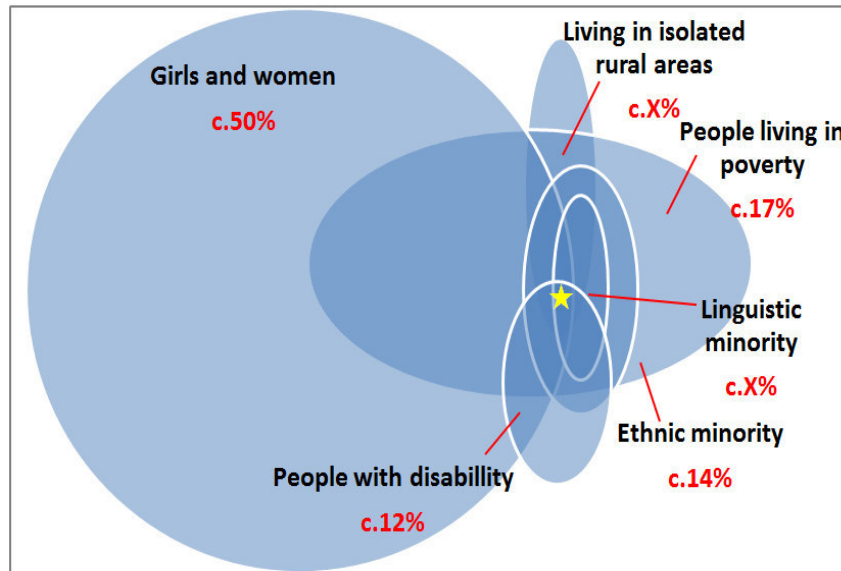
49. In many ways, this is a revolutionary move away from the traditional income measurement that will have far reaching effects on line ministries’ coordination and concerted approaches and interventions. MOLISA’s Poverty Reduction Coordinating Office is leading on this with the support from the Party, National Assembly, and government. MOET is part of this development, and the Department of Student Affairs has been involved in the development of indicators (attendance at primary school and LSS) for the education dimension.

50. MOET policymakers, researchers, and statistics sections need to understand this policy shift in a comprehensive way in order to tailor support to poor and near poor, ethnic minority, disadvantaged and migrant students/families, as well as mainstream groups. The development of broader and more inclusive indicators and strategic restructuring of policy responses are key to MOET’s inputs into this transition. The transition to MIC status has ‘moved the goalposts’ in relation to attitudes towards poverty and targeted responses by line ministries.²³³ Figure attempts to capture the impact of selected ‘multidimensional’ elements of poverty in Viet Nam.

Figure 4: Multi-dimensional Approach to Poverty Reduction in Viet Nam

²³² Footnote 10.

²³³ C. Ross. 2015. Expansion of Learning Opportunities for Disadvantaged Youth in SESDP II. SESDP PPTA. Hanoi.



Source: Pro-poor Secondary Education Specialist, TA 8698-VIE

51. Multi-dimensional poverty highlights the importance of non-income deprivations. The UNDP’s MPI is based on measurements by headcount, or proportion of people who are multi-dimensionally poor and intensity, or average number of deprivations suffered by multi-dimensionally poor households. Table 30 reveals major disparities among different neighboring developing countries.²³⁴ Between 2010 and 2012, multidimensional poverty waned overall in Viet Nam. Regional MPI levels vary considerably with the Mekong River Delta having the highest proportion of households who are multi-dimensionally poor, at 41.6%. In contrast, the Red River Delta had the lowest proportion of households who are multi-dimensionally poor at 5.7%. There are major variations across ethnicity, income groups, and rural and urban areas. Ethnicity, as with income poverty, is a key marker of multidimensional poverty status. Equally, rural areas see considerably higher levels.

Table 30: Multi-dimensional Poverty Index, Selected Developing Countries

	Population in Multi-dimensional Poverty			Population near Poverty	Population in Severe Poverty	Population Living below Income Poverty Line (%)	
	Index	Headcount	Intensity			National poverty line	PPP \$1.25/day
Country	Value	(%)	(%)	(%)	(%)	2004–2014	2002–2012
Cambodia	0.211	46.8	45.1	20.4	16.4	17.7	10.1
India	0.282	55.3	51.1	18.2	27.8	21.9	23.6
Indonesia	0.024	5.9	41.3	8.1	1.1	11.3	16.2
Philippines	0.033	6.3	51.9	8.4	4.2	25.2	19.0
Thailand	0.004	1.0	38.8	4.4	0.1	12.6	0.3
Viet Nam	0.026	6.4	40.7	8.7	1.3	17.2	2.4

Source: UNDP and VASS, 2016.

52. The single biggest disadvantaged group in Viet Nam, despite recent positive education indicators, consists of women and girls (slightly under 50% of the population). However, there

²³⁴ Footnote 13.

are other disadvantaged groups, such as those shown in Figure 4. For example, approximately 17% of the population live in poverty, and over half of these are female. A combination of being female and being poor means being doubly disadvantaged. 'Free education' may not be free to the poor, where both direct and indirect costs can lead to exclusion from education. Add other elements, such as being from an ethnic minority, and the deprivation is compounded. Thus, for example, a Muong girl with a disability living in a poor, isolated rural area could suffer severely from the overlapping, multiple dimensions of poverty.

53. Various disadvantaged groups warrant special attention from a multidimensional poverty perspective, and this has been reflected in the design of recent ADB education projects in Viet Nam. For example, the ADB-supported Lower Secondary Most Disadvantaged Regions Project (LSEMDRP), and the follow-on Second Lower Secondary Education Project for Most Disadvantaged Areas Project (LSEMDAP II) specifically targeted the poorest areas with concentrations of ethnic minority groups, with a strong focus on girls' education because of the significant statistical disparities in educational outcomes between male and female students in those geographical areas. Such projects can be seen as 'multidimensional'. While there are still many issues to be resolved with respect to these groups, they are at least visible on the government agenda and, as such, are attracting attention and budgetary support, whether directly from the government or through support from development partners (DPs). Other aspects, such as disability and migrant youth, have not yet been fully addressed, especially at the secondary level.

7. Sustainable Development Goals

54. The global Sustainable Development Goals (SDG) were agreed at the United Nations (UN) Headquarters in New York on 25 September 2015, with Viet Nam as a signatory.²³⁵ There are 17 goals, which replaced and expanded on the MDGs goals.²³⁶ SDG Goal 4 is to 'ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.' It is more comprehensive and far-reaching than the education-related MDG 2. SDG Goal 4 has 10 targets, and quality and equitable education is seen as a vehicle to achieving many of the other SDGs related to, for example, reduced poverty, economic growth, well-being, reduced inequality, environmental sustainability, and sustainable development.

8. Labor Market Analysis

55. The World Bank's *2014 Viet Nam Development Report* notes that Vietnamese employers are increasingly looking for a mix of higher quality critical thinking and technical skills.²³⁷ Although there is a high level of literacy and numeracy among the work force, a more skilled workforce will be key to successful economic transition. The education system has to adapt to these changes and new demands by becoming more inclusive, enabling disadvantaged groups to contribute fully to the economy.

56. In Viet Nam's changing economy, education and training play an important role in the country's development. Education is not only a pathway to poverty reduction, it also equips the work force with the necessary skills to transform an agriculture-based economy into an

²³⁵ Viet Nam News. 2015. President: Viet Nam commits to successfully implementing SDGs. Hanoi.

<http://vietnamnews.vn/politics-laws/276320/president-viet-nam-commits-to-successfully-implementing-sdgs.html>

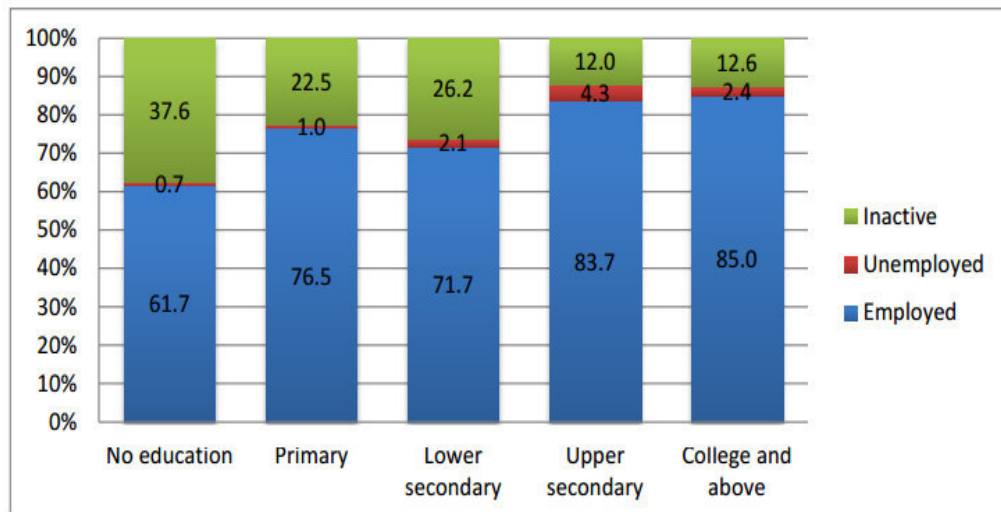
²³⁶ <https://sustainabledevelopment.un.org/?menu=1300>.

²³⁷ World Bank. 2014. *Skilling Up Vietnam: Preparing the Workforce for a Modern Market Economy*.

industrialized one. Therefore, the government is investing heavily in education.

57. Viet Nam has a low unemployment rate but a high percentage of working poor with low incomes. Data in the *2012 National Labor Force Survey* indicated that, of the 68.2 million people aged 15 and over, 51.4 million were employed and 938,000 unemployed.²³⁸ At that time, the work force participation rate was 76.8% and the unemployment rate, a low 1.8%. While poor people need to earn, this is usually in the informal sector with low income returns. The same study showed that the educational level of the work force is generally low. The majority (69%) of the working age population have only primary education, while those with tertiary education accounted for just less than 6%. On average, workers with higher education levels are paid significantly more than those with lower levels of education. Higher educated workers (upper secondary and tertiary levels) are more likely to be unemployed (4.3% compared to 0.7% at the lowest levels). This could be a structural mismatch between education and availability of jobs: the demand side of the labor market not being able to absorb the skills and knowledge of part of graduates or, and this has been increasingly cited, the low quality or inappropriate education at higher levels.

Figure 5: Employment Status (%), by Educational Level



Source: Vietnam Labor Force Survey, 2012.

58. Male university graduates earn 2.8 times more than those who did not attend school or did not complete primary schooling. Men are consistently paid more than women with the same education level. All else being equal, women earn, on average, 15.6% less than their male counterparts, including migrant workers.²³⁹ The gender pay gap may be rising, although the government's 2015 MDG report indicates that, while this gender pay gap has narrowed in recent years, men, on the whole, still earn significantly more than women, and this is particularly marked in urban areas.^{240,241} However, a 'feminization' of domestic migrant labor is being seen,

²³⁸ Dung Tien, N. 2015. *An Analysis of Labour Market Returns to Education in Vietnam: Evidence from the National Labour Force Survey, 2012*. ILO International Training Centre:22. Turin. http://www.itcilo.org/en/training-offer/turin-school-of-development/research-papers/WP_No.3_2015_FINAL_approved.pdf.

²³⁹ *Ibid.*

²⁴⁰ ILO. 2013. *Despite High Labour Force Participation Rate for Women, Gender Pay Gap on the Rise*. ILO News. Hanoi. http://www.ilo.org/hanoi/Informationresources/Publicinformation/Pressreleases/WCMS_206104/lang--n/index.htm

²⁴¹ SRV and UNDP Viet Nam. 2015. *Country Report: 15 Years Achieving the Viet Nam Millennium Development*

with more (lower-paid) 'opportunities' for women in urban areas and industrialized zones. Since women face underemployment at their place of origin, they are more likely to migrate.²⁴²

59. **Labor supply.** More than one million individuals enter the labor force each year.²⁴³ Between 2000 and 2013, the country's labor force grew by nearly 40%, i.e., from 39 million to 53 million. Men and women each account for roughly half of the work force, i.e., 51.4% and 48.6%, respectively. Most workers are still located in rural areas (about 70%), although this is rapidly changing as a result of urbanization. The agriculture sector accounts for about 50% of all jobs in the economy. Employment in industry steadily increased, albeit at a slow pace, from 2005 at around 18% to 21% in 2013, with manufacturing and construction providing the most jobs. During this same period, employment in the service sector also increased from around 27% to 32%, with workers employed in wholesale and retail trade accounting for more than a third of those employed.

60. **Labor demand.** The demand for workers was 34% in the first half of 2015, up by 11% from the previous year. However, the strongest growth in demand was observed for highly skilled and trained persons (e.g., architects, designers, engineers, and IT professionals),²⁴⁴ reflecting Viet Nam's "skill-based occupational transition" that began in the 1990s. Over the last two decades, jobs characterized by routine manual tasks have been declining and are being replaced by non-routine analytical ones. Employers now tend to hire workers with job-specific technical skills, strong cognitive and non-cognitive skills, leadership capabilities, as well as good problem solving, teamwork, and communication skills.²⁴⁵ However, there is still a strong demand for less skilled workers, with that demand being met, to a growing extent, by domestic migrants. The map in Figure shows the key economic zones in Viet Nam, where migrants from other areas are moving to.

Figure 6: Labor Demand in Viet Nam

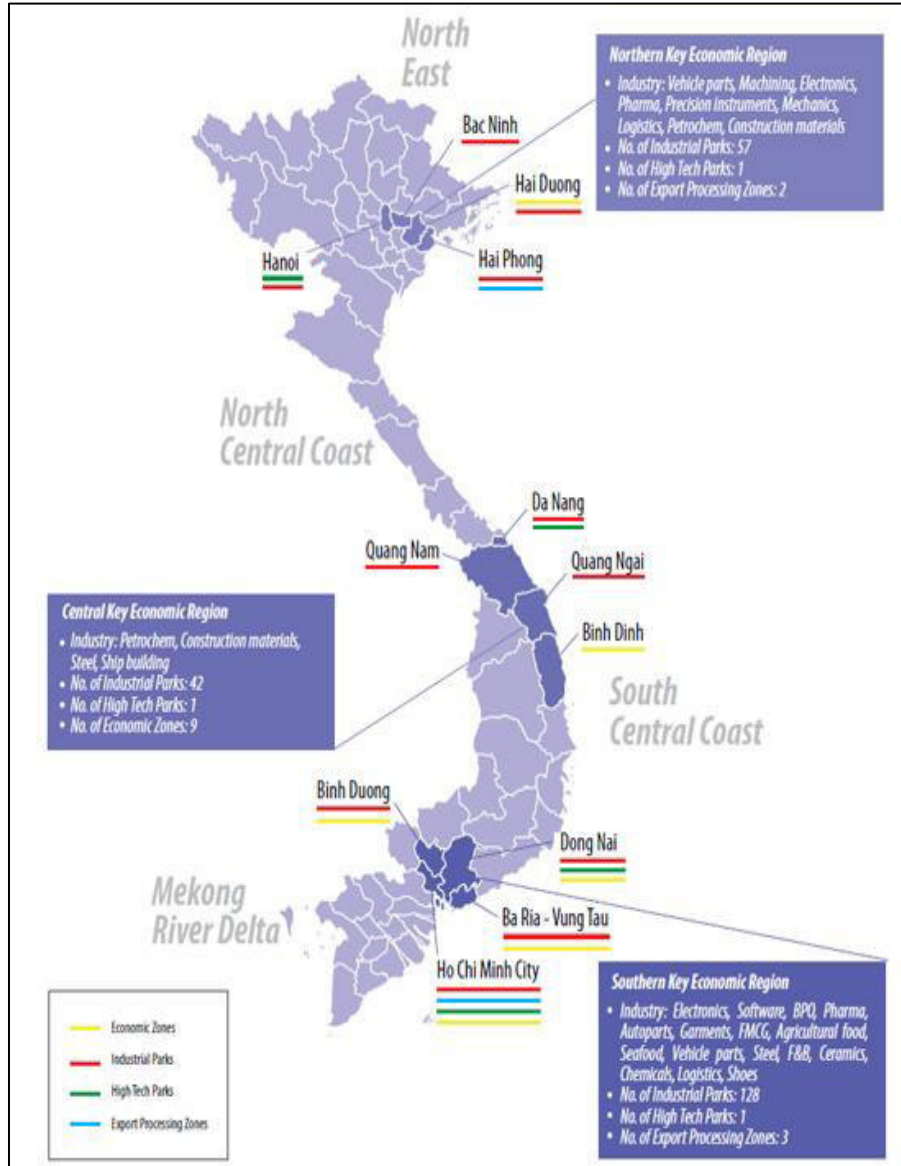
Goals. Hanoi. http://www.vn.undp.org/content/dam/vietnam/docs/Publications/Bao%20cao%20TIENG%20ANH%20-%20MDG%202015_trinh%20TTCP.pdf.

²⁴² ActionAid International Viet Nam. 2014. Access to Social Protection of Migrant Workers: Policy Brief. Hanoi, http://www.actionaid.org/sites/files/actionaid/policy_brief_english_version_final_0.pdf.

²⁴³ Based on the average increase in the labor force from 2000 to 2013.

²⁴⁴ <http://www.vietnam-briefing.com/news/foreign-companies-report-labor-skills-shortage-vietnam.html>

²⁴⁵ World Bank. 2014. Survey of Employers in Hanoi and Ho Chi Minh City. *World Bank Viet Nam Development Report*.



Source: <http://www.vietnam-briefing.com/news/choosing-sourcing-partner-vietnam.html/>

C. Gender Assessment

1. National Gender Issues, Gender Policy and Implementation

61. Viet Nam has made considerable advances in relation to human development, gender equality, and poverty reduction. Compared to other countries in the region, Viet Nam has a relatively good gender equity performance. As can be seen in Table 31 Viet Nam has performed well on gender equality, as measured by the GII.^{246,247} With a GII value of 0.308²⁴⁸, Viet Nam

²⁴⁶ Footnote 13.

²⁴⁷ The GII in the global UNDP *Human Development Report* measures inequality in achievement between women and men in three dimensions: reproductive health, empowerment, and labor market participation.

ranked No. 60 among 155 countries in 2014. These positive results stem partly from specific measures to promote gender equality, which were included in the government's development goals and then incorporated into its *Socio-Economic Development Plan (SEDP)*, 2006-2010. Viet Nam's national *Law on Gender Equality (LGE)* and on *Domestic Violence Prevention and Control*, as well as the *National Program on Gender Equality (NPGE)*, were endorsed in 2006, 2007, and 2011, respectively. A new draft *National Strategy on Gender Equality (NSGE)*, 2011-2020 aims to improve the implementation of these laws.²⁴⁹ Viet Nam has also ratified the *Universal Declaration of Human Rights* and the *Convention on the Elimination of Discrimination against Women (CEDAW)*. The 1992 Constitution and the 2013 Amended Constitution guarantee women equal rights in all spheres, including the family, and bans discrimination against women.²⁵⁰

Table 31: Indicators of Performance of Vietnamese Women Compared to Selected Countries

	GII		Maternal Mortality Ratio (deaths per 100,000 live births)	Adolescent Birth Rate (births per 1,000 women ages 15–19)	Share of Seats in Parliament (% held by women)	Population with at least some Secondary Education (% ages 25 and older)		Labor Force Participation Rate (% ages 15 and older)	
	Value	Rank				Female	Male	Female	Male
Country	2014	2014	2013	2010/2015	2014	2005–2014	2005–2014	2013	2013
Korea	0.125	23	27	2.2	16.3	77.0	89.1	50.1	72.1
Malaysia	0.209	42	29	5.7	14.2	65.1	71.3	44.4	75.5
China	0.191	40	32	8.6	23.6	58.7	71.9	63.9	78.3
Thailand	0.380	76	26	41.0	6.1	35.7	40.8	64.3	80.7
Indonesia	0.494	110	190	48.3	17.1	39.9	49.2	51.4	84.2
Philippines	0.420	89	120	46.8	27.1	65.9	63.7	51.1	79.7
Viet Nam	0.308	60	49	29.0	24.3	59.4	71.2	73.0	82.2
India	0.563	130	190	32.8	12.2	27.0	56.6	27.0	79.9
Laos	65.0	25.0	22.9	37.0	76.3	79.1
Medium human development countries	0.506	—	168	43.4	18.8	34.8	55.3	37.5	79.8
World	0.449	—	210	47.4	21.8	54.5	65.4	50.3	76.7

Source: UNDP and VASS. 2016.

62. However, significant challenges still remain, such as low levels of women's participation in public decision-making at local, regional, and national levels; a highly gender segregated labor market where women are paid less than men; increased domestic violence against women; an increasing spread of HIV/AIDS among women; rising male sex ratios at birth (SRB); and weak implementation of gender equity laws and policies at all levels with little consequence for failure to meet the stated targets.²⁵¹ These challenges reflect a deep-rooted socio-cultural bias against females, particularly in rural areas. Such gender discrimination favors boys over girls, undervalues girls' education and economic potential, places the burden of unpaid housework and child care disproportionately on women and girls, and increases the

²⁴⁸ A lower value reflects lower gender inequality.

²⁴⁹ Footnote 4.

²⁵⁰ Footnote 2.

²⁵¹ Footnote 4.

vulnerability of females to exploitation. In addition, women are forced out of public service at 55 years compared to 60 years for men, as a result of mandatory retirement laws. This deprives Viet Nam of its most senior and experienced female leaders at the peak of their careers and reduces the likelihood of promotion and training opportunities as women advance in age. Leadership statistics show that only 5% of the presidents of large companies and just under 10% of the vice presidents are women.²⁵² The fact that some Vietnamese women and men are resistant to women taking up leadership roles reflects the strength of traditional gender norms and attitudes held by both sexes.²⁵³

63. Public decision-making and politics. Despite having one of the highest percentages of women in the National Assembly among neighboring countries (Table 31), the share of women in the National Assembly declined between 2000 and 2015.²⁵⁴ Viet Nam's National Assembly has just two female ministers out of 22 ministers, and women are leaders in only two of the nine government departments. Women's participation rates in government councils are 24% at the provincial level, 23% at the district level, and 20% at the commune level, and the number of women in leadership positions remains very low. Men dominate the civil service, especially the ministries of defense and security, law, justice, economics, foreign affairs, and finance, where they hold 85–92% of the positions. The ministries of culture, education, social affairs, technology, and environment have higher percentages of female employees, ranging from 28% to 37% of the positions. Barriers to women's public participation include unequal burdens of household and reproductive responsibility, traditional values and attitudes related to women's roles, official rules and regulations that are gender-biased, and unequal opportunities for training and capacity development.²⁵⁵

64. Labor force participation. Viet Nam's labor force is generally young and unskilled: just over 48% of the labor force is in the age group 20-39 years, and only 16% of the labor force has received technical training. The percentage of women employed as unskilled workers is 68% compared with 57% for men.²⁵⁶ Men tend to be more educated or skilled; 20% of economically active men compared to 15% of economically active women have undertaken vocational training, and around 5% of men compared to 4% of women have graduated from university.²⁵⁷ Women work mostly in agriculture (50%), followed by services (33%), then industry (17%), where they are commonly employed on an informal or casual basis as a cheap and flexible labor source. In addition, around 54% of female workers are unpaid family workers, often working long hours in informal household businesses with few written contracts and little access to public services, training, or promotion. On average, women earn 25% less than men for the same type of work, with gaps decreasing with level of education and training completed and the type of education and employment received. A combination of low education levels, limited access to skills training, lack of access to credit and financial services, and gender segregation in the labor market hinder women's ability to get better jobs and improve their incomes.²⁵⁸

²⁵² Footnote 2.

²⁵³ <http://www.unwomen.org/~media/field%20office%20eseasia/docs/publications/2015/11/vietnam-brochure-english-r2s.pdf?v=1&d=20151106T075114>

²⁵⁴ Footnote 24.

²⁵⁵ Footnote 5.

²⁵⁶ Footnote 4.

²⁵⁷ Footnote 5.

²⁵⁸ Footnote 5.

65. **Gender-based violence.** Domestic violence against women is pervasive in Viet Nam. A comprehensive study conducted by the United Nations Population Fund (UNFPA) and the Viet Nam's Women Union (VWU) in 2010 found that among nearly 5,000 women between the ages of 18 and 60, 58% had experienced some form of violence at the hands of an intimate partner at some time in their lives. Since the *Domestic Violence Law* came into force in 2008, at least two studies have found that the rate of physical violence has not decreased, both the beneficiaries of the law and those responsible for enforcing it know little about it, and few women are willing to come forward and confront their abusers. Furthermore, almost 66% of women interviewed think it acceptable for men to beat women because of entrenched gender norms, which consider women subservient to men. Viet Nam's support systems for abuse survivors are very limited, almost always temporary, and often lack any mental health component to help survivors and their families cope with trauma.²⁵⁹

66. **HIV/AIDS.** Prevalence of HIV varies considerably by age, sex, sexual orientation or gender identity, occupational group, and location. High-risk groups are people who inject drugs, sex workers, and men who have sex with men. In Viet Nam, the 20-39 age group accounts for 80% of total cases.²⁶⁰ Although HIV infection primarily occurs among Vietnamese men (just over 73 in 2009), the proportion of infected women has increased. Currently, an estimated 243,000 people in Viet Nam are living with HIV/AIDS, of whom 25% are women.²⁶¹ Some women are infected through injecting drugs and/or sex work, but significant numbers are contracting the disease through sex with infected partners or husbands. Emerging evidence indicates the link between gender-based violence, unprotected sex, and HIV infection. Sexual violence against girls and women, including within marriage, places women at a higher risk of HIV infection, not only because forced sex is almost always unprotected sex, but also because violent sex can result in abrasions which facilitate HIV transmission. Moreover, physical and emotional abuse, or fear of it, undermines women's ability to negotiate safer sex with their regular partners. Furthermore, cultural norms about gender and sexuality have given rise to stigma and discrimination within the community against groups most at risk, making it harder for those who become infected to seek information or services for prevention or care and treatment.²⁶²

67. **Sex ratio at birth (SRB).** Traditional gender norms, including strong son preference in Viet Nam, combined with access to sex selective technologies to help with prenatal sex identification and selection, have resulted in Viet Nam having one of the fastest rising global disparities in SRB. The ratio was in the normal range of 105–106 in 1979 and 1989. However, since around 2005, it has risen rapidly, reaching nearly 114 in 2013, placing Viet Nam along with India and China among the countries with the highest SRBs.²⁶³ The UNFPA predicts a 10% surplus of men in 2035, which is likely to result in increased demand for sex work, marriage migration, and trafficking of women and girls.²⁶⁴ Disadvantaged groups especially vulnerable to exploitation in such trades, currently and in the future, include female domestic migrants and females with lower levels of education.

68. **Formal and non-formal education.** While Viet Nam has good gender parity in

²⁵⁹ Footnote 4.

²⁶⁰ Footnote 4.

²⁶¹ Footnote 5.

²⁶² Footnote 4.

²⁶³ Footnote 24.

²⁶⁴ Footnote 4.

education, gender disparities persist in educational outcomes in rural and mountainous areas of the Northwest region, which has the highest levels of poverty. Key gender concerns include the distance to schools, language of instruction, persistent gender stereotypes and the lack of gender-sensitive and locally relevant curricula, teaching methods, and qualified teachers. In addition, there is a mismatch between vocational education training, especially for women, and labor market demands. Gender gaps in basic literacy and in technical and vocational education and training (TVET) highlight that working women face major disadvantages relative to working men in today's labor market.²⁶⁵

69. Key issues at the tertiary level include gender imbalances in academic staff and types of study. There are no female heads of academic institutes, only 20% of appointed professors and associate professors are women, and women earn about half of their male colleagues. Although women in Viet Nam hold half of the Bachelor's degrees, only 11% of those with a Doctorate or a Master's degree are women. Furthermore, 29% of men, compared to 11% of women, enrolled in tertiary degrees focused on engineering, manufacturing, and construction while 41% of women, compared to 26% of men, specialized in social sciences/humanities, business, and law.²⁶⁶

70. In terms of career support in the field of science, a recent study on Vietnamese grantees, funded by the International Foundation for Science (IFS), found the following differences between men and women scientists: (i) priorities for women scientists compared to men included (a) support to publish scientific articles (65% vs. 47%); (ii) special support programs for women scientists (61% vs. 12%); (iii) support to attend scientific conferences (57% vs. 69%), (iv) provision of access to up-to-date scientific journal articles (52% vs. 67%); (v) support for attendance at scientific workshops (43% vs. 51%); (vi) support to visit a foreign research institution (39% vs. 67%); and (vii) support to organize regional networks of scientists (39% vs. 24%). The study concluded that female IFS grantees earned less income from their scientific work, had less research funding, spent less time abroad in training, published less, and were not promoted as often as men. This is not a reflection of women's talent but rather of a scientific and socio-cultural system that does not take full advantage of the capacity of women scientists.²⁶⁷ Because science and technology is a key potential growth area for Viet Nam, to increase competitiveness regionally and globally, changing discriminatory attitudes to close gender gaps in this arena is necessary to maximize contributions from both sexes.

71. **Gender equality national mechanisms.** A Gender Equality Department (GED) was established in MOLISA) in 2008 to drive gender equality efforts, implement Viet Nam's gender equality laws, the NSGE and NPGE, and report on CEDAW. A UN-GOV Joint Program on gender equality also serves as an important mechanism to help coordinate government and donor activity in support of gender equality and a network of non-government organizations (NGOs) work in research, training, and advocacy, which feeds into policy discussions. However, policy implementation has been slow. A coherent, well-funded effort to achieve the admirable goals, both implicit and explicit in the legislation, is still lacking as is government-wide capacity to better understand gender issues and develop and implement appropriate policy.²⁶⁸

²⁶⁵ Footnote 5.

²⁶⁶ Footnote 4.

²⁶⁷ Footnote 4.

²⁶⁸ Footnote 2.

72. Key social protection strategies and policy frameworks are also in place, including the new *National Targeted Program on Poverty Reduction, Resolution No 80/NQ-CP on Sustainable Poverty Reduction (2011-2020)* and a new *Master Plan on Social Protection*. Together, these have considerable potential to promote more gender-sensitive social protection interventions. In addition, Viet Nam endorsed the *Disability Law* in 2010, ratified the *UN Convention on the Rights of Persons with Disabilities (UNCRPD)* in 2014, is currently revising the *2004 Law on Protection, Care and Education of Children*, and has various decrees and inter-ministerial circulars that support inclusive education.²⁶⁹

73. However, Viet Nam's national social protection system, at best, plays a limited role in addressing gendered risks and vulnerabilities, and there is an urgent need to strengthen the social protection framework.²⁷⁰

2. Project Gender Issues

74. **Gender parity in education.** Table 32 indicates that the percentage of female students enrolled in pre-primary, primary, LS, US, and tertiary (college and university) levels over the past five school years has come close to parity and, in some cases, reversed it, while remaining fairly constant over this period. The fact that there are more females than males enrolled in USE, even though there were fewer females in the USS age population, attests to the success of equity measures such as scholarships and subsidies, especially for girls from poorer families. In addition, female students tend to outperform male students in international and national student assessments, especially in reading.²⁷¹

Table 32: Student Enrolment, by Gender and by School Level, SY2008/09 to SY2014/15

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Pre-primary	3,305,391	3,409,823	3,599,663	3,873,445	4,148,356	4,227,047	4,416,852
Female	1,575,532 47.7%	1,616,035 47.4%	1,664,888 46.3%	1,805,223 46.6%	1,890,522 45.6%	1,980,343 46.8%	2,060,135 46.6%
Primary	6,745,016	6,922,624	7,048,493	7,100,950	7,202,767	7,435,600	7,543,632
Female	3,233,049 47.9%	3,271,858 47.3%	3,337,266 47.3%	3,447,654 48.6%	3,438,338 47.7%	3,688,413 49.6%	3,611,152 47.9%
LSE	5,515,123	5,214,045	4,968,302	4,926,401	4,869,839	4,932,390	5,098,830
Female	2,636,448 47.8%	2,598,267 49.8%	2,395,682 48.2%	2,388,172 48.5%	2,363,611 48.5%	2,401,840 48.7%	2,489,545 48.8%
USE	2,951,889	2,886,090	2,835,025	2,755,210	2,675,320	2,532,696	2,439,919
Female	1,553,464 52.6%	1,521,326 52.7%	1,492,238 52.6%	1,466,155 53.2%	1,417,899 53.0%	1,339,558 52.9%	1,296,153 53.1%
Tertiary	1,719,499	1,935,739	2,162,106	2,204,313	2,171,399	2,061,641	2,363,942
Female	846,876 49.3%	965,733 49.9%	1,079,440 49.9%	1,092,433 49.6%	1,082,805 49.9%	NA	NA

Sources: MOET. 2015. *Education Statistics, 2014-2015*. Hanoi; MOET. 2012. *Education Statistics, 1999-2010*. Hanoi.

75. **Increased NERs for girls.** Table 33 shows that the NER in all levels of general

²⁶⁹ UNICEF Viet Nam. 2015. *Readiness for Education of Children with Disabilities in Eight Provinces in Viet Nam*. Hanoi.

²⁷⁰ Footnote 4.

²⁷¹ ADB. 2015. *Education Sector Assessment*. (draft)

education improved between 2006 and 2012 for both girls and boys, but the increase at all levels was greater for females. However, in rural parts of the Northern Midlands and Mountains region, the NER for females was 1.9 percentage points lower than for males at the primary level and 2% lower at the LS level in 2013. Issues related to poverty and membership in an ethnic minority group may inhibit ethnic minority females from attending school. This difference is not apparent at the US level, probably because poor and ethnic minority children from both sexes are equally less represented.²⁷²

Table 33: NER, by Gender, Viet Nam Secondary Schools

	Primary			Lower Secondary			Upper Secondary		
	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls
2006	89.3	89.3	89.2	78.8	78.3	79.2	53.9	51.5	56.4
2008	88.3	88.7	87.9	78.4	77.3	79.5	54.2	50.3	58.5
2010	91.9	92.3	91.5	81.3	80.1	82.6	58.2	53.7	63.1
2012	92.4	92.2	92.7	83.9	82.7	85.2	62.5	58.8	66.5
% Change, 2006-2012	3.1	2.9	3.5	5.1	4.4	6.0	8.6	7.3	10.1

76. **Ratio of female to male teachers.** Most general education teachers are female, particularly at the primary and LSE levels, revealing a gender gap against males (Table 34). There has also been a recent increase of female instructors in higher education, with female numbers close to parity at this level. However, although overall, the majority of teachers are women, the percentage of female school, institution, provincial, and MOET staff in senior roles is not equivalent. Males are more highly represented as principals, vice principals, and other management officials.²⁷³

Table 34: Number of Secondary Teachers, by Gender

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
LSE	312,759	313,911	313,911	312,710	311,970	315,405	315,593	312,587
Female teachers	210,774 67.4%	210,997 67.2%	216,961 69.1%	211,035 67.5%	213,072 68.3%	212,184 67.3%	214,030 67.8%	213,625 68.3%
USE	134,246	142,432	142,432	146,789	150,133	150,915	152,689	152,007
Female teachers	75,004 55.9%	80,479 56.5%	90,488 63.5%	87,345 59.5%	92,004 61.3%	91,418 60.6%	93,932 61.5%	95,900 63.1%

Source: MOET. 2015. *Education Statistics, 2014-2015*. Hanoi.

77. **Gender disparities in curriculum.** There are concerns about the extent to which the education curriculum equips girls and boys to take advantage of new opportunities and aspire to achievements beyond those dictated by traditional gender stereotypes. This is especially so in the science, mathematics, and technology arenas, which promote critical thinking and problem solving skills and attract more boys than girls. Furthermore, boys perform better than girls in mathematics, where girls and socioeconomically disadvantaged students tend to lack confidence and show more anxiety about failing in these subjects. To a large extent, students' dispositions and self-beliefs are influenced by their peers, but the teaching practices and the material, which teachers present to students, can also influence students' drive, motivation, and self-belief. Shrinking the gender gap in science and mathematics requires concerted efforts

²⁷² Footnote 76.

²⁷³ Footnote 76.

by teachers, parents, and students themselves at school and at home to change stereotyped notions of what boys and girls excel at, what they enjoy doing, and what they believe they can achieve, especially when planning their careers.²⁷⁴ For less academically inclined female and male students, disadvantaged youth (such as children with disabilities and domestic migrants) and school age youth who pursue vocational training, the curriculum content needs to be free of gender stereotypes, ethnicity and disability-sensitive, oriented to life skills, and relevant to the careers girls and boys choose.

78. **Gender issues among domestic migrant youth.** Because labor markets in urban and industrialized zones mostly favor female workers as a cheaper and more flexible source of labor than males, young women in Viet Nam are more likely to migrate than young men. Moreover, they do so, on average, at a year younger than their male counterparts.²⁷⁵ Further research among school age domestic migrant females and males is necessary to estimate the numbers of such youth who are accessing, or likely to access, formal or non-formal education and to highlight specific constraints to each sex in doing so; however, scant reliable data are currently available. Nationwide newspapers indicate a level of unmet educational need among domestic migrant youth, particularly in HCMC and Hanoi. At the start of SY2015/2106, HCMC had 85,000 new students entering school at various levels, with children of domestic migrant workers accounting for more than half this number.²⁷⁶

79. A key constraint to both female and male domestic migrant youth accessing education is Viet Nam's *Migration Law*, which also serves to limit migration and access to basic social services. Based on the Chinese *ho kau* system, this antiquated law requires citizens to live where they are registered or ask the government's permission to relocate. Citizens normally need to purchase housing, work, receive vocational training, register births, enroll in school, and access health care and social services within their area of registration.²⁷⁷ This means that migrating parents, who have not been able to register a permanent place of residence in their destination city, are not eligible to enroll their children in public schools. While some private secondary schools exist, Vietnamese parents prefer to enroll their children in public schools because they are less expensive.²⁷⁸ Thus, other constraints include the cost of fees to enable non-resident children to attend local schools and a lack of access to services, such as health care, which may affect schooling; lack of assimilation and stigmatization, especially for ethnic minority migrants; the need to contribute to the family income or to care for siblings when migrant parents go to work; and an attitude that migration is not compatible with education because family migration often marks the end of a child going to school. In addition, the overwhelming number of migrants in urban areas has led to a backlash, resulting in a law being passed in 2012 to slash the population of Hanoi by one million people within the next five years.²⁷⁹

80. Reforming the *Migration Law* so that children's rights to education and other social services are not jeopardized is both unlikely in the short term and outside the scope of the

²⁷⁴ Cammaert, R. 2014. Loan No. 2582/2583-VIE (SF): Secondary Education Sector Development Program. Policy Implications for Viet Nam from the Results of Programme of International Student Assessment (PISA) 2012.

²⁷⁵ UNFPA. 2011(as cited in Jones, N., E. Presler-Marshall, et al., 2014). *Falling between the Cracks: How Poverty and Migration are Resulting in Inadequate Care for Children Living in Viet Nam's Mekong Delta*. Overseas Development Institute. London,

²⁷⁶ Draft Midterm Review, 2015.

²⁷⁷ Le et al. 2011, as cited in Jones et al. 2014.

²⁷⁸ Footnote 81.

²⁷⁹ Jones, N., E. Presler-Marshall, et al. 2014.

program, although discussion between MOET and Ministry of Public Security (Immigration Department) to recognize migrants as a fundamental building block of Viet Nam's economic and social development, and by extension tomorrow's economy, could set revisions in motion in the future.²⁸⁰ In the meantime, the program's main aim in targeting domestic migrant youth will be to make schooling more relevant to the lives of those girls and boys who manage to enroll in secondary school. However, where possible, education staff will encourage more domestic migrant families with children eligible for enrolment, but not yet enrolled, to prioritize learning over earning.

81. Gender issues among children with disabilities. According to the 2009 *Viet Nam Household Living Survey*, about 9% of the school age population live with one or more disability in vision, hearing, mobility, or cognition. However, the UNESCO Institute for Statistics found that 90% of Vietnamese children with disabilities do not attend school at all. This amounts to a huge loss of potential labor in selected fields, where the disabled might contribute their unique talents. The prevalence of disability in Viet Nam is slightly higher among girls/women, at 8.4%, compared with 7% for boys/men five years or older. Regional data from the North and South Central Coasts showed the highest prevalence and most severe cases of disability (10%). This is followed by the Red River Delta (8%) and the Northern Midland and Mountains region (8%). The Southern region showed the lowest rate.²⁸¹

82. Vietnamese girls and boys with disabilities may be denied an education at pre-school, primary school, and secondary school, or receive a poor-quality education (including informal education). This problem is confirmed by consistently low rates of enrolment and/or high dropout and repetition rates, and consequently, low levels of education. Children with disabilities sometimes have to repeat grade 1 up to eight times, by which time they are 14 years old and schooling is no longer compulsory. The result is that these children make little progress.²⁸²

83. Both female and male children with special needs face stigma, prejudice, ignorance and a lack of training and capacity building.²⁸³ Unfortunately, the majority of parents of disabled children lack awareness of their child's rights, including their right to an education.²⁸⁴ Children with disabilities, especially girls, are also disproportionately vulnerable to violence, exploitation, and abuse. Cultural, legal, and institutional barriers render girls and young women with disabilities the victims of two-fold discrimination: as a consequence of both their gender and their disability.²⁸⁵ Furthermore, for disabled girls who interact with medical professionals and social support services staff, a related challenge may occur. Many health practitioners, though well-intentioned, reproduce patterns of gendered discrimination, such as having lower expectations for disabled girls' educational attainment and steering girls to stereotypical female employment and female roles. Females, thus, confront major obstacles, not only in relation to overcoming disabling environments, but also in achieving equal outcomes in terms of education, economic independence and mobility, compared to males who are similarly disabled.²⁸⁶ Such problems will not be resolved by working with girls and women alone. Discrete projects developed for disabled girls should be complemented by a range of projects targeting other key

²⁸⁰ UN Vietnam. 2010, as cited in Jones et al. 2014.

²⁸¹ Footnote 4.

²⁸² Handicap International. 2012. *Policy Paper: Inclusive Education*. Technical Resources Division.

²⁸³ UNICEF. 2013. *Children and Young People with Disabilities. Fact Sheet*. New York.

²⁸⁴ Footnote 81.

²⁸⁵ UNICEF. 2013.

²⁸⁶ Footnote 4.

beneficiaries at different levels, notably disabled boys, non-disabled children, mothers, fathers, families, teachers, adults with disabilities, and local community groups.²⁸⁷

84. Because the Ministry of Health (MOH) and MOLISA already have classification systems and screening tools in place to define different types of disabilities, the program will use information from these ministries, link with available support services, engage with families of disabled children, and focus on how to adapt current school resources, curriculum and facilities to meet the specialized needs of disabled girls and boys.

D. Summary of Key Constraints

85. The PPTA findings indicate that disadvantaged youth (including domestic migrant youth, children with disabilities, girls, and youth from an ethnic minority) face a combination of challenges in accessing secondary and continuing education. Key constraints shared by girls and boys include isolation, stigma, and lack of assimilation; persistent gender stereotypes; distance to schools; language of instruction; and poverty coupled with the lack of gender-sensitive and locally relevant curricula, teaching methods, and qualified female teachers. Female and male school age domestic migrant youth are additionally hindered by Viet Nam's *Migration Law* and the need to earn an income. In addition, disabled children are particularly ostracized for being handicapped, disadvantaged by parental/community ignorance, and hindered by a lack of enabling infrastructure. Disabled girls are especially disadvantaged by both their disability and by prejudicial gender norms that undermine equal opportunities to educational achievement.

E. Lessons Learned from Other Projects and Programs in the Area

86. The general outcome of earlier in-country education interventions has been to reduce disparities in socioeconomic development between regions and ethnic groups by promoting broader access to skilled jobs and social support, thereby reducing poverty and vulnerability. SESDP I assisted MOET to develop the basic policy framework for the assessment of the quality of schools, teachers, and attainments. A key lesson from this program is that the capacity of the provincial Department of Education and Training (DOETs) needs to be strengthened to bring about reform actions and ensure the sustainability of the improved services. In particular, education staff at the provincial, district, school, and commune levels, need further gender and ethnic-sensitivity training to help change discriminatory attitudes and integrate gender into their daily routines and behavior.²⁸⁸

87. A second lesson is that gender-disaggregated targets should continue to be utilized in project results frameworks to monitor gender gaps and measure progress in achievement and access so that gender equality and inclusive education outcomes can be achieved. It is important for PMU staff to closely monitor the success of the program using the design and monitoring framework (DMF) and to request any modifications to it that correspond with agreed changes in scope of the program.²⁸⁹

88. A third lesson is that program-driven and program-based activities have not been fully

²⁸⁷ Footnote 4.

²⁸⁸ ADB. 2014. *Concept Paper for the Proposed Loan and Technical Assistance Grant Viet Nam: Second Secondary Education Sector Development Program*. Manila.

²⁸⁹ R. Cammaert. March 2014.

successful in eliminating persistent weaknesses in equity, quality, systemic accountability, and institutional capacity. Educational reform requires strong government ownership and commitment in terms of implementing the policy changes required and providing inputs to support the reform. Also required is the cooperation of the program's beneficiaries,²⁹⁰ especially when targeting children with disabilities and domestic migrant youth, who have been stigmatized and ostracized by negative community attitudes. Community awareness campaigns showing success stories of disabled girls and boys and domestic migrant females and males, can be effective ways of changing discriminatory attitudes and practices. Linking with support services, NGOs supporting children with special needs and domestic migrant youth, and other ministries (especially MOLISA and MOH) will also be crucial in meeting inclusive education goals, including equity of access and gender equality results.

F. The Second Secondary Education Sector Development Program

1. Description of the Program

89. The importance of formal and continuing (non-formal) education to drive economic growth and decrease poverty has been repeatedly highlighted in the government's plans and policy statements. Viet Nam's education sector is currently not providing enough school leavers with the competencies required for economic growth. Furthermore, currently about 14% of LS and 35% of US age students are not attending school. This situation results in a significant number of female and male students who are unprepared for the domestic labor market.²⁹¹ Preliminary discussions in 2014 between the MOET, ADB, and other stakeholders identified four main contributing factors to this shortfall: (i) low quality of graduates and school leavers; (ii) insufficient access; (iii) inequality of quality and access; and (iv) weaknesses in sector management and governance.²⁹²

90. In mid-2015, the preparation SESDP II commenced to build on the achievements of the first SESDP), approved on 25 November 2009 for \$60 million equivalent and declared effective on 3 May 2010. SESDP's outcome was the improved quality and equity of the secondary education system by 2015 through three major outputs designed to address the key constraints to secondary education: (i) effective and accountable management of secondary education; (ii) improvements in quality for international competitiveness; and (iii) better access and equity for disadvantaged groups. Following on from this, SESDP II aims to further upgrade the quality of, and access to, secondary education so that female and male graduates can better contribute to the industrialization and modernization of Viet Nam while benefiting from social equity and lifelong learning.

91. To help achieve its goal, three outputs with corresponding activities have been identified for SESDP II: Output 1: Quality and relevance of secondary education improved; Output 2: Equity of access to secondary education enhanced; and Output 3: Educational governance and management strengthened. In particular, SESDP II plans to address key subsector challenges in secondary education, which have not been fully addressed to date, with the aim of producing more secondary school graduates with higher achievement (especially in science and technology areas) attending post-secondary education and training institutes. The program will target selected disadvantaged groups, particularly children with disabilities, and carry out

²⁹⁰ Footnote 94.

²⁹¹ Footnote 81.

²⁹² Footnote 93.

studies to better understand and target out-of-school domestic migrant youth. While gender inequalities exist among ethnic minority youth of school age, these children are not the primary target group, since a number of ADB education programs and other donor projects and government initiatives have previously supported ethnic minority students.

92. **Potential constraints and risks.** These include: (i) government commitment to inclusive social development and economic growth through equitable human resource development may not be sustained; (ii) universal secondary education might not continue to be a priority in the education sector; and (iii) sufficient MOET funding might not continue to be allocated for secondary education and continuing education. In order to sustain and reinforce government commitment to promoting equity of access to, and quality of, secondary education, the project will maintain close policy dialogues with, and raise awareness of, MOET and relevant stakeholders.

93. **Beneficiaries.** SESDP II beneficiaries include: (i) secondary students, especially disadvantaged students; (ii) teachers at LSSs and USSs; and (iii) education policymakers, administrators, and managers. The main potential beneficiaries from the disadvantaged groups will be education personnel and out-of-school or potential dropout secondary school age students, including students with disability and out-of-school domestic migrant youth.

94. **Impact channels.** Output 1 (quality and relevance of secondary education improved) will lead to enhanced quality of teachers and curriculum, lower dropout rates, and, thus, improved retention of those from vulnerable groups. Output 2 (equity of access to secondary education enhanced) targets two specific disadvantaged groups: domestic migrant youth and children with disabilities, leading to: (i) a better understanding of the constraints faced by migrant youth and thus to, potentially suitable strategies for them to continue their education; and (ii) better in-school provision for students with disabilities and, thus, better net enrolment, retention, and achievement of youth with these kinds of disabilities. Output 3 (educational governance and management strengthened) will lead to more autonomous decision making as well as improved management skills and educational service delivery at decentralized levels to meet local educational needs, especially concerning disadvantaged students.

95. **Design features.** The design addresses cross-cutting issues throughout SESDP II with special foci on domestic migrant youth in six selected urban areas and children with disabilities in all provinces. Since there is scant information about out-of-school domestic migrant youth, activities for sub-output 2a involve a study to collect and analyze both qualitative and quantitative data for this group, disaggregated by sex, to inform how best to retain or enroll migrant youth in school. Activities under sub-output 2b address students with disability by strengthening the capacity of educational institutions to cater to these special needs. It should be noted that neither domestic migrant youth nor children with disability are necessarily poor. Their limited access to school might be predominantly related to structural barriers. For example, for domestic migrant youth, the lack of necessary documentation could constrain enrolment in urban schools; for children with disabilities, the lack of appropriate resources (including human) may not cater to their needs, or negative perceptions of those with disabilities might hinder attendance. Such issues will be taken into consideration during program implementation.

2. Proposed Gender Action Plan and Implementation Arrangements

96. **Key actions.** To help achieve the SESDP II's goal of making quality secondary

schooling more sustainable, inclusive, and equitable for females and males alike, Output 2 is specifically designed to assist domestic migrant youth and children with disabilities to enter and remain in school. The interventions will address the following issues: (i) access and affordability; (ii) the lack of gender-responsive, disability-sensitive, and locally relevant curricula, teaching methods and attitudes; (iii) the limited capacity of female and male teachers, especially in teaching disabled youth; (iv) the lack of understanding by parents and communities of the benefits of educating girls, disabled children and domestic migrant youth; and (v) the limited capacity of staff at all levels to integrate gender sensitivity into policies, procedures, and daily work routines. Annex 1 provides guidelines for ensuring that all the materials developed for the project are gender-sensitive and promote positive images of both males and females. The SESDP II Gender Action Plan (GAP) (Table 11) and gender-responsive indicators used to monitor and evaluate program activities, will enhance gender mainstreaming efforts to promote equality of educational outcomes.

Table 35: SESDP II Gender Action Plan

<p>Output 1: Quality and relevance of secondary education improved</p> <p>Policy: All new policies issued (model resource secondary school; standards of professional titles and ranks and grades of teachers; development of the science, technology, engineering and mathematics (STEM); and new Vocational Knowledge and Cognitive Skills Development Program) are gender responsive²⁹³</p> <p>Project:</p> <ul style="list-style-type: none"> (i) equal numbers of females and males attend major workshops (ii) instructional materials are free of gender, ethnic and disability bias (iii) at least 30% of Management staff for training is female (iv) major studies, surveys, and reports include data disaggregated by sex, further by ethnicity and where appropriate disability (with reference to MOH/MOLISA disability identification criteria); (v) community discussions involve both male and female stakeholders and any changes in administrative practices respond to the needs and constraints of females and males (vi) materials on implementation of teacher and principal professional standards uploaded on the MOET website are free of gender bias and accessible to all education staff (vii) training to promote STEM implementation includes ways to encourage more female students to study science and technology subjects (viii) data collection on STEM implementation at nominated schools captures the needs, constraints and aspirations of both female and male students (ix) strategies are used which actively encourage female participation in science research and competitions at provincial/national level (x) all selected beneficiary schools have a gender balance of teachers and students (xi) the Vocational Knowledge and Cognitive Skills Development Program is geared to match the different needs and interests of female and male students (xii) there is no gender bias in career sector selection and essential skill categories needed for various careers (xiii) of the 65,000 secondary students who received market related vocational and career orientation at least 50% of beneficiary students are female
<p>Output 2: Equity of access to secondary education enhanced</p> <p>Policy: New policies to promote the more equitable universal education and guiding promotion of more equitable access of students with a disability are issued which are gender responsive.</p> <p>Project:</p>

²⁹³ Examples of a gender responsive approach are: (i) equal numbers of females/males attend training; (ii) equal numbers of females/males are appointed as lead trainers; (iii) training is held at times and places that suit males and females; (iv) separate latrines for females and males are provided at all training venues; (v) language and images in all training materials are gender neutral and free of stereotyping; and (vi) females as well as males have opportunities to respond in question and answer sessions

- (i) data is disaggregated and includes information on: sex, number, ethnic group, age group, leaving provinces, reasons for migration, family conditions, economic condition of households and migrant youth, educational needs and future plans, and activities to encourage and manage migrant youth, leading to recommendations for strategies to encourage more domestic migrant youth and youth with a disability to attend school; address gender constraints; and match the needs of both girls and boys
- (ii) the action plans to improve educational access of domestic migrant youth and youth with disabilities includes gender and ethnicity responsive indicators
- (iii) any awareness raising activities and materials target girls, their parents and communities to (a) increase understanding of the positive benefits of educational investment in girls; (b) publicize life skills curriculum, vocational counselling and guidance, localized school initiatives for drop-out-prevention; and (c) promote student achievement and completion for domestic migrant youth (including ethnic minority youth)
- (iv) there is an increase of 15% female and 20% male in the number of youth with a disability attending LSE or equivalent
- (v) teaching materials based on the new general curriculum for students with disability, are free of gender bias and equally accessible by disabled boys and girls
- (vi) training for school managers, teachers and counselors on integrating education for disabled children is gender, disability and ethnic minority- responsive and equal numbers of female and male teachers and guidance counselors attend the training which includes how to (a) make linkages with social support networks, (b) engage the community and parents, (c) encourage peer acceptance, and (d) use teaching methodologies that increase the number of boys and girls enrolled in LSE

Output 3: Educational governance and management strengthened

Policy: New policies that support the phased introduction of site-based education planning and management at provincial, district, and school and levels guidance on strengthening educational institutions which have conducted external evaluation through accreditation activities are issued which are gender responsive.

Project:

- (i) when conducting the public expenditure and budgeting review ensure that the review includes assessing how funds are earmarked specifically for gender activities.
- (ii) when conducting study on site-based education planning, include case studies from other countries that indicate how to encourage female participation, and ensure that education management planning workshops seeking input from key experts are attended by MOET, DOET, university and education managers, (at least 30% female)
- (iii) for all PISA, TALIS and NAM related activities ensure that: (a) the methods for item development include strategies to ensure items are free of gender and ethnic bias, and the analysis of items includes checking for bias; (b) training for PISA and TALIS includes equal numbers of female and males; and (c) all assessment results are disaggregated by sex, further by ethnicity and where possible disability
- (iv) for all activities related to the development of accountability measures ensure that annual data collection; analysis planning and reporting on student achievement; dropout rates; high school completion rates; perception of teachers, parents, and students; and expenditure of funds are disaggregated by sex, and further by ethnicity and disability
- (v) for all activities related to the development of education quality accreditation ensure that training to develop expertise of accreditors includes at least 40% females

Project Management Activities

- (i) for all project related implementation activities ensure that: (a) all types of training conducted by the program is delivered in a gender responsive way; (b) the development of surveys and questionnaires captures possible different impacts on females and males and the reasons behind these differences; (c) training attendance records are disaggregated by sex and ethnicity; (d) gender specific activities are integrated into all plans; and (e) 50% of male teachers/staff attend gender responsive training
- (ii) for CPMU staff capacity building activities ensure: (a) international and national gender specialists in the consultant services' contract; (b) distribution of the gender action plan and

explanation of project gender policy to all CPMU staff and consultants; (c) there is a training on gender mainstreaming (how to integrate gender into policies, plans and staff work plans) for CPMU staff and consultants; and (d) 30% CPMU staff are female and the staffing gender ratio is documented

BOET=Bureau of Education and Training (District); CPMU=Central Program Management Unit; DOET=Department of Education and Training; LSE=Lower Secondary Education; MOET=Ministry of Education and Training; MOH=Ministry of Health; MOLISA=Ministry of Labour, Invalids and Social Affairs; NAM=National Achievement Monitoring; PISA=Programme of International Student Achievement; STEM=science, technology, engineering and mathematics; TALIS=Teaching and Learning International Survey

3. Program Impact Assessment

97. **Monitoring and evaluation (M&E) mechanisms of program impact.** Progress in the achievement of the goals of the Policy-based Loan(PBL) will be according to government regulations and procedures and will mainly measure the progress in construction and renovation of facilities.

98. **Project DMF.** Project progress, inputs, outputs, outcomes, and impacts will be monitored according to the DMF, which forms the foundation against which project success will be evaluated. Details of the DMF are described in Appendix 1 of the Report and Recommendations to the President (RRP). The DMF for the overall program will be agreed between the ADB and the government. A single DMF will be approved for both the PBL and investment loans. The completed actions of the policy reform and the deliverables of the investment components are outputs. The tranche conditions of the policy component will be reflected as output indicators. While the high-level project design (impact and outcome) are unlikely to change during the course of project implementation, changes are likely to occur at the output and inputs levels of the DMF. The continued relevance of the DMF and specific targets will be monitored as part of project supervision, and the DMF will be updated accordingly when necessary.

99. **Project performance monitoring.** The central project management unit (CPMU) will be responsible for monitoring and reporting on the performance of the project against the indicators and targets contained in the DMF. An M&E consultant will be recruited to support CPMU in order to set up a gender-responsive M&E system for the project with results-based M&E indicators. At the commencement of project implementation, CPMU, with the assistance of project start-up consultants and the M&E consultant, will use baseline information from MOET's existing education information management system (EMIS) to develop a comprehensive project performance management system (PPMS) that will generate data systematically on the inputs and outputs of the components, as well as the indicators to be used to measure project impact, taking into account the scope of the components. The CPMU will: (i) refine the PPMS; (ii) confirm achievable targets; (iii) finalize monitoring, recording, and reporting arrangements; and (iv) establish systems and procedures, not later than six months after loan effectiveness. Data from the EMIS will be supplemented by three surveys to obtain data and information for baseline, mid-term, and final review.

100. For the baseline survey, the CPMU will need to collect data disaggregated by sex, ethnicity, and, where possible, disability and domestic migrants, regarding a number of indicators in the DMF, such as teaching behavior in the classroom; student achievement and confidence levels; student vocational awareness; and student, parent, and community attitudes toward the school. Fortunately, there are data collection tools and surveys already developed by other projects, which can be modified for these purposes. In addition, data for each school for

NER, dropout rates, and attendance rates, disaggregated by sex and ethnicity, will need to be collected. Baseline data will be collected prior to the initial project activity. Data collection will consist of actual visits to a sample of schools to observe teachers and to undertake the distribution and collection of various surveys.

101. With regard to the GAP, the CPMU will recruit gender consultants (3 person-months international and 9 person-months national to provide technical assistance to the CPMU and the provincial project management units (PPMUs) in implementation, M&E, and reporting on the GAP and related DMF targets. PPMUs will appoint gender focal point(s) in each unit to ensure annual planning, implementation, and M&E of GAP as part of project activities. All gender indicators will be included in the project's M&E framework. The budget for GAP implementation will be included in the main project budget.

102. ADB and the government will conduct a mid-term review at the midpoint of project implementation in order to: (i) review project scope, design, and implementation mechanism; (ii) review the performance progress as compared with design targets and milestones; (iii) review the compliance with loan covenants; and (iv) propose necessary adjustments. Results of the mid-term review will be presented and discussed at a Mid-term Workshop participated by representatives of stakeholders, consultants, and ADB. Necessary actions will be decided at the workshop.

103. The CPMU will prepare and submit to the government and ADB quarterly progress reports (QPRs) describing project implementation progress, problems and constraints, and proposed actions and solutions. Project reviews of performance progress, problems and constraints faced, as well as solutions proposed will be jointly made by ADB and the government every six months. CPMU will be responsible for providing information and data disaggregated by sex, ethnicity, and, where possible, disability for these semi-yearly reviews. A Memorandum of Understanding (MOU) containing agreed actions will be signed by the government and ADB following each review.

104. **Compliance monitoring.** Compliance with policy, legal, financial, economic, environmental, social, and other covenants contained in the loan and project agreements will be monitored by CPMU. The latest situation with respect to covenant compliance will be reported by CPMU in each of its semi-annual progress reports to ADB. Compliance will be monitored by ADB through a review of the CPMU progress reports and selective follow-up discussions or more detailed reviews during supervisory missions.

Annex 1**GENDER LENS TO CREATE CURRICULUM AND TEXTBOOKS
FREE OF GENDER BIAS**

- Is the steering committee composed of equal numbers of women and men who are gender sensitive?
- Will the needs assessment equally involve boys and girls so that needs and interests of both are identified?
- Are the subject experts in each subcommittee properly trained in gender sensitization?
- Do the topics and outline of the curriculum & learner materials fulfill the needs of boys and girls?
- Do the topics and outline of the teacher materials meet the needs of female and male teachers?
- Are gender issues taken into consideration in the workshops in which experts agree on the content of the curriculum and materials?
- Are the writers and artists gender sensitive? Is there a gender balance of authors and artists, if available?
- Is the text, language and pictures free of gender bias?
 - Is language gender inclusive?
 - Do the exercises and stories feature girls and boys equally and reflect their life experience?
 - Will boys and girls equally relate to the exercise questions?
 - Do the roles, responsibilities and activities of girls and boys equally reflect empowerment and decision-making?
 - Are the domestic, volunteer and community roles of boys and girls given equal space and value?
 - Are girls and boys depicted in photos and graphics with equal frequency and with equal status?
 - Will equal numbers of boy and girl students be involved in the pilot testing of the curriculum and textbooks?
 - Will the members of the final review committee be gender sensitive? Will men and women both be trained as lead trainers in the use of the new curriculum/materials?
 - Will all female and male teachers of this specific subject be trained to teach the new curriculum in a gender-responsive way?
 - Will the new textbooks be available to all boys and girls?

This Gender Lens was created at a GENIA workshop with Pakistan government and non-government stakeholders in education in 2002.²⁹⁴

²⁹⁴ I. Gray. 2006. *Gender Planning, Monitoring and Evaluation Training Manual*. CARE International.

Appendix 5: COMPARISON TABLE OF ACTIVITIES OF SESDP II WITH OTHER PROJECTS

PROJECTS	SESDP II	SESDP I	USEDP II	LSEMDAP II	RGEP
PROJECT SITE	63 provinces/cities	63 provinces/cities	63 provinces/cities	Hoa Binh (4 districts), Son La (9 districts), Dien Bien (8 districts), Lao Cai (7 districts), Yen Bai (5 districts), Ha Giang (5 districts), Cao Bang (5 districts), Thai Nguyen (3 districts), Phu Tho (3 districts), Lang Son (3 districts), Dak Lak (6 districts), Gia Lai (9 districts), and Ninh Thuan (6 districts), Bac Lieu (4 districts), Kien Giang (5 districts), Soc Trang (3 districts), and Tra Vinh (3 districts), Thanh Hoa (4 districts), Nghe An (4 districts), Ha Tinh (5 districts), Quang Binh (4 districts), Quang Tri (4 districts), Thua Thien Hue (5 districts), Quang Nam (4 districts), Quang Ngai (4 districts), Binh Dinh (5 districts), Phu Yen (4 districts), and Binh Thuan (4 districts)	63 provinces/cities
OBJECTIVES	(i) Improve teaching quality to meet the requirement of secondary education reform. (ii) Encourage disadvantaged youth to enroll in lower secondary education institutions to implement the universalization of lower secondary education and improve equity in secondary education. (iii) Enhance the autonomy and accountability of education quality and efficiency of education institutions.	(i) effective and accountable management of secondary education, (ii) improved quality and relevance of secondary education, and (iii) better access and equity in secondary education, with support for disadvantaged regions and population.	(i) Enhancing Quality and efficacy of USE; (ii) Increased Access and Retention to USE to disadvantaged groups and (iii) Strengthening of Planning and Management of USE.	(i) Increase access to LSE in disadvantaged areas, especially among EMs towards achieving the national target of a 95% NER for LSE; (ii) remove disparities in terms of education opportunities and attainment among regions, between rural and urban areas, between girls and boys and between advantaged and disadvantaged groups, and among the disadvantaged groups themselves; (iii) improve the quality and relevance of LSE for ethnic minorities who live in disadvantaged areas through the development and provision of regional and competency-based textbooks; improvement of facilities, resources, equipment, materials; and training of teachers; (iv) strengthen the capacity of education managers at the local level and improve management system of LSSs to deliver better quality LSE in EM areas; and (v) develop the capacity of education planners, administrators, and project staff for effective and good-quality project management and monitoring and evaluation (M&E)	(i) Support reform of g program with the orient capacity development; (ii) the quality of teaching thro providing new textbooks in new general education prog
ACTIVITIES	I. IMPROVE EDUCATION QUALITY, TRAINING FOR TEACHERS				
	Sub-output 1a: Improving the quality of secondary learning through the introduction of a new autonomous school model that promotes the acquisition of the desired student competencies (i) Support the implementation of the NSSM in 63 provinces by developing and approving policy, supporting renovation of schools, and developing and implementing the new school model. 6 schools per province = 378 secondary schools, 03 LSSs and 03 USSs in each province, 01 LSS and 01 USS in each (advantaged, normal, disadvantaged) region. (ii) PBL subprogram 2 will tentatively be used for enhancement of school facilities and provision of teaching equipment for USSs and LSSs located in provinces with disadvantaged socio-economic conditions. (iii) Develop and implement the model by compiling 10 sets of materials per grade X 7 grades on the guidelines to organize education activities on the orientation of student ability and quality development. (iv) In-country training for 10,000 management officials, core teachers from provinces/cities, participate in the implementation of the NSSM in 5 years. (v) Printing and provision of materials for 378 secondary schools that implement NSSM; (10 sets of materials/grade x 7 grades on the guidelines to organize education activities in the orientation of student ability and quality development.) (iii) Support the implementation of the NSSM in 63 provinces x 6 schools = 378	2-a: Upgrading professional skills and competence of secondary school teachers (i) Assessment of teachers against new standards - supported MOET in the first nationwide teacher assessment by providing implementing support policy and workshops for 5,841 education managers and leaders and by providing technical assistance in the refinement of the teacher assessment process and the design of upgrading programs (ii) Certification for qualified teachers - pilot certification in 1 province (iii) Training for unqualified teachers - 28 training workshops for 15,870 teachers and educational managers on standards of knowledge and skills, teaching methods, curriculum and textbook application to help them in improving professional standards 2-c: Preparation for curriculum and textbook reforms in the coming period. (i) Analyse the results of previous assessment, conduct review of curriculum and textbooks and organize one workshop on assessment of current curriculum and textbooks; indicate limitations in current curriculum and textbooks and development trends in the world; and propose orientation curriculum and textbook reforms	1-a: Improvement of teaching strategies through PRESETT and INSETT (i) Organize OST courses on curriculum and textbook drafting skills and teaching method (5 teams x 15 persons/team x 14 days) (ii) Organize 03 in-country INSET training activities to improve professional skills for teachers and lecturers of TTUs (6 days/course X 18,750 persons) 1-b: Support for textbooks and instructional materials based on the new USE curriculum (i) Provide textbooks for pilot and nationwide use of new curriculum and textbooks (15 subjects/set x 175,000 sets) (ii) Develop and provide (copying) of teaching support materials to pilot and nationwide use the new textbooks (inc. video tapes and teaching support software) (15 materials)	2-a: Development of regional and competency-based textbooks for ethnic minority areas. Improve Quality and Relevance of LSE to EM Students through Development of Regional and Competency-based Textbooks, Teacher Training, and Vocational Counseling and Guidance (i) Development of localized and competency-based textbooks suitable to the needs and conditions of disadvantaged and EM areas (ii) Printing and provision of 115,000 textbook sets for the LSSs selected by the project 2-b: Support district CECs in the implementation of in-service training for teachers (i) Provision of equipment for around 86 district CECs for the implementation of INSETT; (ii) Provision of INSETT to around 24,000 "core teacher trainers" and for LSS teachers on the implementation of the new decentralized and competency-based curriculum and textbooks after 2015	1-a Develop general education curriculum (general curriculum) (i) Establish General Education Board, Subject Development Boards, National Council of General Education recruitment of ICs on general curriculum. (ii) Organize training courses for General Curriculum Development, Subject Curriculum Development, National Evaluation Council Education Curriculum (iii) Evaluate current subject curriculum. (iv) Draft curriculum; coordinate and approve curriculum workshops during development 1-b: Implementation of curriculum

	(vi) Provide additional teaching equipment for 378 secondary schools which implement NSSM.	(ii) Support MOET in development of regulations on the compilation of curriculum and textbooks in the new period to meet various needs and capacity of learners, as well as to respond to the demands of human resource training for country international integration	(iii) Develop and provide teaching support materials / teaching aids for EM regions (10 topics) (800 schools x 10 materials).	2-c: Development of Life Skills and Preservation and Promotion of EM Cultures and Values	(i) Compile teaching inst based on new curriculum.
	(vi) Compile, digitalize materials and develop videos of virtual experiments, sample learning activities lectures on NSSM, upload to MOET website	(iii) Support for 38 leading experts in this area to participate in overseas training on curriculum and textbook development in advanced countries to prepare the human resource conditions for curriculum and textbook reforms in the next stage	1-c: Support for Academic Environment for gift USS students	(i) Production or duplication of existing instructional materials for life skills education program and for promotion and preservation of ethnic minority cultures;	(ii) Develop network-based training and retraining.
	1b: Enhancing professional capacity and skills based on the professional standards for secondary teachers/principals	(iv) Study on, develop and pilot new curriculum and textbooks for secondary education - series of 28 national workshops have been conducted on renovating the curriculum that involved a total of 18,885 educational leaders and teachers.	(i) Provide lab equipment + teaching aids for Physics, Chemistry, Biology (price list of equipment available) (15 selected gifted schools)	(ii) Provision of instructional materials for life skills education program and for promotion and preservation of ethnic minority cultures; same as last one	(iii) Training for teachers t curriculum
	(i) Develop software system to manage the assessment of education managers and teachers based on principal standards and professional standards for secondary teachers	2-d: Promotion of ICT use in secondary education	(ii) Organize in-country training for teachers on advanced training programs from abroad (5,000 person days x 6 days/course -> 833 teachers; heads of subject depts., teachers of excellence)	(iii) In-service training for LSE teachers who are responsible for teaching life skills	(iv) Training for teachers t education plan
	(ii) In-country training for 5,000 management officials, secondary teachers in 3 years to implement principal standards and professional standards for secondary teachers	(i) Provide training on effective use of ICT in education management and teaching and learning quality improvement for ICT staff and teachers at district and provincial levels, with expansion into all education institutions	(iii) Organize short-term overseas training for core staff (14 days x 15 persons/team x 1 team)	2-d: Development of Disaster Management Education	2-a: Compile textbook s MOET for implementation
	(iii) Compile, digitalize materials and develop videos on implementation of principal standards and professional standards for secondary teachers (about 30 modules) and upload to MOET website	(ii) Provide equipments for ICT rooms in 32 LSSs and 41 USSs in 41 provinces (those provinces which did not participate in Lower Secondary Education Project (phase II), Lower Secondary Education for Most Disadvantaged Regions Project, and Upper Secondary Development Project)	1-d: Development of provincial CECs to provide in-service teacher training	(i) Production or duplication of instructional materials on disaster preparedness and disaster management education for students and teachers in LSS schools in coastal areas;	(i) Establish Textbook Co National Council of Textbo recruit international consult compilation.
	1c: Enhance the quality of Science and Technology Education in secondary schools	(iii) Training materials and selected updated softwares will be provided for those provinces	Procure teaching and practice equipment to support teacher training	(ii) Provision of instructional materials on disaster preparedness and disaster management education for students and teachers in LSSs in coastal areas;	(ii) Training for membe Compilation Board, Natio Textbook Evaluation
	(i) Support the implementation of the STEM by developing and approving policy, supporting building of schools, and developing and implementing the new STEM model.	(iv) Provide in-service training for teachers; organize online and web-based workshops and seminars on improvement of teaching and learning quality	Provide textbooks and teaching materials to library to support teacher training (50 sets/center x 63 centers x 2\$/book x 45 books/set	(iii) In-service training for teachers of LSSs on disaster management education in coastal areas	(iii) Compile textbook set (a for implementation)
	(ii) PBL subprogram 1 will be used to support facilities for 20 high quality upper secondary schools to enhance science and technology education in 20 provinces disadvantaged socio-	2-e: Support for implementation of Project on Improvement of English teaching	Organize in-country training for teachers to conduct teacher training on curriculum reform programme (15 persons/province x 63 provinces x 6 days/course x 2 courses)	2-e: Provision of Vocational Counseling and Guidance Suitable for EM students Areas	(iv) Evaluate textbooks
	(ii) Develop and implement STEM by compiling and providing 12 instruction materials on enhancing science and technology education in USSs	(i) Intensive English training programs will be provided to core teachers of provinces, English teachers in 73 high quality secondary schools (32 LSSs and 41 USSs), 74 specialized schools for gifted students, and six practical centres in TTUs	1-e: Improve quality of foreign language training and education	(i) Production of instructional materials for career guidance and counseling services for teachers and students in LSSs	(v) Organize compiling textbook and workshop dur textbooks.
	(iii) In-country training for 9,000 management officials, core teachers from provinces/cities on enhancing science and technology education in USSs	(ii) OST provided for 20 English teachers who inturn provided in-country language training 2,090 teachers. will be provided to English teachers in 73 high quality secondary schools, 74 specialized schools for gifted students, and six practical centres in TTUs so that they can teach some science subjects in English	(i) Procure books (10 books/set x 10\$/book X 1 set/school x 2700 schools x 1 set/school)	(ii) Provision of instructional materials for career guidance and counseling services for teachers and students in LSSs	(vi) Compile bi-lingual textbo
	(iv) Provide additional teaching equipment for enhancing science and technology education in 63 USSs in provinces/cities	(iii) Provide equipments (CD, DVD, camera, labs) to high quality secondary schools to improve English teaching and learning	(ii) Provide teaching support equipment set (1 set/USS/63 provinces)	(iii) In-service training for LSE teachers who will teach the career orientation course and teachers who will provide vocational counseling and guidance services to students in LSSs	(vii) Compile and pilot electr
	(v) Compile, digitalize materials and develop video of virtual experiments on science and technology education, upload to MOET website	2-f: Improved quality of specialized schools	(iii) Organize in-country training for core English teachers	3-b: Improving Science Education through School Clusters	
	Sub-output 1d: Enhancing vocational awareness and career planning for secondary students	(i) PBL funds used to build high quality USSs.	1-f: Establishment of centers for pedagogical excellence	(i) Construction of about 100 new science laboratories	

	(i) Develop a software program to assess student interest and aptitudes related to future career and jobs (ii) In-country training for 4,000 management officials, core teachers at provinces/cities on methods to improve vocational awareness, career planning of students, career selection that suits the capability of each student by: teaching of subjects, thematic learning based on new general curriculum, forum on vocational consultancy, trips to vocational establishments at localities	(ii) Organize seminars for experience exchange with some high-quality schools in other countries - OST for 20 managers of specialized schools (iii) Provide equipments for subject rooms, foreign language laboratories, ICT rooms, and conference rooms for 63 specialized schools	(i) Procure teaching aids and furniture to establish simulation classrooms (list of equipment available) for 6 centers (ii) Construct or upgrade classrooms; 560 USD/1m2 working area		(ii) Provision of furniture for the 100 newly constructed science laboratories;
	(iii) Compile, digitalize materials and develop video of vocational education, upload to MOET website	(iv) Support in material provision and implementation of teaching via LAN, internet, e-learning, and project-based teaching in specialized schools	(iii) Organize in-country training workshops on pedagogical skill development (20 pers/center x 6 centers x 6 days/course x 3 courses)		(iii) Provision of commonly used science equipment to support the conduct of experiments in 100 new science laboratories and 80 existing science laboratories
	(iv) Provide additional teaching equipment for 63 USSs in 63 provinces/cities. Selected schools should have effective vocational education activities for students; arrange for students to practice at vocational institutions, businesses, have enough rooms to arrange teaching equipment provided	(v) workshops provided to 6,417 educational managers and teachers on gifted education and participation in international contests.	(iv) Organize OST for TTU lecturers (15 pers x 14 days) (1 pers/center x 6 centers + 9 management pers from central level: experts on construction, equipment design)		
		2-g: Improved quality for practical centres of TTUs to assist with implementation of new curriculum	1-g: Improvement of quality of teaching of Selected Subjects		
		(i) Provide equipments for subject rooms, foreign language laboratories, ICT room, and conference rooms for training in six practical centres of TTUs	(i) Provide in-country training on teaching methodology for 4 social sciences, math, physics, chemistry and biology to core teachers (8 subjects x 5 persons / subject/province x 63 provinces x 6 days/course x 1 course)		
		(ii) Provide materials and training on teaching via LAN, internet, e-learning, and project-based teaching; organize online workshops and seminars those centres	(ii) Pilot publication to exchange initiatives / experience on improving teaching quality for 4 subjects (posting articles on 4 journals / newspapers) (shopping) (iii) Organize OST for 4 subjects (15 pers x 1 course x 10 days/course) (1 packages) (FBS) (iv) Support study on math teaching enforcement in 2 schools (1 rural + 1 urban) in Ha Noi (consultancy to conduct school's survey on performance and pilot assessing activity) (\$50,000 during 3 years) (SSS)		
II. ENHANCING ACCESS TO EDUCATION FOR DISADVANTAGED STUDENTS					
	Sub-output 2-a: Enhancing access of disadvantaged domestic migrants to lower secondary education	3-a: Support for Continuing Education Centres (CECs)	1-h: Support for academically disadvantaged groups	1-a: Construction of LSS classrooms. Increased Accessibility of the Most Disadvantaged Groups to LSE/LSE Equivalency Program.	2-b: Provide textbooks for disadvantaged areas.
	(i) Conduct a survey on socio-economic conditions and educational status of migrant youth in 06 provinces/cities. (ii) Compile instructional materials for local officers and education managers on methods to conduct surveys, identify, classify, encourage, and plan, manage migrant youth (especially disadvantaged migrant youth) to facilitate them to enroll in education institutions; (iii) In-country training for 600 local officers, education managers in provinces on methods to conduct surveys, identify, classify, encourage, plan, manage migrant youth to facilitate them to enroll in education institutions.	(i) Review and adjust LS equivalency programs to ensure its practicality and appropriateness for students who cannot afford formal education in LSSs (ii) Provide training for 5,600 CECs teachers and managers core staff of CECs regarding adjusted issues in LS equivalency programs (iii) Provide training materials for CECs	(i) Organize in-country in-service training to teachers to guide students' self-study (14 subjects x 1 teacher/subject x 63 provinces x 6 days x 2 courses) (ii) Develop self-study guidelines to students (14 subjects) (iii) Organize in-country training to teachers (8 subjects x 1 teacher/subject x 5 days x 3 courses x 63 provinces)	(i) Construction of an estimated 600 660 new classrooms; (ii) Provision of furniture for the 660 newly constructed classrooms.	
	Sub-output 2-b: Improve equity of access to lower secondary education for youth with disability	(iv) Support for new construction and equipment for 17 CECs in 10 disadvantaged provinces (234 classrooms, 20 laboratories, 7 libraries, 32 sanitation facilities)	(iv) Develop and provide instruction materials to teachers (1 material/subject x 8 subjects x 3 grades)	1-b: Construction of Semi-Boarding Facilities	
	(i) Compile instructional materials to mobilize parents and disabled children to enroll in lower secondary schools; methods for schools to facilitate the enrollment of disabled children	3-b: Support for strengthening of inclusive education in secondary level	2-a: Facility development of new USS in disadvantaged districts	(i) Construction of approximately 350 new semi-boarding facilities (ii) Provision of furniture for the 350 new semi-boarding facilities;	

	(ii) Compile teaching materials for disabled children based on the new general curriculum at lower secondary level (6 subjects (compulsory subject) x 4 grades x 2 disabled types (impaired vision and hearing)) (iii) In-country training for 4,000 people in 4 years on integrated education for disabled children to meet the requirements of new general curriculum. (iv) Provide additional teaching equipment for 20 integrated education supporting institutions (01 institution/province). (v) Compile, digitalize materials and develop video of integrated education, upload to MOET website.	(i) Develop training materials and organize training for 3,670 participants on core teachers of inclusive education in LSE, and provide guidance for activity expansion (ii) Organize workshops on inclusive education (covered in (i)) (iii) Support for 63 model inclusive LSs to purchase equipment and upgrade facilities to meet demands of disabled students 3-c: Piloting a conditional cash transfer (CCT) program for disadvantaged students (poor, ethnic and disabled students) (i) CCT support will be provided to 17 most disadvantaged districts of 10 disadvantaged provinces (ii) 61 LSSs in those 17 districts will be selected for support (3 to 4 LSSs per each district). (iii) About 3,500 LS students (from grades 6 to 9) will participated in CCT program. (iv) Training will be held for 2,628 education managers and teachers of target schools, BOETs and DOETs (v) A school block grant will be provided to schools to support their management and implementation of CCT program for their students (vi) Surveys will be organized to assess the program effectiveness	(i) Conduct civil works construction (about 1050 rooms: 70% classrooms, 30% subject rooms; 560USD/1m2 working area) (ii) Provide furniture for schools with newly constructed facilities (tentatively 152 schools,) (about 10% value of civil works) (iii) Provide equipment for schools with newly constructed facilities (tentatively 152 USSs, 1050 rooms) 2-b: Support equipment for provincial EM boarding USSs Provide equipment to 18 selected provincial EM boarding USSs (15/33 listed USSs received equipment from Phase 1) 2-c: Pilot inclusive education for disabled students (i) Develop sign-language tools and pilot use (inc. new concepts for USE) for the deaf students (draft, pilot use, sample, appraise, finalize) (ii) Produce and provide sign-language tools for centers for inclusive education + training centers (63 IE centers + 37 training centers) x 10 sets/center (iii) Organize in-service training for teachers and education managers for deaf students (600 teachers from centers x 6 days) 2-d: Sustainable education development for disadvantaged groups (i) Provide in-service training for teachers on active teaching methods and active disciplines (20 persons/province x 33 provinces x 2 courses x 5 days/course) (ii) Organize in-service training for teachers on life skills, environmental education and social issues inc. gender and EM (20 teachers/province x 33 provinces x 2 courses x 6 days/course) (iii) Organize in-service training for teachers on EM cultural reservation (10 teachers/province x 33 provinces x 1 course x 6 days/course)	(iii) Construction of an estimated 70 kitchens for semi-boarding students 1-c: Construction of Sanitation Facilities (i) Construction of about 29 sanitation facilities (ii) Construction of about 57 sanitary facilities for semi-boarding students 1-d: Awareness Raising Campaign (i) Production and provision of materials to support the awareness raising campaign targeting parents, community leaders, local and community organizations, teachers, and students in primary and lower secondary schools; (ii) Provision of training programs for teachers and members of local community organizations, who will implement the program at the schools and in the communities. 1-e: Construction of Teacher Housing (i) Construction of an estimated 250 teacher housing units ; (ii) Provision of furniture for the newly constructed teacher housing facilities.
III. SCHOOL AND EDUCATION MANAGEMENT				
	Sub-output 3-a: Strengthen capacity in mobilization of social resources for secondary education to meet requirement of decentralized education management (i) Assessment on mobilization and utilization of resources (public and social expenditure) for secondary education Sub-output 3-b: Strengthening accountability of the secondary education quality (i) Support PISA-related activities	1-a: Capacity development in strategic policy planning for secondary education (i) Provide overseas training for management staff in strategic policy planning and master planning. (Secondary Education Development Master Plan 2011-2015) 1-b: Accreditation of secondary schools against national standards and other assessment criteria (i) draft standards pilot tested, 5 dissemination workshops on the new standard for 3,575 participants, long term overseas training for 2 persons acquire master's degrees in school accreditation, 16 candidates received a 12 day overseas training on school accreditation. (Provide in-country training on secondary school accreditation: result management, analysis and aggregation)(i) Provide overseas accreditation and quality assurance training for experts	2-e: Develop PPP models for USE (i) Research on PPP model (case study of international experience and application to Vietnam) 3-a: Development of Capacity of Managers for USE (i) Organize in-country training for development of management capacity for USS principals (about 2,700 principals x 4 days/course x 3 courses)	3-a: Establishment of Teacher Networking among Cluster Group Schools in EM Areas. (i) Provision of ICT equipment, including teleconferencing facilities, to an estimated 344 school clusters; (iii) Conduct of trainings, workshops, and seminars for principals and teachers of the school clusters. 3-c: Improving Effectiveness and Performance of School Libraries
				3-a: Build Sustainable Centre for General Education Foreign Language Examination (i) Establish Sustainable De for General Education Qu Language Examination Cen 3-b: Improve capacity education curriculum de quality evaluation. (i) Training for officers of number of units under MOE

		(i) Provide overseas training for evaluators on using new assessment methods (such as IRT, question bank), sample assessment		
		(ii) Support for attending OECD required overseas meetings for PISA study tours to exchange experiences in NAM and PISA administration		
		(iii) Conduct three two national assessments (NAM) on learning outcomes of students in 9th and 11th grades in three subjects of maths, literatures, English and problem solving skills in		
		(iv) Support for Vietnam participation in PISA 2012 and 2015 (registration fee, participation in preparation activities inside and outside the country, expenditure for relating activities and workshops on PISA administration).		
		(v) Conducted workshops involving 29,204 participants to develop an understanding of PISA, develop test materials, translate test materials, conduct field trials, prepare for the official test administration, score the tests, and interpret the results (v) Organize pilot PISA test in 10 provinces (3 schools per each province)		
		(vi) Support for ICT use to develop and administer in NAM and PISA administration.		

Appendix 6: DETAILED PROGRAM ACTIVITIES AND BUDGET ALLOCATION

Impact	Workforce competitiveness, social equity, and lifelong learning opportunity for all secondary school graduates improved (Viet Nam's Education Development Strategy, 2011–2020)										
Outcome	Learning outcomes and competitiveness of secondary school graduates enhanced.										
Output 1	Quality and Relevance of Secondary Education Improved										
Sub-output	Sub-output 1.a: The quality of secondary learning improved through the supports to the model resource secondary schools										
Executing Agency	MOET/CPMU										
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counter part (\$)	Procurement Mode	Cost Category
	1	Develop and digitalize instruction material on renovation of school operation, oriented toward student's capacity development	2017	Amount	40,000	10	400,000	400,000	-	NCB	2
	2	Staff development - In-country training for management staff and core teachers on renovation of school operation, oriented toward student's capacity development	2018	Cost/Person-day	50	25,000	1,250,000	1,250,000	-	N/A	3
	3	Equipment to support for model/resource schools in disadvantaged areas	2018	Amount/school	30,000	232	6,960,000	6,264,000	696,000	ICB	1
	Total Amount Sub-output 1-a							8.610.000	7.914.000	696.000	-

Output 1											
Quality and Relevance of Secondary Education Improved											
Sub-output											
Sub-output 1-b: Sustainable provision of high-quality secondary teachers ensured											
Executing Agency											
MOET/CPMU											
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counter part (\$)	Procur ement Mode	Cost Category
	1-b	(2016) Issue a new circular on regulations for standards of professional titles and ranks and grades of teachers and education managers									
		1. 2016 (Project Loan)	2016								
	(1)	Capacity development for secondary education management staff and teachers according to the professional standard									
		Develop and digitalized instruction material on strengthen practical teaching - learning, experiment method, soft skill education, psychological consulting	2018 - 2022	Amount	40,000	10	400,000	400,000	-	NCB	2
		Staff development - In-country training for management staff and core secondary teachers of provinces/cities on strengthen practical teaching - learning, experiment method, soft skill education, psychological consulting	2018 - 2022	Cost/Pers on-day	50	37,500	1,875,000	1,875,000	-	N/A	3
	Total Amount Sub-output 1-b						2,275,000	2,275,000	-	-	

Output 1	Quality and relevance of secondary education improved											
Sub-output	Sub-output 1-c: Quality of science and technology education in secondary schools enhanced											
Executing Agency	MOET/CPMU											
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counterpart (\$)	Procurement Mode	Cost Category	
	1-c	(2016) Issue a new policy (decree/circular) on the further development of the Science and Technology Education (STE) schools										
		1. 2016 Project Loan		2016								
	(1)	Improve quality of science and technology education										
			Study and survey the modern educational programs and method to improve STEM schools	2017	Amount			50,000	50,000	-		4
			Develop and digitalize training materials on advanced program for science and technology education in USS	2017	Amount	40,000	30	1,200,000	1,200,000	-	NCB	2
			Staff development - In-country training for management staff, core teachers of provinces/cities on science and technology education in USS	2018 - 2022	Cost/Person-day	50	25.000	1,250,000	1,250,000	-	N/A	3
			Provide additional teaching equipment for enhancing science and technology education for 70 USS	2018 - 2021	Amount/school	175,000	71	12,425,000	11,182,500	1,242,500	ICB	1
Total Amount Sub-output 1-c							14,925,000	13,682,500	1,242,500			

Output 1	Quality and Relevance of Secondary Education Improved											
Sub-output	Sub-output 1-d: Vocational awareness and career planning for secondary students enhanced											
Executing Agency	MOET/CPMU											
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counterpart (\$)	Procurement Mode	Cost Category	
	1-d	(2016) Issue a new policy (decree/circular) to enhance vocational orientations and cognitive skills										
		1. 2016 Project Loan	2016									
	(1)	Improve vocational awareness and career planning program for student is secondary schools										
		Study and survey the modern career planning programs to be applied for secondary schools in order to improve vocational awareness and career planning for secondary students	2017	Amount			50,000	50,000	-		4	
		Develop and digitalize instruction material on: improving vocational awareness, career planning of students, career selection that suites the capability of each student	2018-2021	Amount	40,000	10	400,000	400,000	-	NCB	2	
		Staff development - In-country training for management staff, core teachers at provinces/cities on methods to improve vocational awareness, career planning of students, career selection that suites the capability of each student	2018 - 2021	Cost/Per son-day	50	39,300	1,965,000	1,965,000	-	N/A	3	
		Equipment to support vocational awareness and career planning activities	2018	Amount/s school	40,000	126	5,040,000	4,536,000	504,000	ICB	1	
		Total Amount Sub-output 1-d					7,455,000	6,951,000	504,000			
		Total Output 1					33,265,000	30,822,500	2,442,500			

Output 2												
Equity of Access to Secondary Education Enhanced												
Sub-output												
Sub-output 2.a: Access of disadvantaged domestic migrants to lower secondary education enhanced												
Executing Agency												
MOET/CPMU												
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counterpart (\$)	Procurement Mode	Cost Category	
	2-a	(2016) Issue the new policy (decree or circular) on conducting a survey on the education conditions of the domestic migrant youth.										
		1. 2016 Project Loan	2016									
	(1)	Survey on socio-economic, education condition of migrant youth in 6 big provinces/cities										
	(2)	Development of instructional materials for local government and educational management staff in managing migration youths										
		Develop and digitalize instructional materials for local officers and education management staff on methods to conduct survey, identify, classify, encourage, plan, manage migrant youth to facilitate them to enroll in education institutions	2018	Amount	40,000	1	40,000	40,000	-	NCB	2	
		Staff development - In-country training for local officers, education management staff in selected provinces on methods to conduct survey, identify, classify, encourage, plan, manage migrant youth to facilitate them to enroll in education institutions	2019	Cost/Person-day	50	1,200	60,000	60,000	-	N/A	3	
		Total Amount Sub output 2-a					100,000	100,000	-			

Output 2												
Equity of Access to Secondary Education Enhanced												
Sub-output												
Sub-output 2.b: Equity of access to lower secondary education for youth with disability improved												
Executing Agency												
MOET/CPMU												
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counterpart (\$)	Procurement Mode	Cost Category	
	2-b	(2016) Issue a new policy (decree/circular) on conducting a survey on the learning opportunities and the areas of support for the youth with special needs										
		1. 2016 Project Loan	2016									
	(1)	Develop instruction materials and provide training on solution to encourage youths with special needs to enroll in LSE after complete elementary education										
	(2)	Develop guideline/ instruction materials on education for youths with special needs based on the new curriculum										
		Develop and digitalize teaching-learning instruction materials based on new curriculum for youth with special needs	2018	Amount	40,000	31	1,240,000	1,240,000	-	NCB	2	
		Staff development - Training of integrated teaching method for management staff, teachers at lower secondary level	2019	Cost/Person-day	50	20,080	1,004,000	1,004,000	-	N/A	3	
	(3)	Equipment support for facilities that support education for youths with special needs										
		Provide additional teaching equipment for disabled student education supporting institutions at provinces	2018	Amount/school	43,500	28	1,218,000	1,096,200	121,800	NCB	1	
	Total Amount Sub-output 2-b						3,462,000	3,340,200	121,800			
Total Output 2						3,562,000	3,440,200	121,800				

Output 3	Educational Governance and Management Strengthened											
Sub-output	Sub-output 3.a: Capacity in mobilization of social resources for secondary education to meet requirement of decentralized education management strengthened											
Executing Agency	MOET/CPMU											
Summary of Activities and Cost Estimates	No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counter part (\$)	Procurement Mode	Cost Category	
	3-a	(2016) Issue a new policy on promoting the decentralized planning, management, and delivery of secondary schooling										
		1. 2016 Project Loan	2016									
	(1)	Improve capability to mobilize social resources for secondary education, support the decentralization process										
		Workshop on mobilization and utilization of resources for secondary education (Public expenditure, social expenditure)	2019	Cost/Pers on-day	50	1,890	94,500	94,500	-	N/A	4	
		Total Amount Sub output 3-a						94,500	94,500	-		

Output 3		Educational Governance and Management Strengthened									
Sub-output		Sub-output 3.b: Accountability of secondary education quality strengthened.									
Executing Agency		MOET/CPMU									
No	Activities and Cost to be Covered by Project Loan	Target Year	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counter part (\$)	Procurement Mode	Cost Category	
3-b	(2016) Issue new policy on participation in the international assessment system of learning and teaching (PISA 2018 and TALIS 2018)										
	1. 2016 Project Loan	2016									
(1)	Support participation in PISA for 2018 and 2021										
	Registration - PISA 2018 and 2021	2017	Amount			320,000	320,000		N/A	4	
	Training on PISA - Translation, Item Development, Pilot testing, Administration, Coding, Interpretation, Reporting	2022	Cost/person-day	50	2,700	810,000	810,000	-	N/A	3	
	Conduct PISA testing 2018 and 20123	2022	Amount			1,500,000	1,500,000	-	N/A	4	
(2)	Support participation in TALIS 2018										
	Equipment support for TALIS (73.000 USD)	2018	Amount			73,000	65,700	7.300	NCB	1	
	Registration - TALIS (340.000 USD)	2018	Amount			340,000	340,000		N/A	4	
	Training on TALIS - Translation, Item Development, Administration, Coding, Interpretation, Reporting	2018	Cost/person-day	50	3,000	450,000	450,000	-	N/A	3	
	Conduct TALIS survey 2018	2018	Amount			200,000	200,000	-	N/A	4	
(3)	Support organizing NAM										

	Survey for NAM in 2018, 2019, 2021, 2022 - Development of NAM assessments; Training for Nam, Conduct assessment; data collection and processing; drafting report on findings; informing results to respective/relevant recipients and recommendations of improvements	2018 - 2022	Amount			1,600,000	1,600,000	-	N/A	4
(4)	Improve the quality assessment standard for secondary education									
	Develop and digitalize guideline on quality accreditation of secondary education oriented toward development of problem solving capacity and directional distribution of students after LSS and USS	2019	Cost/person-day	40,000	13	520,000	520,000	-	NCB	2
	Staff development - In-country training - training for management staff and core teaching staff on quality accreditation of secondary education oriented toward development of problem solving capacity and directional distribution of students after LSS and USS	2019	Cost/person-day	50	12,680	634,000	634,000	-	N/A	3
	Total Amount Sub output 3-b					6,447,000	6,439,700	7,300		
	Total Output 3					6,541,500	6,534,200	7,300		

PMA	Project Management Activities									
Implementing Agency	MOET/CPMU									
Summary of Activities and Initial Cost Estimates	No	Activities	Unit	Unit Price (\$)	Quantity	Total Cost of Activity (\$)	ADB Loan (\$)	Counterpart (\$)	Procurement Mode	Cost Category
	4-1	Establishment of CPMU [(i)+(ii)+(iii)+(iv)]				2,394,900	89,910	2,304,990		
	(i)	CPMU staff	Annual cost	43,000	6	258,000	-	258,000	N/A	6A
	(ii)	CPMU contractual staff	Annual cost	220,000	6	1,320,000	-	1,320,000	N/A	6B
	Total (iii)	CPMU office operations	Annual cost			399,000	-	399,000	N/A	6C
	(iii) CPMU Office Operations	CPMU office rental	Annual cost	35,000	6	210,000	-	210,000	N/A	6C
	(iii) CPMU Office Operations	CPMU miscellaneous expenses	Annual cost	13,500	6	81,000		81,000	N/A	
	(iii) CPMU Office Operations	Office supplies	Annual cost	9,000	6	54,000		54,000	Shopping or Direct Purchase	6C
	(iii) CPMU Office Operations	Office utilities	Annual cost	9,000	6	54,000		54,000	N/A	6C
	(iv)	Monitoring and evaluation of program activities	Annual cost	53,000	6	318,000		318,000	N/A	6D
	(v)	Equipment and Furniture: Provision of office furniture and facilities, office equipment for CPMU (99.900)	Amount	99,900	1	99,900	89,910	9,990	NCB	1
	4-2	Training of CPMU staff (Training on project management, financial management and reporting, monitoring, accountability, etc.)	Amount	50	294	14,700	14,700	-	N/A	3
	4-3	Recruitment of consultants								

	International consultant Start Up (Advanced action)	Amount			282,000	282,000	-	ICS	5
	International consultants (Advanced action)(firm)							QCS	
	International Consulting Services	Amount			1,645,000	1,645,000	-	QCBS	5
	Total International Consulting Services	Amount			1,927,000	1,927,000	-		5
	National Consulting Services Start Up (Advanced action)	Amount			52,500	52,500	-	ICS	5
	National Consulting Services (Advanced action)(firm)							QCS	
	National Consulting Services	Amount			392,500	392,500	-	QCBS	5
	Total National Consulting Services	Amount			445,000	445,000	-		5
	Audit Firm	Amount			300,000	300,000	-	LCS	5
	International and Local Travel	Amount			88,400	88,400	-	N/A	5
	Administrative Cost	Amount			48,600	48,600	-	N/A	5
	Provisional Sum	Amount			250,000	250,000	-	N/A	5
	Contingency	Amount			217,450	217,450	-	N/A	5
	Total Consulting Services				3,276,450	3,276,450	-		5
4-4	Organize 3 review workshops (i.e., inception, midterm, and final)	Cost/Person-day	50	1,920	96,000	96,000	-	N/A	4
Total Project Management Activities					5,782,050	3,477,060	2,304,990		

Appendix 7: PROJECT PROCUREMENT RISK ASSESSMENT REPORT

EXECUTIVE SUMMARY

1. Overall, the procurement risk of the project can be considered moderate, most of the risks identified by this assessment can be mitigated through close monitoring and supervision of procurement activities including timely implementation of advance actions.
2. Competitive procurement is the default method of public procurement in Viet Nam. Exceptions to this basic principle and allowable circumstances for deviations are clearly defined in the government's procurement law. There are still a number of weaknesses however, for instance the law allows the use of monetary thresholds for direct contracting which does not conform to international best practices as it leaves room for abuse through contract splitting; and it preserves the right of the Prime Minister to approve special selection methods for "packages or projects with special, unique conditions", a loophole that has often been abused in the past.²⁹⁵
3. For the Second Secondary Education Sector Development Program (SESDP II), efforts have been made during project preparation to minimize risks associated with procurement activities. The single most important measure adopted for this project is the centralization of all procurement responsibilities with the executing agency to limit the number of entities carrying out procurement activities to streamline the procurement approval process and ensure consistency in procedures and documentation. Procurement will be carried out by the Central Program Management Unit (CPMU) of the Ministry of Education and Training (MOET) in Hanoi; this is expected to limit the risk of delays and reduce the risks associated with lack of coordination and mishandling of procurement functions that may otherwise occur with multiple procurement agencies spread over a large number of provinces. The project components will entail procurement of goods and services as well as selection of consultants; there is no construction and civil works contracts planned under the project. Another feature of project preparation was to group procurement into packages as large as possible to streamline the procurement process, reduce the administration burden, promote increased competition, ensure greater participation of larger international bidders, and reduce potential governance issues associated with large numbers of small packages. The thresholds for procurement of goods for this project were set in accordance with Asian Development Bank (ADB) agreed practice for Viet Nam.
4. The most significant project procurement risks identified in this assessment relate to the timely establishment of the CPMU. According to the Government of Viet Nam (the government) regulations, the CPMU cannot be established and key procurement and administration staff cannot be appointed until the Feasibility Study is approved by the government. The qualification, experience and familiarity with ADB and government procedures of the CPMU staff, particularly with respect to procurement, is critical for efficient implementation of procurement and consultant selection activities. Since the CPMU staff have not yet been selected it is not possible at this stage to assess whether the appointed staff will have the necessary qualifications and experience to carry out these responsibilities effectively. However, based on interviews held with procurement staff of existing CPMUs, a number of issues have been

²⁹⁵ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report

identified that may present risks during implementation, and mitigation measures have been proposed to reduce those risks.

5. Another area of concern is the institutional arrangement at the MOET regarding procurement of goods and services and selection of consultants. While the responsibility to carry out all project procurement activities lies with the CPMU, oversight and approval of key procurement activities is the responsibility of the General Department of School Facilities, Equipment, and Children Toys (GDPE) of MOET. This oversight includes review and approval of bidding documents; review and recommendation for approval of bid evaluation reports for goods and services; review and recommendation for approval of contract negotiations and contract awards. For consulting services, GDPE is responsible for review of the invitation and evaluation of Expressions of Interest (EOI); issuance of the request for proposals (RFP); technical evaluation of proposals; contract negotiations and contract award. The role of GDPE therefore is key for efficient and prompt processing of procurement and consultant selection activities. Generally, one staff member from GDPE is appointed to review all activities under a project, but the staff member is responsible for several projects simultaneously. This arrangement represents a heavy workload for the staff of GDPE which sometimes results in delays in processing of procurement actions.

6. There is no permanent procurement committee (PC) and/or consultant selection committee (CSC) within MOET. Instead bid evaluation committees (BEC) and CSCs are appointed by MOET for each procurement package and each consultant selection contract. This system may result in inconsistencies and inefficiencies in the evaluation of procurement packages because different members of the BECs and CSCs will be appointed separately for each package. This, in turn, may result in delays during evaluation as well as during ADB review, if the bid evaluation reports (BER) and evaluation reports of the CSC do not conform with ADB required practices (see paragraph 12).

7. A number of other procurement risks have been identified based on experience from previous projects including: (i) the inconsistency between English and Vietnamese bid documents prepared by the CPMUs often lead to confusion for the contractors and suppliers; (ii) delays often occur in procurement and ultimately project implementation as a result of negligence by the EA/CPMUs to prepare and submit regular updates of procurement plan for approval by the authority; (iii) while individual consultants recruited under advance action are generally provided to assist the CPMUs during critical start up and early implementation stage, the consultants are not always familiar with ADB and the government procurement procedures, leading to delays in implementation; (iv) CPMUs are not always familiar with ADB procedures and do not take full advantage of procurement expertise available from the ADB Viet Nam resident mission (VRM).

8. Key mitigation measures to be adopted by the project include: (i) provision of consulting services in the form of startup consultants and the program implementation consulting firm to assist the CPMU and build critical project implementation and procurement capacity; (ii) close monitoring by ADB of advance actions to ensure that the job descriptions for CPMU procurement staff include experience with procurement, and particularly ADB procedures, and proficiency with English language; (iii) close monitoring of the procurement process by ADB during project implementation; (iv) setting up appropriate thresholds for procurement of goods and services; and (v) grouping procurement of equipment and service contracts into packages as large as possible to streamline the procurement process, promote increased competition,

ensure greater participation of larger international bidders, and reduce the governance risks associated with large number of small packages.

I. INTRODUCTION

9. This project procurement risk assessment (PPRA) has been prepared for the Second Secondary Education Development Program (SESDP II) in accordance with the ADB Guide on Assessing Procurement Risks and Determining Project Procurement Classification (August 2014). The PPRA was undertaken from 23 February 2016 to 25 March 2016 as part of the Program Preparatory Technical Assistance (PPTA) for the SESDP II. The PPRA is based on the review of the Country and Sector Procurement Risk Assessment²⁹⁶ prepared by ADB consultants in July 2015, as well as completed agency questionnaires attached hereto as Annex 1. Since the Central Program Management Unit (CPMU) for SESDP II has not yet been established and staff have not yet been appointed, interviews could not be held with the actual CPMU staff. Interviews were held nonetheless with representatives of the General Department of School Facilities, Equipment, and Children Toys (GDFE), Ministry of Education and Training (MOET) which will be responsible for overseeing CPMU procurement activities, and with procurement staff of existing CPMUs who have experience with ADB-financed projects of a similar nature.²⁹⁷ The answers to the questionnaires from the CPMU staff represents the general experience of procurement staff from ADB-funded projects. This proxy provides a good insight into the current practices and procedures of MOET CPMUs as well as difficulties often met by newly formed CPMUs (Annex 1 – Completed Questionnaires).

10. The proposed program will support the Government of Viet Nam's (the government) policy reform agenda for improving the quality, equity of access, and efficiency and effectiveness of secondary education. The program will comprise a policy based loan for policy reforms and an accompanying project loan to support actions related to key constraints of the subsector of quality, equitable access, and sector management and accountability. The program will comprise three components to: i) improve the quality of secondary student learning; ii) improve equity of access to secondary education for disadvantaged youth; and iii) improve efficiency and sustainability of decentralized secondary schooling. The activities associated with the project loan will include procurement of goods and services and recruitment of consultants, but will not include any construction or civil work activities. MOET will establish a CPMU to be responsible for implementation of the program including procurement of all goods and services contracts and recruitment of consultants.

II. PROJECT PROCUREMENT RISK ASSESSMENT

A. Overview

11. Viet Nam's procurement framework is well developed. A new Law on Procurement 43/2013/QH13 came into effect on 1 July 2014, together with Decree 63/2014/ND-CP of 26 June 2014 detailing the implementation of the new law regarding selection of bidders. The new

²⁹⁶ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report

²⁹⁷ CPMU officers for Loan 2929-VIE: Second Upper Secondary Education Development Project Second Upper Secondary Education Development Project; Loan 2750/2751-VIE: University of Science and Technology of Hanoi Development (New Model University) Project; and Loan 2583-VIE: Secondary Education Sector Development Program.

law replaces and supersedes the Law on Bidding No. 43/2013/QH13 of 26 November 2013 and represents a positive step towards convergence of Viet Nam's procurement law and practices with internationally accepted principles and donor policies.²⁹⁸ Harmonized procurement documents have been adopted and are used for all donor supported projects. The new procurement law also stipulates that under donor-financed projects, if discrepancies exist between government procedures and those of the donor, the donor procedures will prevail.

i) Organization and Staff Capacity

12. Two ministries play a key role in the education sector: (i) MOET, which is responsible for pre-school, primary, general and professional secondary, and higher education; and (ii) the Ministry of Labor, Invalids and Social Affairs, which is responsible for planning and managing much of the Technical and Vocational Education and Training sector. ADB has supported and continues to support projects and programs under both ministries, but the proposed program will only involve MOET and therefore, this assessment will focus on procurement procedures at MOET and its departments.

13. There is no sector specific legal framework for procurement within the education sector and its subsectors. Like all government entities, MOET is subject to the procurement law and its decrees. Procurement responsibilities at MOET are delegated to the respective department or project unit. For donor financed projects, CPMUs are established to manage all aspects of the project including procurement of goods and services and selection of consultants. For projects involving civil works, provincial project management units are generally established in the respective provincial Department of Education and Training (DOET) and are commonly responsible for procurement of civil works contracts. There is no permanent procurement committee at MOET. Bid evaluation committees (BEC) and consultant selection committees (CSC) are appointed for each procurement package and for each consultant selection contract. The BECs and CSCs consist of an indefinite number of members and one chairperson appointed by MOET from a list of approved candidates. The BEC and CSC members may be staff of MOET's many departments and agencies or may be from relevant external agencies such as the National Institute for Science and Technology Policy and Strategy Studies, or National Institute of Education Management for instance. In some cases, when the nature of the procurement or selection of consultants involves highly technical and complex matters, experts may be recruited to assist with preparation of technical specifications or TORs, and participate as members of the BEC or CSC.

14. The MOET's GDFE is responsible to review all key procurement activities being undertaken by the CPMUs over a set threshold. The threshold is set by MOET and may vary for each project. For procurement of packages with values below the threshold, the CPMU project director has full responsibility for procurement activities including preparation of specifications and bidding documents, appointment of BEC or CSC, contract negotiations and contract signing.

15. For packages valued over the threshold, GDFE is responsible to review all documentation and key procurement actions undertaken by the CPMUs and recommend approval to the Vice Minister/Minister. The general practice is that each GDFE procurement

²⁹⁸ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report.

staff member is assigned a number of projects from beginning to end. All staff of GDFE are required to hold a procurement certificate issued by public procurement agencies (PPA) under the Ministry of Planning and Investment, and regular training is available for staff who wish to improve their skills in procurement management.

ii) Information Management

16. Files related to procurement are generally kept by the respective CPMU. Copies of procurement documents sent to GDFE for review are also kept at GDFE. There is no central filing and storage system available to the PMUs. Files are not digitized for archiving and there is no systematic back up/copying mechanism to ensure the safety of project files during implementation. Once projects are completed, files are transferred to the DPF of MOET for storage and archiving. The procurement law stipulates that procurement documents must be archived as required by the law on archival and government regulations.

iii) Procurement Practices

17. Competitive procurement is the default method of public procurement. The procurement law provides clear instructions on how and when to apply other procurement methods and narrows the circumstances under which direct contracting can be adopted. However, the procurement law still has some weaknesses. The use of monetary thresholds for direct contracting does not conform to international best practices as it leaves room for abuse through contract splitting. The new law also preserves the right of the Prime Minister to approve special selection method for “packages or projects with special, unique conditions”, a loophole that has often been abused in the past.²⁹⁹

18. Under the proposed project thresholds for goods and services procurement have been set in accordance with ADB agreed practice for Viet Nam, as shown in Table 1 below.

Table 1: Thresholds for Procurement of Goods for SESDP II

Procurement of Goods	
Method	Threshold
International Competitive Bidding (For Goods)	\$2,000,000 or more ¹
National Competitive Bidding (for Goods)	Less than \$2,000,000
Shopping (for Goods)	Less than \$100,000

¹ ADB accepted threshold for international competitive bidding (ICB) for procurement of goods in Viet Nam is set at \$2 to 5 million

iv) Effectiveness

19. All MOET staff involved with procurement activities including individuals appointed to BECs and CSCs must hold a procurement certificate issued by a PPA under Ministry of Planning and Investment. The certificate is issued to individuals who have attended a three-day program focused primarily on the government’s procurement law. The program does not cover internationally recognized procurement principles and practices, nor other important elements of procurement such as bid evaluation, consultant selection and contract management. The

²⁹⁹ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant’s Report.

program does not cover procurement procedures of external financing agencies such as ADB and World Bank. Additional training programs are available to procurement staff but few individuals appear to enroll in them. Familiarity with donor procedures and requirements, and proficiency with the English language are not widely spread, which may slow the procurement process and even lead to costly procurement mistakes.

v) Accountability Measures

20. A formal internal control and audit framework exists in the sector, with segregation of duties, and inspection / audit systems. It is managed by GDFE and DPF of MOET. As these departments function as ministry's appraisal agencies, the effectiveness of the control systems is uncertain because of lack of impartiality.³⁰⁰

B. Strengths

21. There is no sector specific legal procurement framework for education but like all other government agencies, MOET is required to follow the procurement law and decrees which are increasingly consistent with internationally accepted principles and donor policies. Procurement documents including bidding documents for National Complete Bidding have been harmonized with major donors and are routinely used. The both head GDFE and most staff have significant experience in procurement and consultant selection, and some are familiar with ADB and other donor procedures.

C. Weaknesses

22. The assessment identified a number of risks (Annex 2 – Project Procurement Risk Analysis). The most significant risks relate to uncertainties regarding the establishment and staffing of the CPMU. According to government regulations, the CPMU can only be established and key staff appointed once the feasibility study (FS) has been approved by the authority. The FS is expected to be approved by the authority in June 2016, the loan is scheduled for board approval by ADB in November 2016, and the loan is expected to be effective in March 2017. The CPMU will play a key role in procurement and consultant selection; it will be responsible for all aspects of procurement and consultant selection (subject to approval from ADB) including preparation of invitation to bid and advertisement for EOIs, preparation of bidding documents and RFPs, review of bid evaluation reports and evaluation of technical proposals and financial proposals of consultants, contract negotiations and contract signing for goods and services and consultants' packages.

23. For procurement to be carried out effectively, it is vital that CPMU staff are fully conversant with procurement procedures of the government and the ADB, and have substantial experience with procurement under ADB-financed projects. Proficiency in English is also an important attribute since ADB templates, International Competitive Bidding (ICB) documents and Request for Proposals (RFP) are to be issued in English, and evaluation reports and submissions to ADB must also be submitted in English. Since key CPMU staff had not been appointed at the time of this assessment it was not possible to directly assess the qualification of the staff, or the preparedness of the CPMU to implement the project and carry out

³⁰⁰ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report.

procurement activities in accordance with ADB requirements. However, interviews conducted with other CPMU procurement personal indicated a fairly high level of competence. Close monitoring by ADB of advance action activities including establishment of the CPMU will be required to ensure that sufficient resources and qualified staff are appointed.

24. Another risk identified by the assessment relates to the institutional arrangement for procurement at MOET. While the responsibility to carry out all project procurement activities lies with the CPMU, oversight and recommendation for approval of key procurement activities is the responsibility of GDFE. Efficient project implementation depends on the timely review and processing of procurement and consultant selection actions by GDFE. Generally, one staff from GDFE is appointed to review all activities under a number of projects simultaneously. This arrangement ensures that the same person is involved from beginning to end of each project, promoting consistency of the review process and improving efficiency. However, MOET is responsible for implementation of a large number of projects each generating a sizeable number of contracts for procurement of goods and services and consultant selection. This represents a heavy workload for the staff of GDFE and, at times, it may slow the review and processing of procurement actions, which may result in project implementation delays.

25. Most procurement documents, templates and guidelines for ADB-financed projects are available in English language and documents for ADB approval must be submitted in English. Proficiency with English is important for efficient and effective procurement but only 30% of GDFE staff is reportedly proficient in English. It is important that the GDFE staff responsible for the project be proficient in English and familiar with ADB procedures to ensure the prompt processing of procurement actions, and reduce the risk of costly procurement mistakes or miss-procurement which would, in turn, lead to delays in project implementation.

26. The mechanism for BECs and CSC member appointment is not transparent. The procurement law does not regulate the constitution and procedures related to the BECs and CSCs, this is largely left to the discretion of the procuring entity. At MOET, for each project, the respective CPMU prepares two long lists of candidates for potential participation in the BECs and CSCs respectively. BEC and CSC members are selected from this long list for each procurement/consultant selection package. The CPMU Director is responsible for the preparation of a list of members from the long list, on occasion additional candidates may be invited if special qualifications are required. For packages below the threshold of delegated authority, the CPMU Director approves the final list of members; while for packages over the threshold, the CPMU Director submit the proposed list of members for review and approval by the Director General of GDFE. Candidate BEC and CSC members are generally staff of MOET's various departments and in some cases of other relevant agencies. While all members must hold a procurement certificate, there is no other eligibility criteria. Members are paid a daily fee for their participation in their respective committee based on MOF's cost norms. The fee is in addition to their regular salary. There is no limit of appointment for the members; one member may be selected on several committees simultaneously and/or successively.

27. The integrity of the bid evaluation and evaluation of consultants technical and financial proposals is a critical element of the procurement process to ensure fairness and good governance. The lack of transparency in the appointment of BEC and CSC members raises a number concerns including the risks that inclusion to the long list and appointments to BEC/CSC may be politically or financially motivated; that the appointment may be tainted by favoritism or nepotism; or that biased committees may be created to manipulate the outcome of

the evaluation process. While there is no evidence that this is happening in existing projects, it must be raised as a loophole that opens the possibility of wrongdoing.

28. All files and documents related to project implementation including procurement files are kept by the respective CPMUs. Copies of procurement documents sent to GDPE for review are also kept at GDPE but files and documents are not digitized and there is no central computerized system available to the CPMUs to store important files. Once projects are completed, files are transferred to the DPF of MOET to be archived as required by the government law on archival. There is a risk that important procurement and contractual documents may be misfiled, lost or destroyed accidentally or otherwise, causing procurement and potentially legal problems during or subsequent to implementation which would impair review and audit of the project procurement and financial activities.

29. The need for consulting services was identified during project preparation, but the government imposes an arbitrary limit for the cost of consultant services of 5% of the total project cost, irrespective of the type of project. In view of the nature of the proposed program, the PPTA identified a need for consulting services well in excess of the ceiling but this was not allowed under government regulations. There is a risk that resources allocated for consulting services may not be sufficient, and the capacity of the procurement specialists to be recruited under the project implementation support and monitoring services consultant may not be sufficient to adequately support the CPMU in procurement and contract management activities due to unrealistic restrictions on the cost allocation. This may result in slow processing of procurement activities, mistakes in procurement, and ultimately delay in project implementation.

30. Other issues have been identified based on experience from previous projects. For national competitive bidding, bid documents are issued in English and Vietnamese leading to confusion for the contractors and suppliers. Documents are prepared in English for ADB review and approval but contracts are signed with national suppliers and contractors in Vietnamese. Translation from English to Vietnamese is not always accurate causing confusion and potential legal issues. Delays also often occur in procurement and ultimately project implementation because the EA/CPMUs do not regularly submit updated procurement plans for approval of the government and ADB. Whenever there are modifications and new inclusions to the initial procurement plan, those changes must be reflected in the procurement plan updates and approved by ADB. Failure by the CPMU to submit changes to the procurement plan for approval often result in delays in procurement.

31. While individual consultant recruited under advance action are generally provided to assist the CPMUs during critical start up and early implementation stage, the consultants selected are not always familiar with ADB and the government procurement procedures. This may lead to errors in the preparation of bidding documents and templates and ultimately to delays in early project implementation. This is sometimes compounded by the fact that CPMU staff are not always familiar with ADB procedures and do not take full advantage of procurement expertise available from the ADB Viet Nam resident mission (VRM).

32. Key mitigation measures to be adopted by the project include: (i) provision of consulting services in the form of consultants to assist the CPMU and build critical capacity in project implementation and procurement; (ii) close monitoring by ADB of advance action to ensure that the job description for procurement staff of the CPMU include experience with procurement, and particularly ADB procedures, and proficiency with English language; (iii) close monitoring of the procurement process by ADB during project implementation; (iv) setting up appropriate

threshold for procurement of goods and services; (v) grouping procurement of equipment and service contracts into packages as large as possible to streamline the procurement process, promote increased competition, ensure greater participation of larger international bidders, and reduce the governance risks associated with large number of small packages; (vi) provision of training for staff of the CPMU and GDPE in procurement including familiarization with ADB procedures; and (vii) ensuring that adequate filing systems are developed for the CPMU as well as provision of equipment for digitalization and backup of important files.

D. Procurement Risk Assessment and Management Plan (P-RAMP)

33. A Procurement Risk Assessment and Management Plan was prepared and is attached as Annex 3.

III. PROJECT SPECIFIC PROCUREMENT THRESHOLDS

34. There is no ADB specific threshold for the education sector. The proposed threshold for procurement in this project are in accordance with ADB recommended practices in Viet Nam.

IV. PROCUREMENT PLANS

35. The PPTA team prepared the procurement plan. To expedite start up and early implementation of the project loan, advance action has been proposed. Advance action will include preparation of bid documents, request for proposals, and advertisement for EOIs from consulting firms and individual start up consultants. These actions are expected to expedite procurement and recruitment of consultants following loan effectiveness. Advance actions for the recruitment of program implementation consulting firm will include preparation of detailed Terms of Reference, advertisement for EOIs, shortlisting, issuance of RFPs to shortlisted firms, and evaluation of technical and financial proposals. Upon loan effectiveness, approval will be sought from ADB to invite the first ranked firm for contract negotiations. Advance action will also include preparation of bidding documents for procurement of vehicles and equipment for the CPMU. No contract shall be signed before loan effectiveness. The issuance of invitations to bid under advance action will be subject to ADB approval.

V. CONCLUSION

36. The most significant risk identified by this assessment is the uncertainties related to possible delays in CPMU establishment, and the qualifications of the CPMU staff with respect to project implementation and procurement in particular. The implementation of advance action including CPMU establishment and appointment of key staff will be monitored closely by ADB to ensure that (i) the CPMU procurement officer is appointed at the earliest stage; ii) the qualifications and experience of the staff are adequate to carry out the terms of the position descriptions; (iii) the procurement staff are familiar with ADB procedures and are proficient in English; and (iv) assess whether additional training may be necessary to improve qualifications of procurement staff. Overall the risks identified by the assessment can be mitigated through close monitoring and supervision of procurement activities and timely implementation of advance actions. On this basis the assessment the project procurement risk is moderate.

List of Annexes:

- Annex 1 - Completed Procurement Capacity Assessment Agency Questionnaire
- Annex 2 - Project Procurement Risk Analysis
- Annex 3 - Procurement Risk Assessment and Management Plan

Annex 1: Completed Procurement Capacity Assessment Agency Questionnaire (General Department of School Facilities, Equipment, and Children Toys)

The General Department of School Facilities, Equipment, and Children Toys (GDPE) of the Ministry of Education and Training (MOET) is responsible for review and recommendation of approval by the authority of key procurement activities. As such the GDPE is acting as the procurement unit of MOET. Because of GDPE's critical role, the procurement risk assessment interviewed departmental officers to assess the risks related to their participation in the procurement process. The following agency questionnaire summarizes interview findings.

	Question	Answer/Finding	Risk
A. Organizational and Staff Capacity			
Procurement Department / Unit (GDPE)			
A.1	Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No. There is no committee. Preparation of tender documents, and evaluation of bids is carried out by the procuring unit (CPMU), but submitted to the General Department of School Facilities, Equipment, and Children Toys (GDPE) of MOET for clearance and approval by the Vice Minister/Minister.	<ul style="list-style-type: none"> Delays may occur if the CPMU does not have the qualifications and experience to carry out procurement functions Delay in recruitment of startup and program implementation consulting firm if CPMU staff is not appointed on a timely basis and/or does not have adequate experience to carry out the selection process.
A.2	Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No. Bid Evaluation Committees are formed for each procurement package. Major steps of the bidding and evaluation process are submitted to GDPE of MOET for reviews and recommendation for approval	<ul style="list-style-type: none"> Inconsistencies in evaluation of procurement packages may occur because BEC and CSC members are appointed separately for each package. Lack of transparency in the appointment of BEC and CSC members may lead to potential governance issues including conflicts of interest
A.3	If yes, what type of procurement does it undertake?		
A.4	How many years' experience does the head of the procurement department/unit have in a direct procurement role?	Head of GDPE has more than 10 years' experience in procurement	
A.5	How many staff in the procurement department/unit are:	23 staff, including 15 directly responsible for procurement monitoring and review	
	i) Full Time	All	
	ii) Part Time	None	
	iii) Seconded	None	
A.6	Do the procurement staff have English language proficiency?	Only approximately 30% of GDPE procurement staff have English proficiency.	<ul style="list-style-type: none"> Staff may not have sufficient English proficiency to clearly

	Question	Answer/Finding	Risk
	(verbal and written)		understand the ADB template documents and reports leading to procurement mistakes and possible miss-procurement
A.7	Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	All GDFE procurement staff must have a procurement certificate to carry out procurement activities.	<ul style="list-style-type: none"> Procurement certificate is not a guarantee that staff are qualified. Staff qualifications may not be sufficient Staff of GDFE may be overloaded and if qualifications are not up to standard, may slow down the approval of procurement actions, and may cause procurement mistakes
A.8	Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement?	Yes, but there is no central computerized system to monitor and store information	<ul style="list-style-type: none"> Important documents may be lost or misfiled and not be available for future audit/review
A.9	Does the agency have, or have ready access to a procurement training program?	Continuous procurement training programs are available. An average of 50% of GDFE procurement staff are reportedly enrolled.	See A.7 above
A.10	At what level does the department/unit report (to the head of agency, deputy etc.)?	Vice Minister	
A.11	Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes.	
A.12	Is there a procurement process manual for goods and works?	ADB's guidelines and local procurement legal documents including Law, Decrees, Circulars , etc. guide the department staff. According to the MPI's policy on the management of the ODA projects, if there is a discrepancy between local law and Donor's regulations, the Donor's regulations shall prevail. Some staff (30%) familiar with ADB guidelines and procedures but not all	
A.13	If there is a manual, is it up to date and does it cover foreign-assisted projects?	Every PMU has a project implementation manual which is updated annually.	
A.14	Is there a procurement process manual for consulting services?	Same as goods and services	
A.15	If there is a manual, is it up to date and does it cover foreign-assisted projects?	Same as above.	
Project Management Unit (CPMU)			
A.16	Is there a fully (or almost fully) staffed PMU for this project	The CPMU has not yet been established this will be done under advanced action before	

	Question	Answer/Finding	Risk
	currently in place?	loan effectiveness.	
A.17	Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Staff not yet appointed, only key positions have been mentioned but not yet appointed	Risk: if the appointed staff qualifications not to standard, or if appointment is late, this may cause delays in startup and subsequently in implementation
A.18	Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Equipment and furniture will be provided to the CPMU under the loan, this will include all necessary facilities, computer equipment, photocopiers, printers etc.	
A.19	Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Standard bidding documents for NCB and ICB will be prepared. Documents used under previous ADB-Financed projects will be available as examples to the procurement specialist.	
A.20	Does the agency follow the national procurement law, procurement processes, guidelines?	Yes, the agency is bound by Law No. 43/2013/QH13 effective from 1 st July, 2014. For ODA projects the policy of the government stipulates that in case of discrepancy between the procurement law and donor regulations the donor regulations shall prevail.	
A.21	Does the TOR for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	TORs not yet prepared but will follow the standard ADB format	
A.22	Who drafts the procurement specifications?	The CPMU	
A.23	Who approves the procurement specifications?	GDFE reviews and Vice Minister approves	
A.24a)	Who in the PMU has experience in drafting bidding documents?	CPMU staff not identified yet	
A.24b)	Who will draft the bidding documents?	The CPMU	
A.25a)	Who manages the sale of the bidding documents?	The CPMU is responsible for all procurement management	
A.25b)	Are records of the sale of bidding documents immediately available?	Yes	
A.26	Who identifies the need for consulting services requirements?	The need for consulting services has been identified during project preparation. Additional needs that may be identified during implementation by the CPMU will be subject to ADB approval	
A.27	Who drafts the terms of reference (TOR)?	The CPMU	
A.28.	Who prepares the request for proposals (RFPs)?	The CPMU	

	Question	Answer/Finding	Risk
B. Information Management			
B.1	Is there a referencing system for procurement files?	All procurement files are kept by the PMU and copies of key documents submitted to GDPE for review. There is no microfiche or digital back up of the files at central office.	Risk of documents being misfiled or lost for future review and audit.
B.2	Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	
B.3	Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	After project completion files are transferred to Finance and Planning Department of MOET, for archiving in accordance with Government Laws and Regulations.	Risk that documents are misfiled or destroyed /lost
B.4	For what period are records kept?	Following Government Laws and Regulations	Same as above
B.5	Are copies of bids or proposals retained with the evaluation?	Yes, all bids, proposals, evaluation report and contracts are kept with the files at CPMU	Same as b.1 above
B.6	Are copies of the original advertisements retained with the pre-contract papers?	Yes, CPMU keep the originals in file	
B.7	Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Files remain with the CPMU filing system is the responsibility of the CPMU	
B.8	Are copies of invoices included with the contract papers?	Yes	
B.9	Is the agency's record keeping function supported by IT?	No central computer. Information kept on individual computers.	Risk of documents being misfiled or lost and no back up system
C. Procurement Practices			
Goods and Works			
C.1	Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months to 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes <ul style="list-style-type: none"> • Secondary Education Sector Development Program (ADB) • Second Lower Secondary Education for the Most Disadvantaged Areas Project (ADB) • Others 	
C.2	If the above answer is yes, what were the major challenges?		
C.3	Is there a systematic process to identify procurement requirements (for a period of one year or more)	Annual Procurement plans prepared, plus quarterly projections for ADB	
C.4	Is there a minimum period for preparation of bids and if yes how long?	40 days for NCB 60 days for ICB	

	Question	Answer/Finding	Risk
C.5	Are all queries from bidders replied to in writing?	Yes	
C.6	Does the bidding document state the date and time of bid opening?	Yes	
C.7	Is the opening of bids done in public?	Yes	
C.8	Can late bids be accepted?	No	
C.9	Can bids (except late bids) be rejected at bid opening?	No	
C.10	Are minutes of the bid opening taken?	Yes	
C.11	Are bidders provided with a copy of the minutes of bid opening, and who may have a copy of the minutes?	Yes	
C.12	Are the minutes free of charge?	Yes	
C.13	Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	BEC is established by CPMU for each package based	
C.14	What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Need procurement certificate.	
C.15	Is the decision of the evaluators final or is the evaluation subject to additional approvals?	CPMU reviews the BEC before submitting to GDFE for approval	
C.16	Using at least three "worst-case" real examples, how long from the issuance of the invitation for bids can contract be awarded?	Process expected to last 100 days (ICB) but often takes longer.	Risk of delays in procurement leading to delays in project implementation
C.17	Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	
C.18	Are there established goods receiving procedures?	In general, bidder is responsible for custom clearance, distribution and installation of equipment and goods	
C.19	Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20	Is the agency/procurement department familiar with letters of credit?	Yes	
C.21	Does the procurement department register and track warranty and latent defects liability periods?	Beneficiaries (school) are generally responsible for tracking warranty and defect liability period	
Consulting Services			
C.22.	Has the agency undertaken foreign- assisted procurement of consulting services recently (last 12 months to 36 months)? (If yes, please indicate the names	Yes <ul style="list-style-type: none"> • Secondary Education Sector Development Program (ADB) • Second Lower Secondary Education for the Most Disadvantaged Areas Project (ADB) 	

	Question	Answer/Finding	Risk
	of the development partner/s and the Project/s.)	• Others	
C.23	If the above answer is yes, what were the major challenges?		
C.24	Are assignments and requests for expressions of interest (EOIs) advertised?	Yes	
C.25	Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Same as bid evaluation committee	Same as BEC above
C.26	What criteria are used to evaluate EOIs?	Same as ADB	
C.27	Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS (for ADB financed projects),	
C.28	Do firms have to pay for the RFP document?	No	
C.29	Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	ADB format	
C.30.	Are pre-proposal visits and meetings arranged?	Not compulsory but in special cases possible	
C.31.	Are minutes prepared and circulated after pre-proposal meetings?		
C.32	To whom are the minutes distributed?		
C.33	Are all queries from consultants answered/addressed in writing?	Yes	
C.34	Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	
C.35	Are proposal securities required?	Yes	
C.36	Are technical proposals opened in public?	Yes	
C.37	Are minutes of the technical opening distributed?	Yes	
C.38	Do the financial proposals remain sealed until technical evaluation is completed?	Yes	
C.39	Who determines the final technical ranking and how?	CPMU on recommendation from CSC	
C.40	Are the technical scores sent to all firms?	Yes	
C.41	Are the financial proposal opened in public?	Yes	
C.42	Are minutes of the financial	Yes	

	Question	Answer/Finding	Risk
	opening distributed?		
C.43	How is the financial evaluation completed?	CSC following ADB guidelines	
C.44	Are face-to-face contract negotiations held?	Yes	
C.45	How long after financial evaluation is negotiation held with the selected firm?	One month or more (ADB and GDFE approval 14 days each)	
C.46	What is the usual basis for negotiation?	ADB guidelines	
C.47	Are minutes of negotiation taken and signed?	Yes	
C.48	How long after negotiation is the contract signed?	Usually 20 days	
C.49	Is there an evaluation system for measuring the outputs of consultants?	No	
Payments			
C.50	Are advance payments made?	Yes	
C.51	What is the standard period for payment included in contracts?		
C.52	On average, how long is it between receiving a firm's invoice and making payment?		
C.53	When late payment is made, are the beneficiaries paid interest?	No	
D. EFFECTIVENESS			
D.1	Is contractual performance systematically monitored and reported?	Yes, by CPMU	
D.2	Does the agency monitor and track its contractual payment obligations?	CPMU responsibility	
D.3	Is a complaint resolution mechanism described in national procurement documents?	CPMU to resolve conflict	
D.4	Is there a formal non-judicial mechanism for dealing with complaints?	No	
D.5	Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?		
E. Accountability measures			
E.1	Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	
E.2	Are those involved with procurement required to declare	Yes	

	Question	Answer/Finding	Risk
	any potential conflict of interest and remove themselves from the procurement process?		
E.3	Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	
E.4	Who approves procurement transactions, and do they have procurement experience and qualifications?	GDFE reviews and Vice Minister approves	
E.5.	Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?	For transactions below the threshold Director CPMU has full delegated authority. For other transactions above the threshold see below:	
	a) Bidding document, invitation to pre-qualify or RFP	GDFE (ADB)	
	b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	PMU (ADB)	
	c) Evaluation reports	GDFE (ADB)	
	d) Notice of award	PMU	
	e) Invitation to consultants to negotiate	PMU	
	f) Contracts	GDFE (ADB)	
E.6	Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No various levels	
E.7	Is there a written auditable trail of procurement decisions attributable to individuals and committees?	PMU keep all record for possible audit	

Procurement Capacity Assessment Agency Questionnaire (Central Project Management Units)

In view of the fact that the CPMU for the proposed project has not yet been established, the procurement risk assessment questionnaire was used to interview officers and staff from existing and past CPMUs for Loan 2929-VIE: Second Upper Secondary Education Development Project Loan 2750/2751-VIE: University of Science and Technology of Hanoi Development (New Model University) Project; and Loan 2583-VIE: Secondary Education Sector Development Program. The following agency questionnaire summarizes the answers and findings from these interviews.

	Question	Answer/Finding	Risk
A. Organizational and Staff Capacity			
Procurement Department / Unit (GDPE)			
A.1	Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	<ul style="list-style-type: none"> No permanent procurement committee. Evaluation of bids is carried out by a Bid Evaluation Committee (BEC) appointed by the central procurement management unit (CPMU) or MOET. The bid evaluation report (BER) of the BEC is reviewed by the General Department of School Facilities, Equipment, and Children Toys (GDPE) of MOET and approval by the Vice Minister/Minister. BECs are appointed for each procurement package. There is a threshold under which the director of the CPMU has full authority to appoint the BEC and award the contract without oversight by the GDPE and MOET. For civil works contracts, procurement is carried out at provincial level by the provincial project management unit (PPMU). 	<ul style="list-style-type: none"> Inconsistencies in evaluation of procurement packages may occur because BEC members are appointed separately for each package Lack of transparency in the appointment of BEC and CSC members may lead to potential governance issues.
A.2	Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	<ul style="list-style-type: none"> No GDPE of MOET reviews key procurement actions and recommend approval. 	<ul style="list-style-type: none"> Same as above
A.3	If yes, what type of procurement does it undertake?	<ul style="list-style-type: none"> There is a threshold below which the director of the CPMU has full authority to approve all procurement actions. The thresholds vary for each CPMU but is generally low (\$100,000 or 	

	Question	Answer/Finding	Risk
		less), all other procurement actions are to be submitted to GDFE oversight	
A.4	How many years' experience does the head of the procurement department/unit have in a direct procurement role?		See response from GDFE questionnaire
A.5	How many staff in the procurement department/unit are:		See response from GDFE questionnaire
	iv) Full Time?		
	v) Part Time?		
	vi) Seconded?		
A.6	Do the procurement staff have English language proficiency? (verbal and written)		See response from GDFE questionnaire
A.7	Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	<ul style="list-style-type: none"> • All GDFE procurement staff must have a procurement certificate. • The procurement certification training generally lasts 3 days and focus on the Government Procurement laws only • GDFE staff are assigned a number of projects and is responsible for all procurement actions for these projects. • Review and approval of procurement action is sometimes slow due in part to heavy work load of GDFE staff 	<ul style="list-style-type: none"> • Risk that qualification of appointed staff may not be of highest standard or may not be familiar with ADB procedures, which may lead to a slowdown in the approval of procurement actions, and may cause procurement mistakes • Slow processing of procurement actions by GDFE may result in delays in project implementation.
A.8	Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement?		See response from GDFE questionnaire
A.9	Does the agency have, or have ready access to a procurement training program?		See response from GDFE questionnaire
A.10	At what level does the department/unit report (to the head of agency, deputy etc.)?	Vice Minister of Education and Training	
A.11	Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?		See response from GDFE questionnaire
A.12	Is there a procurement process manual for goods and works?	<ul style="list-style-type: none"> • The Government's Procurement Law 43/2013/QH13, together with Decree 63/2014/ND-CP and Decree 30/2015/ND-CP guide all public procurement actions. • Not all the staff of GDFE appear to be familiar with ADB procedures 	<ul style="list-style-type: none"> • Risk of delays in processing of procurement actions due to unfamiliarity of GDFE staff with ADB procedures.

	Question	Answer/Finding	Risk
A.13	If there is a manual, is it up to date and does it cover foreign-assisted projects?	<ul style="list-style-type: none"> • Every PMU has a project management manual which is updated annually. • For ADB financed projects the PAM governs project implementation matters. 	
A.14	Is there a procurement process manual for consulting services?	Same as goods and services.	
A.15	If there is a manual, is it up to date and does it cover foreign-assisted projects?	Same as above.	
Project Management Unit (CPMU)			
A.16	Is there a fully (or almost fully) staffed PMU for this project currently in place?	The CPMU has not yet been established this will be done under advanced action after loan approval and before loan effectiveness.	<ul style="list-style-type: none"> • Delays may occur in the setting up of the CPMU which may result in delays in startup and implementation. • Delays may also occur in implementation if the CPMU staff does not have the qualifications and experience to carry out procurement functions • Effectiveness in procurement process may be affected due unfamiliarity of CPMU staff with the process and/or ADB procedures.
A.17	Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Staff not yet appointed, only key positions have been mentioned but not yet appointed.	See above
A.18	Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Equipment and furniture will be provided to the CPMU under the loan, this will include basic facilities, computer equipment, photocopiers, printers etc.	<ul style="list-style-type: none"> • Important procurement documents may be lost, misfiled, or compromised for future reference and audit unless a computerized filing and archiving system for backing up files is provided to the CPMU.
A.19	Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	<ul style="list-style-type: none"> • Harmonized bidding documents for NCB and ICB are available both in English and Vietnamese language. • Documents used under previous projects will be available as examples to the procurement specialist. 	<ul style="list-style-type: none"> • Risk of delays in procurement if the staff of the CPMU is not familiar with standard templates.
A.20	Does the agency follow the national procurement law, procurement processes, guidelines?	Yes, the agency is bound to follow Law No. 43/2013/QH13 effective from 1 st July, 2014. In case of discrepancy between the procurement law and donor regulations, the donor regulations shall prevail.	
A.21	Does the TOR for consulting	TOR generally follow ADB format.	

	Question	Answer/Finding	Risk
	services follow a standard format such as background, tasks, inputs, objectives and outputs?		
A.22	Who drafts the procurement specifications?	The CPMU with assistance from the Project Implementation Support and Monitoring (PISM) Consultants.	
A.23	Who approves the procurement specifications?	Generally, technical specifications are prepared by consultants and reviewed by CPMU staff, before approval by ADB and GDFE. When specs comprise complex technical goods and services, pools of experts may be required to review the specs.	
A.24a)	Who in the PMU has experience in drafting bidding documents?	The CPMU staff not identified.	<ul style="list-style-type: none"> There is a risk that if the procurement staff of the CPMU is not familiar with preparation of TORs that the project may suffer start up and implementation delays
A.24b)	Who will draft the bidding documents?	The CPMU based on standard harmonized templates.	Same as above
A.25a)	Who manages the sale of the bidding documents?	The CPMU is responsible for all procurement management.	
A.25b)	Are records of the sale of bidding documents immediately available?	Yes	
A.26	Who identifies the need for consulting services requirements?	Project preparation	
A.27	Who drafts the terms of reference (TOR)?	The CPMU will draft the TORs.	Same as A.24 a) and b) above
A.28.	Who prepares the request for proposals (RFPs)?	The CPMU will prepare the RFP.	Same as A.24 a) and b) above
B. Information Management			
B.1	Is there a referencing system for procurement files?	<ul style="list-style-type: none"> All procurement files are kept by the CPMU and copies submitted to GDFE. Referencing system is at the discretion of the CPMU. At completion files are transferred to MOET's administration department for archiving. There is no back up, digital copies or central server to store and archive files during project implementation. 	<ul style="list-style-type: none"> Important procurement documents may be lost, misfiled, or compromised for future reference and audit because of lack of central computerized filing and archiving system, and lack of back up
B.2	Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?		
B.3	Does the agency adhere to a document retention policy (i.e. for	After project completed, files are transferred to Finance and Planning	

	Question	Answer/Finding	Risk
	what period are records kept)?	Department of MOET for archiving in accordance with Government Law and regulations.	
B.4	For what period are records kept?		
B.5	Are copies of bids or proposals retained with the evaluation?	Yes, all bids and evaluation report are kept with the files.	
B.6	Are copies of the original advertisements retained with the pre-contract papers?	CPMU keep the originals in a file.	
B.7	Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Files remain with the CPMU and all subsequent VOs are kept in the same file.	
B.8	Are copies of invoices included with the contract papers?	Yes	
B.9	Is the agency's record keeping function supported by IT?	No central system.	See B.1 above
C. Procurement Practices			
Goods and Works			
C.1	Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months to 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes <ul style="list-style-type: none"> • Secondary Education Sector Development Program (ADB) • Second Lower Secondary Education for the Most Disadvantaged Areas Project (ADB) • Others 	
C.2	If the above answer is yes, what were the major challenges?	<ul style="list-style-type: none"> • Lack of qualified staff. • New CPMUs are set up for each project with new staff sometimes with limited experience. New staff not always familiar with ODA procedures making progress slow. • Time pressure, ADB and Government procedures are time consuming and complex and the procurement process is very long, but staff are under pressure to complete procurement quickly against a heavily bureaucratic approval process. 	See A.16 above
C.3	Is there a systematic process to identify procurement requirements (for a period of one year or more)	Annual Procurement plans prepared, plus quarterly projections for ADB.	
C.4	Is there a minimum period for preparation of bids and if yes how long?	ADB requirement 4 wks. (NCB) and 6 wks. (ICB) are being followed.	
C.5	Are all queries from bidders replied to in writing?	Yes	
C.6	Does the bidding document state the date and time of bid opening?	Yes	
C.7	Is the opening of bids done in	Yes	

	Question	Answer/Finding	Risk
	public?		
C.8	Can late bids be accepted?	No	
C.9	Can bids (except late bids) be rejected at bid opening?	No, only BEC during evaluation of bids will recommend rejection of bidders based on non-compliance or others.	
C.10	Are minutes of the bid opening taken?	Yes	
C.11	Are bidders provided with a copy of the minutes of bid opening, and who may have a copy of the minutes?	Yes	
C.12	Are the minutes free of charge?	Yes	
C.13	Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	BEC is established by MOET or PMU for each package based on threshold of procurement. For package > threshold approval by MOET; < threshold BEC appointed by CPMU director (delegated authority for all procurement activities, BEC, BER, Award).	<ul style="list-style-type: none"> • Inconsistencies in evaluation of procurement packages may occur because BEC members are appointed separately for each package. • Lack of transparency in the appointment of BEC members may lead to potential governance issues
C.14	What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	<ul style="list-style-type: none"> • Members must hold procurement certificate. 	Same as above
C.15	Is the decision of the evaluators final or is the evaluation subject to additional approvals?	CPMU reviews the BEC there is no dispute settlement mechanism.	Lack of dispute settlement mechanism may open the door for horse trading or other dubious approach
C.16	Using at least three "worst-case" real examples, how long from the issuance of the invitation for bids can contract be awarded?	Process expected to last 100 days (ICB) but often takes longer. Major areas of concern: BEC may takes longer than expected, GDFE review is expected to be 14 days but often exceeds this. ADB approval is also expected to take 14 days but also often takes longer.	
C.17	Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	
C.18	Are there established goods receiving procedures?	In general, bidder is responsible for custom clearance, distribution and installation of equipment and goods.	
C.19	Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20	Is the agency/procurement department familiar with letters of credit?	Yes	
C.21	Does the procurement department register and track warranty and latent defects liability periods?	Beneficiaries (school) are generally responsible for tracking warranty and defect liability period.	
Consulting Services			

	Question	Answer/Finding	Risk
C.22.	Has the agency undertaken foreign- assisted procurement of consulting services recently (last 12 months to 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes <ul style="list-style-type: none"> • Secondary Education Sector Development Program (ADB) • Second Lower Secondary Education for the Most Disadvantaged Areas Project (ADB) • Others 	
C.23	If the above answer is yes, what were the major challenges?	Taking too much time for QCBS, QBS procedures. Number of approval by ADB (5) and GDFE slow down the process significantly.	Risk of slow progress in recruitment and fielding of key consultants may result in delays in implementation
C.24	Are assignments and requests for expressions of interest (EOIs) advertised?	For ADB project on the CMS, Government procurement magazine, and sometimes project websites.	
C.25	Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Same as bid evaluation committee, and same thresholds.	
C.26	What criteria are used to evaluate EOIs?	Same as ADB.	
C.27	Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS (for ADB financed projects),	
C.28	Do firms have to pay for the RFP document?	No	
C.29	Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	ADB format	
C.30.	Are pre-proposal visits and meetings arranged?	Not compulsory but in special cases possible	
C.31.	Are minutes prepared and circulated after pre-proposal meetings?	Don't know	
C.32	To whom are the minutes distributed?		
C.33	Are all queries from consultants answered/addressed in writing?	Yes	
C.34	Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	
C.35	Are proposal securities required?	Yes	
C.36	Are technical proposals opened in public?	Yes	
C.37	Are minutes of the technical opening distributed?	Yes	
C.38	Do the financial proposals remain sealed until technical evaluation is completed?	Yes	
C.39	Who determines the final	CPMU on recommendation from	

	Question	Answer/Finding	Risk
	technical ranking and how?	CSC, approval by Director CPMU or MOET depending on threshold.	
C.40	Are the technical scores sent to all firms?	Scores not published but each firm is notified.	
C.41	Are the financial proposal opened in public?	Yes	
C.42	Are minutes of the financial opening distributed?	Yes	
C.43	How is the financial evaluation completed?	CSC following ADB guidelines	
C.44	Are face-to-face contract negotiations held?	Yes	
C.45	How long after financial evaluation is negotiation held with the selected firm?	After ADB approval, CPMU invites directly for international 7 to 10 days, national 5 to 7 days.	
C.46	What is the usual basis for negotiation?	ADB guidelines	
C.47	Are minutes of negotiation taken and signed?	Yes	
C.48	How long after negotiation is the contract signed?	Usually 20 days	
C.49	Is there an evaluation system for measuring the outputs of consultants?	No	<ul style="list-style-type: none"> Poor performance of consultants may not be reported due to lack of performance evaluation system, and consultants with poor performance record may continue to be shortlisted and win proposals
Payments			
C.50	Are advance payments made?	Yes	
C.51	What is the standard period for payment included in contracts?	30 to 45 days after submission of claim	
C.52	On average, how long is it between receiving a firm's invoice and making payment?	Varies from 30 to 60 days	
C.53	When late payment is made, are the beneficiaries paid interest?	No	
D. EFFECTIVENESS			
D.1	Is contractual performance systematically monitored and reported?	Yes, by CPMU	
D.2	Does the agency monitor and track its contractual payment obligations?	Not strictly	<ul style="list-style-type: none"> Contractors may suffer cash flow difficulties and slow down project implementation due to poor monitoring and tracking of contractual obligations and payments Poor performing contractor may get away with lower standard work/supplies
D.3	Is a complaint resolution mechanism described in national procurement documents?	CPMU to resolve conflict occasionally panel formed from CPMU	<ul style="list-style-type: none"> No complaint mechanism may lead to poor management of human resources, and social dimension during project implementation

	Question	Answer/Finding	Risk
D.4	Is there a formal non-judicial mechanism for dealing with complaints?	Same	
D.5	Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Based on procurement law. Independent committee formed to investigate.	
E. Accountability measures			
E.1	Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	
E.2	Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	
E.3	Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	
E.4	Who approves procurement transactions, and do they have procurement experience and qualifications?	GDFE and Minister, and yes they have	
E.5.	Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?	For transactions below the threshold Director CPMU has full delegated authority. For other transactions above the threshold see below:	
	g) Bidding document, invitation to pre-qualify or RFP	GDFE (ADB)	
	h) Advertisement of an invitation for bids, pre-qualification or call for EOIs	PMU (ADB)	
	i) Evaluation reports	GDFE (ADB)	
	j) Notice of award	PMU	
	k) Invitation to consultants to negotiate	PMU	
	l) Contracts	GDFE (ADB)	
E.6	Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No various levels.	

	Question	Answer/Finding	Risk
E.7	Is there a written auditable trail of procurement decisions attributable to individuals and committees?	PMU keep all record for possible audit.	

Annex 2: PROJECT PROCUREMENT RISK ANALYSIS

SL No.	RISK	IMPACT	LIKELYHOOD	STRATEGY
A.1/ A.2/ C.13/ C.14/ C.25	<ul style="list-style-type: none"> Lack of transparency in the appointment of BEC and CSC members may lead to potential governance issues including conflicts of interest, and ultimately miss-procurement may be declared by ADB 	High	Unlikely if proper monitoring of the reports from the BEC and CSC	<ul style="list-style-type: none"> Once appointed, the program implementation consulting firm will review the reports of the CSC and BEC
A.6/	<ul style="list-style-type: none"> Lack of English proficiency with staff of CPMU may lead to costly procurement mistakes and possible miss-procurement 	High	Unlikely if the procurement officer of the CPMU has proficiency in English	<ul style="list-style-type: none"> Ensure that the job description for the procurement officer of the CPMU include working proficiency with English IC procurement specialist to ensure the all templates are translated into Vietnamese
A.7/ A.9/ A.19/ A.27/ A.28/ C.2/ C.23	<ul style="list-style-type: none"> If the appointed staff of GDFE lacks qualification and/or familiarity with ADB procedures, this may lead to a slow approval of procurement actions, and may cause procurement mistakes Lack of English proficiency with GDFE staff may lead to slow processing of procurement actions. Staff of GDFE are often overloaded which may lead to delay in the review and approval of procurement actions and ultimately to project implementation. Risk of delays in procurement if the CPMU staff is not familiar with standard templates. 	High High High	<p>Unlikely if staff of GDFE has strong qualifications and proficiency with English</p> <p>Likely if appointed staff of GDFE is managing a large number of projects</p> <p>Unlikely if CPMU and GDFE staff are provided training</p>	<ul style="list-style-type: none"> Ensure that the appointed staff of GDFE has experience with ADB projects and working proficiency with English Ensure that the Program Director of CPMU follow up with GDFE staff regularly to ensure prompt review of the submitted documents ADB to provide training to staff of the CPMU and GDFE in procurement and ADB procedures and the IC procurement specialist provide follow up training
A.8/ A.18/ B.1/ B.3/ B.9/	<ul style="list-style-type: none"> Important procurement documents may be lost, misfiled, or compromised for future reference and audit because of lack of central computerized filing and archiving system, and lack of back up. 	High	Unlikely if proper filing and backup system is established at the CPMU	<ul style="list-style-type: none"> The CPMU to consider setting up a system for digital filing and back up of all procurement and other project implementation files and documents.
A.16	<ul style="list-style-type: none"> Delays in the setting up of the CPMU may result in delays in startup and implementation. Delays may occur in procurement process if the CPMU staff does not have the qualifications and experience, or familiarity with ADB procedures 	High	Unlikely if CPMU is established and key staff appointed on timely basis and are qualified and experience with procurement and	<ul style="list-style-type: none"> Job description of CPMU staff to include specific requirement for qualifications and experience with procurement as well as familiarity with ADB procedures.

	to carry out procurement functions.		ADB procedures	<ul style="list-style-type: none"> Establishment of the CPMU and appointment of key staff with adequate qualification is one of the readiness filters for advanced action and will be monitored closely by ADB project officer.
A.26	<ul style="list-style-type: none"> Delays in project implementation may occur if resources allocated for consulting services are inadequate, and the capacity of program implementation consulting firm is not sufficient to support project implementation and procurement due to unrealistic government restrictions on the cost allocated for consulting services. 	High	Unlikely if additional allocation for consulting services is provided	<ul style="list-style-type: none"> Additional allocation for consulting services should be considered during project implementation if needed.
C.15/ C.39	<ul style="list-style-type: none"> Delays may occur in the procurement process due to lack of clear procedures to resolve disputes over the outcome of the BEC and CSC which may result in delay in implementation. Lack of clear procedure to address disagreement between the CPMU and the BEC/CSC may lead to governance issues 	Low	Unlikely if procedures for dispute resolution is considered	<ul style="list-style-type: none"> Procedure should be considered to appoint an impartial body to resolve disputes in selection of consultants and procurement matters.
C.49	<ul style="list-style-type: none"> Poor performance of consultants may not be reported due to lack of performance evaluation system, and consultants with poor performance record may continue to be shortlisted and win proposals 	Low	Unlikely	Systematic monitoring and assessment of consultant performance should be considered by MOET
D.2	<ul style="list-style-type: none"> Contractors may suffer cash flow difficulties and slow project implementation due to poor monitoring and tracking of contractual obligations and payments Poor performing contractor may provide work/supplies lower standard that do not meet specification 	Low	Unlikely	Job description for CPMU staff should include contract management, and training in contract management and monitoring should be provided
D.3	<ul style="list-style-type: none"> Lack of complaint mechanism may lead to poor management of human resources, and social dimension during project implementation 	Low	Unlikely if project website is created and include mechanism to file complaints	<ul style="list-style-type: none"> A project website should be established including a mechanism to allow stakeholders to file complaints

				<ul style="list-style-type: none"> • Procedures for investigating and managing complaints should also be considered
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ADB=Asian Development Bank; BEC= Bid Evaluation Committee; CPMU=Central Program Management Unit; CSC=Consultant Selection Committee; GDPE = General Department of School Facilities, Equipment, and Children Toys; MOET=Ministry of Education and Training;

Annex 3: PROCUREMENT RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<ul style="list-style-type: none"> Delays in startup and procurement / selection of consultant may occur if CPMU staff is not appointed on a timely basis and if qualification and experience of CPMU staff including familiarity with ADB procedures are insufficient 	Moderate	<ul style="list-style-type: none"> Establishment of CPMU and appointment of key staff is one of the project readiness criteria. Job description of CPMU procurement staff to include specific requirements for procurement officer's qualifications, experience and familiarity with ADB procedures ADB to monitor establishment of the CPMU and appointment of staff to ensure prompt start up actions on procurement and recruitment of consultants ADB to review the qualifications of CPMU staff particularly the procurement officer Program Director of CPMU to actively monitor progress of review of procurement actions by GDFE to reduce the risk of delays
<ul style="list-style-type: none"> Resources of GDFE to oversee procurement actions, may not be sufficient. The workload on GDFE staff is significant and slow processing of procurement review is not uncommon. Delays in the review of procurement matters may lead to overall delays in project implementation 	Moderate	
<ul style="list-style-type: none"> Lack of transparency in the appointment of BEC and CSC members may lead to potential governance issues 	Low	<ul style="list-style-type: none"> Once appointed, the program implementation consulting firm will review the initial reports of the CSC and BEC before submission to GDFE and ADB for approval.
<ul style="list-style-type: none"> Lack of proficiency in English by CPMU and GDFE staff may slow down the procurement process and may cause procurement mistakes 	Moderate	<ul style="list-style-type: none"> Job requirement of CPMU procurement staff to include specific requirements for proficiency in English GDFE staff appointed for the project must have proficiency in English and familiarity with ADB procedures. All procurement templates are translated into Vietnamese and translation is verified by VRM staff.
<ul style="list-style-type: none"> Delays may occur if resources allocated for consulting services are not sufficient. Capacity of the consultants to support project implementation and procurement may be impaired due to unrealistic Government restriction on the cost allocated for consulting services. 	Moderate	<ul style="list-style-type: none"> Additional allocation for consulting services should be considered during project implementation if and when required. Review and ensure that the TORs for consultants and the qualifications of those selected provide sufficient support
<ul style="list-style-type: none"> Important procurement documents may be lost, misfiled, or compromised for future reference and audit because of lack of central computerized filing and archiving system, and lack of back up procedures 	Moderate	<ul style="list-style-type: none"> The CPMU to consider setting up a system at start up for digital filing and back up of all procurement and other project implementation files and documents.

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|---|----------|--|
| <ul style="list-style-type: none"> • Inconsistency between English and Vietnamese translation of bid document may cause confusion for suppliers and contractors and lead to contractual dispute | Moderate | <ul style="list-style-type: none"> • Translation of procurement documents including bidding documents and contracts to be verified by ADB VRM national officers |
| <ul style="list-style-type: none"> • delays in updating procurement plan by the EA/CPMU may lead to delay in procurement when changes have occurred in the initial approved plan. | Moderate | <ul style="list-style-type: none"> • procurement plan to be updated regularly by EA to ensure expeditious approval of procurement activities by the authority. |
| <ul style="list-style-type: none"> • lack of experience of startup consultants in procurement matters may lead to delay in initial procurement activities, and may result in poorly prepared standard procurement documents and templates. | Moderate | <ul style="list-style-type: none"> • TOR of startup consultants to clearly indicate the need for procurement experience, particularly with ADB procedures. |

Overall	Moderate	
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ADB=Asian Development Bank; BEC=bid evaluation committee; CPMU=central program management unit; CSC=consultant selection committee; GDPE = General Department of School Facilities, Equipment, and Children Toys;

Appendix 8: PROCUREMENT PLAN

I. Basic Data

Program Name: Second Secondary Education Sector Development Program	
Program Number: 47140-002	Approval Number: TBD
Country: Viet Nam	Executing Agency: Ministry of Education and Training
Procurement Classification: B	Implementing Agency: Central Program Management Unit of MOET for Secondary Education Sector Development Program II
Procurement Risk: Moderate	
Program Financing Amount: \$ 107 million ADB Financing: \$100 Million (\$50 million project loan and \$50 million policy based loan) Cofinancing (ADB Administered): none Non-ADB Financing: \$7 million Counterpart financing	Program Closing Date: Tentative September 2023
Date of First Procurement Plan {loan approval date}:	Date of this Procurement Plan: {dd / mm / year}

II. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
ICB for Goods	\$2,000,000 or more	All packages to be subject to Prior Review by ADB
NCB for Goods	Less than \$2,000,000	First package of any type of procurement will be subject to prior review, subsequent packages of same type will be subject to post review
Shopping for Goods	Less than \$100,000	

ICB=international competitive bidding; NCB=national competitive bidding

Consulting Services	
Method	Comments
QCBS	Prior Review
LCS	Prior Review
ICS	Prior Review

ICS=individual consultant selection; LCS=least-cost selection; QCBS= quality - and cost - based selection.

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

2. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Pack Numb	General Description	Estimated Value	Procurement Method	Review Prior / Post	Bidding Procedure	Advert Date (quarter/year)	Comments
1	Provision of additional teaching equipment for enhancing science and technology for 70 USS	\$12,425,000	ICB	Prior	1S1E		
2	Equipment to support model resource schools in disadvantage areas	\$6,960,000	ICB	Prior	1S1E		
3	Provision of equipment to support vocational awareness and career planning activities	\$5,040,000	ICB	Prior	1S1E		
4	Supply of digital training materials on advanced program for science and technology education in 70 USS	\$1,200,000	NCB	Prior/Post*	1S1E		
5	Supply of digital training-learning instruction materials based on new curriculum for youth with special needs	\$1,240,000	NCB	Prior/Post*	1S1E		
6	Provision of additional teaching equipment for disabled student education supporting institutions at province	\$1,218,000	NCB	Prior/Post*	1S1E		

1S1E=single stage one envelope; ICB=international competitive bidding; NCB=national competitive bidding;

* Prior review for first contract, subsequent contracts of same nature post review.

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

3. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Pack Numb	General Description	Estimated Value	Recruit Method	Review Prior / Post	Advert Date (quarter/year)	Type of Proposal	Comments
1	Program implementation consulting firm	\$2,641,950	QCBS (80:20)	Prior	1Q17	FTP	International and National Consultants
2	International Specialist for model resource schools (6 PM)	\$140,000	ICS	Prior	4Q16	BTP	Advanced Action International Specialist
3	Program Audit (3 x 2 years contracts)	\$300,000	LCS	Prior	2Q17	STP	National Firm Subject to ADB Standardized External Financial Audit of APFS

APFS=annual project financial statement; BTP=biodata technical proposal; FTP=full technical proposal; QCBS=quality - and cost - based selection; STP=simplified technical proposals;

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

4. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Pack Numb	General Description	Estimated Value	Number of Contract	Procurement Method	Review [Prior / Post]	Bidding Procedure	Advert Date (quarter/year)	Comments
1	Supply digital guidelines on quality accreditation of secondary education oriented towards development of problem solving capacity and directional distribution of students after LSS and USS	\$520,000	1	NCB	Prior/Post*	1S1E		
2	Supply digital instruction material on renovation of school preparation oriented towards student capacity development	\$400,000	1	NCB	Prior/Post*	1S1E		
3	Supply of digital instruction material on strengthening practical teaching – learning, experiment method, soft skill education, psychological counseling	\$400,000	1	NCB	Prior/Post*	1S1E		
4	Supply digital instruction material on improving vocational awareness, career planning of student, career selection that suits the capability of each student	\$400,000	1	NCB	Prior/Post*	1S1E		
5	Office equipment for CPMU and TALIS	\$172,900	1	NCB	Prior/Post*	1S1E		
6	Supply of digital instruction material for local officers and education management staff on methods to conduct survey, identify, classify, encourage, plan, manage migrant youth to facilitate their enrollment in education institutions	\$40,000	1	Shopping	Prior/Post*	Shopping		

Goods and Works								
Pack Num	General Description	Estimated Value	Number of Contract	Procurement Method	Review [Prior / Post]	Bidding Procedure	Advert Date (quarter/year)	Comments
7	Study and survey the modern education programs and method to improve STEM schools	\$50,000	1	Shopping	Prior/Post*	Shopping		
8	Study and survey the modern career planning programs to be applied for secondary schools in order to improve vocational awareness and career planning for secondary students	\$50,000	1	Shopping	Prior/Post*	Shopping		

1S1E=one stage one envelope procedure; NCB=national competitive bidding; CPMU=central program management unit; STEM=science, technology, engineering and mathematics; TALIS=teaching and learning international study; USS=upper secondary schools.

* Prior review for first contract, subsequent contracts of same nature post review.

Consulting Services								
Package Number	General Description	Est. Value	Number of Contract	Recruitment Method	Review (Prior / Post)	Advert Date (quarter/year)	Type of Proposal	Comments
1	International Start-Up Specialist (3 pm)	\$71,000	1	ICS	Prior	4Q16	BTP	Advance action
2	International Specialist for STEM (3 pm)	\$71,000	1	ICS	Prior	4Q16	BTP	Advance Action
3	National Specialist for model resource school	\$22,500	1	ICS	Prior	4Q16	BTP	Advance Action
4	National Start-Up Specialist	\$15,000	1	ICS	Prior	4Q16	BTP	Advance Action
5	National Specialist for STEM	\$15,000	1	ICS	Prior	4Q16	BTP	Advance Action

BTP=biodata proposal; ICS=individual consultant selection; STEM=science, technology engineering and Mathematics

III. Indicative List of Packages Required Under the Project Loan

5. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Pack Num	General Description	Estimated Value cumulate	Est. Number of Contract	Procure Method	Review [Prior / Post]	Bidding Proc	Comments
1	Provision of Additional teaching equipment for enhancing science and technology for 70 USS	\$12,425,000	1	ICB	Prior	1S1E	Output 1-c-1
2	Equipment to support model resource schools in disadvantaged areas	\$6,960,000	1	ICB	Prior	1S1E	Output 1-a-1

Goods and Works							
Pack Numb	General Description	Estimated Value cumulate	Est. Number of Contract	Procure Method	Review [Prior / Post]	Bidding Proc	Comments
3	Provision of equipment to support vocational awareness and career planning activities	\$5,040,000	1	ICB	Prior	1S1E	Output 1-d-1
4	Supply of digitalized training materials on advanced program for science and technology education in 70 USS	\$1,200,000	1	NCB	Prior/Pos †*	1S1E	Output 1-c-1
5	Supply digital teaching-learning instruction materials based on new curriculum for youth with special needs	\$1,240,000	1	NCB	Prior/Pos †*	1S1E	Output 2-b-1
6	Provision of additional teaching equipment for disabled student education supporting institutions at provinces	\$1,218,000	1	NCB	Prior/Pos †*	1S1E	Output 2-b-1
7	Supply digital guidelines on quality accreditation of secondary education oriented towards development of problem solving capacity and directional distribution of students after LSS and USS	\$520,000	1	NCB	Prior/Pos †*	1S1E	Output 3-b-1
8	Supply digital instruction material on renovation of school preparation, oriented towards student capacity development	\$400,000	1	NCB	Prior/Pos †*	1S1E	Output 1-a-1
9	Supply of digital instruction material on strengthening practical teaching – learning, experiment method, soft skill education, psychological counselling	\$400,000	1	NCB	Post/Prior †*	1S1E	Output 1-b-1
10	Supply digital instruction material on improving vocational awareness, career planning of students, career selection that suits the capability of each student	\$400,000	1	NCB	Prior/Pos †*	1S1E	Output 1-d-1
11	Office equipment and furniture for the CPMU and TALIS	\$172,900	1	NCB	Prior/Pos †*	1S1E	Output 3-b-1 and Project management Activities
12	Supply of digital instructional materials for local officers and education management staff on methods to conduct survey, identify, classify encourage, plan, manage migrant youth to facilitate their enrollment in education institutions	\$40,000	1	Shopping	Prior/Pos †*	Shopping	Output 2-a-1
13	Study and survey the modern education programs and method to improve STEM schools	\$50,000	1	Shopping	Prior/Pos †*	Shopping	Service Contract
14	Study and survey the modern	\$50,000	1	Shopping	Prior/Pos	Shopping	Service

Goods and Works							
Pack Num	General Description	Estimated Value cumulate	Est. Number of Contract	Procure Method	Review [Prior / Post]	Bidding Proc	Comments
	career planning programs to be applied for secondary schools in order to improve vocational awareness and career planning for secondary students				t *		Contract

1S1E=single stage one envelope; CPMU= central program management unit; ICB=international competitive bidding; NCB=national competitive bidding; STEM=science, technology engineering and mathematics;

* Prior review for first contract, subsequent contracts of same nature post review.

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
1	Program implementation consulting firm	\$2,641,950	1	QCBS (80:20)	Prior	FTP	
2	International Specialist for model resource schools	\$140,000	1	ICS	Prior	BTP	Advanced Action Specialist to assist implementation of new modules for modern resources schools
3	International Start-Up Specialist	\$71,000	1	ICS	Prior	BTP	Advanced action International Specialist
4	International Specialist for STEM	\$71,000	1	ICS	Prior	BTP	Advanced Action Specialist to assist in implementation of the STEM methodology
5	National Start-Up Specialist	\$15,000	1	ICS	Prior	BTP	Advanced action National Specialist
6	National Specialist for model resource schools	\$22,500	1	ICS	Prior	BTP	Advanced Action National Specialist
7	National Specialist for STEM	\$15,000	1	ICS	Prior	BTP	Advanced Action National Specialist
8	Program Audit	\$300,000	3	LCS	Prior	STP	National Firm(s) 3-2 year contracts

BTP=biodata technical proposal; FTP=full technical proposal; ICS=individual consultant selection; LCS=least-cost selection; QCBS=quality - and cost - based selection; STEM=science, technology, engineering and mathematics; STP=simplified technical proposal;

IV. List of Awarded, Ongoing, and Completed Contracts

1. Awarded and Ongoing Contracts

6. Not applicable at this time

2. Completed Contracts

7. Not applicable at this time

3. Non-ADB Financing

8. Not applicable.

V. National Competitive Bidding

1. General

9. The procedures to be followed for the procurement of goods, non-consulting services, and works under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Law on Procurement No. 43/2013/QH13 dated November 26, 2013 (“Law on Procurement”) and (b) Decree No. 63/2014/ND-CP dated June 26, 2014 (collectively, “National Procurement Laws”). Whenever any procedure in the National Procurement Laws is inconsistent with the ADB Procurement Guidelines (March 2013, as amended from time to time), the ADB Procurement Guidelines shall prevail, amongst others on the following.

2. Eligibility

10. The eligibility of bidders shall be as defined under section I of the ADB Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the ADB Procurement Guidelines, as amended from time to time. Conditions of bidders’ participation shall be limited to those that are essential to ensure bidders’ capability to fulfill the contract in question. Foreign bidders shall be eligible to participate under the same conditions as national bidders. Foreign bidders shall not be asked or required to form joint ventures with, or be subcontractors to, national bidders in order to submit a bid.

11. A firm declared ineligible by ADB cannot participate in bidding for an ADB-financed contract during the period of time determined by ADB.

12. A bidder shall not have a conflict of interest which term shall be defined in accordance with section 1 of ADB Procurement Guidelines.³⁰¹ Any bidder found to have a conflict of interest shall be ineligible for contract award.

13. Government-owned enterprises in the Borrower’s country shall be eligible to participate as a bidder only if they can establish that they are legally and financially autonomous, operate under commercial law and are not dependent agencies of the Borrower or Sub-Borrower.

14. National sanction lists may only be applied with approval of ADB.³⁰²

301 Detailed guidance on how to apply conflict of interest test is available under section 1 of ADB’s standard bidding documents for goods and works (as amended from time to time).

302 For fraud and corruption cases, Section 50 of ADB’s Integrity Principles and Guidelines provides that ADB may decide that another international financial institution’s or legal or regulatory body’s determination that a party has failed to adhere to appropriate ethical standards, as defined by any established system of principles, rules, or duties, including the laws or regulations of a state, constitutes that party’s failure to maintain the highest ethical standards as required by ADB’s Anticorruption Policy. The party may be subject to remedial action in accordance with the Integrity Principles and Guidelines. <http://www.adb.org/sites/default/files/integrity-principles-guidelines.pdf>

3. Preferences

15. No preference of any kind shall be given to domestic bidders over foreign bidders or for domestically manufactured goods over foreign manufactured goods. Unless otherwise stated in the applicable financing agreement, preferences among domestic bidders set forth in Article 14(3) of the Law on Procurement shall not be applied.

4. Bidding Procedure

16. A stage-single envelope shall be the default bidding procedure and application of other bidding procedures shall require ADB's prior approval.

5. Time for Bid Preparation

17. The time allowed for the preparation and submission of bids for large and/or complex packages shall not be less than thirty (30) days from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later.

6. Standard bidding documents

18. The Borrower's standard bidding documents, acceptable to ADB, shall be used. Bidders shall be allowed to submit bids by hand or by mail/ courier.

7. Bid Opening and Evaluation

19. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

20. Except with the prior approval of ADB, merit points shall not be used in bid evaluation.

21. No price adjustments shall be made for evaluation purposes in accordance with Article 117(6) of Decree 63 when unit rates offered by the bidder are determined to be abnormally low.

22. Bidders shall be given commercially reasonable time period to respond to clarification requests.

23. Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations³⁰³.

24. Except with the prior approval of ADB, negotiations contemplated under paragraphs 7 and 8 of Article 117 of Decree No. 63/2014/ND-CP shall not take place with any bidder prior to contract award.

25. A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

303 A minor, non-substantial deviation is one that, if accepted, would not affect in any substantial way the scope, quality, or performance specified in the contract; or limit in any substantial way, the Contracting entity rights or the Bidder's obligations under the proposed contract or if rectified, would not unfairly affect the competitive position of other bidders presenting substantially responsive bids.

8. Rejection of All Bids and Rebidding

26. No bid shall be rejected on the basis of a comparison with the Procuring Entity's estimate or budget ceiling without ADB's prior concurrence.

27. All bids shall not be rejected and new bids solicited without ADB's prior approval.

9. Publication of the Award of Contract. Debriefing

28. For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the *Government Public Procurement Gazette*, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.

29. For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.

30. In the publication of the bid evaluation results, the Borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, may request an explanation from the Borrower. The Borrower shall promptly provide an explanation of why such bid was not selected, either in writing and/or in a debriefing meeting, at the option of the Borrower. The requesting bidder shall bear all the costs of attending such a debriefing.

10. Contract Administration

31. The Contract Agreement, as such term is defined in the relevant bidding document, shall be applied without any modification during implementation except as otherwise agreed by ADB.

11. Fraud and Corruption

32. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will sanction a party or its related parties, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed, administered or supported activities if it at any time determines that the party has, directly or indirectly through an agent, engaged in integrity violations as defined under ADB's Integrity Principles and Guidelines, including corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed, administered or supported contract.

12. Right to Inspect/Audit

33. Each bidding document and contract financed by ADB shall include a provision requiring bidders, contractors, agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers and any personnel thereof, to permit ADB to inspect all accounts, records and other documents relating to any prequalification process, bid submission, and contract performance (in the case of award), and to have them audited by auditors appointed by ADB..

Table 36: Indicative List of Packages Required Under the Project Loan (ADB)

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
1. Equipment and Furniture	Provision of additional teaching equipment for enhancing science and technology for 70 USS	12.425	ICB 1 package/ 4 Lots (4 grades – 6 & 10, 7 & 11, 8 & 12 and 9)	Prior Review	3Q18	3Q18: 10% 1Q19: 20% 1Q20: 20% 1Q21: 20% 1Q22: 20% 3Q22: 10%
	Equipment to support model resource schools in disadvantage areas	6.960	ICB 1 package 3 lots (grades 10, 11, 12)	Prior Review	3Q18	3Q18: 10% 1Q19: 25% 1Q20: 25% 1Q21: 25% 1Q22: 15%
	Provision of equipment to support vocational awareness and career planning activities	5.040	ICB 1 package 3 lots	Prior Review	3Q19	3Q19: 10% 1Q20: 40% 1Q21: 40% 2Q21: 10%
	Provision of additional teaching equipment for disabled student education supporting institutions at province	1.218	NCB 1 Package	Prior/Post Review (First Contract Prior, subsequent Post)	1Q20	1Q20: 10% 3Q20: 80% 4Q20: 10%
	Office equipment and furniture for the CPMU and TALIS	0.173	NCB 1 package	Prior Review (First Contract Prior, subsequent Post)	2Q17	2Q17: 10% 3Q17: 90%
2. Instructional Materials	Supply of digital training materials on advanced program for science and technology education in 70 USS	1.200	NCB 1 service Contract	Prior/Post Review (First Contract Prior, subsequent Post)	3Q17	3Q17: 10% 1Q18: 20% 3Q18: 20% 4Q18: 20% 2Q19: 20% 4Q19: 10%
	Supply of digital training-learning instruction materials	1.240	NCB 1 package	Prior/Post Review (First Contract Prior,	2Q18	2Q18: 10% 2Q19: 40% 4Q19: 40% 2Q20: 10%

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	based on new curriculum for youth with special needs			subsequent Post)		
	Supply digital guidelines on quality accreditation of secondary education oriented towards development of problem solving capacity and directional distribution of students after LSS and USS	0.520	NCB 1 package 5 lots	Prior/Post Review (First Contract Prior, subsequent Post)	4Q19	4Q19: 10% 2Q20: 30% 3Q20: 5% 4Q20: 5% 1Q21: 25% 3Q21: 5% 4Q21: 5% 3Q22: 5% 4Q22: 5%
	Supply digital instruction material on renovation of school preparation oriented towards student capacity development	0.400	NCB	Prior/Post Review (First Contract Prior subsequent Post)	2Q18	2Q18: 10% 3Q18: 80% 1Q19: 10%
	Supply of digital instruction material on strengthening practical teaching – learning, experiment method, soft skill education, psychological counseling	0.400	NCB	Prior /Post review (First Contract Prior subsequent Post)	2Q18	2Q18: 10% 2Q19: 80% 4Q19: 10%
	Supply digital instruction material on improving vocational awareness, career planning of student, career selection that	0.400	NCB	Prior review (first contract prior, Subsequent post review)	2Q18	2Q18: 10% 1Q19: 50% 2Q19: 30% 4Q19: 10%

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	suits the capability of each student					
	Supply of digital instruction material for local officers and education management staff on methods to conduct survey, identify, classify, encourage, plan, manage migrant youth to facilitate their enrollment in education institutions	0.040	Shopping	Prior /Post review (first contract prior, Subsequent post review)	3Q17	3Q11: 10% 1Q18: 80% 3Q18: 10%
3. Studies and Surveys	Study and survey the modern education programs and method to improve STEM schools	0.050	Shopping	Prior/Post *	4Q17	4Q17: 10% 2Q18: 80% 3Q18: 10%
	Study and survey the modern career planning programs to be applied for secondary schools in order to improve vocational awareness and career planning for secondary students	0.050	Shopping	Prior /Post*	2Q18	2Q18: 10% 4Q18: 80% 2Q19: 10%
4. Consulting Services	Program Implementation Consulting firm	2.642	QCBS (80:20)	Prior review	2Q17 Time Based	2Q17: 15% + quarterly payments

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	International Specialist for model resource schools (Advanced Action)	0.140 1 International 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payment
	International Start-Up Specialist (Advanced Action)	0.071 1 international (3 pm)	ICS	Prior Review	2Q17 Time Based	Monthly payment
	International Specialist for STEM (Advanced Action)	0.071 1 International 3 pm	ICS	Prior review	2Q17 Time based	Monthly Payment
	National Start-Up Specialist (Advanced Action)	0.015 1 National 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	National Specialist for model resource schools (Advance Action)	0.023 1 National 9 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	National Specialist for STEM (Advance Action)	0.015 1 National 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	Audit Firm(s)	0.300 3 contracts of 2 yrs each	LCS	Prior Review	STP Lump Sum	6 yearly payment

CPMU= central program management unit; ICS=individual consultant selection; LCS=least-cost selection; MOET=Ministry of Education and Training; QCBS=quality – and cost- based selection; STEM: science, technology, engineering and mathematics; STP=simplified technical proposals; TALIS=Teaching and Learning International Study.

Appendix 9: INDICATIVE LIST OF PACKAGES REQUIRED UNDER THE PROJECT LOAN (ADB)

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
1. Equipment and Furniture	Provision of additional teaching equipment for enhancing science and technology for 70 USS	12.425	ICB 1 package/ 4 Lots (4 grades – 6 & 10, 7 & 11, 8 & 12 and 9)	Prior Review	3Q18	3Q18: 10% 1Q19: 20% 1Q20: 20% 1Q21: 20% 1Q22: 20% 3Q22: 10%
	Equipment to support model resource schools in disadvantage areas	6.960	ICB 1 package 3 lots (grades 10, 11, 12)	Prior Review	3Q18	3Q18: 10% 1Q19: 25% 1Q20: 25% 1Q21: 25% 1Q22: 15%
	Provision of equipment to support vocational awareness and career planning activities	5.040	ICB 1 package 3 lots	Prior Review	3Q19	3Q19: 10% 1Q20: 40% 1Q21: 40% 2Q21: 10%
	Provision of additional teaching equipment for disabled student education supporting institutions at province	1.218	NCB 1 Package	Prior/Post Review (First Contract Prior, subsequent Post)	1Q20	1Q20: 10% 3Q20: 80% 4Q20: 10%
	Office equipment and furniture for the CPMU and TALIS	0.173	NCB 1 package	Prior Review (First Contract Prior, subsequent Post)	2Q17	2Q17: 10% 3Q17: 90%
2. Instructional Materials	Supply of digital training materials on advanced program for science and technology education in 70 USS	1.200	NCB 1 service Contract	Prior/Post Review (First Contract Prior, subsequent Post)	3Q17	3Q17: 10% 1Q18: 20% 3Q18: 20% 4Q18: 20% 2Q19: 20% 4Q19: 10%
	Supply of digital	1.240	NCB	Prior/Post	2Q18	2Q18: 10%

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	training-learning instruction materials based on new curriculum for youth with special needs		1 package	Review (First Contract Prior, subsequent Post)		2Q19: 40% 4Q19: 40% 2Q20: 10%
	Supply digital guidelines on quality accreditation of secondary education oriented towards development of problem solving capacity and directional distribution of students after LSS and USS	0.520	NCB 1 package 5 lots	Prior/Post Review (First Contract Prior, subsequent Post)	4Q19	4Q19: 10% 2Q20: 30% 3Q20: 5% 4Q20: 5% 1Q21: 25% 3Q21: 5% 4Q21: 5% 3Q22: 5% 3Q22: 5% 4Q22: 5%
	Supply digital instruction material on renovation of school preparation oriented towards student capacity development	0.400	NCB	Prior/Post Review (First Contract Prior subsequent Post)	2Q18	2Q18: 10% 3Q18: 80% 1Q19: 10%
	Supply of digital instruction material on strengthening practical teaching – learning, experiment method, soft skill education, psychological counseling	0.400	NCB	Prior /Post review (First Contract Prior subsequent Post)	2Q18	2Q18: 10% 2Q19: 80% 4Q19: 10%
	Supply digital instruction material on improving vocational awareness, career planning of student, career selection that suits the capability of	0.400	NCB	Prior review (first contract prior, Subsequent post review)	2Q18	2Q18: 10% 1Q19: 50% 2Q19: 30% 4Q19: 10%

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	each student					
	Supply of digital instruction material for local officers and education management staff on methods to conduct survey, identify, classify, encourage, plan, manage migrant youth to facilitate their enrollment in education institutions	0.040	Shopping	Prior /Post review (first contract prior, Subsequent post review)	3Q17	3Q11: 10% 1Q18: 80% 3Q18: 10%
3. Studies and Surveys	Study and survey the modern education programs and method to improve STEM schools	0.050	Shopping	Prior/Post *	4Q17	4Q17: 10% 2Q18: 80% 3Q18: 10%
	Study and survey the modern career planning programs to be applied for secondary schools in order to improve vocational awareness and career planning for secondary students	0.050	Shopping	Prior /Post*	2Q18	2Q18: 10% 4Q18: 80% 2Q19: 10%
4. Consulting Services	Program Implementation Consulting firm	2.642	QCBS (80:20)	Prior review	2Q17 Time Based	2Q17: 15% + quarterly payments
	International Specialist for model resource schools (Advanced Action)	0.140 1 International 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payment

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	International Start-Up Specialist (Advanced Action)	0.071 1 international (3 pm)	ICS	Prior Review	2Q17 Time Based	Monthly payment
	International Specialist for STEM (Advanced Action)	0.071 1 International 3 pm	ICS	Prior review	2Q17 Time based	Monthly Payment
	National Start-Up Specialist (Advanced Action)	0.015 1 National 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	National Specialist for model resource schools (Advance Action)	0.023 1 National 9 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	National Specialist for STEM (Advance Action)	0.015 1 National 6 pm	ICS	Prior review	2Q17 Time based	Monthly Payments
	Audit Firm(s)	0.300 3 contracts of 2 yrs each	LCS	Prior Review	STP Lump Sum	6 yearly payment

CPMU= central program management unit; ICS=individual consultant selection; LCS=least-cost selection; MOET=Ministry of Education and Training; QCBS=quality – and cost- based selection; STEM: science, technology, engineering and mathematics; STP=simplified technical proposals; TALIS=Teaching and Learning International Study.

Appendix 10: CONSULTANT SERVICES INDICATIVE TERMS OF REFERENCE

Position Titles	Intl/ Ntl	No.	PM	Key Tasks
A. Individual consultants				
A. Program Start-up	Intl	1	3	Organize the inception seminar; revise Procurement Plan and implementation schedule; prepare financial management documents; conducting baseline surveys; develop Program's Monitoring and Evaluation indicators; prepare an assessment report on the readiness for implementation; develop Terms of References for recruitment of the consulting firm; assist with procurement of equipment and furniture for CPMU
	Ntl	1	6	Assist the international program start-up consultant; assist CPMU in understanding the ADB's operational policies and guidelines; assist CPMU to cooperate with ADB and government agencies
B. Model Resource Secondary School	Intl	1	6	Develop a report on models of advanced secondary schools in the world; analyze the current model of secondary schools in Viet Nam; develop framework of instruction materials; provide training course; develop a list of teaching equipment; develop monitoring indicators of the implementation of model resource schools; develop Terms of References for recruitment of consultants for model resource school implementation
	Ntl	1	9	Assist the international model resource school consultant; assist CPMU to organize training and consult the implementation of model resource schools in local provinces; and assist CPMU evaluate the efficiency of the implementation
C. Science, Technology, Engineering, and Mathematics (STEM)	Intl	1	3	Develop report on science and technology education in secondary schools in the world; develop material framework; provide training; develop list of teaching equipment for STEM; develop monitoring indicators implementation of STEM; develop detailed Terms of References for recruitment of consultants for STEM
	Ntl	1	6	Assist the international STEM consultant; assist in compiling materials, organize training on the implementation of STEM in secondary schools; help CPMU evaluate the implementation of STEM
Subtotal (A)	Intl	3	12	
	Ntl	3	21	
B. Consultants through Firms				
D. Team Leader/Secondary Education Policy and School Improvement	Intl	1	30	Assist CPMU to develop overall program implementation plan and action plans; develop work plan for consultants; support consultants; prepare quarterly, mid-term and final report; provide advice to CPMU; review policies on secondary education; provide training on policy reform; produce Program Completion Report
	Ntl	1	60	Assist the international consultant; assist CPMU organizing training on the policy reform.
E. Procurement Specialist	Intl	1	8	Assist CPMU to update the procurement plan and procurement documents; provide training on procurement; provide technical advice on the government and ADB's regulations on procurement; develop maintenance manuals for the facilities and equipment; assist CPMU develop a register of fixed assets

Position Titles	Intl/ Ntl	No.	PM	Key Tasks
	Ntl	1	12	Assist the international procurement consultant; assist in organizing training on procurement; help CPMU organize bidding in an effective, transparent and timely manner.
F. Gender and Ethnic Minority	Intl	1	3	Review current education policies of the government relating to gender and ethnic minorities; update government and international organizations' reports on gender and ethnic minorities; updating gender action plan; develop materials for community awareness raising related to gender; cooperating with education development consultants to reflect gender and ethnic minority aspects into training materials; develop indicators to monitor and evaluate the gender activities of the program
	Ntl	1	9	Assist the international gender and ethnic minority consultant; assist CPMU in plan development of and implementation of gender and ethnic minority activities of the program; assist CPMU to evaluate the outcomes of gender and ethnic minority activities of the program
G. Competency Based Learning and STEM - Natural Sciences	Intl	1	5	Develop a report on teaching experience of natural science around the world; review the teaching methods of natural science subjects in current general education program and propose improvements; develop material framework for teacher training; participate in training teachers; develop monitoring indicators
	Ntl	1	9	Assist the international consultant; assist CPMU in developing plan and training teachers; assist CPMU to evaluate the teaching of natural science subjects in the new school model.
H. Competency Based Learning and STEM – Social Sciences	Intl	1	4	Develop report on teaching experience of social science around the world; review the teaching method of social science subjects in current general education program and propose improvements; develop material framework for teacher training; participate in training teachers; develop monitoring indicators
	Ntl	1	8	Assist the international consultant; assist CPMU in developing a plan and mechanism for training teachers; assist CPMU to evaluate the teaching of natural science subjects in the new school model.
I. School Planning, Management and Administration Improvement	Intl	1	3	Review and analyze the capacity and training methods to improve the school managers of countries with developed education system; assist CPMU to cooperate with related agencies to develop policy documents; develop training materials; assist CPMU to prepare packages of developing teacher evaluation software; advise CPMU in designing the evaluating the effectiveness of training courses; provide indicators of performance and effectiveness assessment report on the improvement of school administration.
	Ntl	1	7	Assist the international consultant; assist CPMU in developing plan and materials for training; assist CPMU to evaluate the training quality of school administration improvement
J. Science, Technology, Engineering, and Mathematics	Intl	1	5	Review and analyze the teaching methods for Mathematics, Technology in secondary education program around the world; propose teaching methods following STEM model; develop material framework; participate training teachers; assist CPMU in developing monitoring indicators
K. Youth Employability Improvement	Intl	1	3	Review vocational education in secondary education program of some countries in the world and propose improvements in vocational education in Viet Nam; assist CPMU to cooperate with related agencies to develop training materials; assist CPMU to prepare packages of teaching equipment; advise CPMU in designing for evaluating the effectiveness of training courses; provide indicators of performance and effectiveness

Position Titles	Intl/ Ntl	No.	PM	Key Tasks
	Ntl	1	8	Assist the international consultant; provide comments on training materials compiled by international consultants; assist CPMU to monitor the compilation process of materials and evaluate the quality of training materials; assist CPMU to monitor and evaluate the quality of training courses
L. Pro-poor Education Specialist	Intl	1	2	Review the government policies and programs to support disadvantaged students; develop survey tools of access to secondary education of disadvantaged migrant students; support CPMU to organize surveys in localities on the access to secondary education of disadvantaged migrant students; support CPMU to compile materials and organize training courses; develop monitoring and evaluation indicators of activities to enhance access to secondary education of disadvantaged migrant students
	Ntl	1	3	Assist the international consultant; give comments on training materials compiled by international consultants; assist CPMU to evaluate the quality of materials
M. Learning Disability	Intl	1	2	Review the government policies and programs to support youth with disabilities; propose measures to encourage youth with disabilities to attend schools and methods to educate students with disabilities; assist CPMU to cooperate with related agencies to compile materials, organize training for teachers on education of disabled students; advise CPMU on the develop of list of teaching equipment and materials for integration education centers; develop monitoring and evaluation indicators
	Ntl	1	9	Assist the international consultant; give comments on training materials compiled by international consultant; assist CPMU to evaluate the quality of training courses
N. Public Expenditure Control	Ntl	1	4	Review the mobilization of resources for education of a number of countries in the world; review the government policies and programs relating to the mobilization of resources for education in Viet Nam and propose measures to better mobilize resources for secondary education; develop survey tools of capacity to mobilize resources for education activities of secondary schools; assist CPMU to compile materials and organize workshops; develop monitoring and evaluation indicators
O. Monitoring and Evaluation	Ntl	1	6	Assist CPMU in establishing M&E framework; strengthen CPMU's capacity to collect data and statistics and assess performance of the project; develop monitoring and evaluation indicators for outcomes of activities; assist CPMU to periodically assess project progress and impact of the program
P. Program Completion Report	Ntl	1	2	Assist international team leader with program completion report; assist CPMU to make project completion report.
Subtotal (B)	Intl	10	65	
	Ntl	13	145	
Total (A+B)	Intl	13	77	
	Ntl	16	166	

Appendix 11: DETAILED FINANCIAL ANALYSIS

A. Introduction

1. This financial analysis report includes: (i) a description of trends in the financing of the broader education and training sector, both at the central and provincial levels, and implications of fiscal decentralization on sub-national governments (SNGs); (ii) trends in financing of the secondary education subsector; (iii) an analysis of the fiscal impact and financial sustainability of the education and training sector, with particular focus on the fiscal impact of the program and the government's ability to sustain financial support to the program; (iv) the results of the financial management assessment (FMA) of the Ministry of Education (MOET); and (v) findings of the financial risk assessment and proposed mitigation measures.

B. Financing of Education in Viet Nam

2. **Government expenditure for the education sector.** Total annual expenditure of the Government of Viet Nam (the government) on education and training increased from VND88,421 billion in 2009 to VND202,909 billion in 2013, an increase of about 129.5% over the period (Table 1).³⁰⁴ The share of education and training expenditure out of the total government expenditure ranged from 12–16% over the period, 2009–2013, while the proportion of total government education and training expenditure to the country's gross domestic product (GDP) ranged from 4.9–5.7% over the same period. Capital expenditure for education and training increased from D19,101 billion in 2009 to D47,305 billion in 2013, for an overall increase of about 147.7%, while recurrent expenditure grew from D69,320 billion to D155,604 billion (an increase of about 124.5%) from 2009 to 2013.

Table 1: Trends in the Financing of Education, Viet Nam, 2009-2013

Item	2009	2010	2011	2012	2013
GOV expenditure on education and training (D billion) ^a	88,421	115,676	136,840	185,951	202,909
GOV capital expenditure for education and training (D billion) ^b	19,101	37,470	37,471	58,815	47,305
GOV recurrent expenditure for education and training (D billion) ^c	63,320	78,206	99,369	127,136	155,604
GOV annual expenditure (D billion) ^d	715,216	850,874	1,034,244	1,170,924	1,277,710
Total education and training expenditure as % of total expenditure	12.4%	13.6%	13.2%	15.9%	15.9%
Total Viet Nam GDP (D billion, current price) ^e	1,809,148	2,157,828	2,779,881	3,245,419	3,584,262
Proportion of total GOV education and training expenditure to GDP	4.9%	5.4%	4.9%	5.7%	5.7%
GOV expenditure annual growth rates:					
Expenditure on education and training		30.8%	18.3%	35.9%	9.1%
Capital expenditure for education and training		96.2%	0.0%	57.0%	-19.6%
Recurrent expenditure for education and training		12.8%	27.1%	27.9%	22.4%

GDP=gross domestic product, GOV=Government of Viet Nam, D=Viet Nam Dong

Notes:

(iv) Capital expenditure includes new goods and civil works and rehabilitation.

(v) Recurrent expenditure includes wages and benefits, subsidies, and services payments.

(vi) Reliable data for 2014 and 2015 are not available from either MOET or MOF.

^a Data for 2009–2012 were provided by the Department of Planning and Finance (DPF) of MOET based on data from MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education

³⁰⁴ Most recent expenditure data (i.e., 2014 and 2015) are not available either from the Ministry of Education and Training (MOET) or the Ministry of Finance (MOF).

- and training for the period, 2012–2013, which is about 9.12%.
- ^b GOV capital expenditure for education and training was calculated by subtracting GOV recurrent expenditure for education and training from GOV expenditure for education and training.
- ^c Data for 2009–2012 were obtained from the Government Annual Expenditure, MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013.
- ^d Data for 2009–2013 were obtained from MOF.
- ^e Focus Economics. 2016. *Cambodia Economic Outlook*. <http://www.focus-economics.com/countries/vietnam>

3. Although the amount of government expenditures for education and training increased each year between 2009 to 2013, the amount of change was somewhat erratic with an average annual growth rate of 23.5%. Variations in capital expenditure for education and training for the period seems to be where the variation was occurring, with an average annual growth rate of 33.4% for the period. Allocations for recurrent expenditure for education and training were more steady, exhibiting an average annual growth rate of 22.6%.

4. **Distribution of government expenditure on education and training.** Government expenditure for education exhibited a steady increase for the period. 2009–2013. Over this period, provincial governments accounted for 91.1% of the expenditure in 2009, decreasing to about 87.4% in 2013. The central government accounted for 8.9% of the expenditure in 2009, increasing to 12.6% in 2013 (Table 2). The larger provincial government share of the total government expenditure on education and training indicates the decentralization of expenditures down to the sub-national government (SNG) level, thereby giving them greater responsibility for administering education funds allotted to their respective jurisdictions.

Table 2: Distribution of Government Expenditure on Education and Training, 2009-2013

Item	2009	2010	2011	2012	2013
GOV expenditure on education and training (D billion) ^a	88,421	115,676	136,840	185,951	202,909
Share of central government of GOV expenditure on education and training (D billion) ^b	7,870	14,302	14,273	23,518	25,663
Share of central government of GOV expenditure on education and training (%)	8.9%	12.4%	10.4%	12.6%	12.6%
Share of provincial government of GOV expenditure on education and training (D billion) ^c	80,551	100,669	122,567	162,434	177,247
Share of provincial government of GOV expenditure on education and training (%)	91.1%	87.0%	89.6%	87.4%	87.4%

D=Viet Nam Dong, GOV=Government of Viet Nam

- ^a Data for 2009–2012 were provided by staff of DPF, MOET based on data from MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013, which is about 9.12%.
- ^b GOV capital expenditure for education and training was calculated by subtracting GOV recurrent expenditure for education and training from GOV expenditure for education and training.
- ^c Data for 2009–2012 were obtained from the Government Annual Expenditure, MOF. For 2013, the value was estimated based on the annual growth rate of GOV expenditure on education and training for the period, 2012–2013.

5. **Implications of fiscal decentralization.** The SNGs have major responsibilities under the fiscal decentralization program of Viet Nam’s education sector. In order to implement their responsibilities at the SNG level, it is incumbent upon the central government level to provide policies that are: (i) based on sound, evidence-based analysis; (ii) clear in terms of development goals and priorities; (iii) effective in providing a realistic fiscal framework for public expenditure; and (iv) clear in delineating roles and responsibilities as well as accountability of the state,

provinces, districts, and communes to facilitate effective and responsive service delivery by SNGs.³⁰⁵

6. Budget transparency and disclosure are critical challenges for the fiscal decentralization process. At the central level, transparency and disclosure of the State budget is now a high priority in the public financial management reform program. However, at the SNG level, sharing of information on SNG budgets is still limited and requires greater improvement. For transparency to be effective, all stakeholders should be involved in budget preparation at both the national and SNG levels, with provisions for dissemination and consultation and debate prior to legislative approval as part of the disclosure process.³⁰⁶ This should involve publication of the draft budget submitted to the National Assembly and People’s Councils (PCs) to ensure accountability.³⁰⁷ Measures to strengthen the accountability chain are an essential element of long-term improvement in fiscal transparency and effective public fiscal management in Viet Nam. Clear financial reporting and accounting rules for SNGs should therefore be established by the central government and should follow recognized international accounting standards. Moreover, internal and external audits of SNG expenditures should be undertaken every year and should be completed within a prescribed timetable in order to derive lessons learned that may be useful to policymakers for subsequent fiscal planning.

7. Local capacity for managing fiscal resources varies greatly, not only across SNG administrative tiers but also within each tier. All stakeholders at central government and SNG levels need increased capacity in order for them to respond to issues and problems by using accurate information and to effectively respond to incentives. SNGs typically have weaker capacity in expenditure management skills, such as planning, budgeting, execution, audit, and procurement. Therefore, there is room for improving the capacity of SNG staff, through training, in the areas of code of conduct, expenditure management, and anti-corruption measures and practices. These are, in turn, expected to improve the anti-corruption environment at the SNG level.

C. Financing of Secondary Education in Viet Nam

8. The total expenditure of the government on lower secondary education (LSE) increased from VND21,767 billion in 2009 to VND44,804 billion in 2013, an increase of 105.8%, while total expenditure for upper secondary education (USE) increased from VND10,864 billion in 2009 to VND 21,093 billion in 2013, an increase of 94.2%. However, the proportion of expenditures for LSE and USE to total government expenditure on education and training has remained steady at about 22% and 11%, respectively, over the period. The proportion of expenditures for LSE and USE to the country’s GDP has likewise remained at about 1.2% and 0.6%, respectively (Table 3).

Table 3: Trends in the Financing of Secondary Education, Viet Nam, 2009-2013

Item	2009	2010	2011	2012	2013
GOV expenditure by level of secondary education					
Lower secondary education (D billion) ^a	21,767	26,336	30,489	41,799	44,804

³⁰⁵ Mountfield, E. and C.P.W. Wong. 2005. *Public Expenditure on the Frontline: Toward Effective Management by Subnational Governments. East Asia Decentralizes: Making Local Governments Work*, World Bank. Washington, D.C.

³⁰⁶ *Ibid.*

³⁰⁷ World Bank. 2014. *Making the Whole Greater than the Sum of the Parts: A Review of Fiscal Decentralization in Viet Nam*. Washington, D.C.

Upper secondary education (D billion) ^a	10,864	13,593	15,421	19,772	21,093
Total GOV education and training expenditure (D billion) ^b	88,421	115,676	136,840	185,951	202,909
Expenditure by level of secondary education as proportion of GOV expenditure on education and training					
Lower secondary education	24.6%	22.8%	22.3%	22.5%	22.1%
Upper secondary education	12.3%	11.8%	11.3%	10.6%	10.4%
Expenditure by level of secondary education as proportion of GDP					
Lower secondary education	1.2%	1.2%	1.1%	1.3%	1.3%
Upper secondary education	0.6%	0.6%	0.6%	0.6%	0.6%

GDP=gross domestic product, GOV=Government of Viet Nam, D=Viet Nam Dong

^a Data provided by staff of DPF, MOET, based on data from MOF.

^b Data for 2009–2012 were provided by staff of DPF, MOET based on data from MOF. For 2013, the value was estimated by applying an annual growth rate of 9.12%.

9. The average cost per LSE student was estimated to have increased from VND4.175 million to VND9.084 million during the period, 2009-2013, an increase of about 117.6%, while the average cost per USE student increased from VND3.764 million to VND8.328 million, an increase of 121.2%, over the same period (Table 4).

Table 4: Financing per Student, Secondary Education, 2009-2013

Item	2009	2010	2011	2012	2013
Lower secondary education					
Total number of LSE students ^a	5,214,045	4,968,302	4,926,401	4,869,839	4,932,390
Total funding for LSE (D billion/year)	21,767	26,336	30,489	41,799	44,804
Average funding per LSE student (D/student/year)	4,174,686	5,300,805	6,188,899	8,583,241	9,083,629
Upper secondary education					
Total number of USE students ^a	2,886,090	2,835,025	2,755,210	2,675,320	2,532,696
Total funding for USE (D billion/year)	10,864	13,593	15,421	19,772	21,093
Average funding per USE student (D/student/year)	3,764,262	4,794,667	5,597,033	7,390,518	8,328,279

D=Viet Nam Dong

^a Data on number of students were obtained from DPF, MOET.

D. Fiscal Impact and Financial Sustainability

10. Fiscal impact and sustainability analyses were undertaken on government's ability, as the end-borrower, to cover loan repayment, provision of counterpart funds, annual operations and maintenance (O&M) requirements, and debt service.

11. **Fiscal impact.** A financial plan presenting the fiscal impact of the project is shown in Table 5. The table presents the projected annual total expenditures of the government, including those for the overall education and training sector and the secondary education subsector, as well as the funding needed to finance program expenditures during the period of program implementation.³⁰⁸ SESDP II expenditures, or total program cost, are expected to be incurred

³⁰⁸ Based on average annual growth over the period, 2010-2014, the Government's total expenditure grew at about 11% per year, expenditure on education and training grew annually at about 18%, while expenditure on secondary education grew at an annual rate of 17%. These rates were applied in the projections for the period, 2016 – 2021.

annually and accumulate to \$107.0 million by the last year of the program implementation (Table 5).

Table 5: Fiscal Impact of the Program

Item	2017	2018	2019	2020	2021	2022	2023
Government of Viet Nam expenditure:							
Total expenditure (D trillion) ^a	1,369.9	1,518.1	1,682.3	1,864.2	2,065.9	2,289.3	2,536.9
Total expenditure on education (D trillion) ^b	347.5	409.1	481.6	566.9	667.3	785.5	924.7
Total expenditure on secondary education (D trillion) ^c	106.4	124.4	145.5	170.12	199.0	232.7	272.1
SESDP-II total cost^d							
- Counterpart funding (D billion)	8.17	20.99	42.30	39.33	29.18	33.18	228.0
- ADB investment loan (D billion)	63.6	159.5	310.7	279.3	200.5	220.6	228.0
- ADB policy-based loan (D billion)		65.2	165.0	321.4	288.6	207.2	228.0
- Total ADB loan (D billion)	63.6	224.7	475.7	600.7	489.1	427.8	228.0
Calculated ratios:							
Proportion of ADB loan to total expenditure	0.005%	0.015%	0.028%	0.032%	0.024%	0.019%	0.009%
Proportion of ADB loan to total expenditure on education	0.018%	0.055%	0.099%	0.106%	0.073%	0.054%	0.025%
Proportion of ADB loan to total expenditure on secondary education	0.060%	0.181%	0.327%	0.353%	0.246%	0.184%	0.084%

ADB=Asian Development Bank, D=Viet Nam Dong, SESDP II=Second Secondary Education Sector Development Project

^a Total annual expenditure is projected to increase at 11% per year based on the average growth rate of government annual expenditure over the period, 2010–2014, based on data obtained from the General Statistics Office (GSO).

^b Total education expenditure is projected to increase at 18% per year based on the average growth rate of government annual education expenditure over the period, 2010–2014, based on data obtained from GSO.

^c Total secondary education expenditure is projected to increase at 17% per year based on the average growth of government annual secondary education expenditure over the period, 2010–2014, based on information obtained from the DPF, MOET.

^d Annual disbursements of project loan and program loan were converted from their dollar values to Viet Nam Dong using adjusted exchange rates for the period, 2017–2023.

12. The total annual SESDP II cost (i.e., counterpart fund, ADB project investment loan, and ADB policy-based loan [PBL]) as a proportion of government's total annual expenditure is very small, ranging from 0.005% in 2017, increasing to 0.028% in 2020, and decreasing to 0.009% in 2023. Annual SESDP II cost as a proportion of government's annual education expenditure is projected to increase from 0.018% in 2017 to 0.099% in 2019, and decrease to 0.025% in 2023. As a percentage of the government's secondary education budget, this is expected to increase from 0.060% in 2017 to 0.353% in 2019, and then decrease to 0.084% in 2023. As the impact of the cost of SESDP II on government's total annual budget is insignificant, the financial analysis confirmed that the government has adequate financial resources and will be able to fulfill all its financial obligations under the project.

13. **Financial sustainability.** Further analysis showed that government, as the end-borrower, is capable of covering both annual O&M costs and debt service requirements beyond the program

implementation period. As a proportion of total government annual expenditure, annual O&M costs and debt service account for about 0.003% over the period, 2017-2018, and about 0.004% for each year over the period, 2019-2020. This is expected to increase to about 0.034% in 2021, when the government has to make additional investments for the replacement of equipment provided to schools. In the succeeding years, although amortization payments on the ADB project investment loan are expected to commence in 2022 and amortization payments on the policy-based loan will commence in 2023, the proportion of annual O&M costs and debt service to total annual government expenditure will remain within the range 0.007-0.009% over the period, 2022-2025. With respect to total annual expenditure on education and total annual expenditure on secondary education, the proportion is very small at less than 1% (Table 6). The financial sustainability analysis indicated that the government has a strong capacity to cover both annual O&M and debt service financial requirements.

Table 6: Financial Sustainability

Item	2017	2018	2019	2020	2021	2022	2023	2024	2025
O&M and loan repayment:									
Annual O&M cost (D billion) ^a	16.6	17.0	17.6	18.2	18.8	19.5	20.1	20.8	21.5
Investment for replacing equipment (D billion) ^b					624.2				
Annual cost of salaries of project-assigned personnel (D billion) ^c	25.1	25.8	26.6	27.6	28.5	29.4	30.4	31.4	32.5
Repayment of loan interest and principal ^d	1.3	5.8	15.5	28.1	38.8	114.9	123.3	198.3	199.1
Annual interest payment on project loan (D billion)	1.3	4.5	10.9	16.8	21.4	26.5	27.4	28.3	23.4
Annual repayment on project loan principal (D billion)						66.3	68.5	70.8	73.2
Annual interest payment on policy-based loan (D billion)		1.3	4.6	11.2	17.4	22.1	27.4	28.3	29.3
Annual repayment on policy-based loan (D billion)								70.8	73.2
Total annual O&M cost and annual loan repayment (D billion)	43.0	48.6	59.8	73.9	710.3	163.9	173.9	250.5	253.1
Government of Viet Nam expenditure:									
Total expenditure (D trillion)	1,369.9	1,518.1	1,682.3	1,864.3	2,065.9	2,289.3	2,536.9	2,811.3	3,115.4
Total expenditure on education (D trillion)	347.5	409.1	481.6	566.9	667.3	785.5	924.7	1,088.5	1,281.4
Calculated ratios:									
Proportion of O&M cost and loan repayment to total expenditure	0.003%	0.003%	0.004%	0.004%	0.034%	0.007%	0.007%	0.009%	0.008%
Proportion of O&M cost and loan repayment to total expenditure on education	0.012%	0.012%	0.013%	0.013%	0.106%	0.021%	0.019%	0.023%	0.020%

O&M=operation and maintenance, D=Viet Nam Dong

^a Annual O&M cost is estimated at 3% of total investment on civil works, equipment and furniture, and vehicles.

^b Replacement of equipment is every five years.

^c Estimated based on project cost estimates.

^d Annual repayments on interest charges and principal of project loan and program loan were converted from their dollar values to Viet Nam Dong using adjusted exchange rates for the period, 2017–2025.

I. E. Financial Management Assessment

14. An FMA was undertaken during the project preparatory technical assistance (PPTA) to review MOET's systems for financial and management accounting, reporting, auditing and internal controls, as well as its disbursement and cash flow management arrangements. The FMA is a review designed to determine whether or not MOET and other concerned government agencies are considered capable of recording all transactions and balances, supporting the preparation of regular and reliable financial statements, and safeguarding the entity's assets. Issues or weaknesses identified during the FMA were taken into consideration during program design to ensure effective implementation arrangements throughout project implementation.³⁰⁹ The FMA was carried out in accordance with ADB's guidelines.³¹⁰

15. **MOET and other relevant government agencies.** Having been involved in all ADB-funded secondary education projects and programs, the Department of Secondary Education (DSE), Department of Planning and Finance (DPF), and General Department of Education Facilities, Equipment, and Children's Toys (GDFE) have good experience with ADB's procedures on consultant recruitment and procurement of goods and works. This experience is seen as very helpful and an advantage for ensuring effective project/program implementation. DSE has 30 permanent full-time staff including six leaders (1 department director and 5 deputy directors). All DSE staff hold at least university qualifications, of which 26 staff hold a doctorate or a master degree, and have a fair command of the English language. Almost all staff have participated in at least one training course on project management, financial management, and procurement, which were provided through ADB- or World Bank-funded projects and implemented by MOET. Given its functions and mandate for managing secondary education, together with its satisfactory track record in implementing eight ADB-funded secondary education projects/programs and similar projects funded by other development partners, DSE is assessed as the appropriate agency to manage SESDP II and has the capacity to effectively manage the financial resources of the program.

16. DPF has 31 permanent full-time staff including four department leaders (1 Department Director and 3 Deputy Directors). There are four units under the DPF: Planning and Investment Unit (1 Deputy Chief and 5 staff), Finance Unit (1 Unit Chief, 2 Deputy Chiefs and 9 staff), Statistical Unit (1 Unit Chief and 4 staff) and Official Development Agency Unit (1 Unit Chief and 5 staff). Each DPF staff member has at least a university degree, with 25 members holding a doctorate or a masteral degree. Staff in the DPF, especially those in the Official Development Assistance (ODA) agency unit, have fair to good command of the English language, and have participated in at least one of the training courses on procurement and financial management, which were organized and conducted in at least one of these courses recently, some even participated as trainers for ADB- and WB-funded projects.

17. DFE has 23 permanent full-time staff including two leaders (1 Department Director and 1 Deputy Director). There are four units under the GDFE, including Department Office (1 Deputy Chief and 2 staff), Finance and Investment Unit (1 Unit Chief, 1 Deputy Chief and 3 staff), Equipment and Facilities Unit (1 Unit Chief and 5 staff), Books and Children's Toys Unit (1 Deputy Chief and 4 staff). All DFE staff hold university degrees, and 14 staff members possess a doctorate or masters' degree. Staff in this department have fair to good English language

³⁰⁹ These include MOET departments, provincial DOETs, other relevant government authorities including MOF and State Treasuries at central and provincial levels)

³¹⁰ ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

proficiency. Staff have also been involved in ADB and WB projects as well as those of other donors that have civil works and equipment components and therefore have good experience in procurement and related financial management.

18. MOET will establish a CPMU to oversee the day-to-day implementation of the program. The CPMU will assist the Project Steering Committee (PSC) and MOET in the management and implementation of the Project Loan, assist in monitoring policy development, and assess the achievement of development objectives in secondary education. The CPMU will be responsible for the recruitment of consultants and the procurement of all goods and services related to the program, establishment and operation of a project performance monitoring system (PPMS), planning and budgeting for all program activities, and opening and managing the imprest account for the project loan. The CPMU will consist of a full-time director, a deputy director, and a financial assistant cum chief accountant. Specialists in administration, finance, monitoring and evaluation (M&E), procurement, instructional materials, and staff development will assist the CPMU Director. The CPMU will also include administrative staff consisting of secretaries, translators, finance officer, and other support staff. Activities related to teacher training and other sub-outputs will be supported by MOET and other relevant government agencies.

19. The government requires MOET and CPMU to comply with the accounting system issued by MOF under *Accounting Standards for the Public Services Agencies (Decision 19/2006)*. The accounting policies and procedures ensure that cost allocations from various funding sources can readily be identified. This system allows the proper recording of project financial transactions, including the allocation of expenditures to the respective cost components, disbursement categories, and funding sources. Controls are also in place concerning the preparation and approval of transactions.

II. F. Financial Risk Assessment

20. A financial risk assessment (FRA) was also carried out for both the project investment loan and the PBL. The FRA focused on the financial risks, which are part of the Compliance/Fiduciary Risk. The impact of risks under the project are to be ranked as Insignificant, Minor, Moderate, Major and Severe. A number of risks at several levels are presented in Table 7 below along with mitigation measures. The analysis concluded that there are no risks at the high level for the project.

Table 7: Financial Risk Assessment and Proposed Mitigation Measures

Risk	Brief Description of Risk	Activities to Mitigation Risk
C. Project Investment Loan		
1 Low quality of accounting staff at central level.	Non-competitive salary and allowance cost norms make it difficult to attract qualified accountants with good English competence for the post of Chief Accountant.	By July 2016, MOET will assign, from its ranks, a competent, full-time, English-speaking Chief Accountant with experience in the implementation of ADB-funded projects in the social sectors. By September 2016, the CPMU Program Director will also recruit qualified accountants to support the Chief Accountant. A qualified start-up consultant with financial management expertise will be recruited by the CPMU to assist it in this aspect of project management immediately after Loan Agreement signing (advance action).
2 Envisaged severe delay in implementation	The CPMU may experience difficulties in managing project funds and their subsequent	International and national start-up specialists will prepare a detailed, user-friendly Financial Management Manual and conduct training for CPMU accounting staff between January and March 2017 before the loan becomes effective.

Risk	Brief Description of Risk	Activities to Mitigation Risk
	allocation during the first two years of project implementation.	By September 2016, the CPMU will recruit a qualified Procurement Officer with ADB or World Bank experience in procurement. The International and National Procurement Specialists will conduct training on procurement for relevant staff within one month of initial deployment.
3	Insufficient and late counterpart fund in cash or in kind contribution from central government.	MOET is not in a strong financial position to ensure that counterpart funds for the project are provided in time and in full. Written commitments will be obtained by MOET/CPMU from the central government at the time of Loan Agreement (December 2016) to secure counterpart funding for the whole project.
4	Slow disbursements caused by slow payments, which are controlled by the State Treasury at the central level.	Lack of qualified staff and poor understanding of policies, guidelines, and procedures donor-funded projects may cause delays in the application and withdrawal of funds as well as payments to contractors. Once loan negotiations are completed, the CPMU will prepare realistic payment documents to be submitted to the State Treasury not later than December 2016. Throughout program implementation, the CPMU will closely follow-up with the State Treasury and provide clarification when needed. Start-up Specialists and the Procurement Specialists will build the capacity of CPMU and central State Treasury staff on project and financial management during their field deployments.
5	Late and poor quality annual audited financial statements submitted.	CPMU may not prepare and complete procedures to recruit competent annual auditors on time. This, in turn, may delay submission of annual audit reports, thereby delaying the release of findings necessary to aid CPMU in improving its financial management. The CPMU will recruit auditors annually on a competitive basis using the consultants' qualification selection (CQS) method. CPMU will start the process of recruiting auditors well in advance every year to provide ample time to conduct the audit and avoid delay. The recruitment process should be initiated by the start of the third quarter of each year for the following year's audit.
6	Misuse of funds for targeted support and funds intended for supporting other project activities.	MOET may not implement approved activities after receiving funds for targeted support and funds intended to support other activities. CPMU will provide clear and detailed guidelines and closely monitor the implementation and spending for the approved activities under targeted support and under other cost categories.
D. Policy-based Loan		
1	The government is unable to deliver the expected policy reforms to meet all the conditions in the policy matrix for the release of the loan tranche.	MOET may not be able to achieve the policy targets set out in the policy reform matrix due to slow progress in implementing the program. ADB will require that achievement of all policies will be made a covenant during loan negotiations. CPMU will conduct regular dialogues and consultations with high-level MOET officials to apprise them on program progress as well as the requirements for achieving the policy reforms as stipulated in the agreed policy reform matrix. ADB bi-annual Review Missions will confirm progress on achieving the policy reforms required for tranche release.
2	Unexpected delays in implementation of policy reform-related activities due to diversion of program funds	MOET may experience difficulties and subsequent delays in implementing policy reform activities due to extraordinary circumstances that may Following the disbursement of the PBL to the State Bank of Viet Nam (SBV), the Prime Minister will issue an official letter to approve the use of PBL funds for the planned policy reform activities on the basis of proposals from MOET and comments from MPI and MOF.

Risk	Brief Description of Risk	Activities to Mitigation Risk
to other sectors by the central government.	require a change in the priority spending of the central government which, in turn, may require the diversion of funds meant for policy reforms of the country's secondary education to other sectors.	

ADB=Asian Development Bank; CPMU=central program management unit; MOET=Ministry of Education and Training; MOF=Ministry of Finance; MPI=Ministry of Planning and Investment

Appendix 12: DETAILED ECONOMIC ANALYSIS

A. Importance of Education to the Economy

1. There is currently a growing international consensus that education, even at the early stage of childhood development, is critical to economic growth and development.³¹¹ Cost-benefit studies of successful child education programs have been observed to generate significant long-term benefits derived over the course of many years and decades. A very important finding from these studies is that increasing investment in good quality education programs for child development is one of the most cost-effective strategies for breaking the inter-generational transmission of poverty and improving productivity and social cohesion in the long run. As children gain more knowledge and skills through education, they generate more opportunities for employment and earn higher wages. Studies have demonstrated significant wage returns to education, with most studies finding that one additional year of schooling raises an individual's earnings by about 10-11%.³¹² The returns to secondary education are particularly high in less developed countries and particularly important in rapidly growing economies, including those in Asia.³¹³ Moreover, the studies have found that completion of secondary education by girls has a large impact on wages as well as broader impacts such as participation in the formal labor market and non-agriculture sectors.³¹⁴

2. Successful education programs have been found to contribute to strengthening the prospects of children achieving their full potential. These, in turn, contribute to a country's capacity to improve its future competitiveness and transition from a middle- to high-income economy.³¹⁵ Aside from promoting inclusive growth, education is especially vital in developing economies where an expansion of the supply of skilled workers allows the economy and industries to modernize, adopt new technologies, attract foreign investment, increase productivity and trade competitiveness, and better respond to new opportunities created by shifting markets. The effects are positive, long-lasting, and greatest for the most disadvantaged.

1. Education in the Viet Nam Context

3. Viet Nam's economic objective for the period, 2011–2020, is to maintain macroeconomic stability through sound economic policies. In this regard, the Government of Viet Nam (the government) has acknowledged the need to increase investment in the education sector to develop a more skilled labor force to support its economic policies. Upgrading of the labor force is needed to modernize and increase the efficiency of the industrial, agricultural, and services sectors; develop an intellectual economy; rapidly increase exports; and increase technological and scientific content in domestic products. A key factor towards achieving these is the

³¹¹ Boocock, S.S. 1995. "Early Childhood Programs in Other Nations: Goals and Outcomes." *The Future of Children, Long-term Outcomes of Early Childhood Programs*, 5(3); and Cohen, D. and M. Soto. 2007. Growth and Human Capital: Good Data, Good Results. *J. Econ. Growth*, 12: 51–76.

³¹² Psacharopoulos, G. and H.A. Patrinos. 2004. Returns to Investment in Education: A Further Update. *Educ. Econ.* 12 (2):111–35; and Nguyen Xuan Thanh. 2006. *Estimating the Return to Education in Viet Nam: A Difference-in-Difference Approach*. This is an updated version of a research paper written by the author in December 2005 at the John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts, USA.

³¹³ Barro, R. and J. Lee. 2010. A New Data Set of Educational Attainment in the World, 1950–2010. *NBER Working Paper 15902*.

³¹⁴ C. Spohr. 2003. Formal Schooling and Workforce Participation in a Rapidly Developing Economy: Evidence from Compulsory Junior High School in Taipei, China. *J. Dev. Econ.*, 70 (2): 291–327.

³¹⁵ Kin B.W., M.E. Young, and J. Cai. 2012. *Early Child Development in China*. World Bank eLibrary.

increased productivity among young laborers, who make up half of the total labor force. This may be achieved by strengthening the quality of middle-skill workers who enter the labor market after graduating with a secondary or higher education qualification. Secondary education is, therefore, particularly important in providing a strong foundation for the youth to learn and acquire the skills required for adapting to and applying new technologies. The government has currently prioritized the promotion of balanced development, which aims to improve the socioeconomic condition of both the rich and poor, including disadvantaged groups such as disadvantaged migrant youth and youth with disabilities. Focus on encouraging young girls to attend and continue secondary education is also given high priority so that they may be able to increasingly participate in the formal labor market and non-agriculture sectors.

2. The Challenge for the Education Sector

4. Increased government and household education spending at all levels has had a direct impact on the access to, and participation in, education. In recent years, enrolment in primary, lower secondary, and upper secondary schools has increased significantly. However, net enrolment rate (NER), by socioeconomic status, indicated that secondary education enrolment in 2010 was only 23.2% for the poorest households, compared with 56.1-82.3% for average to well-off households.³¹⁶ The challenge for Viet Nam's education sector is to improve access to secondary education among ethnic, gender, and socioeconomic groups as well as improve teaching and learning methods and materials that are relevant to local requirements. Improving access to education will, however, require further investments to support the improvement of secondary education delivery and learning through the following: (i) establishment of new secondary school models; (ii) provision of new school classroom equipment and learning materials; (iii) strengthening of teacher capacity and education sector management; and (iv) increasing the awareness among parents and students of the need to continue schooling.

B. The Program

5. **General overview.** The program will assist the government in creating strategic and long-term changes to further develop the country's secondary education and human resources to sustain the achievements of the Secondary Education Sector Development Program (SESDP).³¹⁷ The program will have a substantial strategic impact on the three key dimensions of secondary education: (i) access and equity; (ii) quality and relevance; and (iii) efficiency and sustainability. These are expected to result in an increase in lower secondary education (LSE) NER from about 90%, under the "without program" situation, to 95% under "with program" situation, and an increase in upper secondary education (USE) NER from 60% to 80%.³¹⁸

6. **Output 1: Quality and relevance of secondary education improved.** The proposed interventions under Output 1 will: (i) improve the quality of secondary learning through the introduction of model resource secondary schools; (ii) ensure the sustainable provision of high quality secondary teachers; (iii) enhance quality of science and technology education (STE); and (iv) improve equity of access to lower secondary school (LSS) system for disadvantaged youth. The development of model resource schools will bring about fundamental and

³¹⁶ General Statistics Office (GSO), Ministry of Planning and Investment (MPI). 2011. Education in Viet Nam: An Analysis of Key Indicators. *Housing and Population Census 2009*. Hanoi.

³¹⁷ ADB. 2009. *Report and Recommendation of the President to the Board of Directors for the Proposed Program Loans to the Socialist Republic of Viet Nam for the Secondary Education Sector Development Project*. Manila.

³¹⁸ "Without program" situation refers to base year 2014.

comprehensive reforms in education. Approximately \$6.96 million worth of equipment will be provided to schools in disadvantaged areas which will benefit about 90,200 LSE and 212,550 USE students. To improve the professional quality of teachers in model resource schools, about 5,000 secondary teachers and education managers will be trained on: (i) education plan and content; (ii) teaching methods, examination, and assessment; (iii) teacher standards; (iv) cooperation among parents, related agencies, and communities; and (v) autonomy and accountability in terms of education quality. The project loan will also provide teaching equipment for science and technology to about 70 upper secondary schools (USSs) to enhance STE and to another 126 USSs to enhance career and vocational awareness. This will improve the practical knowledge of an additional 142,000 USE students in basic science subjects and vocational skills required for their future careers.

7. **Output 2: Equity of access to secondary education enhanced.** Program interventions under Output 2 will: (i) enhance the access of disadvantaged migrant youth to LSE; and (ii) improve equity of access to LSE for students with disabilities. Through the policy-based loan (PBL), support will also be provided to establish 25 USSs in disadvantaged provinces, benefiting about 28,115 USE students. It is expected that there will be an increase of about 15% (about 2,036 youth) in the number of youth with disability attending LSE or equivalent as a result of the program.

8. **Output 3: Educational governance and management strengthened.** The program will also contribute to: (i) strengthening the capacity of education managers to mobilize resources for secondary education to meet the requirements of decentralized education management; and (ii) improving the accountability mechanism for teaching and learning outcomes in secondary education.

9. The enhanced capacity of education managers, policymakers, and administrators, as well as key secondary school teachers involved in school management, will result in the improved administration of schools and higher education quality. Under the program, about 48,000 policymakers and administrators (i.e., MOET, DOET, and BOET key staff), secondary school principals, and school teachers will receive training, in support of staff development, in a variety of subjects. These will include, but will not be limited to the following: (i) establishment and management of model resource secondary schools; (ii) development of teacher standards; (iii) improvement of STE; (iv) improvement of vocational education; (v) organization and mobilization of domestic migrants, disabled migrants, and disabled students; (vi) PISA, TALIS, and NAM; and (vii) accreditation. In addition, about 1,000 In addition, national and provincial education policymakers, planners, and school administrators will receive training and support in policy, planning, and management issues, particularly in the following areas: (i) improving their skills in decentralized education system management; (ii) establishment of a new accountability system for a decentralized education system; (iii) strategic and efficient utilization of fiscal resources; and (iv) development of school education programs.

10. **Project management activities.** Training in project management for planners, school principals, and administrators will be provided to ensure that the proposed program interventions/activities will be implemented on time and within budget.

C. Economic Analysis

11. An economic analysis of the program was conducted to assess the economic viability of the program investments consisting of a project investment loan of \$50.0 million, a government

counterpart of \$7.0 million, and a policy-based loan (PBL) amounting to \$50.0, for a total program cost of \$107.0 million.

1. Assumptions Used in the Economic Analysis of the Program

12. The assumptions for projecting the number of students completing LSE and USE are shown in Table 1.

Table 1: Assumptions for Projecting Number of Students Completing LSE and USE

Item	Lower Secondary			Upper Secondary		
	Without Program	With Program	Increment	Without Program	With Program	Increment
(i) Number of students ^a	4,928,672	5,207,116	278,444	2,592,278	3,541,364	949,086
(ii) Net enrolment rate ^b	90%	95%	5%	60%	80%	20%
(iii) Dropout rate ^c	0.9%	0.5%	-0.4%	1.8%	0.9%	-0.9%
(iv) Promotion rate ^d	97.7%	99.7%	2.0%	97.3%	99.2%	1.9%
(v) Completion rate ^e	82.7%	91.5%	8.8%	84.3%	92.7%	8.4%
(vi) Percentage of LSE students not pursuing USE ^f		19.2%				
(vii) Employment rate of LSE graduates seeking work ^g		30.3%				
(viii) Employment rate of USE graduates seeking work ^h					60.0%	

LSE=lower secondary education, USE=upper secondary education

^a Number of students “without program” was obtained from staff of the Ministry of Education and Training (MOET), while the number of students for “with program” is the target to be achieved under the program.

^b Net enrolment rate (NER) “without program” was obtained from MOET staff, while that for “with program” is the program target.

^c Dropout rate for “without program” was obtained from staff of the Department of Finance and Planning (DFP) of MOET, while the dropout rate for “with program” is the program target.

^d Promotion rate for “without program” was obtained from staff of DFP, while the promotion rate for “with program” is the program target.

^e Completion rate for “without program” was obtained from DFP staff, while the completion rate for “with program” is the program target.

^f Percentage of LSE students not pursuing USE was obtained from DFP.

^g Employment rate of LSE graduates seeking work was based on 2014 data from the GSO of the Ministry of Planning and Investment (MPI).

^h Employment rate of USE graduates seeking work was based on the participation rate used by the World Bank for 2014.

13. The economic analysis was carried out in accordance with *ADB's Guidelines for the Economic Analysis of Projects* (1993). The following key assumptions were used in the analysis:

- Economic benefits and costs are in constant 2016 prices and estimated using the world price numeraire method.
- Incremental enrolment of LSE students was estimated at 278,444 students/year, while the incremental enrollment of USE students was estimated at 949,086 students/year.³¹⁹

³¹⁹ The number of LSE and USE students is based on the actual number of students in SY2014/2015 and does not take into account the decline in the young population due to the aging trend in the country for the base case scenario.

- The number of students completing LSE requirements was estimated at 252,818 finishers/year, while the number of USE students completing USE requirements was estimated at about 1,051,053 USE graduates/year over the period, 2026-2041.
- The average annual wage earning of workers with LSE credentials was estimated at \$632/person/year.³²⁰
- The average annual wage earning of workers with USE credentials was estimated at \$865/person/year.³²¹
- The total project capital investment cost (excluding price contingencies, interest charges, fees, and taxes) was spread over the duration of program implementation of six years.
- Incremental program-related operation and maintenance (O&M) costs were assumed at 3.0% of total capital cost.
- Replacement of equipment was assumed to be carried out every five years.
- Incremental recurrent cost was estimated based on the incremental number of secondary students accruing to the program which, in turn, was multiplied by MOET's estimate of recurrent cost per student for 2016 and projected over a period of 20 years (2017-2041) at an annual growth rate of about 10%.
- The opportunity cost of an LSE student was estimated at \$462/LSE student/year,³²² while that for a USE student was estimated at \$632/USE student/year.³²³ The opportunity costs are expressed in economic values.
- Standard conversion factor (SCF)=0.9; shadow wage rate factor (SWRF)=0.8.³²⁴
- Program life was assumed at 25 years.
- "Without program" situation refers to the base year, 2014; and
- A 12% discount rate is applied in estimating the economic internal rate of return (EIRR).

2. Quantification of Program Benefits

14. The standard method of cost-benefit analysis was used to calculate the program EIRR, i.e., the discount rate that makes the NPV of costs and benefits equal, which, in turn, served as basis for determining the economic viability of the proposed investments. The program's economic viability was assessed based on the generated quantified economic benefits against the

³²⁰ Nguyen Xuan Thanh, in his study, *Estimating the Return to Education in Viet Nam: A Difference-in-Difference Approach*, 2006, at the John F. Kennedy School of Government, Harvard University, Cambridge, MA, USA, estimated that one year of education increases the average earning capacity of an individual by 11%. For example, the average annual wage of a worker with only primary education was estimated at \$1,238/person/year, as gathered from the GSO for 2016. In estimating the average annual wage of a worker with LSE, the value, \$1,238/person/year, was increased by 11% for each year over the three-year LSE program to derive the average annual wage rate of a worker with LSE (i.e., $\$1,238 \times 1.11\% = \$1,693$ /person/year). In estimating the future annual earnings generated by an LSE student, who has completed all LSE requirements but decided to find employment immediately after, his/her average wage rate (i.e., \$1,693/person/year) was projected over a 20-year period, during which he/she was assumed to remain employed. The net present value (NPV), at a 12% discount rate, of the sum of his/her annual income stream (i.e., \$12,645) was annualized by dividing it by 20 years. The resulting value is the financial value of future annual earnings of a worker who has completed LSE, estimated at \$632/person/year.

³²¹ The future earnings of a student, who has completed all USE requirements, was estimated at about \$865/person/year. This was derived by increasing the basic annual wage earnings of a worker with LSE (about \$632/person/year) by 11% for each year of USE.

³²² The annual opportunity cost of LSE students was based on information obtained from the GSO.

³²³ Calculated as follows: $\$462/\text{LSE student/year} \times 1.11^3 = \$632/\text{USE student/year}$.

³²⁴ ADB. 2013. *Report and Recommendation of the President to the Board of Directors to the Socialist Republic of Viet Nam for the Productive Rural Infrastructure Sector Project in the Central Highlands*. Manila.

quantified economic costs incurred under the program. The quantified economic benefits were based mainly on the benefits generated from improved future income-generating capacity of secondary education leavers, at the LSE level, and USE graduates. The quantified program benefits are described below.

15. Improved access to, and quality of, secondary education is expected to bring about significant benefits in terms of improved future earning capacity of LSE and USE students who complete all the requirements of the LSE and USE curriculums. Improved access is expected to result in an increase in (i) LSE NER from 90%, under the “without program situation, to 95%, “with program” situation, and (ii) USE NER from 60% to 80%. The benefits from improved future earnings of secondary education students were calculated based on two streams of benefit sources: (i) income stream of LSE students, who completed all requirements of LSE, but decided not to pursue USE and find employment instead; and (ii) income stream of USE graduates who decided to find employment.

16. Over the long term, the enhanced capacity of secondary education school administrators and teachers will result in better performing students with improved lifelong learning skills. Their improved performance is expected to encourage the students to continue further education or seek vocational training, thereby minimizing the number of school leavers without the appropriate education. For students who decide to leave school and return to work, their knowledge on how to apply knowledge in everyday activities will provide the foundation for them to develop innovative and/or effective approaches to modern industrial and agricultural practices. They will also have greater opportunities for employment, in view of their acquired technical, cognitive, and behavioral skills, and enhanced productivity and competitiveness in the job market.

17. **Projection of incremental number of students completing LSE and pursuing USE.** The incremental number of students enrolling in LSE each year was projected to increase from 4,928,672 students in 2017 to 5,207,116 students in 2019, for an increment of 278,444 LSE students. Applying the assumed dropout, promotion, and completion rates for “without program” and “with program” in the projections, it was estimated that about 252,818 students will complete all LSE requirements by 2022. The total number of LSE students completing the LSE program was projected to remain at this level until the end of program life in 2041 (Table 2).

Table 2: Projected Number of LSE Student-Finishers Seeking Employment

Year	Without Program	With Program							
	Number of LSE Student Enrollees	Number of LSE Student Enrollees	Incremental Number of LSE Student Enrollees	Number of LSE Students Net of Dropouts	Number of LSE Students Promoted	Projected Incremental Students Completing LSE per Year	Projected LSE Graduates not Pursuing USE to Find Employment	Projected LSE Graduates Actually Employed	Projected LSE Students Pursuing USE
2017	4,928,672	4,928,672	-						
2018	4,928,672	4,928,672	-						
2019	4,928,672	5,207,116	278,444	277,136	276,304				
2020	4,928,672	5,207,116	278,444	277,136	276,304				
2021	4,928,672	5,207,116	278,444	277,136	276,304				
2022	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2023	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2024	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2025	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2026	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2027	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2028	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2029	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2030	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2031	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2032	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2033	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2034	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2035	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2036	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2037	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2038	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2039	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2040	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
2041	4,928,672	5,207,116	278,444	277,136	276,304	252,818	48,617	14,731	204,201
Total	123,216,800	129,621,018	6,404,218	6,374,118	6,354,996	5,056,366	972,339	294,619	4,084,027

Dropout rate under “without program” situation = 0.93%
 Dropout rate under “with program” situation = 0.47%
 Promotion rate under “without program” situation = 97.70%
 Promotion rate under “with program” situation = 99.70%
 Completion rate under “without program” situation = 82.70%
 Completion rate under “with program” situation = 91.5%
 Percentage of LSE students not pursuing USE = 19.2%
 Employment rate of LSE students = 30.3%

18. Of the total LSE finishers each year, about 48,617 students, or about 19.2%³²⁵ of LSE finishers, will not pursue USE and will try to find employment. Of the 48,617 LSE students leaving to find employment, only 14,731 students will be able to find work, calculated based on a 30.3% employment rate.³²⁶ The rest, about 204,201 LSE finishers, will pursue further education and enroll as secondary education students the following year (Table 1).

19. **Benefits derived from income of LSE student-finishers who decide to seek employment rather than continue on to USE.** Of the total LSE student-finishers, about 19.2% will not continue to USE, or about 48,617 students out of the 252,818 LSE finishers, will not pursue USE. Of the 48,617 LSE students who will not pursue USE, about 14,731 students are expected to find employment (Table 2).

20. The benefits generated by LSE finishers, who choose to seek employment after completing all LSE requirements, were based on their future annual earnings. A study conducted in Viet Nam estimated that one year of education increases the average earning capacity of an individual by 11%.³²⁷ For example, the average annual wage of a worker with only primary education was estimated at \$1,238/person/year, which is the average annual wage for jobs that require this qualification (e.g., security services, food delivery services, clerical services, and public/private driving services). In order to estimate the average annual wage of a worker with LSE, this was increased by 11% for each year over the three-year LSE program to arrive at a value of \$1,693/person/year as the estimated average annual wage rate of a worker with LSE (Table 3).

Table 3: Future Earning of LSE Finishers

Year	Average Annual Wage per Worker per Year Without LSE ^a (Financial) \$	Average Annual Wage per Worker per Year With LSE ^b (Financial) \$	Average Annual Wage per Worker per Year Without LSE ^c (Economic) \$	Average Annual Wage per Worker per Year With LSE ^c (Economic) \$
1	1,238	1,693	891	1,219
2	1,238	1,693	891	1,219
3	1,238	1,693	891	1,219
4	1,238	1,693	891	1,219
5	1,238	1,693	891	1,219
6	1,238	1,693	891	1,219
7	1,238	1,693	891	1,219
8	1,238	1,693	891	1,219
9	1,238	1,693	891	1,219
10	1,238	1,693	891	1,219
11	1,238	1,693	891	1,219
12	1,238	1,693	891	1,219
13	1,238	1,693	891	1,219
14	1,238	1,693	891	1,219
15	1,238	1,693	891	1,219
16	1,238	1,693	891	1,219
17	1,238	1,693	891	1,219
18	1,238	1,693	891	1,219

³²⁵ Data from DFP, MOET, 2015.

³²⁶ Employment rate is low as workers with only LSE credentials will typically find it difficult to gain employment in jobs requiring higher skills. This provides the rationale for encouraging students to pursue higher secondary education. Source: GSO, MPI.. 2014. *Labor Investigation Report*.

³²⁷ Nguyen, X.T. 2006. *Estimating the Return to Education in Viet Nam: A Difference-in-Difference Approach*.

Year	Average Annual Wage per Worker per Year Without LSE ^a (Financial) \$	Average Annual Wage per Worker per Year With LSE ^b (Financial) \$	Average Annual Wage per Worker per Year Without LSE ^c (Economic) \$	Average Annual Wage per Worker per Year With LSE ^c (Economic) \$
19	1,238	1,693	891	1,219
20	1,238	1,693	891	1,219
NPV@12%	9,246	12,645	6,657	9,104
Annual wage earnings or annual opportunity cost	462	632	333	455

^a The annual wage earnings (in financial terms) were based on the average annual earnings of workers with primary education credentials, as sourced from the GSO.

^b It was assumed that annual wage (financial) of workers, who completed all LSE requirements, will be greater than that earned by workers with primary education. The annual wage (financial) of a worker with LSE credentials was calculated as follows: D37,741,692 = D27,596,400 x (1.11)³. In dollar terms: \$1,716 = \$1,238 x (1.11)³ at an exchange rate of D22,295 to US\$1.

^c Calculated by adjusting the financial values by an SWRF of 0.8 and an SCF of 0.9.

21. In estimating the future average annual earnings generated by an LSE student, who has completed all requirements of LSE but decided to find employment immediately after LSE, the annualized NPV of his/her future incremental income stream was estimated over a period of 20 years, during which he/she was assumed to remain employed. The total value of the NPV of the stream of annual income generated by a newly employed LSE finisher was estimated at \$12,645. This estimate was then annualized by dividing it by 20. The resulting value is the financial value of future annual earnings of one who completed LSE, estimated at \$632/person/year or \$455/person/year in economic terms (Table 3).

22. The annual benefits from incremental income generated by newly employed LSE finishers were estimated based on the difference between the value of future earnings of one who completed LSE, estimated at \$632/person/year, and the value of future earnings of one without LSE, estimated at \$462/person/year. The difference (\$170/person/year) was then multiplied by the total number of newly employed LSE finishers under the program for specific years, projected over an assumed 20-year employment period, and adjusted by an SCF or 0.9 and an SWRF of 0.8 to arrive at the economic benefits from future earnings of employed LSE students. The economic benefits are projected to increase from \$1.80 million in 2022 to \$36.05 million in 2041, for total accumulated economic benefits of \$378.53 million over the period, 2022–2041 (Table 4).

Table 4: Projected Economic Benefits from Earnings of LSE Students Not Pursuing USE

Year	Incremental Number of Students Completing LSE Education	Projected LSE Graduates Not Pursuing USE to Find Employment	Total Students With LSE Credentials Finding Employment	Projected Annual Incremental Income of Students With LSE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With LSE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With LSE Credentials (Economic) (\$ million)
2017						
2018						
2019						
2020						
2021						
2022	252,818	48,617	14,731	2.50	2.50	1.80
2023	252,818	48,617	14,731	2.50	50.1	3.61
2024	252,818	48,617	14,731	2.50	7.51	5.41

Year	Incremental Number of Students Completing LSE Education	Projected LSE Graduates Not Pursuing USE to Find Employment	Total Students With LSE Credentials Finding Employment	Projected Annual Incremental Income of Students With LSE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With LSE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With LSE Credentials (Economic) (\$ million)
2025	252,818	48,617	14,731	2.50	10.01	7.21
2026	252,818	48,617	14,731	2.50	12.52	9.01
2027	252,818	48,617	14,731	2.50	15.02	10.82
2028	252,818	48,617	14,731	2.50	17.52	12.62
2029	252,818	48,617	14,731	2.50	20.03	14.42
2030	252,818	48,617	14,731	2.50	22.53	16.22
2031	252,818	48,617	14,731	2.50	25.03	18.03
2032	252,818	48,617	14,731	2.50	27.54	19.83
2033	252,818	48,617	14,731	2.50	30.04	21.63
2034	252,818	48,617	14,731	2.50	32.55	23.43
2035	252,818	48,617	14,731	2.50	35.05	25.24
2036	252,818	48,617	14,731	2.50	37.55	27.04
2037	252,818	48,617	14,731	2.50	40.06	28.84
2038	252,818	48,617	14,731	2.50	42.56	30.64
2039	252,818	48,617	14,731	2.50	45.06	32.45
2040	252,818	48,617	14,731	2.50	47.57	34.25
2041	252,818	48,617	14,731	2.50	50.07	36.05
Total	5,056,366	972,339	294,619	50.07	525.73	378.53
Earning of workers without LSE (\$/year)		=	462			
Earning of LSE students (\$/year)		=	632			
Incremental earning of LSE students		=	170			
Percentage of LSE students not pursuing USE		=	19.23%			
Employment rate of LSE students		=	30%			
Shadow wage rate factor		=	0.8			
Standard conversion factor		=	0.9			

23. **Projection of incremental number of students completing USE.** The incremental number of students enrolling in USE each year was projected to increase from 2,592,278 in 2017 to 3,541,364 in 2023, when an NER of 80% for USE is achieved. By 2022, an additional 204,201 LSE finishers will enroll in USE. These LSE finishers are those who enrolled in LSE in 2019, when up-scaled investments are made by the government under the PBL, and completed all LSE requirements in three years. The total incremental USE student enrollees are projected to increase to 1,153,287 in 2023 and remain at that level every year from 2023–2041 (Table 5).

Table 5: Projected Number of Students Completing USE and Finding Employment

Year	Without Program		With Program					
	Number of USE Student Enrollees	Number of Current USE Student Enrollees	Number of LSE Students Continuing to USE	Incremental Number of USE Student Enrollees	Number of USE Student Net of Dropouts	Number of USE Students Promoted	Projected Incremental Students Completing USE per Year	Projected USE Graduates Finding Employment
2017	2,592,278	2,592,278	-	-	-	-	-	-
2018	2,592,278	2,592,278	-	-	-	-	-	-
2019	2,592,278	2,656,023	-	63,745	63,174	62,669	-	-
2020	2,592,278	2,833,091	-	240,813	238,658	236,749	-	-
2021	2,592,278	3,187,228	-	594,950	589,625	584,908	-	-
2022	2,592,278	3,364,296	204,201	976,219	967,482	959,742	58,094	34,857
2023	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	219,466	131,680
2024	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	542,210	325,326
2025	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	889,681	533,809
2026	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2027	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2028	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2029	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2030	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2031	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2032	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2033	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2034	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2035	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2036	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2037	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2038	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2039	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2040	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
2041	2,592,278	3,541,364	204,201	1,153,287	1,142,965	1,133,822	1,051,053	630,632
Total	64,806,950	84,511,110	4,084,027	23,788,186	23,575,282	23,386,680	18,526,294	11,115,776

Dropout rate under "without program" situation = 1.79%
 Dropout rate under "with program" situation = 0.90%
 Promotion rate under "without program" situation = 97.27%
 Promotion rate under "with program" situation = 99.2%
 Completion rate under "without program" situation = 84.31%
 Completion rate under "with program" situation = 92.7%
 Employment rate of USE students = 60.0%

24. Applying the assumed dropout, promotion, and completion rates for “without program” and “with program” in the projections, it was estimated that about 1,051,053 students/year will complete all USE requirements over the period, 2026-2041.³²⁸ At an assumed employment rate of 60%, it was estimated that about 436,484 USE graduates will be able to find employment.³²⁹ The projected numbers of USE graduates and those finding employment are shown in Table 5.

25. **Benefits derived from income of USE student-finishers seeking employment rather than continuing to higher education.** The current annual wage earning of workers with USE credentials is about \$2,315/person/year, the estimated average annual wage for jobs which typically require this qualification. This was estimated by increasing the basic annual wage earning of a worker with LSE equivalency, about \$1,693/person/year, by 11% for each year of USE completed from grades 10 to 12.³³⁰ The resulting estimate is the value of expected annual wage earning of workers with USE credentials, which is about \$2,315/person/year. In estimating the future average annual earnings generated by a USE student, who has completed all requirements of USE and decided to seek employment immediately after, the annualized NPV of his/her future incremental income stream was estimated over a period of 20 years, during which he/she was assumed to remain employed. The total value of the NPV of the stream of annual income generated by a newly employed USE graduate was estimated at \$17,293. This estimate was then annualized by dividing it by 20. The resulting value is the financial value of future annual earnings of one who completed USE, estimated at \$865/person/year or \$623/person/year in economic value (Table 6).

Table 6: Future Earnings of USE Graduates Who Seek Employment after Finishing USE

Year	Average Annual Wage per Worker per Year Without USE ^a (Financial) \$	Average Annual Wage per Worker per Year With USE ^b (Financial) \$	Average Annual Wage per Worker per Year Without USE ^c (Economic) \$	Average Annual Wage per Worker per Year With USE ^c (Economic) \$
1	1,693	2,315	1,219	1,667
2	1,693	2,315	1,219	1,667
3	1,693	2,315	1,219	1,667
4	1,693	2,315	1,219	1,667
5	1,693	2,315	1,219	1,667
6	1,693	2,315	1,219	1,667
7	1,693	2,315	1,219	1,667
8	1,693	2,315	1,219	1,667
9	1,693	2,315	1,219	1,667
10	1,693	2,315	1,219	1,667
11	1,693	2,315	1,219	1,667
12	1,693	2,315	1,219	1,667
13	1,693	2,315	1,219	1,667
14	1,693	2,315	1,219	1,667

³²⁸ This total includes LSE finishers who enrolled in LSE in 2019, when up-scaled investments are made by the government under the PBL, and completed all LSE requirements by 2022 and subsequently enrolled as new USE students in 2023.

³²⁹ GSO indicates an employment rate of 41.5% for workers with USE, while the World Bank estimates employment rate for Viet Nam to be around 70%. For the purpose of the economic analysis, an employment rate of 60% was applied.

³³⁰ Based on the findings of Nguyen Xuan Thanh (2006).

Year	Average Annual Wage per Worker per Year Without USE ^a (Financial) \$	Average Annual Wage per Worker per Year With USE ^b (Financial) \$	Average Annual Wage per Worker per Year Without USE ^c (Economic) \$	Average Annual Wage per Worker per Year With USE ^c (Economic) \$
15	1,693	2,315	1,219	1,667
16	1,693	2,315	1,219	1,667
17	1,693	2,315	1,219	1,667
18	1,693	2,315	1,219	1,667
19	1,693	2,315	1,219	1,667
20	1,693	2,315	1,219	1,667
NPV@12%	12,645	17,293	9,104	12,451
Annual wage earnings or annual opportunity cost	632	865	455	623

^a The annual wage earnings (in financial terms) were based on the average annual earnings of workers with LSE credentials.

^b It was assumed that annual wage (financial) of workers who completed all USE requirements will be greater than that earned by workers with LSE. The annual wage (financial) of a worker with LSE credentials was calculated as follows: \$2,315 = \$1,693 x (1.11)³.

^c Calculated by adjusting the financial values by an SWRF of 0.8 and an SCF of 0.9.

26. The annual benefits from incremental income generated by newly employed USE graduates were derived by estimating the difference between the value of future earnings of one who completed USE, estimated at \$865/person/year, and that of one without USE, estimated at \$632/person/year. The difference (\$232/person/year) was then multiplied by the total number of newly employed USE graduates under the program for specific years, projected over an assumed 20-year employment period, and adjusted by an SCF of 0.9 and an SWRF of 0.8 to derive the economic benefits generated by USE graduates who found employment. The total incremental economic benefits derived from the annual income generated by USE students finding employment were projected to increase from \$5.83 million in 2022 to \$1,860.19 million in 2041, for total accumulated economic benefits of \$17,386.56 million for the period (Table 7).

Table 7: Economic Benefits from Future Incremental Income of USE Finishers

Year	Incremental Number of Students Completing USE Education	Total Students With USE Credentials Finding Employment	Projected Annual Incremental Income of Students With USE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With USE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With USE Credentials (Economic) (\$ million)
2017					
2018					
2019					
2020					
2021					
2022	58,094	34,857	8.10	8.10	5.83
2023	219,466	131,680	30.61	38.71	27.87
2024	542,210	325,326	75.61	114.32	82.31
2025	889,681	533,809	124.07	238.39	171.64
2026	1,051,053	630,632	146.58	384.97	277.18
2027	1,051,053	630,632	146.58	531.54	382.71
2028	1,051,053	630,632	146.58	678.12	488.24

Year	Incremental Number of Students Completing USE Education	Total Students With USE Credentials Finding Employment	Projected Annual Incremental Income of Students With USE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With USE Credentials (Financial) (\$ million)	Accumulated Incremental Income of Students With USE Credentials (Economic) (\$ million)
2029	1,051,053	630,632	146.58	824.69	593.78
2030	1,051,053	630,632	146.58	971.27	699.31
2031	1,051,053	630,632	146.58	1,117.84	804.85
2032	1,051,053	630,632	146.58	1,264.42	910.38
2033	1,051,053	630,632	146.58	1,410.99	1,015.91
2034	1,051,053	630,632	146.58	1,557.57	1,121.45
2035	1,051,053	630,632	146.58	1,704.14	1,226.98
2036	1,051,053	630,632	146.58	1,850.72	1,332.52
2037	1,051,053	630,632	146.58	1,997.29	1,438.05
2038	1,051,053	630,632	146.58	2,143.87	1,543.58
2039	1,051,053	630,632	146.58	2,290.44	1,649.12
2040	1,051,053	630,632	146.58	2,437.02	1,754.65
2041	1,051,053	630,632	146.58	2,583.59	1,860.19
Total	18,526,294	11,115,776	2,583.59	24,148.00	17,386.56
Earning of workers without USE (\$/year; financial)	=	632			
Earning of USE students (\$/year; financial)	=	865			
Incremental earning of USE students	=	232			
Employment rate of USE	=	60.0%			
Shadow wage rate factor	=	0.8			
Standard conversion factor	=	0.9			

3. Estimation of Economic Costs

27. **Program investment cost.** Specific costs estimated cover program investments, O&M costs, and policy reform-related investments. The local cost of labor was converted by using an SWRF of 0.8, and non-traded costs other than labor costs were adjusted by an SCF of 0.9. The economic value of foreign costs, mainly traded costs, was assumed to be equal to their financial values. Incremental annual O&M cost was assumed at 3.0% of capital investment costs. The incremental recurrent cost incurred under the program was estimated based on the total incremental number of secondary students accruing to the program multiplied by the recurrent cost per student per year. Estimate of the recurrent cost per student was based on the 2015 MOET estimate, adjusted to its 2016 economic value and projected over a period of 20 years (2017-2041) at an annual growth rate of about 10%.³³¹ The total financial capital investment cost was estimated at \$107.0 million, excluding price contingencies of about \$2.07 million, taxes of \$5.03 million, and interest charges amounting to \$6.51 million.³³² The resulting value of about \$93.38 million served as basis for deriving the economic investment cost of about \$79.84 million (Table 8).

³³¹ As it is not certain at this time how the PBL will be spent, it was assumed that the foreign and local currency components of the expenditures will follow that of the project investment loan, which is 27% for foreign currency cost and 73% for local currency cost.

³³² Obtained from detailed cost tables.

Table 8: Estimation of Economic Investment Cost

Year	Total Financial Cost (\$million)	Program Cost (\$ million)	Traded Cost Component (\$ million)	Non-tradable		Economic Cost (\$ million)
				Non-tradable Cost Component (\$ million)	Labor Cost Component (\$ million)	
2017		4.20	1.13	1.25	1.21	3.59
2018		8.87	2.40	2.63	2.55	7.58
2019		28.01	7.56	8.32	8.07	23.95
2020		35.48	9.58	10.54	10.22	30.34
2021		15.87	4.29	4.71	4.57	13.57
2022		0.93	0.25	0.28	0.27	0.80
Total		93.38	25.21	27.73	26.89	79.84
Percent tradable			=	27%		
Percent non-tradable (non-labor)			=	33%		
Percent labor cost			=	40%		
Standard conversion factor (on LC or non-tradable)			=	0.90		
Standard conversion factor (on FX or tradable)			=	1.00		
Shadow wage rate factor				0.80		

28. **O&M cost.** The incremental annual O&M cost to be incurred under the program was assumed at 3.0% of capital investment costs.

29. **Replacement cost.** Replacement of all equipment, about \$24.32 million, was assumed to be done every five years.

30. **Recurrent cost of secondary schools.** The incremental recurrent cost incurred under the program was estimated based on the total incremental number of secondary students accruing to the program multiplied by the recurrent cost per student per year. The estimate of the recurrent cost per student was based on the 2015 MOET estimate, adjusted to its 2016 economic value and projected over a period of 20 years (2017-2041) at an annual growth rate of about 10%. The calculation of the incremental recurrent cost of schools due to an increase in LSE and USE student enrolments is presented in Table 9.

Table 9: Calculation of Incremental Recurrent Cost

Year	Incremental Number of Secondary Students	Recurrent Cost per Secondary Student (\$)	Incremental Recurrent Cost (\$)	Incremental Recurrent Cost (Financial) (\$ million)	Incremental Recurrent Cost (Economic) (\$ million)
2017					
2018					
2019					
2020					
2021					
2022	1,227,530	49.12	60,301,440	60.30	54.27
2023	1,227,530	54.04	66,331,584	66.33	59.70
2024	1,227,530	59.44	72,964,742	72.96	65.67
2025	1,227,530	65.38	80,261,216	80.26	72.24
2026	1,227,530	71.92	88,287,338	88.29	79.46
2027	1,227,530	79.12	97,116,072	97.12	87.40
2028	1,227,530	87.03	106,827,679	106.83	96.14
2029	1,227,530	95.73	117,510,447	117.51	105.76
2030	1,227,530	105.30	129,261,492	129.26	116.34

Year	Incremental Number of Secondary Students	Recurrent Cost per Secondary Student	Incremental Recurrent Cost	Incremental Recurrent Cost (Financial)	Incremental Recurrent Cost (Economic)
		(\$)	(\$)	(\$ million)	(\$ million)
2031	1,227,530	115.83	142,187,641	142.19	127.97
2032	1,227,530	127.42	156,406,405	156.41	140.77
2033	1,227,530	140.16	172,047,045	172.05	154.84
2034	1,227,530	154.17	189,251,750	189.25	170.33
2035	1,227,530	169.59	208,176,925	208.18	187.36
2036	1,227,530	186.55	228,994,617	228.99	206.10
2037	1,227,530	205.20	251,894,079	251.89	226.70
2038	1,227,530	225.72	277,083,487	277.08	249.38
2039	1,227,530	248.30	304,791,836	304.79	274.31
2040	1,227,530	273.13	335,271,019	335.27	301.74
2041	1,227,530	300.44	368,798,121	368.80	331.92
Total					3,108.39

^a Total annual secondary education recurrent cost was projected to increase by about 10% per year.

^b Adjusted by SCF = 0.9.

31. **Opportunity cost of LSE and USE students.** The incremental economic opportunity cost of LSE and USE students for each year was calculated by multiplying the annual incremental number of LSE and USE students, who have completed all LSE and USE requirements, respectively, by the corresponding economic opportunity cost/student/year. The resulting values were summed to estimate the total incremental opportunity cost of the program (Table 10).

Table 10: Opportunity Cost of LSE and USE Students

Year	Projected LSE Graduates not Pursuing USE to Find Employment (LSE Graduates)	Total Annual Opportunity Cost of LSE Students (Financial) (\$ million)	Total Annual Opportunity Cost of LSE Students (Economic) (\$ million)	Projected USE Graduates not Pursuing Higher Education to Find Employment (USE Graduates)	Total Annual Opportunity Cost of USE Students (Financial) (\$ million)	Total Annual Opportunity Cost of USE Students (Economic) (\$ million)	Total Opportunity Cost of LSE and USE Students (Economic) (\$ million)
2017							
2018							
2019	48,617	22.47	16.18	34,857	22.04	15.87	32.05
2020	48,617	22.47	16.18	131,680	83.25	59.94	76.12
2021	48,617	22.47	16.18	325,326	205.68	148.09	164.27
2022	48,617	22.47	16.18	533,809	337.49	242.99	259.17
2023	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2024	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2025	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2026	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2027	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2028	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2029	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2030	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2031	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2032	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2033	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2034	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2035	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2036	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2037	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2038	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2039	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2040	48,617	22.47	16.18	630,632	398.70	287.07	303.25
2041	48,617	22.47	16.18	630,632	398.70	287.07	303.25

Assumed opportunity cost/year of LSE students = \$462

Assumed opportunity cost/year of USE students = \$632

4. EIRR and Sensitivity Analysis – Overall Program

32. **EIRR calculation.** The program yielded a base EIRR value of 14.7% and a benefit-cost ratio (BCR) of 1.1 (Table 11).

Table 11: EIRR Calculation – Overall Program

Year	Incremental Cost				Incremental Benefits			Net Benefits	
	Investment	Operation and Maintenance	Recurrent Cost of Secondary Education Schools	Opportunity Cost	Total Cost	Projected Income of LSE Finishers ^a	Projected Income of USE Graduates ^b		Total Benefits
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	
2017	3.59	-	-	-	3.59	-	-	-	(3.59)
2018	7.58	0.11	-	-	7.69	-	-	-	(7.69)
2019	23.95	0.34	-	32.05	56.34	-	-	-	(56.34)
2020	30.34	1.05	-	76.12	107.52	-	-	-	(107.52)
2021	13.57	1.96	-	164.27	179.81	-	-	-	(179.81)
2022	0.80	2.37	54.27	259.17	316.61	1.80	5.83	7.64	(308.98)
2023		2.40	59.70	303.25	365.61	3.61	27.87	31.47	(333.87)
2024		25.02	65.67	303.25	393.93	5.41	82.31	87.72	(306.21)
2025		2.40	72.24	303.25	377.88	7.21	171.64	178.85	(199.02)
2026		2.40	79.46	303.25	385.10	9.01	277.18	286.19	(98.91)
2027		2.40	87.40	303.25	393.05	10.82	382.71	393.53	0.48
2028		2.40	96.14	303.25	401.79	12.62	488.24	500.86	99.08
2029		25.02	105.76	303.25	434.02	14.42	593.78	608.20	174.18
2030		2.40	116.34	303.25	421.98	16.22	699.31	715.54	293.56
2031		2.40	127.97	303.25	433.61	18.03	804.85	822.87	389.26
2032		2.40	140.77	303.25	446.41	19.83	910.38	930.21	483.80
2033		2.40	154.84	303.25	460.48	21.63	1,015.91	1,037.54	577.06
2034		25.02	170.33	303.25	498.59	23.43	1,121.45	1,144.88	646.29
2035		2.40	187.36	303.25	493.00	25.24	1,269.98	1,252.22	759.22
2036		2.40	206.10	303.25	511.74	27.04	1,332.52	1,358.55	847.82
2037		2.40	226.70	303.25	532.35	28.82	1,438.05	1,466.89	934.54
2038		2.40	249.38	303.25	555.02	30.64	1,543.58	1,574.23	1,019.21
2039		25.02	274.31	303.25	602.57	32.45	1,649.12	1,681.56	1,078.99
2040		2.40	301.74	303.25	607.39	34.25	1,754.65	1,788.90	1,181.51
2041		2.40	331.92	303.25	637.56	36.05	1,860.19	1,896.24	1,258.68
Economic internal rate of return (EIRR) =									14.7%
Net present value (NPV) (@12%) =									267.30
Benefit-cost ratio (BCR) =									1.1

33. **Sensitivity analysis.** The sensitivity analysis indicated that the EIRR is sensitive to changes in student enrolment and to a simultaneous change in costs and student enrolment, as the sensitivity indicator (SI) values for these change variables are significantly greater than 1. Switching values confirmed the sensitivity of the EIRR to changes in cost and enrolment variables (Table 12).

Table 12: Sensitivity Analysis – Overall Program

Change Variable		Present Change in Variable	Recalculated EIRR	Switching Value	Sensitivity Indicator
1	Increase in costs	10%	13%	13%	1.39
2	Decrease in secondary student enrolment	10%	12%	12%	1.54
3	Increase in costs and decrease in enrolment	10%	10%	6%	2.96
4	Delay in benefits by one year		8%		
Base EIRR		=	14.7%		
Base NPV @12%		=	267.3 \$ million		
Benefit-cost ratio		=	1.1		

5. Distribution of Program Benefits and Costs and Poverty Impact Analysis

34. The distribution of benefits and costs among the various program stakeholders was based on estimates of incremental benefits and costs generated by program investments under the project investment loan and the PBL. All financial and economic benefits and costs were expressed in 2016 prices and in NPV terms at a discount rate of 12% (Table 13).

Table 13: Distribution of Benefits and Costs and Poverty Impact – Overall Program

Present Value (@12%) (\$ million)	Financial Net Present (1)	Economic Net Present (2)	Difference (1)-(2)	Distribution of Benefits and Costs			Total
				Secondary Students		Government	
				Rural ^a	Urban ^b		
Incremental Benefits from:^c	3,801.49	2,245.41	1,556.08	1,042.57	513.51		1,556.08
Improved income-generating capacity potential of students	3,801.49	2,245.41	1,556.08	1,042.57	513.51		1,556.08
Incremental Costs^c	2,600.23	1,981.85	618.38	371.90	183.18	63.30	618.38
Project investment cost	62.79	53.69	9.11			9.11	9.11
Project O&M cost	37.35	34.92	2.43			2.43	2.43
Recurrent cost of secondary schools	517.67	465.90	51.77			51.77	51.77
Opportunity cost of LSE and USE students	1,982.42	1,427.34	555.08	371.90	183.18		555.08
Net Benefits	1,201.26	263.56	937.70	670.67	330.33	(63.30)	937.70
Proportion of poor ^d				15%	5%	10%	
Net benefits to the poor				100.60	16.52	(6.33)	110.79
Poverty Impact Ratio							0.12

^a About 67% of Viet Nam's population (2014) is in the rural areas. Therefore, the proportion of benefits accruing to secondary education students in rural areas was based on this estimate. Source: <http://data.worldbank.org/indicator/SP.RUR.TOTLZS>.

^b About 33% of Viet Nam's population (2014) is in the urban areas. The proportion of benefits accruing to secondary education students in urban areas was based on this estimate. Source: <http://data.worldbank.org/indicator/SP.RUR.TOTLZS>.

^c Based on an NPV (at a 12% discount rate) of incremental benefits and costs from investments under the program.

^d Source: GSO statistics database, MPI.

35. Incremental benefits will be generated through improvements in the income-generating capacity of secondary education students of about \$1,556.08 million (or a total incremental benefit of \$1,556.08 million). The benefits from improved income-generating capacity of secondary students were distributed among rural and urban secondary students based on the proportion of the country's population residing in the rural and urban areas of about 67% and 33%, respectively. Based on these proportions, the incremental benefits from income generation among rural and urban secondary students were estimated at \$1,042.57 million and \$513.51 million, respectively (Table 13).

36. Incremental costs (\$618.38 million) were estimated based on: (i) a program investment cost of about \$9.11 million; (ii) an O&M cost of \$2.43 million; (iii) a recurrent cost of secondary schools of \$51.77 million; and (iv) an opportunity cost of LSE and USE students of \$555.08 (Table 13).

37. The total economic net benefits were estimated at about \$937.70 million. Based on the poverty incidence rate among poor secondary students in rural and urban areas, secondary teachers, and government, the total net benefit accruing to the poor was estimated at about \$110.79 million. The poverty impact ratio was calculated at 0.12 (Table 13).

RESULTS OF THE SENSITIVITY ANALYSIS – OVERALL PROGRAM

Table A1: Increase in Program Costs by 10%

Year	Investment	Operation and Maintenance	Cost			Benefits			Net Benefits
			Recurrent Cost of USE Schools	Opportunity Cost	Total Cost	Projected Income of LSE Students Who Completed LSE But Did Not Pursue USE	Projected Income of USE Students Who Completed Grade 9	Total Benefits	
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
2017	3.95	-	-	-	3.95	-	-	-	(3.95)
2018	8.34	0.12	-	-	8.46	-	-	-	(8.46)
2019	26.35	0.37	-	36.25	61.97	-	-	-	(61.97)
2020	33.37	1.16	-	83.73	118.27	-	-	-	(118.27)
2021	14.93	2.16	-	180.70	197.79	-	-	-	(197.79)
2022	0.88	2.61	59.70	285.09	348.27	1.80	5.83	7.64	(340.64)
2023	-	2.63	66.67	333.57	401.87	3.61	27.87	31.47	(370.40)
2024	-	27.52	72.24	333.57	433.32	5.41	82.31	87.72	(345.60)
2025	-	2.63	79.46	333.57	415.66	7.21	171.64	178.85	(236.81)
2026	-	2.63	87.40	333.57	423.61	9.01	277.18	286.19	(137.42)
2027	-	2.63	96.14	333.57	432.35	10.82	382.71	393.53	(38.83)
2028	-	2.63	105.76	333.57	441.97	12.62	488.24	500.86	58.90
2029	-	27.52	116.34	333.57	477.42	14.42	593.78	608.20	130.77
2030	-	2.63	127.97	333.57	464.18	16.22	699.31	715.54	251.36
2031	-	2.63	140.77	333.57	476.97	18.03	804.85	822.87	345.90
2032	-	2.63	154.84	333.57	491.05	19.83	910.38	930.21	439.16
2033	-	2.63	170.33	333.57	506.53	21.63	1,015.91	1,037.54	531.01
2034	-	27.52	187.36	333.57	548.45	23.43	1,121.45	1,144.88	596.43
2035	-	2.63	206.10	333.57	542.30	25.24	1,226.98	1,252.22	709.92
2036	-	2.63	226.70	333.57	562.91	27.04	1,332.52	1,359.55	796.64
2037	-	2.63	249.38	333.57	585.58	28.84	1,438.05	1,466.89	881.31
2038	-	2.63	274.31	333.57	610.52	30.64	1,543.58	1,574.23	963.71
2039	-	27.52	301.74	333.57	662.83	32.45	1,659.12	1,681.56	1,018.73
2040	-	2.63	331.92	333.57	668.12	34.25	1,754.65	1,788.90	1,120.78
2041	-	2.63	365.11	333.57	701.32	36.05	1,860.19	1,896.24	1,194.92
								EIRR =	13%
								NPV (@12%) =	69.49

Table A2: Decrease in Student Annual Enrolment by 10%

Year	Investment	Operation and Maintenance	Cost			Benefits			Net Benefits
			Recurrent Cost of USE Schools	Opportunity Cost	Total Cost	Projected Income of LSE Students who Completed LSE but did not Pursue USE	Projected Income of LSE Students who Completed Grade 12	Total Benefits	
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
2017	3.95	-	-	-	3.59	-	-	-	(3.59)
2018	7.58	0.11	-	-	7.69	-	-	-	(7.69)
2019	23.95	0.34	-	32.05	56.34	-	-	-	(56.34)
2020	30.34	1.05	-	76.12	107.52	-	-	-	(107.52)

2021	13.57	1.96	-	164.27	179.81	-	-	-	(179.81)
2022	0.88	2.37	54.27	259.17	316.61	1.62	5.25	6.87	(309.74)
2023	-	2.40	59.70	303.25	365.34	3.24	25.08	28.33	(337.01)
2024	-	25.02	65.64	303.25	393.93	4.87	74.08	78.95	(314.98)
2025	-	2.40	72.24	303.25	377.88	6.49	154.48	160.97	(216.91)
2026	-	2.40	79.46	303.25	385.10	8.11	249.46	257.57	(127.53)
2027	-	2.40	87.40	303.25	393.05	9.73	344.44	354.17	(38.87)
2028	-	2.40	96.14	303.25	401.79	11.36	439.42	450.78	48.99
2029	-	25.02	105.76	303.25	434.02	12.98	534.40	547.38	113.36
2030	-	2.40	116.34	303.25	421.98	14.60	629.38	643.98	222.00
2031	-	2.40	127.97	303.25	433.61	16.22	724.36	740.58	306.97
2032	-	2.40	140/88	303.25	446.41	17.84	819.34	837.19	390.78
2033	-	2.40	154.84	303.25	460.48	19.47	914.32	933.79	473.31
2034	-	25.02	170.33	303.25	498.59	21.09	1,009.30	1,030.39	531.80
2035	-	2.40	187.36	303.25	493.00	22.71	1,104.28	1,127.00	633.99
2036	-	2.40	206.10	303.25	511.74	24.33	1,199.27	1,223.60	711.86
2037	-	2.40	226.70	303.25	532.35	25.96	1,294.25	1,320.20	787.86
2038	-	2.40	249.38	303.25	555.02	27.58	1,389.23	1,416.80	861.79
2039	-	25.02	274.31	303.25	602.57	29.20	1,484.21	1,513.41	910.83
2040	-	2.40	301.74	303.25	607.39	30.82	1,579.19	1,610.01	1,002.62
2041	-	2.40	331.92	303.25	637.56	32.45	1,674.17	1,706.61	1,069.05
EIRR =									12%
NPV (@12%) =									42.76

Table A3: Increase in Program Costs and Decrease in Student Enrolment by 10%

Year	Cost				Benefits				
	Investment	Operation and Maintenance	Recurrent Cost of USE Schools	Opportunity Cost	Total Cost	Projected Income of LSE Students who Completed LSE but did not Pursue USE	Projected Income of LSE Students who Completed Grade 12	Total Benefits	Net Benefits
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
2017	3.95	-	-	-	3.95	-	-	-	(3.95)
2018	8.34	0.12	-	-	8.46	-	-	-	(8.46)
2019	26.35	0.37	-	35.25	61.97	-	-	-	(61.97)
2020	33.37	1.16	-	83.73	118.27	-	-	-	(118.27)
2021	14.93	2.16	-	180.70	197.79	-	-	-	(197.79)
2022	0.88	2.61	59.70	285.09	348.27	1.62	5.25	6.87	(341.40)
2023	-	2.63	65.67	333.57	401.87	3.24	25.08	28.33	(373.55)
2024	-	27.52	72.24	333.57	433.32	4.87	74.08	78.95	(354.38)
2025	-	2.63	79.46	333.57	415.66	6.49	154.48	160.97	(254.70)
2026	-	2.63	87.40	333.57	423.61	8.11	249.46	257.57	(166.04)
2027	-	2.63	96.14	333.57	432.35	9.73	344.44	354.17	(78.18)
2028	-	2.63	105.76	333.57	441.97	11.36	439.42	450.78	8.81
2029	-	27.52	116.34	333.57	477.42	12.98	534.40	547.38	69.95
2030	-	2.63	127.97	333.57	464.18	14.60	629.38	643.98	179.81
2031	-	2.63	140.77	333.57	476.97	16.22	724.36	740.58	263.61
2032	-	2.63	154.84	333.57	491.05	17.84	819.34	837.19	346.14
2033	-	2.63	170.33	333.57	506.53	19.47	914.32	933.79	427.26
2034	-	27.52	187.36	333.57	548.45	21.09	1,009.30	1,030.39	481.95
2035	-	2.63	206.10	333.57	542.30	22.71	1,104.28	1,127.00	584.69
2036	-	2.63	226.70	333.57	562.91	24.33	1,199.27	1,223.60	660.69
2037	-	2.63	249.38	333.57	585.58	25.96	1,294.25	1,320.20	734.62
2038	-	2.63	274.31	333.57	610.52	27.58	1,389.23	1,416.80	806.29
2039	-	27.52	301.74	333.57	662.83	29.30	1,484.21	1,513.41	850.58
2040	-	2.63	331.92	333.57	668.12	30.82	1,579.19	1,610.01	941.89
2041	-	2.63	365.11	333.57	701.32	32.45	1,674.17	1,706.61	1,005.30
								EIRR =	10%
								NPV (@12%) =	(155.05)

Table A4: Delay in Program Benefits by One Year

Year	Investment	Operation and Maintenance	Cost			Benefits			Net Benefits
			Recurrent Cost of USE Schools	Opportunity Cost	Total Cost	Projected Income of LSE Students who Completed LSE but did not Pursue USE	Projected Income of LSE Students who Completed Grade 12	Total Benefits	
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
2017	3.59	-	-	-	38.85	-	-	-	(38.85)
2018	7.58	0.11	-	-	91.43	-	-	-	(91.43)
2019	23.95	0.34	-	32.05	204.98	-	-	-	(204.98)
2020	30.34	1.05	-	76.12	316.48	-	-	-	(316.48)
2021	0.80	1.96	-	164.27	349.11	-	-	-	(349.11)
2022	-	2.37	54.27	259.17	391.01	-	-	-	(391.01)
2023	-	2.40	59.70	303.25	395.67	1.80	5.83	7.64	(388.03)
2024	-	25.02	65.67	303.25	424.26	3.61	27.87	31.47	(392.78)
2025	-	2.40	72.24	303.25	408.20	5.41	82.31	87.72	(320.48)
2026	-	2.40	79.46	303.25	415.43	7.21	171.64	178.85	(236.57)
2027	-	2.40	87.40	303.25	423.37	9.01	277.18	286.19	(137.18)
2028	-	2.40	96.14	303.25	432.11	10.82	382.71	393.53	(38.59)
2029	-	25.02	105.76	303.25	464.35	12.62	488.24	500.86	36.52
2030	-	2.40	116.34	303.25	452.30	14.42	593.78	608.20	155.90
2031	-	2.40	127.97	303.25	463.94	16.22	699.31	715.54	251.60
2032	-	2.40	140.77	303.25	476.73	18.03	804.85	822.87	346.14
2033	-	2.40	154.84	303.25	490.81	19.83	910.38	930.21	439.40
2034	-	25.02	170.33	303.25	528.91	21.63	1,015.91	1,037.54	508.63
2035	-	2.40	187.36	303.25	523.33	23.43	1,121.45	1,144.88	621.56
2036	-	2.40	206.10	303.25	542.06	25.24	1,226.98	1,252.22	710.16
2037	-	2.40	226.70	303.25	562.67	27.04	1,332.52	1,359.55	796.88
2038	-	2.40	249.38	303.25	585.34	28.84	1,438.05	1,433.89	881.55
2039	-	25.02	274.31	303.25	632.90	30.64	1,543.58	1,574.23	941.33
2040	-	2.40	301.74	303.25	304.14	32.45	1,649.12	1,681.56	1,377.42
2041	-	2.40	331.92	303.25	334.31	34.25	1,754.65	1,788.90	1,454.59
								EIRR =	8%
								NPV (@12%) =	(615.03)

Appendix 13: RISK ASSESSMENT AND RISK MANAGEMENT PLAN

1. This risk assessment and risk management plan for the Second Secondary Education Sector Development Program summarizes the risks and key mitigation measures identified during program due diligence. At the concept development stage, the program was considered as low risk, having met all low-risk categorization criteria.³³³ The proposed program has all the features for the low-risk category: (i) a loan amount not exceeding \$200 million; (ii) a sound record of ADB’s previous experience in the sector; (iii) reasonable executing agency capacity; and (iv) safeguard categorization other than A.

2. The ADB *Country Partnership Strategy (CPS): Viet Nam, 2016–2020* identified the potential for suboptimal public investment returns if public administration continues to rely on the traditional input-based approach to development planning. To mitigate this risk, it is suggested that capacity building in investment planning and project implementation should be supported for the central and local governments. The Risk Assessment and Risk Management Plan for the CPS identified several procurement risks that are germane to the program. Following are the potential risks and how the program was designed to mitigate the said risks: (i) decentralization widening the procurement capacity gap: the program was designed with no decentralized procurement; (ii) breaking down investments into multiple packages: the investments were grouped into large packages; and (iii) procurement malpractice: this was included in the risk management plan.

3. **Specific risks associated with procurement.** Following risks identified by the ADB Viet Nam Resident Mission, and how the program was designed to mitigate these: (i) the large number of works packages and procuring agencies limit effectiveness of ADB monitoring: procurement packages were made as large as feasible; (ii) misuse of the shopping procedure: shopping procedures were limited; (iii) bidding documents submitted by CPMU are of poor quality and require significant revisions leading to delays: addressed in the program’s risk management plan; (iv) bid evaluation reports for goods and works normally require a number of revisions due to CPMU/PPMU staff’s limited knowledge and familiarity with evaluation procedures: included in the risk management plan; and (v) for projects under MOET, CPMUs sign two contracts for each works package (one for submission to ADB and one for the relevant government authorities), which complicates contract administration and can lead to disputes when the terms in the two contracts conflict: included in the risk management plan.

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
1. Program		
1.1 Agreed policy action not fulfilled		
Unforeseen circumstances and guidance from the National Assembly on education reform actions may change the government’s priorities and make it difficult to complete the agreed policy actions.	low	ADB will hold regular consultations and dialogue with MOET on the progress in fulfilling the agreed upon actions. The reporting requirement before loan effectiveness is included as a covenant in the legal agreements.
1.2 Delays in implementation of policy reform-related activities		
MOET may experience difficulties and		The Prime Minister will issue an official letter

³³³ ADB. 2014. *Concept Paper Project Number: 47140-001 Proposed Loan and Technical Assistance Grant. Viet Nam: Second Secondary Education Sector Development Program*. Manila.

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<p>subsequent delays in implementing policy reform activities due to extraordinary circumstances that may require a change in the spending priorities of the central government, which may, in turn, require the diversion of funds meant for the policy reforms of the country's secondary education sector to other sectors.</p>	low	<p>to approve the utilization of PBL funds for the planned policy reform activities on the basis of proposals from MOET and comments from the Ministry of Planning and Investment (MPI) and the Ministry of Finance (MOF).</p>
<p>1.3 Limited monitoring and evaluation capacity</p>	low	<p>The CPMU will engage monitoring and evaluation specialists to develop a system to capture and analyze the required data according to the DMF. The gender specialist will assist with the development of questionnaires and train national staff in gender-sensitive probing techniques. Most results data will come from MOET's data systems or from a system specifically designed for the program.</p>
<p>Lack of capacity in monitoring and evaluation within CPMU and schools may limit the effectiveness to measure the impact of the program, especially in capturing the qualitative impact on girls and boys.</p>		
<p>1.4 Decreased access for poor families</p>	low	<p>ADB will continue to monitor policy development and implementation. The planned survey on disadvantaged youth will examine barriers to accessing schooling, including fiscal constraints.</p>
<p>Fiscal constraints may limit public investment in education and shift toward greater socialization of school costs, which could limit access of poorer families.</p>		
<p>1.5 Lack of commitment to increase autonomy</p>	moderate	<p>ADB will closely monitor the implementation of the program activities, including the increase in local autonomy. The planned public expenditure and budget review will gauge the local commitment to increasing autonomy. Training on the value of increasing autonomy will be provided.</p>
<p>Socioeconomic conditions at the local level constrain the effective implementation of local autonomy.</p>		
2. Public financial management		
2.1 Poor quality of bidding documents and delay in submissions		
<p>Non-competitive salary and low allowance cost norms make it difficult to attract qualified staff with good English competence for CPMU, especially for the post of chief accountant. The lack of English proficiency of CPMU and MOET staff may slow down the procurement process and may lead to procurement errors.</p>	moderate	<p>MOET will assign to the CPMU, from its ranks, a competent, full-time, English-speaking chief accountant and a head of procurement with experience in the implementation of ADB-funded projects in the social sectors. All procurement templates will be translated into Vietnamese, and the translation will be verified by Viet Nam Resident Mission staff.</p>
<p>2.2 Delay in implementations</p>	moderate	<p>A detailed, user-friendly financial management manual will be prepared, and training conducted for relevant CPMU staff before the loan becomes effective. CPMU will recruit a qualified procurement officer with ADB or World Bank experience.</p>
<p>The CPMU may experience difficulties in managing project funds and their subsequent allocation during the first two years of project implementation.</p>		

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
2.3 Slow disbursements		
Lack of qualified CPMU, MOET, and central State Treasury staff and poor understanding of policies, guidelines, and procedures for donor-funded projects may cause delays in the application and withdrawal of funds as well as in payments to contractors.	moderate	CPMU will prepare realistic payment documents to be submitted to the State Treasury. CPMU will actively monitor the progress of procurement actions and the State Treasury to reduce the risk of delays.
3. Procurement		
3.1 Delays in start-up and procurement		
The selection of consultants may delay start-up if CPMU staff are not appointed on a timely basis and if their qualifications, experience, and familiarity with ADB procedures are insufficient.	low	The establishment of the CPMU and the appointment of key staff are among the project's readiness criteria. Job descriptions of CPMU procurement staff will include specific requirements for the procurement officer's qualifications, experience, and familiarity with ADB procedures. ADB will monitor the appointment of CPMU staff to ensure a prompt start. Consultants will be recruited through advance action.
3.2 Inability to provide documents		
Important procurement documents may be lost, misfiled, or compromised for future reference and audit because of the lack of central computerized filing and archiving system as well as the lack of back-up procedures.	low	The CPMU will consider setting up a system, at start-up, for digital filing and back-up of all procurement and other project implementation files and documents.
3.3 Delay caused by disputes when the terms in two contracts conflict		
Inconsistencies in the English and Vietnamese translation of bid documents may cause confusion for suppliers and contractors and lead to contractual disputes.	moderate	The translation of procurement documents, including bidding documents and contracts, will be verified by ADB Viet Nam Resident Mission's national officers on a regular basis.
Anti-corruption		
4.1 Lack of anti-corruption capacity or proper monitoring and oversight		
	low	All procurements will be handled by CPMU; there will be no provincial level procurement. This will require the training of GDFE and CPMU staff on ADB's integrity and anti-corruption guidelines.
4.2 Lack of transparency in the appointment of BEC and CSC members		
Lack of criteria and procedures for the selection of committee members may lead to potential governance issues.	low	Once appointed, the program implementation consulting firm will review the initial reports of the CSC and BEC before submission to GDFE and ADB for approval.
Overall	Moderate	

ADB=Asian Development Bank; BEC=bid evaluation committee; CPMU=central program management unit; CSC =consultant selection committee; DMF=design and monitoring framework; GDFE=General Department of School Facilities, Equipment, and Children's Toys; MOET=Ministry of Education and Training; MOF=Ministry of Finance; MPI=Ministry of Planning and Investment.

Appendix 14: SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Viet Nam	Program Title:	Second Secondary Education Sector Development Program (SESDP II)
Lending/Financing Modality:	Sector Development Program	Department/Division:	Southeast Asia Regional Department/Human and Social Development Division

<p>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY Poverty targeting: General intervention</p> <p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy The Government of Viet Nam made strong progress towards achieving the MDGs and is a signatory to the 17 Sustainable Development Goals, which replace and expand the MDGs. The government's <i>Socio-Economic Development Strategy for 2011–2020</i> envisions a high-quality education system to promote industrialization and modernization while ensuring social equity in education and life-long learning opportunities for all. The <i>Education Development Strategy, 2011–2020</i> sets targets for the net enrolment rate (NER) for lower secondary education (LSE) at 95%; that 80% of youth within the age range for upper secondary education (USE) will obtain that level; that 70% of students with a disability will attend school; and that support for most disadvantaged and ethnic minority students and for social policy beneficiaries will be increased. <i>Resolution No. 44/NQ-CP on Radical Changes in Education and Training</i> calls for increased investment in education in ethnic minority regions. ADB's <i>Country Partnership Strategy (CPS) for Viet Nam, 2016–2020</i> is aligned with government's efforts to address issues related to sustainable development. ADB has identified education as a core sector and out-of-school domestic migrant youth and children with disability as neglected areas. The design and activities of SESDP II are consistent with ADB's education sector strategy.^a</p> <p>B. Results from the Poverty and Social Analysis during Project Preparatory TA or Due Diligence</p> <p>1. Key poverty and social issues. The country reduced poverty from a rate of 58.1% in 1990 to 9.6% in 2012, although wide disparities still exist.^b The poverty rate in economically disadvantaged regions fell from 58.3% in 2010 to 43.9% in 2012, but it is still almost five times higher than the national average. More than half of ethnic minority groups still live below the poverty line, and new forms of poverty (including chronic, urban, and migrant poverty) are emerging.^c Viet Nam has been very successful in increasing girls' participation in education at the secondary levels. In SY2012/13, females represented 48.5% of students enrolled at LSE and 53.0% at USE level; also, female students outperform male students in international and national student assessments.^d The growth of Viet Nam's economy and that of its large cities has put pressure on urban housing, infrastructure, services, and social welfare systems. According to the 2009 Viet Nam Population and Housing Census of persons aged 5 years or older, almost 6.1 million, or 7.8%, live with one or more disability in seeing, hearing, walking, or cognition, but in SY2013/14, only about 0.3% of the students enrolled in LSE had a disability.^e</p> <p>2. Beneficiaries. SESDP II is designed to improve the quality of secondary education, which is, in turn, envisioned to improve the performance of secondary education students. The program will focus on disadvantaged youth, especially domestic migrants and children with disabilities, two groups underserved to date. SESDP II is expected to increase the: (i) LSE NER from 90% (2014 base year) to 95% by 2023 (about 278,500 LSE students); (ii) number of youth with disability who attend LSE by about 15% (about 2,000 youth); and (iii) percentage of youth within the age range for USE enrolling in USE from about 60% (2014 base year) to 80% by 2023 (about 949,000 youth).</p> <p>3. Impact channels. The program's expected impact will be workforce competitiveness, social equity, and lifelong learning opportunities for all secondary school graduates improved. The outcome will be learning outcomes and competitiveness of secondary school graduates enhanced. This outcome will be achieved through policy reforms and investments that will: (i) improve secondary student learning by enhancing the quality of teaching and learning to lower dropout rates and thus improve the retention of students from vulnerable groups; (ii) improve the equity of access to the secondary education system for disadvantaged domestic migrant youth and children with disabilities; and (iii) improve the efficiency and sustainability of decentralized secondary schooling leading to more autonomous decision making.</p> <p>4. Other social and poverty issues. Except in predominantly ethnic minority areas, boys are generally less likely to do well academically than girls, especially at USE, which often leads to a higher dropout rate. However, post-school earnings are likely to be lower for females and for ethnic minority groups.</p> <p>5. Design features. Cross-cutting issues focus on domestic migrant youth in six selected urban areas and on children with disabilities in all provinces. Activities will include a study to collect and analyze both qualitative and quantitative data for migrant youth, disaggregated by sex, ethnicity, and other criteria, to inform how best to retain or re-enroll these youth in school. Materials will also be developed to help education institutions to serve students with vision or hearing impairments better. Gender-responsive indicators will promote gender equality and poverty reduction outcomes.</p> <p>C. Poverty Impact Analysis for Policy-Based Lending</p> <p>1. Impact channels of the policy reform(s). The PBL will support the institutionalization and timely implementation of</p>
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policies related to secondary education. The \$50-million PBL will be used to build high-quality secondary schools with key features supported by the project loans. The disadvantaged provinces will be prioritized.

2. Impacts of policy reform(s) on vulnerable groups. The impact of decentralized policy reforms in provinces with disadvantaged socio-economic conditions will be the improved quality of education service delivery by managers with more autonomy, leading to (i) higher enrolment, retention, and educational outcomes of secondary school students, particularly those from disadvantaged backgrounds; and (ii) meeting local education needs.

3. Systemic changes expected from policy reform(s). Strengthened capacity in planning, management, and financial decision-making within a decentralized framework will encourage school officials and staff (in cooperation with their communities), to carry out their own initiatives to improve schools and build school pride and ownership.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. During the project design, various consultations with male and female students, parents, teachers, and education unit managers were held. During project implementation, follow-up consultations will be conducted, particularly with regard to policy development. Developing the next generation schools, surveying migrant youth, and increasing the autonomy of school officials and staff will necessitate greater participation by education staff and communities. Participatory approaches under SESDP II are described in the DMF, loan agreement, and PAM documents, which define targets, indicators, means of verification, and risks under each output.

2. Actions taken to ensure civil society participation. The project will collaborate with the participating parents' associations to organize awareness-raising activities to encourage the enrolment of students with disabilities. The project will work with various agencies to identify methods of locating migrant youth not currently in the education system and then design systems to encourage enrolment in appropriate programs.

3. Participation of civil society organizations in project implementation. Collaboration with concerned NGOs and people's organizations, women, ethnic minority organizations, affected households, and other stakeholders will be conducted during project implementation. A Consultation and Participation (C&P) Plan was prepared and included in the PAM.

4. What forms of civil society organization participation are envisaged during project implementation?

M Information gathering and sharing M Consultation M Collaboration N/A Partnership

5. Will a project-level participation plan be prepared to strengthen participation of civil society? Yes. The C&P Plan includes consultation, information sharing, and collaboration with CPMU, DOETs, and BOETs.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: **Gender equity**

A. Key issues. While Viet Nam has good gender parity in education, a number of key concerns persist. These include the distance to schools, language of instruction, persistent gender stereotypes, lack of gender-sensitive and locally relevant curricula, and lack of qualified teachers. Females in USE generally outperform males who tend to drop out more often than females. Female and male school-aged domestic migrant youth are also hindered by Viet Nam's *Migration Law* and the need to earn an income. Disabled youth, particularly girls, are ostracized, disadvantaged by parental/community attitudes, and hindered by a lack of enabling infrastructure and social norms. Since science, math, and technology are key potential growth areas for Viet Nam, changing discriminatory attitudes that will close gender gaps, especially in this area, are necessary to maximize contributions from both sexes. However, Vietnamese women continue to face serious obstacles, including poverty, limited access to higher education and employment opportunities, and persistent discriminatory attitudes and behavior.^f The male–female birth ratio increased from 111.2/100 in 2010 to nearly 114/100 in 2013. Gender-based violence is also widespread. In 2012, 85.1% of domestic violence victims were women. Not only are members of ethnic minority groups more likely to have poor socioeconomic outcomes compared to the Kinh, gender gaps are also larger in ethnic minority communities.

B. Key actions. Gender-inclusive design features include quotas for female participation in training programs, gender-neutral teacher materials, gender-disaggregated data for project monitoring and gender-responsive indicators to assess gender impacts, and the implementation of a gender action plan (GAP).

Gender action plan Other actions or measures No action or measure

Key activities and target indicators to achieve the project outputs are defined in the GAP. All gender indicators will be included in the project's M&E framework. GAP implementation will be included in the project budget.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. As the project does not include civil works, no resettlement impacts are expected.

2. Strategy to address the impacts. None

3. Plan or other Actions

<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input checked="" type="checkbox"/> No action	

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

1. Key impacts. Program policy reforms and investments will be applied nationwide, including areas with ethnic minorities. Some of the schools selected will likely have some students from ethnic minority groups, but the program is not targeting specific provinces with high populations of ethnic minority students.

Is broad community support triggered? Yes No

2. Strategy to address the impacts. None

3. Plan or other actions

<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated into project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). **L** unemployment **L** underemployment **L** retrenchment **L** core labor standards

2. Labor market impact. There are no labor market impacts anticipated.

B. Affordability. Affordability is not an issue under the project. Secondary education is subsidized by the government.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):
NA Communicable diseases **NA** Human trafficking **NA** Others (please specify) _____

2. Risks to people in project area. No anticipated risks.

VI. MONITORING AND EVALUATION

1. **Targets and indicators** The DMF elements are geared to achieving results. M&E will draw on both qualitative and quantitative data for measuring changes in student achievement, enrolment patterns, and teacher behaviors. All data will be disaggregated by sex and ethnicity.

2. **Required human resources.** Consultants with inclusive education and institutional strengthening experience, including M&E, gender, social, and disability development expertise, will undertake the required activities under each output. The CPMU will appoint gender/social focal persons to monitor poverty and social impacts.

3. **Information in PAM:** The PAM requires the EA to regularly report poverty and social and gender impacts to ADB.

4. **Monitoring tools:** GAP quarterly progress monitoring reports will be prepared to monitor GAP implementation.

ADB=Asian Development Bank; BOET=Bureau of Education and Training; C&P=Consultation and Participation; CPMU=Central Project Management Unit; CPS=Country Partnership Strategy; DMF=Design Monitoring Framework; DOET=Department of Education and Training; EA=Executing Agency; GAP=Gender Action Plan; LSE=lower secondary education; M&E=Monitoring and Evaluation; MDGs=Millennium Development Goals; NER=net enrolment rate; NGO=Non-Government Organization; PAM=Project Administration Manual; PBL=Policy-Based Lending; PPTA=Project Preparatory Technical Assistance; SESDP II=Second Secondary Education Sector Development Program; SY=School year; USE=upper secondary education

^a ADB. 2010. *Education by 2020: A Sector Operations Plan*. Manila; ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020*. Manila; and ADB, 2016, *Viet Nam Education Sector Assessment, Strategy, and Roadmap*. Hanoi.

^b Socialist Republic of Viet Nam. 2013. *Millennium Development Goals Full Report 2013: Achievements and Challenges in The Progress of Reaching Millennium Development Goals of Vietnam*. Hanoi.

^c Government of Viet Nam, Ministry of Education and Training. 2013. *Education Statistics 2012–2013*. Hanoi.

^d OECD. 2013. *Programme for Analysis of Systems of Education*. Geneva ; Government of Viet Nam, MOET 2009. *National Achievement Monitoring, Grade 9* and MOET. 2013. *National Achievement Monitoring (NAM), Grade 11*. Hanoi.

^e Viet Nam Government Statistics Office. 2011. *Viet Nam Population and Housing Census, 2009. Education in Viet Nam: An Analysis of Key Indicators*, Hanoi and MOET. 2015. *Education Statistics, 2014-2015*. Hanoi.

^f UNICEF Viet Nam. *Overview – Viet Nam and the MDGs*. http://www.unicef.org/vietnam/overview_20392.htm (accessed 20 November 2015).

Appendix 15: GENDER ACTION PLAN

Output 1: Quality and relevance of secondary education improved

Policy: All new policies issued (model resource secondary school; standards of professional titles and ranks and grades of teachers; development of the science, technology, engineering and mathematics (STEM); and new Vocational Knowledge and Cognitive Skills Development Program) are gender responsive³³⁴

Project:

- equal numbers of females and males attend major workshops
- instructional materials are free of gender, ethnic and disability bias
- at least 30% of Management staff for training is female
- major studies, surveys, and reports include data disaggregated by sex, further by ethnicity and where appropriate disability (with reference to MOH/MOLISA disability identification criteria);
- community discussions involve both male and female stakeholders and any changes in administrative practices respond to the needs and constraints of females and males
- materials on implementation of teacher and principal professional standards uploaded on the MOET website are free of gender bias and accessible to all education staff
- training to promote STEM implementation includes ways to encourage more female students to study science and technology subjects
- data collection on STEM implementation at nominated schools captures the needs, constraints and aspirations of both female and male students
- strategies are used which actively encourage female participation in science research and competitions at provincial/national level
- all selected beneficiary schools have a gender balance of teachers and students
- the Vocational Knowledge and Cognitive Skills Development Program is geared to match the different needs and interests of female and male students
- there is no gender bias in career sector selection and essential skill categories needed for various careers
- of the 65,000 secondary students who received market related vocational and career orientation at least 50% of beneficiary students are female

Output 2: Equity of access to secondary education enhanced

Policy: New policies to promote the more equitable universal education and guiding promotion of more equitable access of students with a disability are issued which are gender responsive.

Project:

- data is disaggregated and includes information on: sex, number, ethnic group, age group, leaving provinces, reasons for migration, family conditions, economic condition of households and migrant youth, educational needs and future plans, and activities to encourage and manage migrant youth, leading to recommendations for strategies to encourage more domestic migrant youth and youth with a disability to attend school; address gender constraints; and match the needs of both girls and boys
- the action plans to improve educational access of domestic migrant youth and youth with disabilities includes gender and ethnicity responsive indicators
- any awareness raising activities and materials target girls, their parents and communities to (i) increase understanding of the positive benefits of educational investment in girls; (ii) publicize life skills curriculum, vocational counselling and guidance, localized school initiatives for drop-out-prevention; and (iii) promote student achievement and completion for domestic migrant youth (including EM youth)

³³⁴ Examples of a gender responsive approach are: equal numbers of females/males attend training; equal numbers of females/males are appointed as lead trainers; training is held at times and places that suit males and females; separate latrines for females and males are provided at all training venues; language and images in all training materials are gender neutral and free of stereotyping; females as well as males have opportunities to respond in question and answer sessions.

- there is an increase of 15% female and 20% male in the number of youth with a disability attending LSE or equivalent
- teaching materials based on the new general curriculum for students with disability, are free of gender bias and equally accessible by disabled boys and girls
- training for school managers, teachers and counselors on integrating education for disabled children is gender, disability and ethnic minority- responsive and equal numbers of female and male teachers and guidance counselors attend the training which includes how to (i) make linkages with social support networks, (ii) engage the community and parents, (iii) encourage peer acceptance, and (iv) use teaching methodologies that increase the number of boys and girls enrolled in LSE

Output 3: Educational governance and management strengthened

Policy: New policies that support the phased introduction of site-based education planning and management at provincial, district, and school and levels guidance on strengthening educational institutions which have conducted external evaluation through accreditation activities are issued which are gender responsive.

Project:

- when conducting the public expenditure and budgeting review ensure that the review includes assessing how funds are earmarked specifically for gender activities.
 - when conducting study on site-based education planning, include case studies from other countries that indicate how to encourage female participation, and ensure that education management planning workshops seeking input from key experts are attended by MOET, DOET, university and education managers, (at least 30% female)
 - for all PISA, TALIS and NAM related activities ensure that: (i) the methods for item development include strategies to ensure items are free of gender and ethnic bias, and the analysis of items includes checking for bias; (ii) training for PISA and TALIS includes equal numbers of female and males; and (iii) all assessment results are disaggregated by sex, further by ethnicity and where possible disability
 - for all activities related to the development of accountability measures ensure that annual data collection; analysis planning and reporting on student achievement; dropout rates; high school completion rates; perception of teachers, parents, and students; and expenditure of funds are disaggregated by sex, and further by ethnicity and disability
- for all activities related to the development of education quality accreditation ensure that training to develop expertise of accreditors includes at least 40% females

Project Management Activities

- for all project related implementation activities ensure that: (i) all types of training conducted by the program is delivered in a gender responsive way; (ii) the development of surveys and questionnaires captures possible different impacts on females and males and the reasons behind these differences; (iii) training attendance records are disaggregated by sex and ethnicity; (iv) gender specific activities are integrated into all plans; and (v) 50% of male teachers/staff attend gender responsive training
- for CPMU staff capacity building activities ensure: (i) international and national gender specialists in the consultant services' contract; (ii) distribution of the gender action plan (GAP) and explanation of project gender policy to all CPMU staff and consultants; (iii) there is a training on gender mainstreaming (how to integrate gender into policies, plans and staff work plans) for CPMU staff and consultants; (iv) 30% CPMU staff are female and the staffing gender ratio is documented

BOET= Bureau of Education and Training (District); CPMU=Central Project Management Unit; DOET= Department of Education and Training; EM=Ethnic Minorities; LSE=Lower Secondary Education; MOET=Ministry of Education and Training; MOH=Ministry of Health; MOLISA=Ministry of Labour, Invalids and Social Affairs; NAM= National Achievement Monitoring; PISA=Programme of International Student Achievement; STE =Science and Technology Education; TALIS= Teaching and Learning International Survey; US=Upper Secondary