

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB2745

Project Name	Vietnam: School Education Quality Assurance
Region	EAST ASIA AND PACIFIC
Sector	Primary education (100%)
Project ID	P091747
Borrower(s)	GOVT OF SOCIALIST REPUBLIC OF VIETNAM
Implementing Agency	
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	Socialist Republic of Vietnam Vietnam
Environment Category	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	January 11, 2006
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1. Key development issues and rationale for Bank involvement

Vietnam has experienced impressive poverty reduction performance based on strong macroeconomic foundations. According to the 2002 and 2004 CAS updates, Vietnam's real economy doubled in size during the 1990s, while the rate of poverty was halved from 70 percent to around 35 percent. The economic crisis of the late 1990s caused export growth to fall. In response to the crisis, the Government initiated policy reforms in the trade and finance sectors to improve macroeconomic management. The reforms were successful, with export growth rebounding to its original level by 2000, the number of domestic enterprises more than doubling and growth rates reaching about 7 percent annum over 2002-2004¹. Almost 80 percent of the GDP came from services and industry, employment in formal-sector SMEs appeared to have doubled, domestic private investment rose by 3 percent of GDP, and the share of formal credit going to the non-state sector rose to over 60 percent. This was encouraging for job growth and more people were lifted out of poverty. The proportion of people living below the poverty line has dropped to 29 percent from 37 percent in 2000, and the number of people living on \$1/day dropped from 15.2 percent in 2000 to 10.6 percent in 2004. The Government has recently stated its objective to join the WTO as early as possible.

In this evolving context, Vietnam is experiencing increasing pressures on its education system. These pressures come from:

- (a) the strong social demand for education and training from Vietnamese households;
- (b) the aspirations of the Vietnamese population to accede to a significantly higher income level, partly through improved educational status;

¹ GDP growth is expected to have risen to 8.4 percent in 2005, just slightly below its original target of 8.5 percent.

- (c) the knowledge and skill needs of a knowledge-based economy that is growing under the influence of globalization in general and the expected accession to WTO in particular; and
- (d) the risk of increasing disparities between different groups within the population, as the result of a rapidly expanding economy.

The country already made great strides to address some of these increasing pressures. Vietnam has expressed strong commitment to achieving universal basic education as a foundational stone to social development and economic growth. According to 2005 MOET data, the net primary enrolment is near universal and the survival rate to grade 5 reached 92 percent, with a decreasing gap between the poor and the rich, urban and rural areas and ethnic groups. The country also put renewed emphasis on the quality of primary education by increasing the time dedicated to instruction, introducing new curricula and textbooks, implementing a program of teacher professional development, including developing professional standards², to support the use of the new curriculum and improve teacher quality, and introducing key minimum quality standards for schools, in terms of teaching staff, teaching materials, infrastructure and school management (Fundamental School Quality Levels, or FSQL).

Additionally, lower secondary education expansion over the last decade has been remarkable, reaching a gross enrollment rate of about 87 percent in 2004, according to UIS data. Overall, gross secondary enrollment reached 73 percent in 2004 and secondary net enrollment rate 65 percent in the same year³, positioning Vietnam in a very favorable position vis-à-vis countries with similar income per-capita. Finally, a recent study on secondary education in Latin America and East Asia shows Vietnam as one of the very few countries that managed to improve secondary education coverage, completion and equity since the mid-1990s.⁴

However, Vietnam still has to address several key challenges in terms of quality, equity and access to post-primary education.

Education quality is still too low in the aggregate and inequitably distributed. Quality has been improving. This is also illustrated by 2001 grade 5 scores in reading comprehension which were comparable with the results of a range of developed and developing countries, and by the fact that, in the same test, the majority of children is scoring at level 4 or above (Figure 1).⁵ However, only about 51% of pupils had reached the “independent learner” benchmark in reading skills and still near to 20% of pupils had low levels of reading (levels 1 and 2), indicating room for improvement. Reading levels are clearly lower in rural and poor areas than in urban and wealthy ones (Figure 1 illustrates the isolated/urban/rural differences). Disparities in achievement by income level are also illustrated by the results of the recent 2005 end of the year examination. The results, which are only partially comparable, show much lower rates of students achieving excellent grades in mathematics and Vietnamese in the most disadvantaged districts than nationally (16% vs. 38%, nationally, in Vietnamese and 21% vs. 36%, nationally, in mathematics). Figure 2 shows that the proportion of students achieving excellent grades in Math is systematically higher in the richest income quintiles. Although we do not have student learning outcomes for the secondary level, still low and inequitable secondary completion rates (see below) also suggest, among other factors, low and inequitable quality at this level.

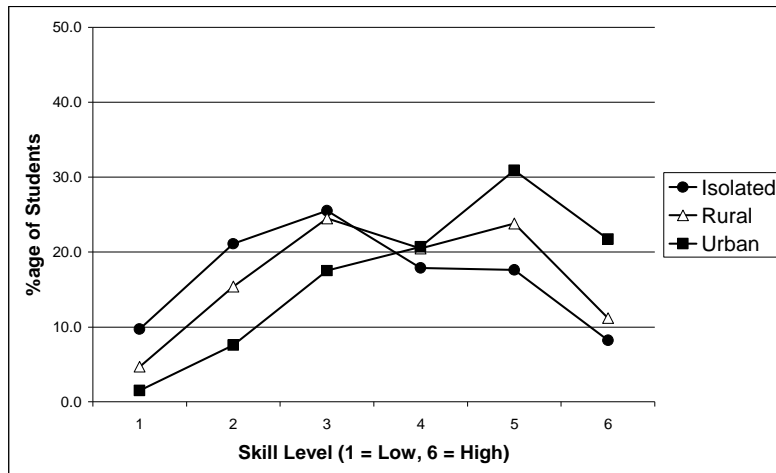
Figure 1: Distribution of Reading Skills by Location and Skill Level – 2001

² Establishing a system of teacher profiles based on three strands (attitude, knowledge, and teaching skills).

³ According to UIS data.

⁴ See The World Bank (2006): “Meeting the Challenges of Secondary Education in Latin America and East Asia”.

⁵ See The World Bank (2004): “Vietnam: Reading and Mathematics Assessment Study” – Volumes 1,2,3.



Source: The World Bank (2004).

School factors matter in determining achievement. An important finding for Vietnam is that most of the variance in students' scores is due to differences among schools, rather than differences between students (inter-school variation explains between 58 and 66% of the score variance), in contrast to what we note in most other countries. This finding points to the importance of school factors in determining achievement and disparity in achievement. The most important school factors include teacher subject knowledge and training, school resources and instructional time (as measured by the ratio of students in full day schooling). Recent evidence⁶ confirms that there is a very strong positive relationship between students who are in full-day schooling (10 sessions, of half a day, per week) and an excellent grade in Mathematics (Figure 2 shows that within every income quintile, the higher the number of sessions per week, the higher the proportion of students with excellent grade in Math). Many other studies also confirm that instructional time is a key determinant of achievement.⁷

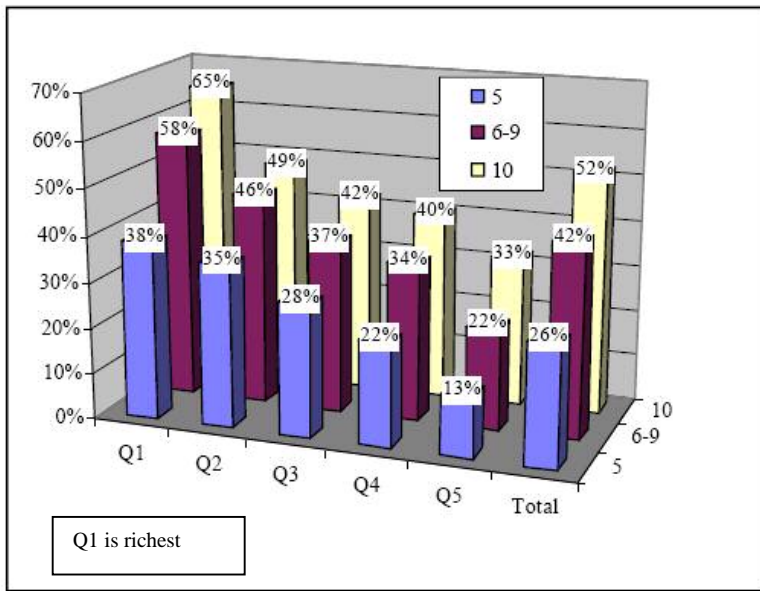
Although schools' input and processes have improved in time, important challenges persist. In particular, while it is encouraging to see that the FSQI Input Index⁸ (FII) increased from 62 in 2003/04 to 67.8 in 2005/06, this value is still much below the 100 percent target, and, importantly, the correlation between district poverty incidence and the FII for 2006 shows a persistent significant inverse linear trend, with lower FII scores associated with higher rates of poverty.

⁶ See District FSQI Audit (2006).

⁷ Fifteen out of 17 studies of primary schools in developing countries and 12 out of 16 studies on secondary schools found instructional time to have a significant impact on educational achievement (Fuller and Clarke, 1994).

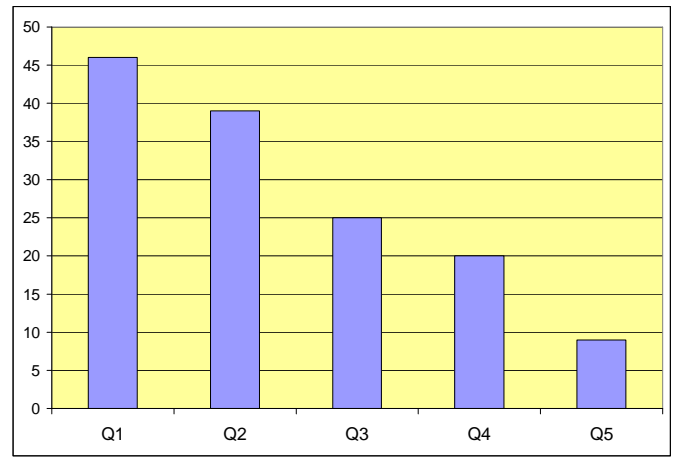
⁸ This is a composite index which combines individual indicators on teaching staff, teaching materials, infrastructure and school management into an overall score.

Figure 2: Correlation between Proportion of Students with Excellent Grades in Math, and District Income Quintile and Schooling Sessions – 2006



Source: MOET- FSQL 2005/06 Audit

Figure 3: Proportion of Students in Full-Day Schooling by Districts ranked by Income Quintile – 2006



Source: MOET – FSQL 2005/06 Audit

With only about 513 hours as yearly allocated instructional hours in primary, instructional time is another weakness of Vietnam education. The country ranks very poorly compared to other countries in the region. According to 2005/06 MOET data, only about 30% of primary students were enrolled in full day tuition (with the second “half day” schooling financed by the parents), and the distribution of full-day schooling mirrors the one of the FII, with much lower proportions of students who benefit from it in poorer districts (Figure 3). This unequal distribution of full-day schooling adds up to low income levels to generate very unequal education achievement results.

Finally, teacher quality and school management also need to be improved. The policy on minimum professional standards is still not fully applied nationally and only covers primary teachers; and only about 79% of the teachers reach a training qualification standard of 12+2. On the school management side, only about 49% of schools had school development plans in 2005/06. These indicators are lower in more disadvantaged areas.

Low achievement levels in grade 5, and, in particular, lower achievement of poor and rural children, lead to insufficient academic preparation for the following grades, which, among other factors, decreases chances of continuation in school and future productivity on the labor market.

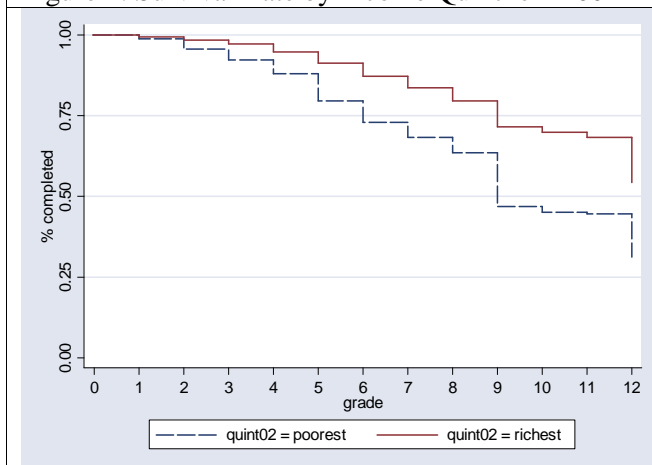
In spite of the remarkable expansion of secondary education, students of all socio-economic levels continue to drop-out all along the education cycle and across education levels, in particular when reaching upper secondary education⁹ (Figures 4 and 5). About 40% of the 15 year-olds were already out of school working in 2002. Additionally, opportunities of completing primary and acceding to and surviving through post-primary are unequally distributed across population groups. The gap between the richest and the poorest gradually increases along the educational cycle, going from 100 percent access to grade 1 for both income categories to a 10 percentage points difference at grade 6 and about 25 percentage points difference at grade 10 (Figure 4). There is an even stronger diverging trend across expenditure quintiles in

⁹ The GER of upper secondary was about 55% in 2004 according to UIS data.

terms of net enrollment rates (Figure 5), which in part also reflects the higher repetition rates of poorest children. Finally, substantial differences in survival and post-primary enrollment rates persist across urban and rural areas¹⁰ and ethnic groups.¹¹

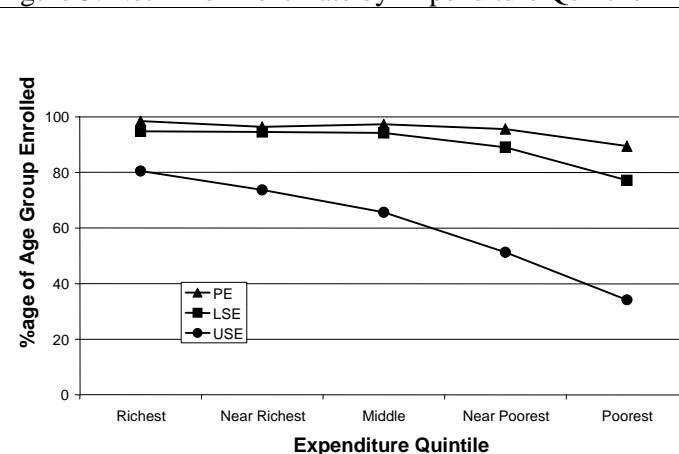
Investing in primary education is a cost-effective strategy for the country because of high social rates of return.¹² Additionally, low survival to upper secondary and tertiary education, related to low preparation in primary and secondary, hampers labor productivity gains in Vietnam, as corroborated by the preliminary findings of a recent report on Skills for Growth¹³ which indicate a positive impact of skilled labor on labor productivity. Finally, recent studies on education and growth also find that quality of education itself, and in particular performance in Math, is closely related to growth performance.¹⁴

Figure 4: Survival Rate by Income Quintile – 2002



Source: VHLSS 2002

Figure 5: Net Enrollment Rate by Expenditure Quintile – 2004



Source: VHLSS 2004

In the light of the increasing pressures and this diagnostic of the education sector, priorities for education in Vietnam are:

- (a) improving quality and relevance at all levels of the education system, *inter alia* through the development of standards, assessment, monitoring systems, and increases in instructional time;
- (b) ensuring equity in access to high quality learning opportunities at the primary level, with a particular emphasis on using innovative approaches to “reaching the last 10/20 percent”, including poor children, ethnic minority children and children living with disabilities;
- (c) continue responding to increased demand at the post-primary levels of the education system, in an equitable way, at a time when the primary education student population is stabilizing;
- (d) modernizing governance arrangements in ways that promote local autonomy and accountability, while maintaining a key role for central Government agencies in setting strategic policy, monitoring results and financing for equity; and

¹⁰ With a difference of about 10% points in the lower secondary NER and about 20% in the upper secondary NER between urban and rural areas in 2002 (VHLSS data).

¹¹ With a difference of about 25% points in lower and upper secondary between Kinh and Chinese and the ethnic minorities in 2002 (VHLSS data).

¹² Which were assessed to be higher than 10% in the mid-1990s (see Moock, Patrinos and Venkataraman: “Education and earnings in a transition economy. The case of Vietnam”).

¹³ The World Bank: “Tertiary Education and Skills for Growth in Vietnam” (2006) – preliminary draft.

¹⁴ See Hanushek and Wossmann (2006): “The role of school improvement in economic development”, who show that an increase in test scores (math and sciences) of one standard deviation is associated with an average annual growth rate in GDP per capita that is 2 percentage higher over the whole 40 years of the analysis.

- (e) rationalizing the finance of education services as the school population stabilizes, through policies that promote allocative efficiency and systems that link planning and budgeting to education results.

Rationale for Bank involvement. Given the urgent challenges in providing quality education at all levels, and more particularly for disadvantaged children, the Government of Vietnam and the World Bank are advancing a proposed education program to support quality education, with focus on instructional time, student and teacher standards, and school management.

Links to lending operations: This new program will in part build on three main existing education projects, consolidating and expanding some of the innovations that they have introduced. The three projects are the Primary Teacher Development Project (PDTP), whose objective is to lay the foundation for a nationwide program to upgrade the quality of the primary teaching service, the Primary Education for Disadvantaged Children (PEDC) Project, whose objective is to improve access to primary school and the quality of education for disadvantaged children, and the EFA Support Program (EFA-SP), whose objective is to enhance the quality of basic education through the support of the Education National Targeted Program (ENTP). The teacher project, which is now entering in its last implementation year, was key in establishing a new set of professional standards for primary teachers and improving teacher training programs. The new program will build on this new set of professional standards, by extending their applicability across geographic areas and education levels and complete linkages with teacher titles, terms of service and remuneration. Among other interventions, the PEDC project introduced and supported the concept of a fundamental school quality level (FSQL) to guide district action plans and investments, promoted community participation, and identified innovative strategies to reach disabled and other high-risk children groups; and the EFA-SP supports the application of FSQL in the allocation of national targeted funds for education. The program will build on these interventions, by improving the definition and applicability of FSQL and supporting school-based management. PEDC and the new program are particularly complementary because PEDC attempts to improve the quality of existing disadvantaged schools (with varied number of half-day sessions per week) on the basis of FSQL, as a key pre-condition for full-day schooling.

Appropriateness and relevance in the context of the CAS: The objectives of the new program are squarely in line with the second pillar of the upcoming 2006-2010 CA: “Strengthen Social Inclusion, by enhancing human resources, assets and opportunities for the poor and vulnerable”. The program will help reach the key education outcome mentioned in the CAS of “better access to and use of affordable quality basic education for all children”.

Relevance to client’s development framework: The program is also squarely in line with the Government 2006-2010 Socio-Economic Development Plan Education Sector Plan (SEDP) and 2001-2010 Education Development Strategic Plan (EDSP). A key theme of the SEDP is Equitable Access to Quality, with specific objectives including the development of national standards, focus on innovations in teaching and learning methodologies and ensure social and gender equality in education, including enabling ethnic minorities to access basic education. Key goals of the EDSP are the creation of radical changes in education quality to help Vietnam gain a better position in the world; innovations in goals, contents, methods and curricula at all levels; the development of a qualified teaching staff; and innovations in education management. Finally, the Mid Term Expenditure Framework (MTEF) for 2006-08 states that one of the main priorities over the medium-term is “improving the quality of basic education by way of full day schooling (“by 2010, 100% of primary school students will go to full day school”).

Relation with ADB and other donors: in Vietnam, the World Bank has been traditionally involved in primary and tertiary education and the ADB in secondary education in the interests of donor complementarity and clarity. However, we are increasingly convinced that second-generation issues

(quality, governance [including teacher management] and finance) need to be addressed across education levels. Examples of the need for a broad sectoral approach have already arisen: ADB projects now support the development of FSQs and teacher competency profiles at the secondary level. While it is good that together we can support vertical expansion of new policy initiatives, it may well be more efficient to plan and develop these initiatives across the whole sector from the beginning (even if GOV decides to implement in stages). ADB is preparing a new operation along the same timeline as SEQAP (2008/09 Board approval) and is looking to adopt a more 'programmatic' approach. Discussions in Hanoi and Manila show that the ADB team is certainly open to us working together across the sector.

What will be important is to find the appropriate approach/mechanism that allows us to work together effectively across the sector on key policy issues. The World Bank already has substantial experience in multi-donor operations using different mechanisms (going from World Bank administered multi-donor Trust Funds, to the co-financing of a large investment loan (PEDC) and the recent Education For All – Support Program's parallel co-mingled financing of the Education National Targeted Program). We could build on these mechanisms to initiate a collaboration with ADB and, as needed, with the other main donors involved in education (in particular JICA, DfID, EC and CIDA).

2. Proposed objective(s)

The School Education Quality Assurance Program (SEQAP) aims to improve the quality of school education, at pre-primary, primary, and secondary levels. More specifically, SEQAP would improve student learning outcomes in the aggregate, while also increasing the equitable distribution of those learning outcomes across the student population (i.e. closing gaps by socio-economic level, rural/urban area, gender, ethnicity, etc.).

The proposed outcome indicators include: (i) increase the percentage of primary students reaching the "independent learner" stage and/or performing at level 4 or more in the reading and math skills scale; (ii) decrease percentage of primary students with low levels of reading and math skills (levels 1 and 2), with particular emphasis on poor, rural, and other disadvantaged groups; (iii) achieve universal primary completion; and (iv) increase secondary school enrollment, particularly for the most disadvantaged socio-economic groups.

3. Preliminary description

The program would combine support for new quality-enhancing measures that would apply to all school-level sub-sectors (Component A), with support of the policy framework and investment in the implementation of the Government's policy of extending "full-day schooling" (FDS) (i.e. 10 sessions or 35 periods per week) in primary education.

Component A: Improving Quality across Education Levels through Support for Student and Teacher Assessment and School Management

This component would promote quality improvements at all levels of the education system by supporting systemic measures in the areas of student learning outcomes, teacher quality and management capacity of province, districts and schools.

A.1 Student learning outcomes

Regular and fully comparable across schools (objectively based) student assessment is still not common practice in Vietnam, while it is a key diagnostic and accountability tool for quality improvement. This sub-component will support:

(a) Sustainable and affordable assessment for all students as part of FSQ results in basic learning (literacy, numeracy) at regular intervals in the school system with feedback to schools/teachers, students and parents. Sustainability will require identifying a capable “institutional home” to undertake the assessments. Student-level feedback will be provided against achievement levels to allow diagnosis and support for individual students. School-level feedback will be provided against norms for province and national level to allow diagnosis of relative strengths and weakness in teaching and curriculum coverage with implications for district and school level support, teacher in-service training, and accountability to school community.

(b) Regular sample assessment of students at selected grade levels in designated subjects, including school and student background variables, to permit system-level monitoring, targeting of resources, and evidence-based policy formulation (including linking teacher quality to student outcomes).

(c) Participation in international assessments, such as TIMSS and PISA, to also provide capacity development.

A.2 Teacher quality

Teacher professional standards (profiles) have been introduced, but their application is still limited. This sub-component will support:

(a) Strategies for improved teacher performance appraisal, including wider applicability. Teacher profiles could be improved by factoring in student learning outcomes. Cost-effective strategies will be identified to apply teacher professional standards nationally and extend them to secondary education. Once this is done, the standards will be linked to career growth (linking performance appraisal to titles) and in-service training, and included in FSQ.

(b) Policies on school-based and district-level in-service training. In-service training will be improved and better tied to teachers’ professional standards and the requirements of full-day schooling. An institutional framework for external course accreditation will be put in place.

A.3 Management capacity

Provinces and districts have been conferred larger responsibilities in the management of education but have still low capacity to carry them out effectively. Schools have very little autonomy in Vietnam, only about half have school development plans and only about a third of the school campuses have individual parent associations, while there is evidence that school-based management can be conducive to higher learning.

This sub-component will support strategies for strengthening province and district management capacity and empowering schools. This will require improved accountability, monitoring and evaluation at all levels, including the use of FSQ data on inputs, processes and results for planning and reporting. School empowerment will also include effective transfer of responsibilities to the school and definition of the role of different school actors, also in the light of the new policy on full-day schooling; and promotion and strengthening of parental associations and school development plans.

Component B. Improving Quality in Primary Education through Support of the Transition to Universal Full-Day Schooling

This component would promote quality improvements in primary education by supporting a viable strategy and the related investments for the implementation of full-day schooling, with particular focus on disadvantaged locations. Only about 30% of the primary students are involved in full-day schooling, which has been shown to be highly positively related to learning. In the most disadvantaged districts, this proportion falls to 9%. With a sharp decline in the school age population and the consequent teacher surplus and classroom availability, coupled with an increasing budget for education, it is appropriate to consider a move to full day primary schooling for all children in Vietnam.

B.1 Strategic choices for the transition to universal full-day schooling

This sub-component will identify an affordable, equitable and sustainable strategy for full-day schooling, by:

- (a) Determining adequate minimum periods of schooling (incorporated into FSQL inputs), curriculum coverage, workloads and conditions of service of teachers, normative class sizes (with multi-grade provisions);
- (b) Identifying cost-effective strategies for deploying teachers¹⁵, including monitoring pupil-teacher ratios and, as needed, adjusting them to release teachers for the needs of full day schooling, envisaging more district autonomy in teacher management and introducing active policies and incentives for teachers to be redeployed where they are most needed (in particular related to the new requirements of full-day schooling);
- (c) Identifying efficient and equitable sequencing strategies for the implementation of the reform (by geographic area, school grades, existing number of sessions, teacher and infrastructure availability, etc).

B.2 Transitional support for the introduction of full day schooling in disadvantaged districts

This sub-component will support specific investment in disadvantaged districts for the implementation of full-day schooling, by focusing on:

- (a) Investments in additional teachers, teaching materials, school expansion, rehabilitation and refurbishing, with related operation and maintenance costs.
- (b) Demand side initiatives to promote attendance of disadvantaged groups (e.g., cash transfers, transport to main school sites, school feeding programs).

Component C. Support for Program Management

4. Safeguard policies that might apply

Safeguard policy on indigenous people may apply. Many indigenous people live in disadvantaged districts which will benefit from the proposed full-day schooling reform.

¹⁵ Teacher deployment is currently inefficient in Vietnam, as also illustrated by a pupil-teacher ratio of only 21 in 2005/06 and rigidities in teacher allocation. The pupil-teacher ratio has fallen to levels well below those in other countries of the region.

Safeguard policy on environment may apply if new schools are constructed under the project. School rehabilitation vs. school construction is however still under discussion.

[Guideline: Refer to section 5 of the PCN. Which safeguard policies might apply to the project and in what ways? What actions might be needed during project preparation to assess safeguard issues and prepare to mitigate them?]

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	5
INTERNATIONAL DEVELOPMENT ASSOCIATION	45
BILATERAL AGENCIES (UNIDENTIFIED)	20
FOREIGN MULTILATERAL INSTITUTIONS (UNIDENTIFIED)	20
Total	90

6. Contact point

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