

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The Asian Development Bank (ADB) will provide project preparatory technical assistance (PPTA) to assist the government in preparing the design of the proposed program to modernize technical and vocational education and training (TVET). To prepare the policy-based component of the program, the PPTA will assist the Ministry of Labor–Invalids and Social Affairs (MOLISA) to identify core policy priorities to be addressed and develop a policy matrix with specific policy actions contributing towards achieving the objectives of (i) the Law on Vocational Education and Training, (ii) the Human Resources Development (HRD) Strategy 2011–2020, (iii) the HRD Master Plan 2011–2020, and (iv) Vocational Training Development Strategy 2011–2020. For the investment component of the program, the PPTA will support the Ministry of Industry and Trade (MOIT) to select TVET colleges and universities to be supported and identify investments to upgrade teaching and learning environments and establish professional training schemes for teacher and managers of training providers with special focus on student-centered, hands-on teaching methods and entrepreneurial approaches.

B. Major Outputs and Activities

2. Major outputs of the PPTA will include: (i) assessment report of the current TVET system considering labor market dynamics in Viet Nam and the ASEAN region, (ii) assessment report of the current policy framework with recommendation for improvements, (iii) roadmap to modernize the TVET system gradually, (iv) draft policy matrix and prioritized policy actions, (v) Project Procurement Risk Assessment Report, (vi) Master Bidding Documents for each type of contract, (vii) expenditure review, (viii) recommendations for improved engagement of companies/business communities, and (ix) draft Report and Recommendation of the President (RRP) documents with annexes as required by ADB.

3. Major activities will include: (i) preparing an assessment of the TVET sector and the current policy frame; (ii) conducting a labor market assessment considering trends in the ASEAN region; (iii) providing an overview of TVET financing and assessing the financing gap towards achieving policy targets, (iv) assessing gender issues in TVET; (v) preparing a TVET roadmap, (vi) supporting the ADB-team in formulation of the overall program design, formulation of the policy matrix and preparing the project administration manual; (vii) developing transparent selection criteria to identify colleges and universities to be supported under the investment component; (viii) identifying collaboration areas with other development partners; (ix) establishing baseline data for the design and monitoring framework; (x) conducting due diligence including analysis of governance and procurement capacity dimensions; and (xi) assessing and documenting lessons learned under the ADB-financed TVET projects. The major outputs and activities are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs
1. Consultant mobilization	April 2016	Contracts signed
2. Prepare detailed work plan	May 2016	
3. Inception workshop	June 2016	Inception report
4. Sector Assessment; preparation of a TVET roadmap and the initial policy matrix in consultation with government stakeholders and business communities; selection of	June–September 2016	Draft sector description, TVET roadmap and policy matrix

Major Activities	Expected Completion Date	Major Outputs
TVET institutions to be supported under the investment part		
5. Stakeholder workshop: Finalization of policy matrix; presentation of proposed investment component	September 2016	Final Policy Matrix Draft concept paper for the investment component; list of TVET institutions to be supported
6. Development of TA final report, due diligence reports and draft PAM	September 2016–January 2017	Draft TA report/draft RRP and linked documents including PAM
7. Loan fact-finding mission	December 2016	MOU
8. Bidding documents for initial procurement	January 2017	Bidding and design documents
9. Finalization of Reports and project design documents	March 2017	Comprehensive Final Report

MOU = Memorandum of Understanding, PAM = project administration manual, RRP = Report and Recommendation of the President, TA = technical assistance, TVET = technical and vocational education and training.

C. Cost Estimate and Proposed Financing Arrangement

4. The TA is estimated to cost \$880,000 equivalent, of which \$800,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide support in the form of counterpart staff, provision of office space, workshop facilitation, and other in-kind contributions. The detailed cost estimate is presented in Table A4.2.

Table A4.2: Cost Estimates and Financing Plan
(\$'000)

Item	Total Cost
Asian Development Bank	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (15 person-months)	380.0
ii. National consultants (25 person-months)	75.0
b. International and local travel	40.0
c. Reports and communications	20.0
2. Equipment ^a	20.0
3. Survey	35.0
4. Workshops and Training ^b	150.0
5. Miscellaneous administration and support costs ^c	10.0
6. Contingencies	70.0
Total	800.0

^a Equipment

Type	Quantity	Cost (\$)
Desktop Computers	4	6,000
Notebook Computers	2	4,000
Photo Copier/Printer	1	6,000
Fax machine with scanner	1	2,000
Audio Projector	1	2,000

Equipment will be used during the PPTA by counterparts from MOLISA, MOIT and the consultant team and turned over to the executing agency upon the PPTA completion.

^b Workshops and training will include costs to discuss policy priorities, overall program scope and potential interventions. In total about 20 workshops/training events are envisaged.

^c Miscellaneous administration and support costs will include secretarial and logistical support to facilitate reports, meetings, translations, awareness measures.

Source: Asian Development Bank.

D. Consulting Services

5. The TA will mobilize 15 person-months of international consultant inputs, and 25 person-months of national consultant inputs. ADB will engage these consultants through a firm using quality- and cost-based selection procedures (90:10 quality: cost ratio) and in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Workshops, training and surveys will be managed by the consultants.

Table A4.3: Summary of Consulting Services Requirement

International Positions	Person-months	National Positions	Person-months
TVET Expert/Team Leader	9	TVET Experts (for 6 months each)	12
Education Procurement Specialist	2	Education Procurement Specialist	6
TVET Human Resource Development Specialist	3	TVET Human Resource Development Specialist	5
Education Finance Specialist	1	Gender and Social Development Specialist	2

TVET = technical and vocational education and training.

Source: Asian Development Bank.

6. **TVET Experts/Team Leader** (international, 9 person-months; national, 12 person-months). The international TVET Expert will be the team-leader of the PPTA and should have an advanced degree in education, economics or related discipline and at least 15 years' experience in undertaking assessments and designing projects in the TVET sector, including knowledge of gender assessments in TVET. Experience in GMS countries would be an asset.

7. The international TVET expert will (i) coordinate and oversee the inputs of the consultants; (ii) based on the inputs of other consultants prepare a draft policy matrix, a project administration manual and due diligence- and safeguards-related documents required for the Report and Recommendation of the President (RRP); (iii) conduct a detailed economic (cost-benefit) analysis of the impacts and outputs of the proposed project interventions and prepare the RRP annex on Economic and Financial Analysis according to ADB guidelines; (iv) conduct a financial analysis to determine the level of available resources for the Government (central and provincial governments) to manage any recurrent costs of the investment component; (v) prepare a risk assessment and risk management plan to be used as RRP annex; and (vi) support the gender assessment and prepare the draft gender action plan. For detailed guidance on financial management matters the team can refer to <http://www.adb.org/projects/operations/financial-management-resources>. To prepare the gender action plan, experts will review disaggregated gender information on student enrollments, teachers and managers and assess gender issues at vocational schools and at the TVET system.

8. Two national TVET experts should have an advanced degree in education or economics and at least 10 years' experience related to TVET sector and labor market assessments. The experts should have sound knowledge on the institutional landscape relevant to the TVET system, and a good understanding on the current labor market dynamics in Viet Nam. Jointly, the international and national TVET experts will prepare a description of the current TVET system, including benchmarking it against ASEAN countries and identifying sector constraints and issues. Based on available resources, they will:

- (i) provide information on the key dynamic economic sectors/employment opportunities in Viet Nam and in the region by gender, and the ability of TVET institutions to prepare skilled graduates for these sectors/regions;
- (ii) provide an indication on future skills demand based on the demographic development and economic/investment forecasts; indicate potential skills gaps and gender issues particularly in the industry sector;
- (iii) assess and document the current provision of TVET under MOLISA, MOIT, and other agencies, including statistic on number of vocational schools, polytechnics, colleges, enrollments; teacher/instructor deployment; training programs according to trades, etc.;
- (iv) document TVET provision by private training providers and industry based training;
- (v) provide an overview on the current policies/regulations and governance arrangements guiding TVET provision and financing, and provide recommendations to strengthen the policy framework, assess whether gender matters are reflected adequately;
- (vi) assess the sector coordination;
- (vii) assess the TVET financing and estimate gaps towards achieving policy targets;
- (viii) recommend and develop approaches to foster autonomy of training institutions;
- (ix) recommend strategies to establish a comprehensive TVET information system;
- (x) assess procedures to develop and update occupational/skill standards and the role of industry and sector associations;
- (xi) assess validation procedures of standards;
- (xii) document TVET interventions/projects supported by other development partners and recommend areas for collaboration to create synergies;
- (xiii) describe current linkages between training providers and industries/employers and identify strategies to promote greater private sector and industry involvement in TVET development;
- (xiv) assess current teaching materials, teaching aids and information technology means used in MOIT institutions and recommend innovative ways to introduce new teaching and/or update existing teaching aids/materials, assess gender issues related to teaching materials;
- (xv) provide an indication on the quality of the physical infrastructure/status of training equipment at MOIT colleges and universities, consider gender matters related to training workshops and dormitories;
- (xvi) assess the ability within the TVET system to prepare demand-driven training programs and/or update training programs to respond to market demands; and
- (xvii) provide an indication on the overall quality and relevance of training programs in TVET institutions and review whether graduates are easily absorbed by the labor market.

9. **Education Procurement Specialists** (international, 2 person-months; national, 6 person-months). The consultants should be experienced in procurement of goods, works, and services under similar internationally-supported education/TVET projects and provision of related capacity development. The consultants' collective tasks will include, but are not limited to: (i) undertaking the Project Procurement Risk Assessment, including procurement capacity assessment of MOIT, and preparing a Project Procurement Risk Assessment Report, (ii) providing training and guidance to procurement matters, where needed; (iii) reviewing the inputs and outputs of equipment components in target regions of past and ongoing ADB-funded projects and identify the constraints and challenges in procurement operations in the relevant areas; (iv) collecting data and analyze cost norms equipment procurement; (v) prepare a

realistic schedule and cost estimates for design, supervision, inspection, and maintenance of proposed civil works, (vi) based on the emerging program design, supporting MOIT and project colleges or universities to develop potential lists of goods and services to be procured under the project and preparing an indicative procurement plan covering the whole implementation period of procurement activities in accordance with ADB Procurement Guidelines (2015, as amended from time to time) and government regulations; (vii) preparing Master Bidding Documents for each type of contract to be procured under the project, (viii) assisting MOIT to start recruiting project consultants for the PIU; and (ix) setting up a documentation and monitoring system for procurement activities.

10. **TVET Human Resource Development Specialists** (international, 3 person-months; national, 5 person-months). The international human resource development specialists should have proven experience in designing and assessing systems for continuous professional development programs for teachers and principals in the TVET sector. Experience in GMS countries would be an additional asset. The national training expert should be familiar with the pre-service and in-service training system of TVET teachers and school managers in Viet Nam, with the particular focus on MOIT. Their collective tasks include: (i) assessing the current in-service training system for TVET teachers, including content of training programs and delivery modalities and considering potential gender issues; (ii) assessing the pre-service training of TVET teachers; (iii) reviewing the criteria/mechanism to select school managers (male and female); (iv) assessing the available funding for professional development of TVET teachers and managers; (v) providing recommendations to further strengthen continuous professional development of TVET teachers and managers considering financial, intuitional, organizational, and gender aspects and innovative delivery mechanisms; and (vi) assessing teacher training packages developed by other development partners and proving recommendations whether these training packages could be adopted in Viet Nam.

11. **Education Finance Specialist** (international, 1 person-month). The specialist should have an advanced degree in finance or economics and professional accountancy qualification with extensive experience (10 years minimum) in education sector and fiduciary assessments. The specialist's tasks will include the following, but not limited to (i) preparing a financial management capacity assessment; (ii) undertaking fiduciary risk assessment of government mechanisms for fund releases, cash flow managements, financial reporting, and internal control for financial management of loan proceeds; (iii) designing a fund flow mechanism; (iv) completing a projection of forward incremental recurrent costs and assessing the impact of incremental recurrent costs on the budget of the MOIT; and (v) preparing summary and detailed cost tables for the project.

12. **Gender and Social Development Specialist** (national, 2 person-months). The gender and social safeguards specialist will have an advanced degree in gender studies or other relevant discipline, and at least 10 years expertise in assessments of gender and social development issues surrounding females, the poor, indigenous people, and other disadvantaged groups, preferably in the context of the education sector. The specialist will have experience in the use of participatory methodologies to collect and analyze information and develop relevant action plans, as well as a good understanding of relevant ADB policies and requirements.

13. Specific responsibilities include: (i) providing a summary assessment of gender issues in education (in particular in TVET) in Viet Nam; (ii) assessing implementation progress of gender actions and achievement of gender action plan (GAP) targets under the ongoing TVET project; (iii) collecting key sex-disaggregated baseline data to be monitored during the project

implementation; (iv) identifying interventions to address challenges and constraints in the TVET system, including those aimed at reducing gender gaps in TVET; (v) contributing to design of dormitories, workshops and school kitchens to ensure that designs are gender sensitive; (vi) preparing a GAP; (vii) working with the team leader and the training specialists to conduct poverty and social analyses, including a disaggregated analysis of social impacts and benefits of the proposed project, and a monitoring and evaluation framework; and (viii) identifying priority interventions and procedures to promote participation by and benefits to women, the poor, indigenous people, and other disadvantaged groups in the proposed project.

E. Implementation Arrangements

14. MOLISA will be the executing agency of the PPTA in collaboration with MOIT and will provide the counterpart support including a qualified TA project manager and project staff acceptable to ADB. The Project Management Unit (PMU) will be established. Disbursements under the PPTA will be done in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). Any procurement under this PPTA will be conducted in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). The equipment to be procured under the PPTA will be turned over to the executing agency upon the PPTA completion. The PPTA will commence on 1 April 2016 and end on 31 March 2017. The TA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
PPTA approval	November 2015
TA Inception	April 2016
Midterm Review	October 2016
Project Outline Submission	November 2016
TA Final Review/Loan Fact-Finding	December 2016
Approval of the Policy component and investment component	March 2017
TA Completion	March 2017

PPTA= project preparatory technical assistance, TA= technical assistance
Source: Asian Development Bank staff estimate.