

Project Administration Manual

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Viet Nam: Second Secondary Education Sector
Development Program

ABBREVIATIONS

APFS	–	annual project financial statement
ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
BTP	–	biodata technical proposal
BOET	–	Bureau of Education and Training (district)
CPMU	–	central program management unit
DOET	–	Department of Education and Training (province)
DPF	–	Department of Planning and Finance
DMF	–	design and monitoring framework
EMIS	–	education management information system
EA	–	executing agency
EOI	–	expression of interest
FTP	–	full technical proposal
GAP	–	gender action plan
GDFFE	–	General Department of School Facilities, Equipment and Children Toys
ICB	–	international competitive bidding
LSE	–	lower secondary education
LSS	–	lower secondary school
MOET	–	Ministry of Education and Training
MOF	–	Ministry of Finance
MPI	–	Ministry of Planning and Investment
M&E	–	monitoring and evaluation
NAM	–	National Achievement Monitoring
NCB	–	national competitive bidding
OECD	–	Organisation of Economic Cooperation and Development
PBL	–	policy-based loan
PCR	–	program completion report
PPTA	–	Program Preparatory Technical Assistance
PSC	–	program steering committee
PISA	–	Programme of International Student Achievement
PAM	–	project administration manual
PPMS	–	project performance monitoring system
PPMU	–	provincial project management unit
QCBS	–	quality- and cost-based selection
RRP	–	Report and Recommendation of the President
RFP	–	request for proposal
SY	–	school year
STEM	–	science, technology, engineering, and mathematics
SESDP II	–	Second Secondary Education Sector Development Program
SESDP	–	Secondary Education Sector Development Program
STP	–	simplified technical proposal
SBV	–	State Bank of Viet Nam
TALIS	–	Teaching and Learning International Survey
TOR	–	terms of reference
USE	–	upper secondary education
USS	–	upper secondary school

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Education and Training (MOET) is wholly responsible for the implementation of ADB-financed programs, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MOET of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the program's Report and Recommendation of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROGRAM DESCRIPTION

1. The Second Secondary Education Sector Development Program (SESDEP II) builds upon the education reforms supported by the Secondary Education Sector Development Program (SESDEP).¹ It introduces new features to improve the quality and relevance of secondary education, increase equitable access for disadvantaged adolescents, and strengthen education governance.² These features include (i) pedagogically innovative school models; (ii) upgrading teacher standards; (iii) strengthening science, technology, engineering and mathematics (STEM) education; (iv) providing locally-tailored cognitive skills-oriented vocational guidance; (v) targeted support to emerging disadvantaged groups; and (vi) strengthening school-based decision-making. The design and monitoring framework (DMF) of the program is in Table 17 of this document and in Appendix 1 of the Report and Recommendation of the President (RRP).

II. THE PROGRAM

A. Rationale

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 2015.³ 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%.⁴ 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 now 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 2015-2016.⁵ Levels of labor productivity in Viet Nam are low in comparison 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.⁶ The World Bank's Knowledge Economy Index ranked Viet Nam 104th out of 144 countries on preparedness to compete in the knowledge economy.⁷ 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 produce graduates who immediately enter the labor market and those who continue on to higher level of education.

¹ Asian Development Bank (ADB). 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Socialist Republic of Viet Nam for the Secondary Education Sector Development Program*. Manila (Loans 2582 and 2583-VIE, approved on 25 November). The project completed on 20 April 2016.

² The ADB provided project preparatory technical assistance for the Second Secondary Education Sector Development Program. (TA 8698).

³ General Statistics Office of Vietnam, https://www.gso.gov.vn/Default_en.aspx?tabid=766 (accessed June 21, 2016)

⁴ General Statistics Office of Vietnam. <http://www.gso.gov.vn/default.aspx?tabid=622&ItemID=14774> (accessed October 7, 2016)

⁵ The World Economic Forum. 2015. *Global Competitiveness Report 2015–2016*. Geneva.

⁶ International Labour Organization. 2014. *2013 Labor Force Survey*. Geneva.

⁷ World Bank. Knowledge Economy Index. <http://data.worldbank.org/data-catalog/KEI> (accessed November 24, 2014)

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.

5. **High academic performance but poor labor market relevance.** While Vietnamese students demonstrated high academic performance in the 2012 Programme of International Student Assessment (PISA),⁸ the current system of secondary education does not equip students with the competencies needed for labor market. 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 it. The government promotes science and technology as a key strategy for industrialization, but only 22% of university students majored in natural sciences in the 2014/2015 school year far fewer than students studying humanities and social sciences (about 37%).⁹ A World Bank study on Vietnamese youths' preparation for the market economy finds that general education in Viet Nam has contributed little to the development of cognitive, social, and behavioural skills that are critical for the workplace.¹⁰

6. **Inequitable access to secondary education.** In 2015, about 10% of the lower secondary aged youth did not attend lower secondary school 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.¹¹ A UNICEF survey shows that 65% of migrant youth do not attend school.¹² 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 a 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 services. 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 at present no mechanism for schools to decide how to use financial resources based on their needs.

⁸ Organization of Economic Cooperation and Development (OECD). 2013. *PISA 2012 Results: What Students Know and Can Do*, OECD Publishing. Paris.

⁹ UNESCO. http://data.uis.unesco.org/Index.aspx?DataSetCode=EDULIT_DS&popupcustomise=true&lang=en (accessed 3 March 2016)

¹⁰ WB. 2014. *Skilling Up Vietnam – Preparing the Workforce for a Modern Market Economy*. Washington DC.

¹¹ 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%.

¹² 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 March 15, 2016)

8. 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.¹³ 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 to address the individual needs and priorities of their schools. Less than 20% of schools have been accredited due to lack of trained external evaluators. The Ministry of Education and Training (MOET) provides management training to school principals, but the training has not helped strengthen the schools' accountability mechanism.

9. **Government sector strategy and reform agenda.** The government's Education Development Strategy, 2011–2020 lays out the direction for education development.¹⁴ In line with the long-term education strategy, Resolution No. 29 and Resolution No. 44 consolidate key education policy reforms for the medium term.¹⁵ 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.

10. **ADB experience and lessons.** The Asian Development Bank (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.¹⁶ These loans have helped Viet Nam enhance both the quality of and access to secondary education. The net enrollment rate (NER) for lower secondary education (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 SEDDP 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

¹³ NAM tests mathematics, literature (reading), and English, and one of the sciences (biology, chemistry, or physics).

¹⁴ Government of Viet Nam. 2012. Prime Minister's *Decision No. 711/QĐ-TTg 711/QĐ-TTg - Decision Approving the Education Development Strategy 2011-2020*, Ha Noi.

¹⁵ 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

¹⁶ 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.

country partnership strategy 2016-2020, which prioritizes secondary education in its overall program.¹⁷

11. **Achievements of secondary education sector development program.** SESDP helped the government achieve 10 secondary education reforms in 2010–2015. Major achievements included (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 NAM.

12. **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 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 lower secondary school 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.

13. **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, and teacher training. The remaining policy reforms are supported by ADB. The program will complement the World Bank-supported projects and strengthen development coordination.

14. **Sector development program.** A sector development program (SDP) is proposed for SESDP II. SDP is relevant because the policy reform will result in substantial financial and social costs. The policy actions completed under the policy-based loan (PBL) set the institutional and regulatory framework required for the reform, while the project loan enables 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, show that the combination of the PBL and the project loan concentrated efforts and resulted in achievement of major reforms (para 12).

B. Impact and Outcome

15. 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

¹⁷ ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020*. Manila.

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

16. The nationwide implementation of the PBL and the project loan will be coordinated. The PBL supports the institutionalization and timely implementation of government directives and policies on secondary education. The policy matrix is Appendix 4 of the RRP. Appendix 1 provides details of project loan activities and budget allocations. Since the project loan is to support the implementation of PBL reforms, the two loans' outputs 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

17. **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 of the new curriculum.

18. The project loan will fund the development of materials for teachers, educational managers, and community stakeholders to assist with implementation of the model resource secondary schools. These handbooks will support teachers with guidelines for teaching each of the six core subjects in both lower secondary schools (LSSs) and upper secondary schools (USSs), as well as four additional topics related to (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 participating 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.

19. **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 lower secondary teachers; (ii) *Joint Circular No. 23/2015/TTLT-BGDDT-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.

20. This sub-output will support the implementation of assessments of the revised teacher and principal professional standards. Implementing these new standards will require human capacity development for both teachers and the 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.

21. 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 skill education, and psychological consulting will be developed, which will include 28 training modules with attendant training videos, and uploaded onto MOET's Connected School System website.

22. **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.¹⁸ 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 the practical application of science, mathematics, and technology. MOET has issued a guideline for the implementation of integrated STEM education for USE as part of *Official Letter No. 4502/BGDDT-GDTrH* dated 03 September 2015 on secondary education's mission in SY2015/2016.

23. The project loan will support the: (i) study on the modern educational programs and methods to improve STEM schools; (ii) development of 12 instructional manuals on best practices to teach in an integrated way 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.

24. **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 the policy to develop the new Vocational Knowledge and Cognitive Skills Development Program in *Official Letter No. 4502/BGDDT-GDTrH*, dated 03 September 2015, on secondary education mission in SY2015/2016.

25. 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

¹⁸ Details regarding STEM are available in the PPTA prepared paper, *Ideas re Science and Technology Education at Secondary Level* (August 2015), Ha Noi.

nationwide platform for career and vocational planning that is tailored to individual students. On this basis, vocational awareness and career planning programs will be developed for approximately 71,000 students from 63 US schools. 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 in this sub-output will be digitized and uploaded to the Connected School System website.

2. Equity of Access to Secondary Education Enhanced

26. **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.

27. 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.

28. **Equity of access to LSE for youth with disability improved.** The UNESCO Institute for 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.

29. 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

30. **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 allocations 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/QĐ-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 institutions, and training and defined the functions, tasks, and organizational structure of the DOETs and BOETs. *Joint Circular No. 71/2014/TTLT-BTC-BNV* was issued 30 May 2014 to regulate 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 exercising the autonomy of public administrative units.

31. 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.

32. **Accountability of secondary education quality strengthened.** Educational decentralization, by itself, 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 that are administered to students annually at various grade levels.

33. 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/QĐ-BGDĐT, Action Plan of the Education Sector for the Implementation of Resolution No. 29*, to (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) approve 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/BGDĐT-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/BGDĐT-KTKDCLGD*, dated 21 September 2015, guiding the implementation of examination and education quality accreditation for SY2015/2016.

34. 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 in each school and the principal), 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. Support will include training for about 3,000 potential accreditors for school accreditation.

4. Project Management Activities

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

36. **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 DMF. Related training programs will also be provided to 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.








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

III. IMPLEMENTATION PLANS

38. 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 be reviewed and updated on an annual basis during the project implementation period. These plans are set out below.

A. Program Readiness Activities

Table 1: Program Readiness Activities

Indicative Activity	2016										2017			Responsibility	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
Advance Actions													MOET/PPTA PMU/ Loan CPMU		
Retroactive financing actions															
Establish Program Implementation arrangements															MOET/ADB
Board approval (Nov16)													ADB		
Loan signing													ADB/SBV		
Government legal opinion													MOJ/SBV		
Government budget inclusion													MOF/MOET		
Loan effectiveness													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=Project Management Unit; PPTA=Project Preparatory Technical Assistance; SBV=State Bank of Viet Nam
Source: ADB Staff

Table 2: Advance Actions

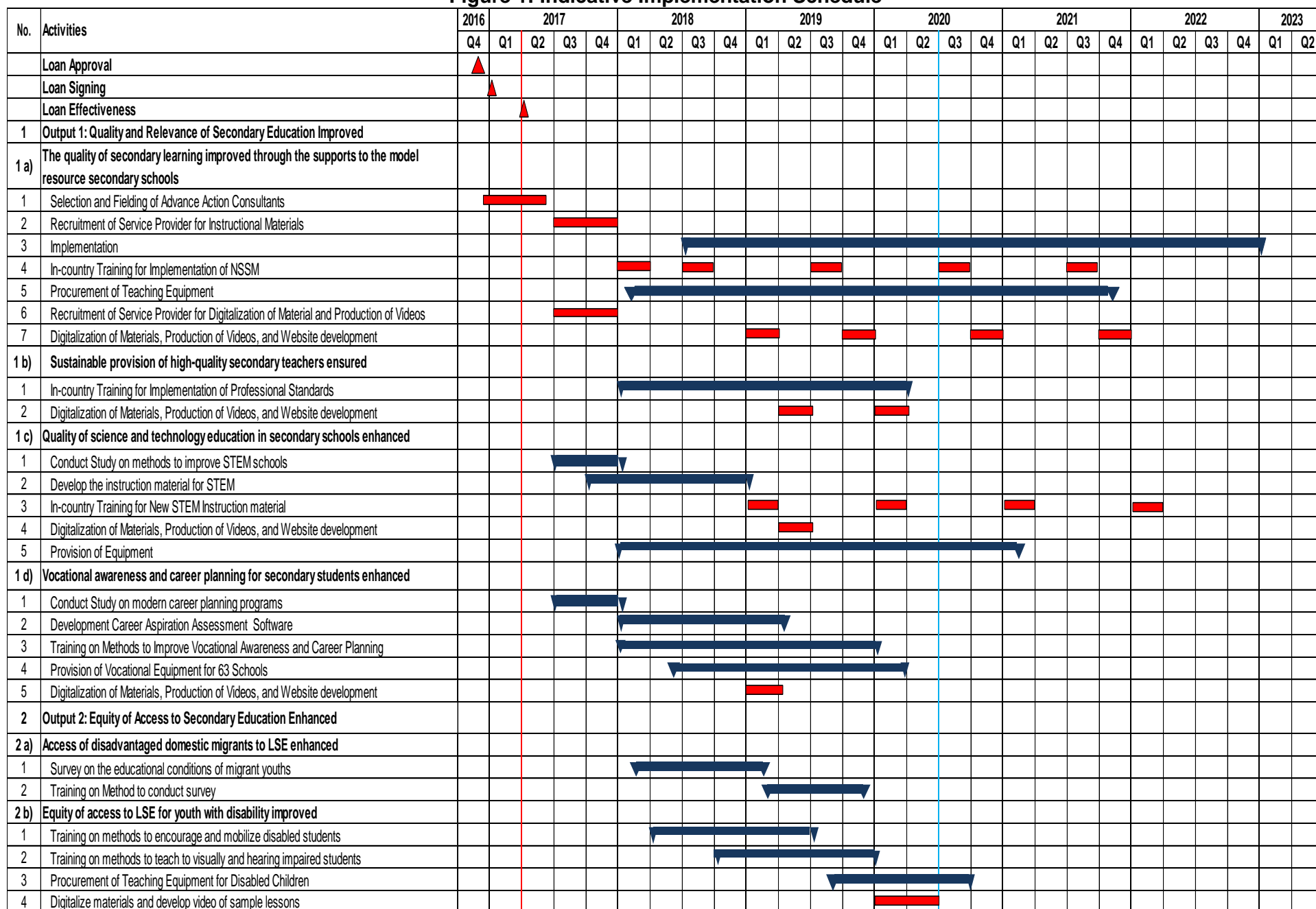
	Proposed Advance Actions	Timeline	Responsible Parties
1	Recruitment of Consultants		
1.1	Development of draft TORs for the loan consultants - Individual consultants including Project Start-up, model resource school, and STEM consultants - Loan implementation consultants through a consulting firm(s)	April 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	After loan negotiations	CPMU

	Proposed Advance Actions	Timeline	Responsible Parties
	<ul style="list-style-type: none"> - Evaluation of EOIs - Submit to ADB - Upon ADB approval conduct contract negotiations After Loan Effectiveness, sign contract		
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> <ol style="list-style-type: none"> 1. Standard invitation for bid 2. Standard Bid Evaluation Report 3. Standard Contract 	After loan negotiations	CPMU
3	Establishment of CPMU		
3.1	Nomination of staff <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 nominates the unit heads of the relevant divisions which require staff for immediate implementation: <ul style="list-style-type: none"> - Finance and Planning - Administration 	January 2017	CPMU Director/ MOET
3.4	Approval of nominated staff <ul style="list-style-type: none"> - 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

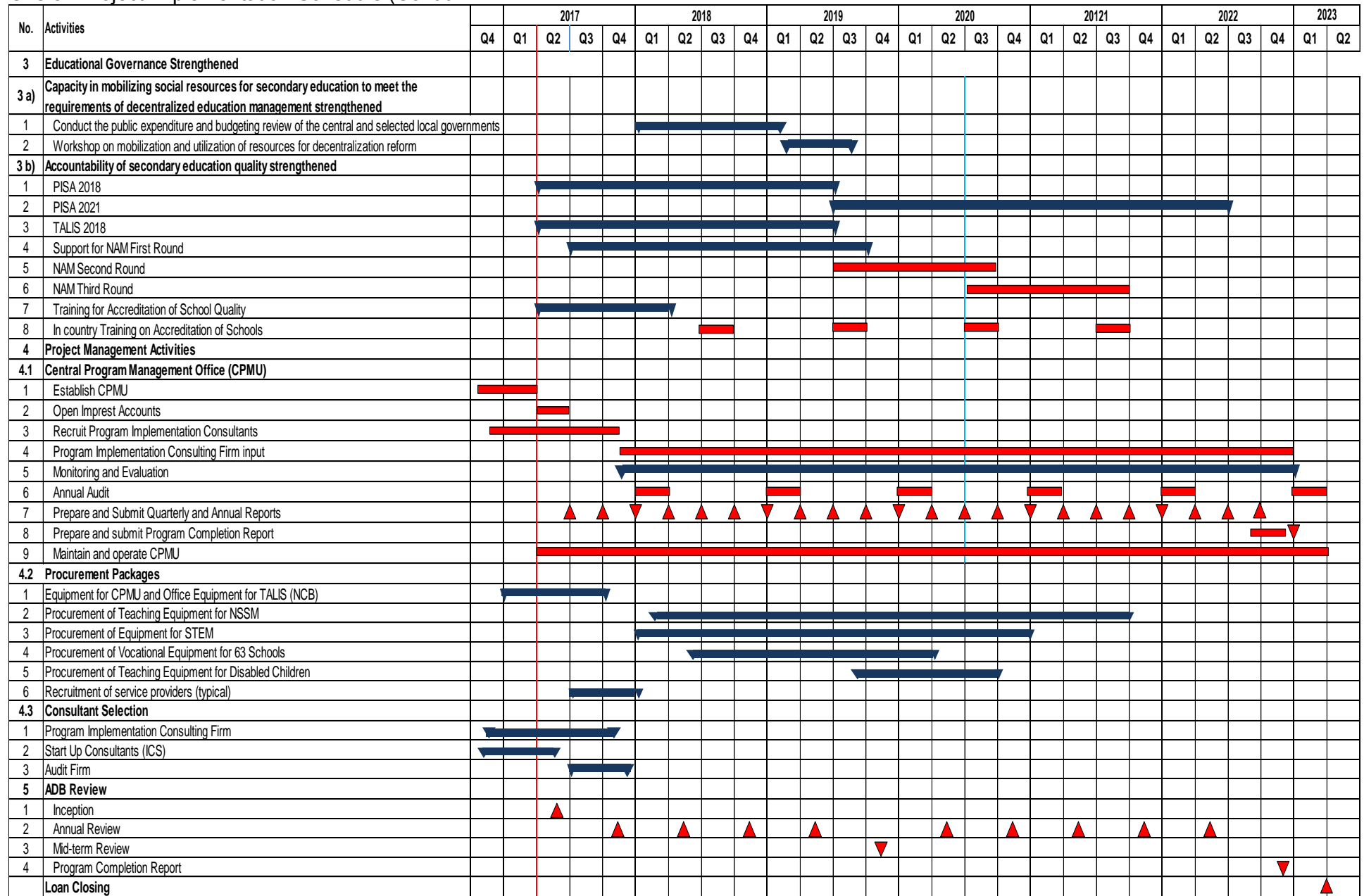
ICB=international competitive bidding; STEM= science, technology, engineering and mathematics; QCBS=quality- and cost-based selection

Overall Program Implementation Plan

Figure 1: Indicative Implementation Schedule



Overall Project Implementation Schedule (Cont'd)



 = Scheduled Activities
   = milestones

 = Grouped Activities

IV. PROGRAM MANAGEMENT ARRANGEMENTS

A. Program Implementation Organizations: Roles and Responsibilities

Table 3: 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 administrating 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 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 is responsible for approval of the applications of funds, management of record revenues and expenditures for the project accounts.</p>
<p>Executing Agency</p> <ul style="list-style-type: none"> • MOET 	<p>MOET is the executing agency for the program and responsible for overall management and coordination of the program including:</p> <ul style="list-style-type: none"> • setting up the CPMU; • oversight supervision and monitoring of all program activities; • coordination and liaison with ADB and other stakeholders;
<p>Implementing Agency</p> <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, 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 data, end of period information;

Program Implementation Organizations	Management Roles and Responsibilities
	<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 provincial levels; • 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 district level; • monitor of program activities province wide.
<ul style="list-style-type: none"> • BOET 	<p>Under the direction of DOET, BOETs will assist in coordinating program activities for the lower education schools at 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; • oversee implementation of the program; • ensure compliance with loan agreement and the project administration manual; • monitor implementation arrangements, disbursement, procurement, consultant selection, and reporting; • monitor schedules of activities, including funds flow; • review compliance with agreed procurement procedures; • review compliance with loan covenants; • ensure effectiveness of the program to achieve its expected outputs and outcomes, safeguards, and anti-corruption measures; • approve procurement activities and withdrawal applications; • disburse funds for allowable expenditures; • analyze the outcome of the capacity building and training programs; • monitor conformity with ADB anti-corruption policies; • undertake an inception mission and periodic review missions; and • undertake 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 Preparation 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
	Email address	eizawa@adb.org

C. Program Organization Structure

39. 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. The PSC will meet bi-annually or as needed and will be chaired by 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 (GDPE); 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.

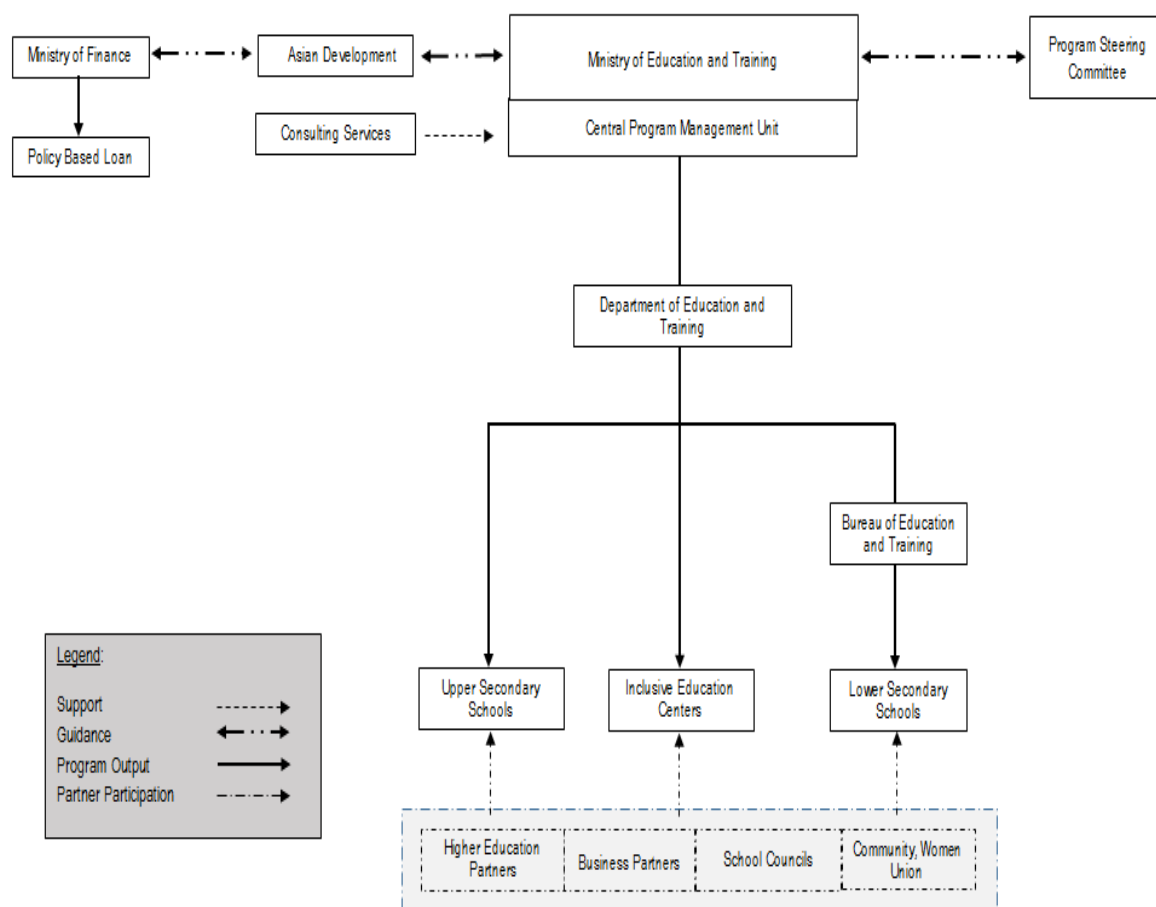
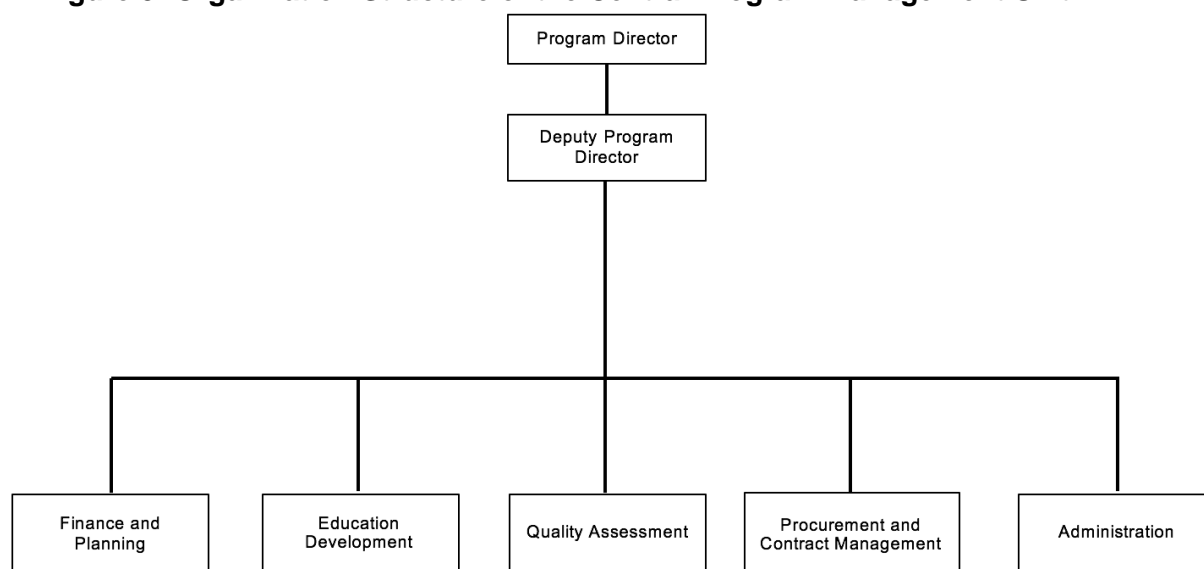
40. MOET will establish a CPMU to oversee the day-to-day implementation of the program. The CPMU will assist the PSC and MOET in the management and implementation of the Project Loan, assist in monitoring policy development, and assess the achievement of development objectives in secondary education. 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 for administration, finance, monitoring and evaluation (M&E), procurement, instructional materials, and staff development will assist the CPMU Director who are acceptable to ADB. 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.

41. The CPMU will be responsible for 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 refurbishment 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, and implementation partners and stakeholders; (vi) establishment and implementation of a PPMS, M&E, and reporting on program implementation progress; (vii) organization of surveys for collection of baseline data, mid-term data, end of project information; (viii) preparation of quarterly and annual program progress reports, mid-term report, and program completion report (PCR); (ix) recruitment of audit firm and ensuring 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.

42. 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 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.

43. 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 for 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 2, while the organization of the CPMU is in Figure 3.

Figure 2: Overall Organization Structure of the Program**Figure 3: Organization Structure of the Central Program Management Unit**

V. COSTS AND FINANCING

44. **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 4.

Table 4: 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.

45. 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 5.

Table 5: 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.

46. 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 as well as for covering duties and taxes.

A. Cost Estimate Preparation and Revision

47. 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.

48. 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.

49. 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

50. 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 6: 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 7: Detailed Cost by Expenditure Category

Item	(\$ million)		Total Cost ^a	% of Total Base Cost
	Foreign Exchange	Local Currency		
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 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 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 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.

D. Allocation and Withdrawal of Loan Proceeds**Table 8: 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 9: 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 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 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 10: 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)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)
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 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 Includes annual audit services amounting to \$0.30 million for the duration of program implementation, 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 11: 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 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 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 to 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.

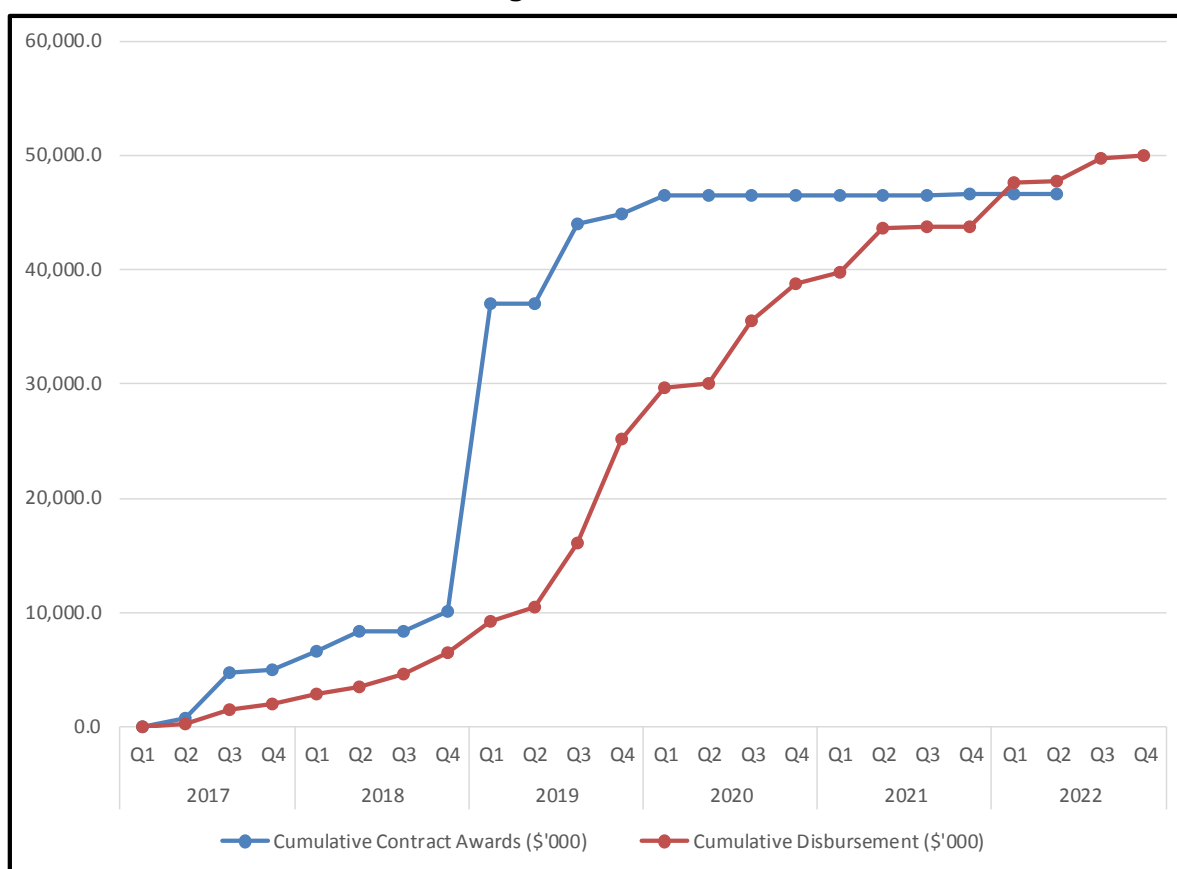
H. Contract and Disbursement S-Curve

51. Table 12 and Figure 4 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 12: 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 4: S-curve



I. Fund Flow Diagrams

52. The fund flow arrangements for the PBL are shown in Figure 5, and the arrangements for the project loan are in Figure 6.

Figure 5: Policy-Based Loan Fund Flow Arrangement

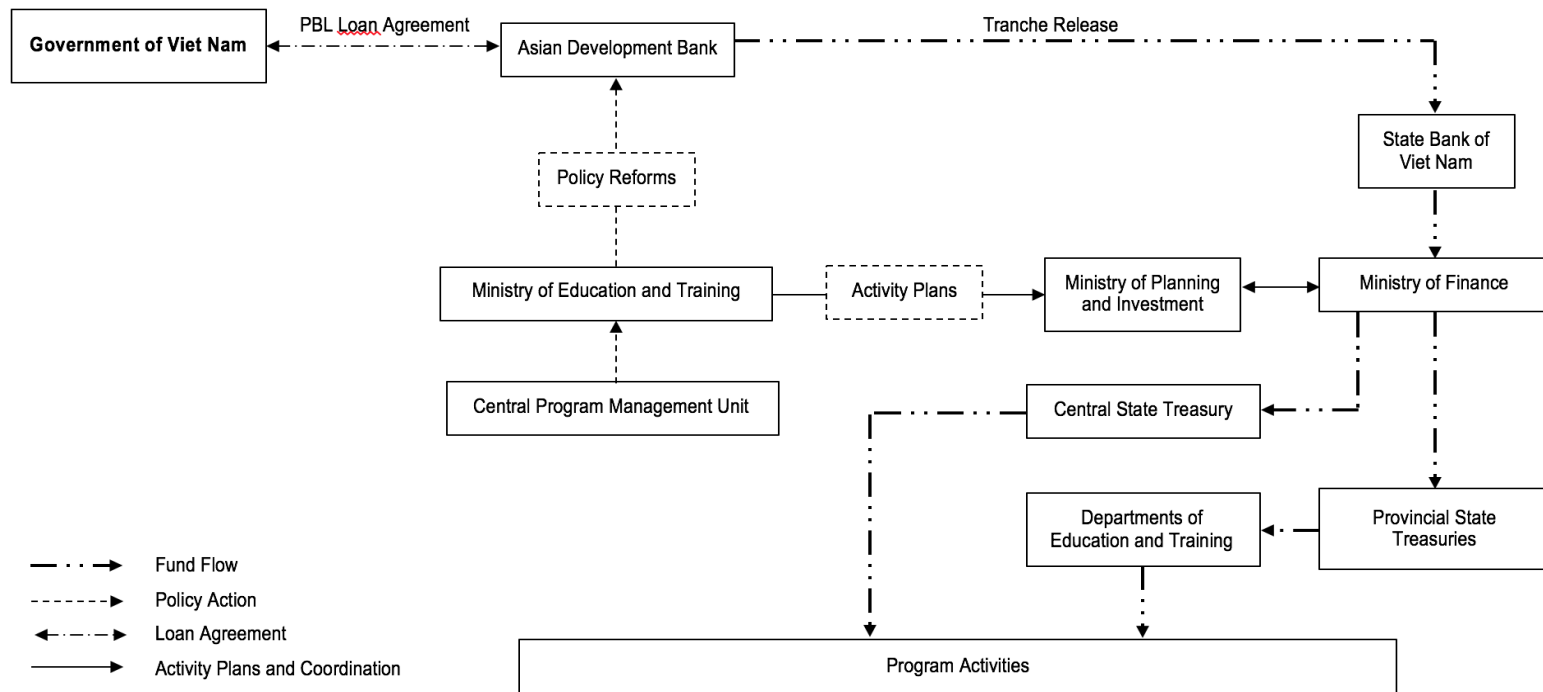
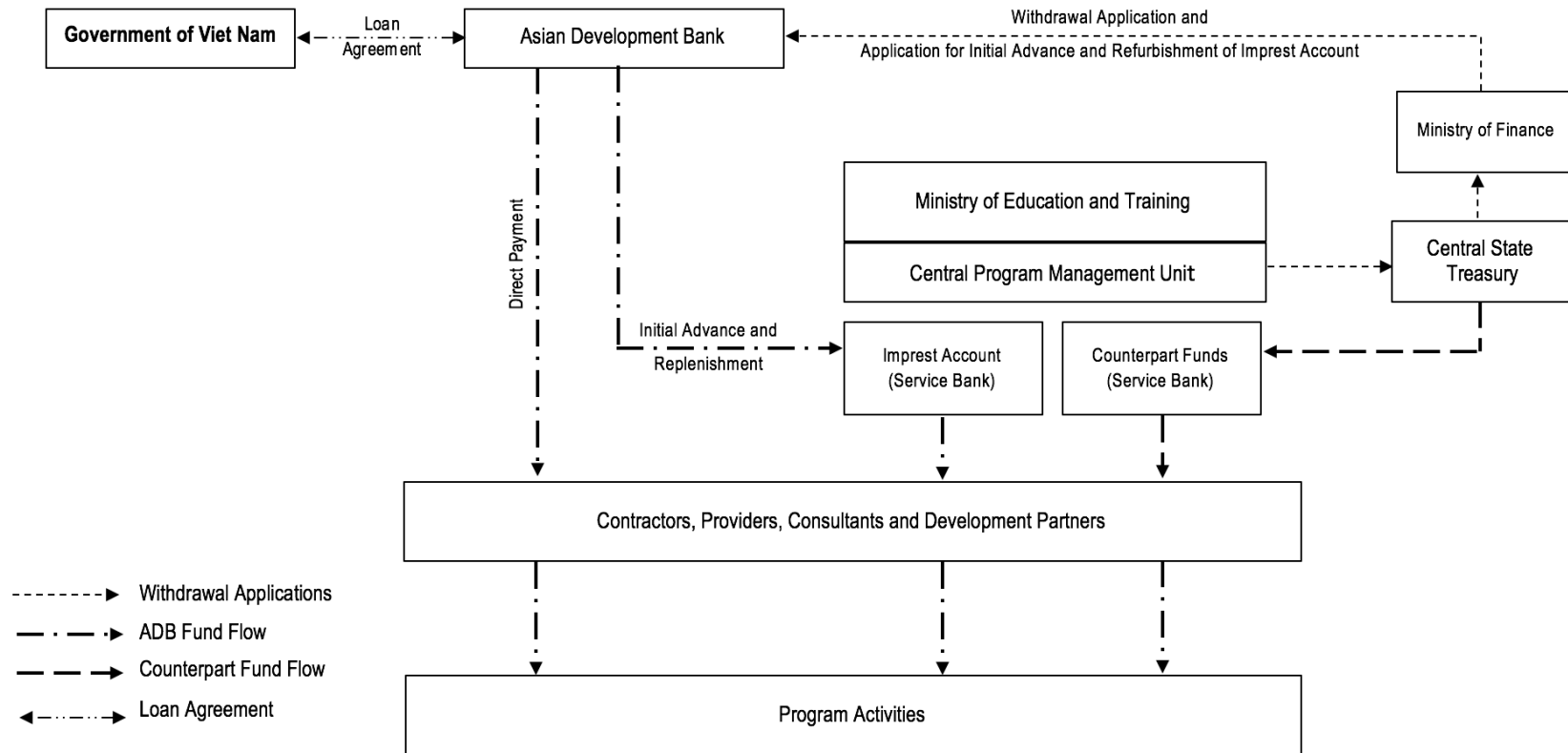


Figure 6: Project Loan Fund Flow Arrangement

VI. FINANCIAL MANAGEMENT

A. Financial Management Assessment

53. The 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 (GDFE) 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. The staff in all departments have at least a university degree, and about 65 of them hold either a masters 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.

54. 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, 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.

55. 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 to be satisfactory. However, key financial management risks were also identified, namely: (i) the government is unable 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 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 (see Table 13). Financial management risks and risk mitigation measures should be reviewed and updated throughout the life of the project.

Table 13: Financial Risk Assessment and Proposed Mitigation Measures

Risk	Brief Description of Risk	Activities to Mitigation Risk
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	By July 2016, MOET will assign, from its ranks, a competent, full-time, English-speaking Chief Accountant with experience in implementation of ADB-funded projects in social sectors. By September 2016, the CPMU Program Director should also recruit qualified accountants to support the Chief Accountant.

Risk	Brief Description of Risk	Activities to Mitigation Risk
	for the CPMU especially for the post of 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 (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 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 State Treasury at central level.	Lack of qualified staff and poor understanding of policies, guidelines, and procedures 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 the program implementation, the CPMU will closely follow-up with the State Treasury and provide clarification when needed. Start-up Specialists and the Procurement Specialists Project will build capacity on project and financial management for CPMU and central State Treasury staff 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 in 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 annually recruitment auditors on a competitive basis using 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 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	MOET may not implement approved activities after receiving funds for targeted support and	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.

Risk	Brief Description of Risk	Activities to Mitigation Risk
other project activities.	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 implementing the program.	ADB will require that achievement of all policies will be made a covenanted 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-upon 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 to other sectors by the central government.	MOET may experience difficulties, and subsequently delays, in implementing policy reform activities due to extraordinary circumstances that may 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.	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, 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

56. **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 charge 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 policy commitments). The PBL will be implemented in the form of budget support for secondary education in education and training sector. The government guarantees 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 by the Government).

57. The PBL will be disbursed to a foreign currency bank account of the State Budget, then converted into Viet Nam Dong and transferred to 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, MOF to submit to the Prime Minister, and the National Assembly for approval (additional annual funding).

58. The utilization of the PBL for specific objectives and activities will be decided on by the government. The Prime Minister will issue official letter to approve the utilization of 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, the planning, estimation, disbursement mechanism, procurement will comply with the current regulations of the Viet Nam Budget Law.

59. **Project loan.** The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),¹⁹ 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.

60. 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.

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

62. **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.

63. **Statement of expenditure procedure.**²⁰ The statement of expenditures (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

¹⁹ Loan Disbursement Handbook: <http://www.adb.org/Documents/loan-disbursement-handbook>.

²⁰ SOE forms are available in Appendix 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

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

64. 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

65. 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 Budget Law; 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

66. MOET will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project by adopting the 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.

67. 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 is identified in terms of possible erroneous transactions to be provided under the SESDP II.

68. The Program Director has full authority to execute transactions under the program subject to ADB's 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.

69. 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.

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

71. 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 governmental 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

72. 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 to ADB within six months of the end of each fiscal year.

73. 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.

74. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether 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 loan and grant proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

75. 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.

76. 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.²¹ ADB reserves the right to require a change in the auditor (in a manner

²¹ 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 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

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.

77. 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).²² 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.

VII. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

78. 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 (2013, 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.

79. **Advance contracting.** To expedite start up and early implementation of the project loan, MOET and ADB agreed to use advance actions on 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, 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 Request for Proposals (RFP), upon approval of ADB (Submission 0) advertisement for expressions of interest (EOI), evaluation of EOIs and shortlisting (Submission 1). Upon loan effectiveness, RFPs will be issued to shortlisted firms. For recruitment of 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.

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

B. Procurement of Goods, Works, and Consulting Services

81. All procurement of goods and services to be finance 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

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.

²² Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

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, "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 provides details regarding procurement procedures.

82. 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.

83. 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).

84. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

85.. 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 2013 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 Section D.

C. 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

86. 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

87. 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

88. 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)

89. 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		
7	Study and survey the	\$50,000	1	Shopping	Prior/Post*	Shopping		

Goods and Works								
Pack Numb	General Description	Estimated Value	Number of Contract	Procurement Method	Review [Prior / Post]	Bidding Procedure	Advert Date (quarter/year)	Comments
	modern education programs and method to improve STEM schools							
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

90. 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 Numb	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
3	Provision of equipment to support vocational awareness	\$5,040,000	1	ICB	Prior	1S1E	Output 1-d-1

Goods and Works							
Pack Numb	General Description	Estimated Value cumulate	Est Number of Contract	Procure Method	Review [Prior / Post]	Bidding Proc	Comments
	and career planning activities						
4	Supply of digitalized training materials on advanced program for science and technology education in 70 USS	\$1,200,000	1	NCB	Prior/Pos t*	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 t*	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 t*	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 t*	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 t*	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/Prio r*	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 t*	1S1E	Output 1-d-1
11	Office equipment and furniture for the CPMU and TALIS	\$172,900	1	NCB	Prior/Pos t*	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 t*	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 t *	Shopping	Service Contract
14	Study and survey the modern career planning programs to be applied for secondary schools in order to improve vocational	\$50,000	1	Shopping	Prior/Pos t *	Shopping	Service Contract

Goods and Works							
Pack Numb	General Description	Estimated Value cumulate	Est Number of Contract	Procure Method	Review [Prior / Post]	Bidding Proc	Comments
	awareness and career planning for secondary students						

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

91. Not applicable at this time

2. Completed Contracts

92. Not applicable at this time

3. Non-ADB Financing

93. Not applicable.

V. National Competitive Bidding

1. General

94. 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

95. 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.

96. A firm declared ineligible by ADB cannot participate in bidding for an ADB-financed contract during the period of time determined by ADB.

97. A bidder shall not have a conflict of interest which term shall be defined in accordance with section 1 of ADB Procurement Guidelines.²³ Any bidder found to have a conflict of interest shall be ineligible for contract award.

98. 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.

99. National sanction lists may only be applied with approval of ADB.²⁴

3. Preferences

100. 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

²³ 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).

²⁴ 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>

14(3) of the Law on Procurement shall not be applied.

4. Bidding Procedure

101. 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

102. 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

99. 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

100. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

101. Except with the prior approval of ADB, merit points shall not be used in bid evaluation.

102. 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.

103. Bidders shall be given commercially reasonable time period to respond to clarification requests.

104. Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations²⁵.

105. 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.

106. 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.

8. Rejection of All Bids and Rebidding

107. 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.

108. All bids shall not be rejected and new bids solicited without ADB's prior approval.

²⁵ 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.

9. Publication of the Award of Contract. Debriefing

109. 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.

110. For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.

111. 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

112. 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

113. 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

114. 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 14: 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	1.240	NCB 1 package	Prior/Post Review	2Q18	2Q18: 10% 2Q19: 40%

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	instruction materials based on new curriculum for youth with special needs			(First Contract Prior, subsequent Post)		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 each student	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
	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
	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

Expenditure Category	Sub-outputs and Summary Activities	Estimated Amount \$ million (ADB + Counter-part fund)	Mode of Procurement and Packages	Remarks	Contract Awards	Disbursements
	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.

D. Consultant's Terms of Reference

Table 15: Consulting 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	

VII. SAFEGUARDS

115. 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 and it will 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, impact of the program on ethnic minorities will be monitored and reported periodically to ADB through the PPMS.

116. **Prohibited investment activities.** Pursuant to ADB’s Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).²⁶

VIII. GENDER AND SOCIAL DIMENSIONS

117. During program preparation, a poverty and social assessment (available as a linked document to the RRP), 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 (available as a linked document to the RRP) has been prepared to present project benefits and mitigation measures to address social impacts and enhance the distribution of project benefits.

A. Poverty and Social Benefits

118. **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.²⁷ 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.²⁸ 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.²⁹ 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

²⁶ Available at <http://www.adb.org/Documents/Policies/Safeguards/Safeguard Policy Statement June2009.pdf>

²⁷ UNICEF Viet Nam - Overview - Viet Nam and the MDGs.

²⁸ 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.

²⁹ UNICEF Viet Nam - Overview - Viet Nam and the MDGs.

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.

119. **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 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.

120. 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.

121. 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 lower secondary 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.³⁰ This additional labor force will be equipped with better technical, cognitive, and behavioral skills.

B. Program Features to Address Poverty and Social Issues

122. 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

³⁰ 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>.

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.

C. Gender and Development

123. 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.

124. **Gender Action Plan (GAP).** The GAP will focus on ensuring gender equity in all project outputs. 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 attend 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 (see Table 16).

Table 16: Gender Action Plan

Output 1: Quality and relevance of secondary education improved
<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 responsive³¹</p> <p>Project:</p> <ul style="list-style-type: none"> • 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

³¹ 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.

- 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)
- 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

D. Implementation and Monitoring

125. The CPMU will be responsible for GAP implementation and will appoint gender focal point(s) 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 consultants) 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 update on project GAP.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Program Design and Monitoring Framework

126. The design and monitoring framework (DMF) for the program has been agreed on between ADB and the government (Table 17). 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.

Table 17: 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
Outcome Learning outcomes and competitiveness of secondary school graduates enhanced.	By 2024 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) 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) 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)	a. OECD PISA result reports (every 3 years) b. Ministry of Planning and Investment, General Statistics Office Report on Quarterly Labor Force Survey c. UNESCO, Institute for Statistics, annual report	Lack of commitment to increase autonomy may delay implementation of policy reform activities
Outputs 1. Quality and relevance of secondary education improved	Program by 2016 1a. Model resource secondary schools developed (Baseline: 2014 no policy) 1b. Professional teacher standards revised (Baseline: 2014 old standards) 1c. STEM established (Baseline: 2014 no policy) 1d. School-based vocational knowledge and cognitive skills program introduced (Baseline: 2014 no program) Project by 2023 1a. Nationwide model resource secondary schools and STEM implemented in approximately 440 schools (Baseline: 0 in SY2016). 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) 1c. Students in model resource secondary schools and STEM schools meeting acceptable standards on NAM increased by	Program Government Policy 1a. Official Letter No. 4668 BGDDT-GDTrH 1b. Joint Circular No. 23/2015/TTLT-BGDĐT-BNV 1c. Official Letter No. 4509/BGDĐT-GDTrH 1d. Official Letter No. 4509/BGDĐT-GDTr Project 1a. MOET quarterly Program progress reports 1b. MOET annual evaluation reports from the phased introduction of model resource schools and STEM (disaggregated by sex) 1c. Center of Education Quality Assurance, MOET annual evaluation of student competencies of the new	CPMU may experience difficulties in the initial management of project funds

	5%. (results disaggregated by sex and further by ethnicity) (Baseline: mathematics grade 9	curriculum as measured by grade 9 and 11 NAM results in	
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>	
2. Equity of access to secondary education enhanced	<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</p> <p>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>	Fiscal constraints may limit public investment in education and shift toward greater socialization of school costs, which may limit access for poorer families.
3. Educational governance and management strengthened	<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>Program</p> <p>Government Policy</p> <p>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>	

	3b. 80% of teachers in selected beneficiary	3b. MOET pre-post survey of	
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>	
Key Activities with Milestones Output 1. Quality and relevance of secondary education improved 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. Output 2. Equity of access to secondary education enhanced 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. Output 3: Educational governance and management strengthened 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.			
Project Management Activities 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).			
Inputs ADB \$100 million (two loans from Asian Development Fund) Government: \$7 million			
Assumptions for Partner Financing Not applicable.			

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.

B. Monitoring

127. 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 is 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.

128. The CPMU will be responsible for monitoring and reporting performance of the program against the DMF's 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, 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 EMIS will be supplemented by three surveys to obtain data and information for baseline, mid-term, and final review.

129. 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 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 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.

130. 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.

131. **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 in respect of 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.

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

133. **Gender and social dimensions monitoring.** Gender and social dimensions will be monitored internally through the PPMS and using ADB's GAP monitoring framework.³² Specific indicators and targets from the gender action plan have been included in the DMF. At the beginning of the project, the CPMU, with assistance from the 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

134. 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 where possible, disability for these semi-yearly reviews. A Memorandum of Understanding containing agreed upon actions will be signed by the government and ADB following each review.

135. ADB and the government will conduct the mid-term review in 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 the compliance with loan covenants; and (iv) propose necessary adjustments. Results of the mid-term review will be presented and discussed at the Mid-term Workshop by representatives of stakeholder groups, consultants, and ADB. Necessary corrective actions will be decided at the workshop.

136. 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 the targets, and expected program impact.³³

D. Reporting

137. 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.³⁴ 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

³²ADB'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>

³³ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

³⁴ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

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

E. Stakeholder Communication Strategy

138. 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.

139. 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's outline, purpose, and meaning. Three formal national workshops (inception, mid-term and final) will be organized to provide information to and collection input from stakeholders. For each program, activity workshops are planned to introduce the activity and seek cooperation from stakeholders.

140. Program documents will be disclosed on the ADB's and/or MOET's website. **Table 18** outlines the framework of communication strategy to be implemented.

Table 18: Stakeholder Communication Strategy

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

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

X. ANTICORRUPTION POLICY

141. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the program.³⁵ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁶

142. To support these efforts, relevant provisions are included in the loan agreement/regulations and the bidding documents for the project. ADB's Second Governance and Anticorruption Action Plan was also explained to, and discussed with, the project Executing Agency and the implementing agencies.³⁷

XI. ACCOUNTABILITY MECHANISM

143. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing so, and if they are still dissatisfied, should they approach the Accountability Mechanism.³⁸

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

144. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

³⁵ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³⁶ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

³⁷ Governance and Anticorruption Action Plan II Guidelines. <http://www.adb.org/Documents/Guidelines/GACAP-II-Guidelines.pdf>. See also Sourcebook: Diagnostics to Assist Preparation of Governance Risk Assessments. <http://www.adb.org/documents/books/Diagnostics-to-Assist-Preparation-of-GRAs/default.asp>.

³⁸ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

DETAILED PROJECT 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 (\$)	Procurement 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/Person-day	50	39.300	1.965.000	1.965.000	-	N/A	3
		Equipment to support vocational awareness and career planning activities	2018	Amount/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/Per son-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 (\$)	Procure ment 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	-		

[illegible]

		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		

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.¹

3. For the Second Secondary Education Sector Development Program (SES DP 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 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

¹ 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 is the responsibility of the General Department of School Facilities, Equipment, and Children Toys (GDSE) 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, GDSE 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 GDSE therefore is key for efficient and prompt processing of procurement and consultant selection activities. Generally, one staff member from GDSE 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 GDSE 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 13).

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 consultant 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 Assessment² 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 GDPE, 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.³ The answers to the questionnaires from the CPMU staff represent 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 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.⁴ 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

² ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report.

³ 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 Ha Noi Development (New Model University) Project; and Loan 2583-VIE: Secondary Education Sector Development Program.

⁴ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant's Report.

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 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 GDPE 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, GDPE 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 GDPE procurement staff member is assigned a number of projects from beginning to end. All staff of GDPE 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 GDPE for review are also kept at GDPE. 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.⁵

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 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 GDPE 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.⁶

⁵ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant’s Report.

⁶ ADB, July 1, 2015. *Viet Nam: Country and Sector Procurement Risk Assessment for Energy, Transport, Agriculture, Education, Health and Urban Sectors*. Consultant’s Report.

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 Competitive Bidding have been harmonized with major donors and are routinely used. The both head GDPE 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 has been approved by the authority. The feasibility study 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 EOs, 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 procurement activities in accordance with ADB requirements. However, interviews conducted with other CPMU procurement personnel 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 GDPE. Efficient project implementation depends on the timely review and processing of procurement and consultant selection actions by GDPE. Generally, one staff from GDPE 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 GDPE 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 GDPE staff is reportedly proficient in English. It is important that the GDPE 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 GDPE. 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 Department of Planning and Finance 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 P-RAMP has been 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 is in accordance with ADB recommended practices in Viet Nam.

IV. PROCUREMENT PLANS

35. The PPTA team prepared the procurement plan which is attached in Annex 4. 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 TOR, advertisement for EOI, 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 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 - Project Risk Assessment and Management Plan
- Annex 4 - Procurement Plan

**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? (verbal and written)	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 understand the ADB template documents and reports

	Question	Answer/Finding	Risk
			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 currently in place?	The CPMU has not yet been established this will be done under advanced action before loan effectiveness.	
A.17	Are the number and qualifications of the staff sufficient to undertake the	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

	Question	Answer/Finding	Risk
	additional procurement that will be required under the proposed project?		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?	GDPE 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	
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.

	Question	Answer/Finding	Risk
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	
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	No	

	Question	Answer/Finding	Risk
	rejected at bid opening?		
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 GDPE 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 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?		
C.24	Are assignments and requests for expressions of interest (EOIs) advertised?	Yes	

	Question	Answer/Finding	Risk
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 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?	One month or more (ADB and GDFE approval 14 days each)	

	Question	Answer/Finding	Risk
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 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	GDPE reviews and Vice Minister approves	

	Question	Answer/Finding	Risk
	procurement experience and qualifications?		
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	GDPE (ADB)	
	b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	PMU (ADB)	
	c) Evaluation reports	GDPE (ADB)	
	d) Notice of award	PMU	
	e) Invitation to consultants to negotiate	PMU	
	f) Contracts	GDPE (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 less), all other procurement actions are to be submitted to GDPE oversight 	
A.4	How many years' experience		See response from GDPE

	Question	Answer/Finding	Risk
	does the head of the procurement department/unit have in a direct procurement role?		questionnaire
A.5	How many staff in the procurement department/unit are:		See response from GDPE 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 GDPE 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 GDPE procurement staff must have a procurement certificate. • The procurement certification training generally lasts 3 days and focus on the Government Procurement laws only • GDPE 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 GDPE 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 GDPE 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 GDPE questionnaire
A.9	Does the agency have, or have ready access to a procurement training program?		See response from GDPE 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 GDPE 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 GDPE 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 GDPE staff with ADB procedures.
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. 	

	Question	Answer/Finding	Risk
		<ul style="list-style-type: none"> 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 services follow a standard format such as background, tasks, inputs, objectives and outputs?	TOR generally follow ADB format.	
A.22	Who drafts the procurement specifications?	The CPMU with assistance from the Project Implementation Support	

	Question	Answer/Finding	Risk
		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 GDPE. 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 GDPE. 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 what period are records kept)?	After project completed, files are transferred to Finance and Planning 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	Yes, all bids and evaluation report	

	Question	Answer/Finding	Risk
	retained with the evaluation?	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 public?	Yes	
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	

	Question	Answer/Finding	Risk
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, GDPE 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			
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	Taking too much time for QCBS,	Risk of slow progress in recruitment

	Question	Answer/Finding	Risk
	were the major challenges?	QBS procedures. Number of approval by ADB (5) and GDPE slow down the process significantly.	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 technical ranking and how?	CPMU on recommendation from 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	Yes	

	Question	Answer/Finding	Risk
	negotiations held?		
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
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	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 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.	
E.7	Is there a written auditable trail of procurement decisions attributable to individuals and committees?	PMU keep all record for possible audit.	

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. 	<p>High</p> <p>High</p> <p>High</p>	<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 to carry out procurement functions. 	High	Unlikely if CPMU is established and key staff appointed on timely basis and are qualified and experience with procurement and ADB procedures	<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. Establishment of the CPMU and appointment of key staff with adequate qualification is one of

SL No.	RISK	IMPACT	LIKELYHOOD	STRATEGY
				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 Procedures for investigating and managing complaints should also be considered

ADB=Asian Development Bank; BEC= Bid Evaluation Committee; CPMU=Central Program Management Unit; CSC=Consultant Selection Committee; GDFE = General Department of School Facilities, Equipment, and Children Toys; MOET=Ministry of Education and Training;

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 GDPE to reduce the risk of delays
<ul style="list-style-type: none"> Resources of GDPE to oversee procurement actions, may not be sufficient. The workload on GDPE 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 GDPE and ADB for approval.
<ul style="list-style-type: none"> Lack of proficiency in English by CPMU and GDPE 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 GDPE 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.
<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

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<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	

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;

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 March 2023
Date of First Procurement Plan {loan approval date}:	Date of this Procurement Plan:

II. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

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

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.

Package Number	General Description	Estimated Value	Procurement Method	Review Prior / Post	Bidding Procedure	Advert'nt Date (quarter/year)	Comments
1	Provision of additional teaching equipment for enhancing science and technology for 70 USS	\$12,425,000	ICB	Prior	1S1E		

Package Number	General Description	Estimated Value	Procurement Method	Review Prior / Post	Bidding Procedure	Advert'nt Date (quarter/year)	Comments
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

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review Prior / Post	Advert'nt 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)

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								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post]	Bidding Procedure	Advert'nt Date (quarter/year)	Comments
1	Supply digital guidelines on quality accreditation of secondary education oriented towards	\$520,000	1	NCB	Prior/Post*	1S1E		

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post]	Bidding Procedure	Advert'nt Date (quarter/ year)	Comments
	development of problem solving capacity and directional distribution of students after LSS and USS							
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		
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	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advert'nt 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

B. Indicative List of Packages Required Under the Project Loan

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							
Package Number	General Description	Estimated Value cumulative	Estimated Number of Contracts	Procurement Method	Review [Prior / Post]	Bidding Procedure	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
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/Post*	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/Post*	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/Post*	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/Post*	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/Post*	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/Post*	1S1E	Output 1-d-1
11	Office equipment and furniture for the CPMU and TALIS	\$172,900	1	NCB	Prior/Post*	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/Post*	Shopping	Output 2-a-1
13	Study and survey the modern education programs and method to improve STEM schools	\$50,000	1	Shopping	Prior/Post *	Shopping	Service Contract
14	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	Service 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

2. Awarded and Ongoing Contracts

Not applicable at this time

3. Completed Contracts

Not applicable at this time

3. Non-ADB Financing

Not applicable.

V. National Competitive Bidding

1. General

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

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.

A firm declared ineligible by ADB cannot participate in bidding for an ADB-financed contract during the period of time determined by ADB.

A bidder shall not have a conflict of interest which term shall be defined in accordance with section 1 of ADB Procurement Guidelines.¹ Any bidder found to have a conflict of interest shall be ineligible for contract award.

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.

National sanction lists may only be applied with approval of ADB.²

¹ 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).

² 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

3. Preferences

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

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

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

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

Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

Except with the prior approval of ADB, merit points shall not be used in bid evaluation.

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.

Bidders shall be given commercially reasonable time period to respond to clarification requests.

Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations³.

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.

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.

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 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

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.

All bids shall not be rejected and new bids solicited without ADB's prior approval.

9. Publication of the Award of Contract. Debriefing

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.

For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.

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

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

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

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.