

ASIAN DEVELOPMENT BANK

RRP: VIE 28309

**REPORT AND RECOMMENDATION
OF THE
PRESIDENT
TO THE
BOARD OF DIRECTORS
ON A
PROPOSED LOAN
TO THE
SOCIALIST REPUBLIC OF VIET NAM
FOR THE
UPPER SECONDARY EDUCATION DEVELOPMENT PROJECT**

November 2002

CURRENCY EQUIVALENTS

(as of 15 November 2002)

Currency Unit	–	dong (D)
D1.00	=	\$0.00007
\$1.00	=	D15,369.5

ABBREVIATIONS

ADB	–	Asian Development Bank
BOET	–	bureau of education and training
DOET	–	provincial department of education and training
EFA	–	education for all
EMIS	–	education management information system
GDP	–	gross domestic product
GER	–	gross enrollment rate
IASC	–	Interagency Steering Committee
IEC	–	information, education, and communication
JICA	–	Japan International Cooperation Agency
MOET	–	Ministry of Education and Training
NER	–	net enrollment rate
NPIU	–	National Project Implementation Unit
PPIU	–	provincial project implementation unit
SESMP	–	secondary education sector master plan
TTU	–	teacher training university
TUSS	–	technical upper secondary school

NOTES

- (i) The fiscal year (FY) of the Government and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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LOAN AND PROJECT SUMMARY

Borrower	Socialist Republic of Viet Nam
Classification	Poverty intervention Primary: Human development Secondary: Gender and development
Environment Assessment	Category C: Environmental implications were reviewed and no significant adverse environmental impacts were identified.
Project Description	<p>The Project will help the Government of Viet Nam gradually expand upper secondary education by 2010, and support the Government's major curriculum and textbook renovation in upper secondary education. The Ministry of Education and Training (MOET) plans to introduce a 3-year pilot tryout of a new, diversified upper secondary curriculum starting from the 2002/04 school year. The Project will help improve the quality and efficiency of upper secondary education by supporting the Government's effort to diversify the curriculum and textbooks in line with student-centered, active learning methods during the try-out and revision period; and by developing quality support systems such as trained teachers, improved libraries, and well-equipped laboratories, and student assessment. The Project will promote access, equity, and participation in upper secondary education in disadvantaged provinces through (i) school facilities; (ii) provision of furniture and equipment; and (iii) study support programs for the poor, ethnic minorities, and girls. The Project will also strengthen institutional capacity, from MOET to local administration, by examining possible approaches to decentralized management of upper secondary education.</p>
Rationale	<p>Primary education became near-universal in 2000—a remarkable achievement among developing countries with similar levels of per capita income. Expansion of secondary-level coverage has also been remarkable. During 1991–1999, lower secondary school enrollment grew from 2.7 million to 5.8 million, for a net enrollment rate (NER) of 68%. Upper secondary school enrollment also expanded rapidly, from about 700,000 to 2 million, for an NER of 32%. Despite impressive gains in access, much remains to be accomplished to improve the quality of upper secondary education.</p> <p>The quality of education suffers mostly from limited instructional time and out-of-date memorized teaching and learning methods. MOET plans to introduce the new, diversified upper secondary school curriculum, with general curriculum courses designed for the many students who will probably not proceed to the tertiary education level. To improve curriculum relevance to the labor market, content needs to be linked to industry demands. The diversified curriculum is under preparation, and try-out of new teaching methods and instructional materials for grade 10 will begin in the 2003/04 school year. A challenge for quality improvement is to change classroom teaching and learning to be more active and student centered.</p>

Significant disparities in enrollment and cycle completion between rural and urban and among ethnic groups appear at the upper secondary level. Ethnic minority students are particularly disadvantaged. The Government needs to reach poor, underserved groups by strengthening institutional capacity in decentralized education management and by developing adequate regulatory options to manage and monitor nonpublic upper secondary schools.

Objectives and Scope

The broad objective of the Project is to contribute to poverty reduction in Viet Nam through development and improvement of upper secondary education. Over the medium term, the Project will improve quality, efficiency, access and equity, and management capacity in upper secondary education, by strengthening quality support systems nationwide and targeting some of the most economically and educationally disadvantaged areas in the country. The specific project objectives are to (i) improve quality and efficiency of upper secondary education by (a) supporting the Government effort to try out and diversify the curriculum, textbooks, and other instructional materials; and (b) developing education quality support systems such as trained teachers, improved libraries, equipped laboratories, and improved evaluation, student assessment, and quality assurance systems; (ii) improve access, equity, and participation in upper secondary education in the disadvantaged areas through school construction and replacement, provision of furniture and equipment, and study support programs for the poor, ethnic minorities, and girls; and (iii) strengthen institutional capacity to manage upper secondary education, from MOET to local administration, including provincial departments of education and training (DOETs), district bureaus of education and training, and schools, by examining possible approaches to decentralized management.

Cost Estimates

The total project cost is estimated at \$80 million equivalent, including taxes and duties, physical and price contingencies, and interest charge on the loan. The foreign exchange cost is estimated at \$29.9 million (37.4% of the total cost), and the local currency cost at \$50.1 million equivalent (62.6%).

Financing Plan

Sources	(\$ million)			
	Foreign Exchange	Local Currency	Total Cost	Percent
ADB	29.9	25.1	55.0	69
Government	0.0	17.0	17.0	21
Community	0.0	8.0	8.0	10
Total	29.9	50.1	80.0	100

ADB = Asian Development Bank.

Loan Amount and Terms

It is proposed that ADB provide a loan of SDR 41,615,000 (\$55 million equivalent) from its Special Funds resources, with a maturity term of 32 years, including a grace period of 8 years and an interest charge of 1.0% per annum during the grace period and 1.5% per annum thereafter.

Period of Utilization	Until 31 December 2009
Estimated Project Completion Date	30 June 2009
Executing Agency	Ministry of Education and Training
Implementation Arrangements	<p>MOET will have overall responsibility for project coordination and implementation. An Interagency Steering Committee will provide overall guidance for the Project and help other government agencies coordinate and liaise with each other. A National Project Implementation Unit (NPIU) will oversee day-to-day implementation of project activities. A deputy manager and six specialists for administration and finance, monitoring and evaluation, civil works, procurement, textbook and curriculum development, and staff development will assist the NPIU manager. Provincial project implementation units (PPIUs), one in each project province, will be set up in existing DOETs to coordinate, plan, implement, monitor, and supervise the Project; and report to the NPIU on province-level project activities.</p>
Procurement	<p>All ADB-financed goods and services will be procured following ADB's <i>Guidelines for Procurement</i>, and civil works and procurement of teachers' guides will follow government procedures acceptable to ADB. International competitive bidding procedures will be applied to supply contracts for goods and services estimated at \$500,000 equivalent or more. Supply contracts for goods such as vehicles and computers (other than instructional materials) of less than \$500,000 but more than \$100,000 will follow international shopping procedures. Supply contracts for instructional materials of less than \$500,000 equivalent but more than \$100,000 will follow local competitive bidding (LCB) procedures. Small contracts for minor items of less than \$100,000 equivalent may be procured by direct purchase. Project civil works will consist of construction and replacement of classrooms and facilities. All project civil works contracts will be awarded on the basis of LCB following government procedures acceptable to ADB.</p>
Consulting Services	<p>The Project will use consultants to develop quality support systems nationally; promote access, equity, and participation in disadvantaged provinces; and strengthen decentralized management of upper secondary education. Approximately 56 person-months of international and 154 person-months of domestic consulting will be needed. The Government will select and engage all ADB-finance consultants through a firm using quality- and cost-based selection and in accordance with ADB's <i>Guidelines on the Use of Consultants</i> and other arrangements satisfactory to ADB on the engagement of domestic consultants.</p>

Project Benefits and Beneficiaries

The Project will upgrade upper secondary education to produce graduates with the skills to meet the requirements of the Vietnamese economy. The Project will improve conditions in the community where the project schools are and ensure that upper secondary education is responsive to local needs. Approximately 45% of all beneficiaries will be female.

The beneficiaries of component 1 will be all upper secondary education students (about 5 million during the Project) who will have access to more modern, interesting, and relevant curriculum and learning materials. The Project targets approximately 66,000 students during the pilot try-out, and revision of the curriculum and textbooks in 55 upper secondary schools in the 11 selected provinces. While the curriculum is being developed, 100 master teachers, 1,000 core trainers, and about 18,600 teachers will receive training. About 230,000 poor students will benefit from access to improved instructional materials. The new technical upper secondary schools will benefit employers, who will have a source of well-trained employees, and students, who will have more jobs.

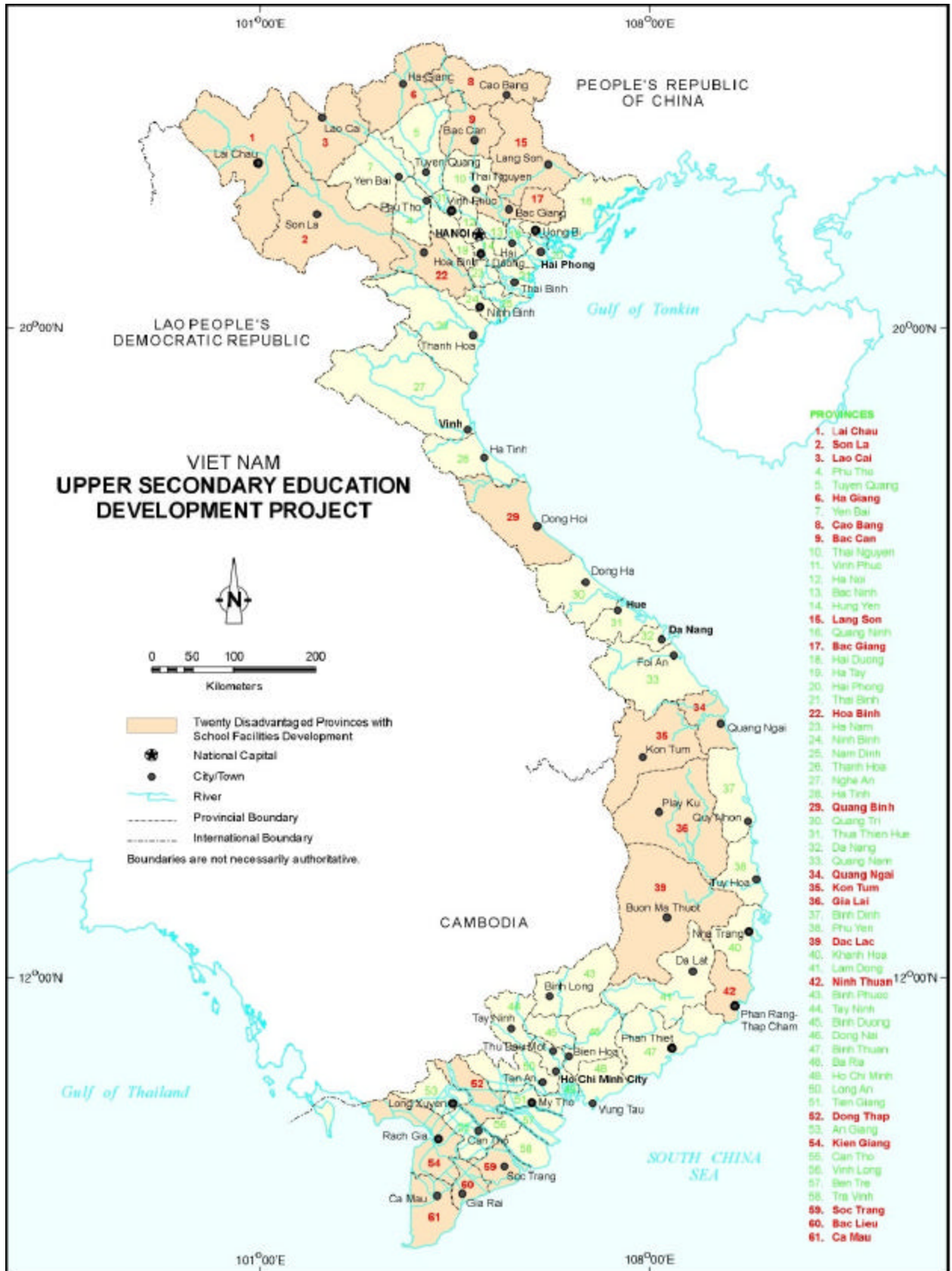
Under component 2, poor, ethnic minority, and female students in the 20 disadvantaged provinces will be direct beneficiaries. Provision of about 1,500 constructed and replaced classrooms will benefit approximately 120,000 upper secondary students; 22,500 poor, ethnic minority, and/or female students will attend special study support programs; and 1,000 teachers will be trained to provide these programs. Another 810 teachers will receive in-service training to update their teaching skills. Information, education, and communication programs will benefit ethnic minority girls, who will be encouraged to attend upper secondary schools.

The beneficiaries of component 3 will be communities, through closer relationships with their schools, and better-managed public and nonpublic schools. Pilot initiatives in community-school partnerships and school management in difficult situations will lead to efficiency gains and resource mobilization for schools. Approximately 1,400 education administrators, school principals, and members of community groups and parents associations will receive management training.

Risks and Assumptions

The Project will help the Government introduce a new, diversified curriculum and textbooks, but not all classrooms will have teachers trained in the new curriculum, textbooks, or instructional materials at the beginning of the school year. MOET is aware of the risk, and phasing the introduction of the curriculum and textbooks will be flexible. The Project will also build on and collaborate with existing systems at the DOET level for in-service teacher training, and civil works. During the transition, teachers will continue to rely on familiar teaching methods. However, most teachers are willing to accept new teaching methods and will try to adopt them. Risks involved in improving access, equity, and

participation in upper secondary education in disadvantaged areas are that (i) qualified teachers and volunteers to conduct the special study support programs are lacking, and (ii) school sites in provinces might not be in the neediest areas. During project preparation, detailed discussions were held with DOETs, and the selection criteria carefully developed. To minimize risks involved in civil works, PPIUs will utilize the services of provincial construction engineers to supervise civil works and budgets, undertake fieldwork, and hold consultative meetings.



I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Socialist Republic of Viet Nam for the Upper Secondary Education Development Project.

II. RATIONALE: SECTOR PERFORMANCE, PROBLEMS, AND OPPORTUNITIES

A. Performance, Indicators and Analysis

2. Primary education became near-universal in 2000—a remarkable achievement among developing countries with similar levels of per capita income. Expansion of secondary-level school coverage has also been remarkable. During 1991–1999, lower secondary school enrollment grew from 2.7 million to 5.8 million, for a net enrollment rate (NER) of 68%. Upper secondary school enrollment also expanded rapidly, from about 700,000 to 2 million, for an NER of 32%. In 1994–2000, enrollment in lower secondary education grew by 61%, and upper secondary, by 202%. Enrollments of males (53%) and females (47%) are almost on par. Viet Nam is making good progress in meeting the Millennium Development Goals of universal primary education and gender equality. The Government's sector policy targets by 2010 are to (i) consolidate universal primary education, (ii) universalize lower secondary education, and (iii) gradually expand upper secondary education.¹ The Government targets a nationwide gross enrollment rate (GER) of upper secondary education at 45% in 2005 and at 50% in 2010.

3. Despite impressive gains in access, disparities exist by geographic location and economic and social background, and much remains to be accomplished to achieve these sector policy targets. “Unreached” and poor groups must be reached, and education quality improved under decentralized education management. Viet Nam remains a low-income country with per capita gross domestic product (GDP) of \$395 at 2000 prices. Many people are poor, with 45% of the rural population living below the poverty line, typically farmers with little education, and upland ethnic minorities. Ethnic minority children are particularly disadvantaged. In 1999, 32% of the Kinh ethnic majority but only 8% of ethnic minorities were enrolled in upper secondary schools.² The gap between the poor and the nonpoor is also significant. According to the Viet Nam Living Standard Survey (1997-1998), the GER was only 9.5% for upper secondary students from the lowest income quintile, and 75.4% for the highest.³ The poverty-related gender gap also widens at the upper secondary school level. In 1999, the female NER was 42.6% in the 15 provinces with the best enrollment (top quartile), but only 20.0% in the 15 provinces with the poorest enrollment (bottom quartile).

4. Improving the quality of education is a high policy priority of the Ministry of Education and Training (MOET) in view of the need to develop a creative, flexible, self-motivated, and skilled labor force for a knowledge- and market-based economy. A new, diversified curriculum and compatible textbooks and instructional materials are thus being developed for upper secondary education. The new, diversified curriculum intends to encourage active, student-centered teaching and learning methods. The Project seeks to help the Government develop and improve upper secondary education in accordance with government policies, plans, and targets.⁴ The project framework is in Appendix 1.

¹ Ministry of Education and Training. March 2002. *Vietnamese Education Development Strategy to Year 2010 for the Industrialization and Modernization of Viet Nam*. Hanoi.

² Joint Report of the Government of Viet Nam-Donor-Nongovernmental Organizations Poverty Working Group, December 1999. *Viet Nam: Attacking Poverty*. Hanoi.

³ General Statistical Office. 2000. *Viet Nam Living Standard Survey, 1997-1998*. Hanoi: Statistical Publishing House.

⁴ Technical assistance has been provided to prepare a project proposal. ADB. 2001. *Technical Assistance for the Upper Secondary Education Development Project*. Manila.

B. Analysis of Key Problems and Opportunities

5. Although upper secondary education in Viet Nam has made remarkable progress in recent years, the following constraints need to be addressed: (i) quality and efficiency, (ii) access and participation, (iii) affordability and public-private partnerships, and (iv) institutional capacity in management. The sector and subsector analysis is in Appendix 2.

6. The quality of teachers needs to be improved. Although most possess the required formal qualifications, teachers badly need skill updating, familiarity with curricular changes, and new teaching methods. In-service teacher training is urgently required. In-class instructional time is also low by international standards. Classes almost totally rely on teacher lectures. The Government plans to introduce the upper secondary curriculum, with general curriculum courses designed for the many students who will probably not proceed to the tertiary education level. To improve relevance of the curriculum to the labor market, content needs to be linked to industry demands. The diversified curriculum is under preparation, and try-out of new teaching methods and instructional materials for grade 10 will begin in the 2003/04 school year. A challenge for quality improvement will be to make classroom teaching and learning active and student centered. Internal efficiency remains low in upper secondary education. Dropping out and grade repetition are common, particularly in rural and highland provinces. External efficiency is also a problem, as measured by transition rates from one level to the next or by transition from school to work.

7. Access to upper secondary education is limited to about one third of the age group (15–17 years) and is more restrictive for ethnic minorities. Significant disparities between rural and urban enrollment and cycle completion are found at the upper secondary education level. In 1999, NER was below the national average of 32% in predominately rural regions such as the Northern Uplands, Central Coast, Central Highlands, and Mekong River Delta. The GER was 47.52% in 15 provinces with the best enrollment (top quartile) and only 21.37% in the 15 provinces with the poorest enrollment (bottom quartile). Efforts to promote access and equitable participation must focus on the provinces, many of which have unique economic and social characteristics requiring targeted responses to education issues.

8. Enrollment in nonpublic schools is growing at the upper secondary education level, accounting for 34% of total enrollment. Expanding nonpublic schools is an important means to finance expanded access. However, other ways in which the Government can support expansion must also be considered as fees for upper secondary education burden poor households, exceeding their annual nonfood consumption outlay. MOET and its provincial departments cannot meet all the education expansion and quality improvement objectives and thus need to (i) concentrate on investments that will most effectively expand access and raise quality; and (ii) develop public-private sector partnerships, including the option of establishing purely private schools, especially in affluent urban areas.

9. Institutional capacity for effective school management needs to be strengthened at the provincial and district levels. Managerial capacity is weak in core competencies such as planning, budget allocation, delivery of in-service training and other teacher support services, monitoring of teacher and student performance, and assessment of learning achievement with appropriate feedback to teachers. National government transfers for recurrent budget and provincial allocations to districts should be rationalized and harmonized. The system could cause resource shortfalls, and gaps between local plans and actual transfers.

10. ADB is supporting lower secondary education development and in-service teacher training and lower secondary preservice teacher training development. Key lessons from the ongoing lower secondary education projects include the following:

- (i) The piloting of new curriculum and textbooks at the upper secondary education level can be shortened from 2 years to 1 since MOET has gained experience at the lower secondary level.
- (ii) The textbook loan scheme can generate income for school improvements.
- (iii) Capacity-building support is required to strengthen project management and implementation.⁵

ADB is also supporting the renovation of the vocational and technical education system.⁶ To achieve the targets set forth in the long-term government strategy, and other international development targets, including the Millennium Development Goals, the Government requested ADB to help prepare the secondary education sector master plan (SESMP) as an analytical tool and decision-making guide. The SESMP analyzes issues, policy frameworks, feasible strategies, enrollment projections by province, financing trends, investment priorities with costed options, and an implementation timetable to develop and improve secondary education.

11. The European Union is supporting improvements in MOET capacity in sector analysis, finance, and management, including an information system. The World Bank, other agencies from Japan and the United Kingdom, United Nations Children's Fund (UNICEF), and nongovernment organizations have focused on primary education and primary education teacher training. The World Bank is also supporting higher education, together with bilateral agencies from Canada, Japan, and the Netherlands. The Japan International Cooperation Agency (JICA) is supporting a primary education development plan. Recently, the United Nations Education, Scientific and Cultural Organization (UNESCO) began helping the Government prepare a national action plan for extended education for all (EFA), including early childhood development, primary, lower secondary, and nonformal education. The national EFA planning process will integrate findings and recommendations of JICA's primary education development plan and of SESMP. External assistance to the education sector is described in Appendix 3.

12. Given the strategic role of upper secondary education, MOET has identified three primary areas for its development: (i) improving the quality and efficiency of education; (ii) increasing access to education in poor and rural provinces, and participation of poor and ethnic minority students; and (iii) making education management efficient through decentralization. Quality improvement is the highest policy priority. ADB's strategy will support the Government's vision to modernize the economy and reduce poverty by encouraging pro-poor, sustainable growth and structural changes. ADB's country strategy and program will focus education sector operations on helping the Government achieve universal lower secondary education by 2010 and gradually expand upper secondary education in accordance with the Government's primary areas for its development and improvement.⁷ This is consistent with ADB's past operations and with the emphasis of other aid agencies on consolidating universal access to quality primary education.

⁵ ADB. 1997. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Viet Nam for the Lower Secondary Education Development Project*. Manila; and ADB. 1999. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Viet Nam for the Teacher Training Project*. Manila.

⁶ ADB. 1998. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Viet Nam for the Vocational and Technical Education Project*. Manila.

⁷ ADB. 2001. *Country Strategy and Program (2002-2004): Viet Nam*. Manila.

III. THE PROPOSED PROJECT

A. Objectives

13. The Upper Secondary Education Development Project will help reduce poverty in Viet Nam through development and improvement of upper secondary education. The Project will improve quality, efficiency, access and equity, and management capacity in upper secondary education by strengthening quality support systems nationwide and targeting some of Viet Nam's most economically and educationally disadvantaged. The specific project objectives are to (i) improve the quality and efficiency of upper secondary education; (ii) promote access, equity, and participation in upper secondary education; and (iii) strengthen institutional capacity, from MOET to local administration, including provincial departments of education and training (DOETs), and bureaus of education and training at the district and school levels.

B. Components and Outputs

14. The Project will have three components: (i) supporting conditions for quality improvement in upper secondary education; (ii) improving access, equity, and participation in upper secondary education in disadvantaged areas; and (iii) strengthening management of upper secondary education. While all provinces will be involved under components 1 and 3, the 20 most economically and educationally disadvantaged provinces will be under component 2. These provinces are Ha Giang, Cao Bang, Lao Cai, Bac Kan, Lang Son and Bac Giang in the North East; Lai Chau, Son La, and Hoa Binh in the North West; Quang Binh on the North Central Coast; Quang Ngai on the South Central Coast; Kon Tum, Gia Lai, and Dac Lac in the Central Highlands; Ninh Thuan in the South East; and Dong Thap, Kien Giang, Soc Trang, Bac Lieu, and Ca Mau in the Mekong River Delta.⁸ Profiles and education data of these provinces are in Supplementary Appendix A. Project components are summarized briefly:

1. Component 1: Supporting Conditions for Quality Improvement in Upper Secondary Education

15. The Project will support the policy of improving upper secondary education through development, testing, and dissemination of new curriculums, textbooks, learning materials, teaching methods, and support systems, which will be piloted in 11 provinces.⁹ The support systems include learning support materials and equipment, student assessment, school management, and educational leadership and evaluation systems. Eleven technical centers for comprehensive career orientation will be supported in the 11 provinces. Computer and science laboratory equipment, libraries, and teaching materials will also be provided to 20 ethnic minority boarding schools (1 for each province) and 61 model schools. Four demonstration schools attached to teacher training universities (TTUs) will be upgraded for observation and practice of new teaching methods. The Project will also develop a new model technical upper secondary school (TUSS) and assess demand for it, and its cost-effectiveness. Component 1 has three subcomponents: (i) new curriculum, textbooks, and teaching methodologies; (ii) provision of instructional materials and equipment; and (iii) development of quality assessment systems and enhanced education leadership.

⁸ Selection criteria for these 20 provinces are (i) lowest NER in the country, (ii) low GER and female GER, (iii) a large number of very poor communes and/or low human development index rating, (iv) a high number of ethnic minority people, and (v) relatively high completion rate in lower secondary education but low transition rate to upper secondary education.

⁹ Selection of the 11 pilot provinces will be based on the following criteria: (i) geographical balance—north, central, and south provinces; (ii) socioeconomic conditions—rich and poor provinces; and (iii) ethnic background—plain, mountainous, and coastal provinces.

a. New Curriculum, Textbooks, and Teaching Methodologies

16. Since 2001, the Government has been revising the curriculum and textbooks, and has developed a pilot diversified curriculum for all 14 upper secondary education subjects and is developing textbooks. MOET plans to introduce a 3-year pilot try-out period starting from the 2003/04 school year. Grade-10 curriculum, learning materials, and teaching methods will be tested during the year, then revised during the summer break. Grade-11 materials and methods will undergo the same process in 2004/05, and grade-12 materials and methods, in 2005/06. Nationwide introduction by the Government will follow the piloting and revision for each grade. The Project will support the Government policy of introducing the new diversified curriculum, textbooks, teachers' guides, and workbooks to around 66,000 students during the pilot try-out and revision stage in 55 upper secondary schools in 11 selected provinces. About 2,700 teachers and 55 school principals will be trained in student-centered teaching methods. Women teachers and principals will be given priority to achieve at least the same proportion of women trainees in the overall pool of targeted teachers and principals. Four demonstration schools will be upgraded for observation and practice of the new teaching methods. A multimedia laboratory will be provided with the latest production equipment to help MOET produce audio, video, and other learning support materials. A framework for the new diversified curriculum is in Supplementary Appendix B.

17. National Assembly Decree No. 40 authorizes MOET to develop a new TUSS model. The Project will support the policy by developing a model curriculum and learning materials, providing management support, and assessing the relevance of the TUSS model to economic and social objectives. Four TUSSs—two focusing on agriculture and two on industry or services—are to be included in the pilot try-out of the TUSS model. The model schools will be upgraded and provided with equipment and learning materials.

18. Overseas short-term training will also be provided for 16 curriculum development and 16 instructional design specialists from government agencies and/or institutions. The instructional design specialists will help train 110 curriculum designers and 480 textbook writers. Consulting services will be provided in curriculum development, textbook design, and instructional design. Curriculum renovation must also include the development of teaching skills. For this reason, overseas training will be provided for 16 teacher trainers in especially designed 3-month programs, which will focus on active, student-centered learning methodologies and combine academic training with practical observation and discussions with teachers. Two groups of eight trainers will be sent to two countries. Trainers will have backgrounds in physics, chemistry, biology, history, geography, mathematics, information technology, Vietnamese language, and two other specialties. Upon return from their study programs, the core trainers will develop in-service training programs for teachers in the new curriculum and pedagogical methods in collaboration with the Hanoi University of Education. Training materials will be produced. Nationwide training will be provided for 100 master trainers, 1,000 core trainers, and 10,000 teachers in instructional methods and student assessment approaches to effectively deliver the curriculum. Women trainers and teachers will be given priority to achieve at least the same proportion of women trainers and teachers in the overall pool of the targeted trainers and teachers.

19. In the 20 disadvantaged provinces under component 2, in-service training will update the skills of 810 teachers in subject areas where they are assigned but not fully trained, and retrain 3,660 teachers on new teaching methods. The teachers will be identified by the provinces and schools. As the new curriculum and teaching and learning materials will be finalized for grades 10, 11, and 12, a total of 128 teacher trainers will be trained under the Project.

b. Provision of Instructional Materials and Equipment

20. Once the new teaching materials and approaches have been tested and refined, the Government will disseminate textbooks nationwide. However, the Project will provide instructional materials, teachers' guides and workbooks to all upper secondary schools that serve the poor populations in selected provinces; the schools will receive 120,000 sets of learning materials, initially consisting of learning support materials such as teaching aids, posters, laboratory supplies, computers, and library materials. Where the shortage of textbooks for grades 11 and 12 is severe, old textbooks can be provided temporarily until the new materials become available in 2005 and 2006, respectively.

21. Each of the 20 disadvantaged province has an ethnic minority boarding school, which the Project will support by providing equipment. The Project will thus help the ethnic minority boarding school meet the new standards, including the career orientation needs of ethnic minority students, and enhancement of technical skills, especially of ethnic minority students who wish to work after their upper secondary education.

22. The Project will supply equipment and teaching materials for 61 model schools (1 for each province), including 2 schools which meet international standard, to the extent required for the diversified and streamed curriculum. The schools will demonstrate the effective use of instructional aids and student-centered teaching methods. The Project will also provide equipment for four TUSs, which will support courses relevant to local industry's general requirements and to on-the-job training unique to specific industries and provided by the employers.

23. The Project will support four demonstration schools attached to TTUs to demonstrate teaching methods. The Project will provide the schools with high-standard equipment and replace outdated equipment.

24. To strengthen career orientation, curriculum, and teaching methods for technical and vocational activities, the Project will support the extension of 11 existing centers in 11 try-out provinces. The Project will upgrade existing vocational education centers by transforming them into centers for comprehensive career orientation. They will provide technical and practical training for upper secondary school students undertaking optional topics in career orientation. The centers will be equipped for skill training in locally specific activities such as agriculture, fishery, horticulture, forestry, engineering, and technology.

c. Development of Quality Assessment Systems and Enhanced Education Leadership

25. Assistance will be provided to develop, try out, and disseminate materials and programs to train school managers (principals and administrators) in education leadership, supervision, and school management. All public upper secondary school principals will be trained in school management and education leadership techniques to support student-centered, active learning approaches. New student assessment systems will also be developed. School managers and teachers will train in the new assessment techniques after they have been tried out and refined. Appropriate education evaluation and quality assessment systems will be disseminated through teacher and principal training programs.

26. Designing strategies to improve the cost-effective delivery of education in poor and often predominantly rural areas is not easy. Ensuring that the curriculum remains manageable for teachers and pupils and allows a degree of flexibility for students' different academic ability

levels and aptitudes will require systematic assessment of learning outcomes. Curricular reform and development will be accompanied by a pilot assessment of pupils' performance. Information from the assessment will help MOET and provincial education leaders understand the extent to which the reforms are effective. The assessment of learning achievement will be designed to reveal the individual student's strengths and weaknesses in specific skill areas, and give valuable feedback to the teacher about how to pace and structure lessons, for example, and to the curriculum developer and textbook writer information about how well students learned what was intended to be taught. The cost of the assessment will be kept low by relying on a representative sample of students from participating pilot schools and new curricular areas. Baseline data on student performance will be used for comparative estimates of incremental learning across different types of schools with similar student intake.

2. Component 2: Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas

27. Component 2 will help the 20 disadvantaged provinces improve access, equity, and participation. Special programs and support services will be provided for ethnic minority, female, and very poor students. Civil works for building new schools and replacing existing classrooms will provide greater access to upper secondary education for these groups. Component 2 has three subcomponents: (i) school facilities development; (ii) study support programs with vocational orientation; and (iii) development of information, education, and communication (IEC) programs.

a. School Facilities Development

28. Civil works, together with furniture, equipment, and sanitary facilities, will initially comprise construction of 2,000 schoolrooms, including 1,484 classrooms, 130 libraries, 226 science laboratories, and 160 computer laboratories. Construction and replacement of school facilities in the districts with the poorest communes will be scheduled in each province on a priority basis. Assistance to the 20 provinces will be provided in stages, depending upon readiness and need to expand. Construction and replacement will begin in the second year of the Project and can take place during summer when school is not in session or during the school year if classes will not be disrupted. Construction will be contracted locally.

b. Study Support Programs with Vocational Orientation

29. Special study support programs, including tutorials and vocational orientation, will be developed and provided annually for 5,000 very poor, female, and ethnic minority students to help them keep up with their studies and remain in school.¹⁰ The study support programs will be provided by 1,000 qualified teachers and other volunteers. Upper secondary teachers in very poor and ethnic minority areas will be targeted and expenses provided for them to deliver these programs.

c. Development of Information, Education and Communication Programs

30. The reasons for low enrollment of the poor, ethnic minorities, and girls are complex, and IEC programs will consider the sociocultural factors and implications of direct and opportunity costs of upper secondary schooling for these groups. IEC programs and materials will be developed to encourage families and girls, especially of ethnic minorities, to enter and remain in upper secondary schools. Materials will include print (newsletters, posters, handouts) and mass

¹⁰ Further details of the study support programs are given in para. 38.

media (radio and television programming), and approaches such as discussion groups, meetings, and teacher awareness training. Twenty core volunteer trainers selected from teachers, the community, and NGOs will be trained; and 3,600 educators will receive awareness training. Consultants will develop IEC programs focusing on learning needs of ethnic minority students and vulnerable girls from poor families, and complementing the Government's poverty reduction efforts to provide scholarships and stipends to the poor, especially ethnic minority girls.

3. Component 3: Strengthening Management of Upper Secondary Education

31. Under the decentralized implementation structure, lower levels of administration have decision-making authority to allocate resources. However, Viet Nam faces new challenges in strengthening decentralized education management. Component 3 will support government efforts to identify means to decentralize education management. Five pilot initiatives will explore new approaches to financing schools, improving school-community partnerships, identifying appropriate administrative roles and responsibilities, managing schools in difficult areas, and socializing (cost sharing in) upper secondary education. Regulatory options to better manage nonpublic upper secondary education will be examined, and new information technology, including a student-based education management information system (EMIS), will be applied to upper secondary school management. Project activities under component 3 will complement the public administration reform program, which promotes autonomy of MOET and its lower administrative bodies.¹¹

a. Strengthening Decentralized Upper Secondary School Management

32. Pilot initiatives in two provinces—one richer than the other—will be selected for each of the five pilot activities dealing with approaches to decentralized management: (i) financing of schools, (ii) improvement of community-school partnerships, (iii) administrative roles and responsibilities in a decentralized environment, (iv) management of schools in difficult situations, and (v) socializing of upper secondary education in rural and remote areas. Thai Binh, Tuyen Quang, Yen Bai, Hoa Binh, Quang Ngai, and Ninh Thuan provinces will host the first three pilot activities. Lang Son province in the North East and Dong Thap province in the Mekong River Delta will host the pilot initiatives on school management in difficult situations and socializing of upper secondary education in rural and remote areas. Based upon the results of the pilot initiatives, decentralization management training will be provided to approximately 1,400 education administrators, school principals, and members of community groups and parents associations. Such training will be conducted in 20 disadvantaged provinces involved in component 2, starting from the third year of project implementation.

b. Regulatory Options to Manage Nonpublic Upper Secondary Schools

33. In view of the recent rapid increase of nonpublic upper secondary schools, the Project will examine the options for regulating and monitoring them, including techniques and training to manage the three types of nonpublic schools (semigovernment, people-funded, and private schools). The provinces involved will be Hai Phong in the Red River Delta, and Quang Ninh in the North East. Based on the findings and a thorough review of experience of other countries, the Government will develop regulatory measures that will concentrate on school outputs rather than on overly restrictive barriers that might inadvertently discourage nonpublic schools.

¹¹ The Government of Viet Nam. 2001. *Master Program on Public Administration Reform for the Period 2001-2010*. Hanoi.

c. **Application of New Information Technology in Upper Secondary School Management**

34. The Project will develop a new student-based EMIS tracking and analysis system to help identify and support vulnerable children (in and out of school) and assess their progress through the education system. The Project will also use the student-based EMIS to conduct students' assessment, train managers, and provide software for subject teachers in TUSSs. The student-based EMIS will first be developed in two provinces to be identified. The Project will provide training for 126 EMIS specialists and EMIS equipment to 61 DOETs and MOET.

C. **Special Features**

35. **A Modular Approach in Diversified Upper Secondary Curriculum.** The Project will recommend modules such as (i) generic enterprise and work education; (ii) health, sex, HIV/AIDS, and gender education; and (iii) computer and information technology. The first will provide students with skills to complete the transition from upper secondary schools to employment or further education and training and to foster the desire for life-long learning. The second will mainly help students enter adulthood by developing self-esteem, respect for self and others, rewarding human relationships, and the joy of desired parenthood. The third will teach students how to use personal computers and computer applications.

36. **Model Technical Upper Secondary Education.** Support for TUSS involves a pilot try-out of a new type of institution in Viet Nam. TUSSs will serve a target group not served under the new curriculum and provide a pool of trained persons who may contribute to human capital formation in unique ways. The assumption that students and employers demand more technology-oriented education will be examined as part of the project evaluation by referring to indicators of external efficiency. While the comparative analysis of external efficiency will require tracer studies of several years, the Project will provide interim results for the Government's consideration. Interim results will include, among other things, (i) an analysis of costs and learning achievement in TUSS schools compared to general secondary school students, and (ii) a demand analysis for TUSS among potential students and demand for graduates among employers.

37. **Integrated Provision of Upper Secondary Education in Disadvantaged Areas.** The Project includes several integrated elements in the 20 disadvantaged provinces: (i) in-service teacher training for teaching methods based on student-centered, active learning approaches; (ii) provision of the new curriculum, instructional materials, and equipment; (iii) school construction and replacement, and study support and IEC programs; and (iv) school management and EMIS training. An integrated provision of education services by targeting poor, ethnic minority, and female students is envisaged to help reduce poverty in the most economically and educationally disadvantaged areas in the country.

38. **Study Support Programs.** They will target poor students in the 20 provinces under component 2. The programs are designed to provide additional opportunities for general study and vocational orientation when school is not in session. Three special concerns of the study support programs are (i) identifying students who need support, (ii) encouraging them to attend the programs given their home and work commitments, and (iii) evaluating the results of the programs. If the programs can keep at-risk students in school, the programs should be expanded nationwide.

39. **Student-Based EMIS.** An innovation will be introduced to EMIS, which is effective in gathering fairly accurate data nationwide, which is not, however, disaggregated by gender,

ethnicity, or other important student characteristics. The student-based EMIS is designed to allow tracking of individual or groups of students with special learning needs.

D. Cost Estimates

40. The total project cost is estimated at \$80.0 million equivalent, of which an estimated \$29.9 million or 37.4% is the foreign exchange cost, including \$2.4 million interest on the proposed loan. The local currency cost is estimated at \$50.1 million equivalent or 62.6% of the total cost. The detailed project cost estimates and financing plan are in Appendix 4.

Table 1: Cost Estimates
(\$ million)

Component	Foreign Exchange	Local Currency	Total Cost
A. Base Cost			
1. Supporting Conditions for Quality Improvement in USE	10.84	15.67	26.51
2. Improving Access, Equity and Participation in USE in Disadvantaged Areas	12.52	23.15	35.66
3. Strengthening Management of USE	0.96	1.29	2.25
4. Project Implementation	0.50	1.80	2.30
5. Taxes and Duties	0.00	4.31	4.31
Subtotal (A)	24.82	46.21	71.03
B. Contingencies			
1. Physical Contingencies	1.24	2.31	3.55
2. Price Contingencies	1.48	1.56	3.04
Subtotal (B)	2.72	3.87	6.59
C. Interest Charge	2.38	0.00	2.38
Total	29.92	50.08	80.00

USE = upper secondary education.

Source: Asian Development Bank estimates.

E. Financing Plan

41. It is proposed that ADB provide a loan of SDR 41,615,000 (\$55 million equivalent) from ADB's Special Funds resources to finance 68.8% of the total project cost. ADB will fund 100.0% of the foreign exchange cost or 37.4% of the estimated total project cost, and \$25.1 million equivalent of the local currency cost or about 50.1% of the total local currency cost. The loan will have a term of 32 years, including a grace period of 8 years, with an interest charge of 1.0% per annum during the grace period and 1.5% per annum thereafter. The remaining \$25 million equivalent as counterpart financing or 31.2% of the total project cost will be provided by the Government (\$17 million) and communities (\$8 million), including financing in kind by communities, provision of land for new schools and facilities, provision of materials and labor for small civil works, taxes and duties, and operation and maintenance of project facilities.

Table 2: Financing Plan
(\$ million)

Sources	Foreign Exchange	Local Currency	Total Cost	%
ADB	29.9	25.1	55.0	69
Government	0.0	17.0	17.0	21
Community	0.0	8.0	8.0	10
Total	29.9	50.1	80.0	100

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

42. The provision of financing for local currency cost of about \$25.1 million equivalent is considered justified under ADB's local currency financing policy.¹² From an economic perspective, assistance is required to meet the local currency cost of development projects because a low level of per capita income hinders national savings and puts public finance under pressure. The Government is enhancing revenue collection and improving the efficiency of public expenditure and incentives for private sector participation in revenue-generating public sector projects. Although these efforts are expected to increase national savings, a significant resource gap will continue for some time because the country needs large capital investments. Thus, ADB assistance for project-related local currency expenditures is economically justified. From a technical perspective, the high level of financing of local currency cost is justified because (i) many small civil works are scattered over numerous rural sites, which will utilize locally produced construction materials; and (ii) the Project is funding the delivery of in-country training programs, and recruitment of domestic consultants.

F. Implementation Arrangements

1. Project Management

43. As Executing Agency, MOET will have overall responsibility for project coordination and implementation. An Interagency Steering Committee (IASC) will provide overall guidance to the Project, monitor its activities and outputs, and help coordinate and liaise with other government agencies. Members will be MOET representatives, including from the departments of secondary education, planning and finance, and teachers; National Institute for Educational Science; Ministries of Planning and Investment, Ministry of Finance; State Bank of Viet Nam; and Office of Government. The IASC will be chaired by a MOET vice minister.

44. A National Project Implementation Unit (NPIU) will oversee day-to-day project implementation, and consist of a manager, a deputy manager, and staff appointed by MOET. The NPIU manager will be a member of IASC and report directly to it. Six specialists for administration and finance, monitoring and evaluation, civil works, procurement, textbook development, and staff development will assist the NPIU manager. Other members of the NPIU will be senior staff of concerned MOET departments and institutes, assigned to implement project activities at the central level. Two international consultants (one management advisor and one midterm review specialist) and two domestic consultants (one project management specialist and one monitoring and evaluation specialist) will assist the NPIU. It will also have administrative staff: secretaries, translators, a finance officer, and other support staff. Equipment and operating resources for the NPIU will be provided under the Project. The NPIU will have overall responsibility for project planning, budgeting, monitoring, and reporting; various studies; and coordination of the work of the provincial project implementation units (PPIUs). The curriculum, textbook, in-service training, and other subcomponents will be supported through the Government's scheme to implement the diversified curriculum, and will be managed and implemented by the NPIU. It will also coordinate the work of consultants.

45. Many project activities will be delegated to DOETs, and will be implemented within the existing administrative structure. PPIUs—one in each of the selected project provinces—will be set up in existing DOETs to coordinate, plan, implement, monitor, and supervise project activities, and report on them to the NPIU at the provincial level. The PPIU will consist of a provincial project manager and basic administrative staff designated from existing DOET personnel, with support provided by various specialist staff from provincial government departments as required. PPIUs will undertake general project management and implementation activities, and be responsible for managing and implementing in-service teacher training,

¹² ADB. 1995. *A Review of Lending Foreign Exchange for Local Currency Expenditure on Projects*. Manila.

coordinating school construction and replacement programs, and other capacity-building activities. Decentralized school management will be the responsibility of DOETs in the selected provinces. PPIUs will report to the NPIU on progress and results of activities under their management and implementation. Project management and implementation capacity of DOETs and PPIUs will be further developed by an ADB-financed advisory technical assistance programmed in 2003. Project management and implementation structure are in Appendix 5.

2. Implementation Schedule

46. The Project will be implemented over 6 years, from early 2003 to June 2009. The implementation schedule is in Appendix 6.

3. Procurement

47. All ADB-financed goods and services will be procured in accordance with ADB's *Guidelines for Procurement*. Civil works and procurement of teachers' guides will follow government procedures acceptable to ADB. The NPIU, in close coordination with the PPIUs, will be responsible for all procurement. The indicative procurement package is in Appendix 7.

a. Equipment and Materials

48. Supply contracts for goods estimated at \$500,000 equivalent or more will be awarded on the basis of international competitive bidding. Supply contracts for goods such as vehicles and computers (other than instructional materials) of less than \$500,000 but more than \$100,000 will follow international shopping procedures. Supply contracts for instructional materials of less than \$500,000 but more than \$100,000 will follow local competitive bidding (LCB) procedures. Minor items costing less than \$100,000 equivalent may be procured by direct purchase. Supply contracts for teachers' guides may be awarded to the Education Publishing House on the basis of direct selection. Details of procurement packages and technical specifications will be submitted for ADB approval before procurement.

b. Civil Works

49. Project civil works will consist of construction and replacement of school classrooms and facilities. The estimated unit cost is \$10,000 per classroom/facility, including design and construction supervision. The civil works are spread over upper secondary schools in 20 disadvantaged provinces. The civil works component will be financed by ADB and government and community beneficiaries and will be awarded on the basis of LCB, following government procedures acceptable to ADB. The PPIU will ensure correct implementation of the civil works.

4. Consulting Services

50. Provisions for consultants have been kept to a minimum. The Project will use consultants to develop quality support systems nationally; improve access, equity, and participation in disadvantaged provinces; and strengthen management of upper secondary education. Approximately 56 person-months of international and 154 person-months of domestic consulting will be needed. International consultants will be needed for curriculum and textbook development, teaching methods, learning materials and equipment, evaluation, and quality assessment (component 1); study support programs (component 2); and EMIS development (component 3). Domestic consultants will be needed in curriculum and textbook development, teaching methods, learning materials and equipment, evaluation, and quality assessment (component 1); IEC, social development, and gender and ethnic minority education (component

2); and EMIS development (component 3). Project implementation will require the services of international and domestic NPIU advisers to help set up financial management system, manage procurement, train staff, and coordinate consultants' inputs. Project implementation will also require consulting services in project performance monitoring and evaluation and midterm review. All ADB-financed international and domestic consultants will be selected and engaged by the Government through a firm, using quality- and cost-based selection and in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB concerning the engagement of domestic consultants. The award of subcontract services for ADB-financed learning assessment, studies, evaluation, pilot initiatives, or any activity for an amount greater \$75,000 equivalent will need ADB's prior approval. The NPIU, under the guidance of the IASC, will act as liaison between ADB and consultants. Consulting service requirements and outline terms of reference for consultants are in Appendix 8.

5. Training

51. Extensive in-country and limited overseas training will be provided under the Project with a total of about 1 million in-country person-days and about 4,500 overseas person-days. In-country and overseas fellowship training programs will be provided to upgrade the skills, knowledge, and experience of qualified individuals who will be implementing the project components. Overseas short-term training will focus on specialized subjects related to quality improvement programs under the Project. The Government will establish and submit criteria acceptable to ADB on the award of overseas fellowships. ADB will be provided with a list of (i) the nominated candidates, (ii) their qualifications, (iii) nominated institutions and agencies, and (iv) detailed cost of the proposed courses. ADB approval will be required before the award of overseas fellowships. In-country training will be held at MOET/DOET facilities or other relevant training institutions selected from among reputable training institutions, on a contractual basis. Priority will be given to women participants to achieve at least the same proportion of women as in the overall pool of the targeted candidates. Staff development (training) program is in Appendix 9.

6. Pilot Initiatives

52. Component 3 will involve five action-oriented pilot initiatives to be implemented in three phases. Phase 1 (design) will begin with a review of regulations and conclude with a review and approval of the pilot initiative design by the IASC and NPIU. Phase 2 (implementation) will begin with preparation of programs and materials for orientation/training of provincial staff to be included in pilot initiatives and conclude with monitoring and evaluation of implementation of pilot initiatives. Phase 3 (reporting) will begin with analysis of the results of pilot initiatives and conclude with submission of the final report with recommendations. Pilot initiatives are in Appendix 10.

7. Disbursement Arrangements

53. The Government will provide funds to MOET through budget allocations. To expedite project implementation through the timely release of ADB's funds for eligible expenditures, a dollar imprest account will be established by the Government, at a commercial bank designated by the State Bank of Viet Nam and acceptable to ADB, within 3 months of loan effectiveness. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's *Loan Disbursement Handbook* dated January 2001. The imprest account, with a ceiling amount of \$2.0 million, will be utilized for eligible project expenditures. In view of the large number of small contracts involved, the statement of expenditures procedure will be used for expenditures of \$100,000 or less.

8. Accounting and Auditing

54. MOET will maintain records and accounts to identify goods and services financed from the loan proceeds. Project accounts, including financial statements, statement of expenditures, and imprest account records will be audited annually by independent external auditors acceptable to ADB. The auditors' report and copies of the certified accounts and related financial statements, including the auditors' opinion on the use of loan proceeds, compliance with loan covenants, and use of the imprest account under ADB's statement of expenditures procedure, will be submitted to ADB in English not later than 9 months after the close of the Governments' fiscal year. The independent external auditing services will be financed from the loan proceeds.

9. Reporting

55. The NPIU will prepare quarterly reports on project implementation and submit them to ADB within 30 days after each quarter. The reports will be in a format acceptable to ADB and will indicate, among other things, the progress made against established targets, problems encountered during the last quarter, steps taken and proposed to resolve problems, compliance with loan covenants, and proposed program of activities for the succeeding quarter. The NPIU will compile the provincial reports into a quarterly report to be submitted to MOET and ADB. Within 3 months after physical completion of the Project, the NPIU will submit to ADB a project completion report on project implementation, accomplishments, benefits, and impact.

10. Project Performance Monitoring and Evaluation

56. The monitoring and recording system and procedures will be reviewed and improved. A new project performance management system will be developed and institutionalized within MOET to monitor and evaluate implementation performance and development impact at various stages of the project cycle. Project performance monitoring will focus upon project implementation plans and targets and their execution and achievement. Performance evaluations will examine the impact of project interventions (such as improved participation and completion rates due to civil works or provision of equipment and learning materials, transition to higher levels of education, employment after graduation); problems and constraints faced; and their reasons and solutions. The NPIU will monitor project activities, using data primarily from the provincial reports and periodic studies. PPIUs will submit monthly, quarterly, and annual reports on indicators, including training outputs, construction and replacement targets, student enrollment and completion targets, and provision of learning materials and equipment. PPIUs will also make monthly visits to field sites supported by the Project, and submit field visit reports to the NPIU. Project performance and monitoring indicators are in Supplementary Appendix C.

11. Project Review

57. ADB and the Government will jointly undertake semiannual project reviews to assess progress in each component, identify difficulties or constraints, and help determine ways to overcome them. Before each review, the NPIU, in coordination with PPIUs, will prepare a progress report based on the quarterly report and submitted to ADB and the Government.

58. ADB and the Government will conduct a midterm review during the last quarter of the third year of project implementation to inform planning for the second half of the Project. The midterm review will (i) review the scope, design, and project implementation arrangements; (ii) identify changes needed; (iii) assess performance against targets and benchmarks; (iv) review lessons and experiences in upper secondary education development, focusing on the curriculum, textbooks, and teaching and learning methods; (v) review compliance with loan

agreements; and (vi) recommend changes in project design and/or implementation arrangements. The findings will be discussed at the midterm workshop to be attended by representatives from concerned government agencies, including Ministry of Finance, Ministry of Planning and Investment, and State Bank of Viet Nam, MOET, DOETs, the consultants, and ADB.

IV. PROJECT BENEFITS, IMPACTS, AND RISKS

A. Project Benefits

1. Educational Benefits

59. The educational benefits are project outputs that directly or indirectly impact on upper secondary education in particular and the education system in general. The Project will upgrade the upper secondary education subsector to produce educated and skilled graduates who can meet the requirements of the Vietnamese economy nationally and internationally. Enhancing the quality and efficiency of upper secondary education by providing better physical facilities, equipment, and supply of adequate instructional materials will attain this objective. The Project will support government-funded try-out and revisions of new curriculum, textbooks, and instructional materials in 11 try-out provinces. Improved teacher training and effective classroom supervision, and school management are envisaged to enhance student learning, using student-centered, active learning approaches.

2. Social Benefits

60. The social benefits are outcomes that may improve the social conditions in the community where the project schools are located. Under component 2, the Project will support construction and rehabilitation of school facilities, including classrooms, toilets, laboratories, and libraries. This support will make access and participation in upper secondary education more attractive to the poor, ethnic minorities and girls. Women make up 55% of all upper secondary schoolteachers. Females account for 47% of all upper secondary students. On the basis of gender participation in upper secondary education by DOET officials, principals, teachers, and students, approximately 45% of all beneficiaries will be female. The provision of special study support programs and tutorials to poor, ethnic minority, and female students will improve their competitive advantage over the other students.

3. Efficiency Benefits

61. The Project will ensure that upper secondary education is responsive to local needs. The Project will, for example, ensure that schools are at least the minimum size and located where they are needed, and that communities are able to maintain and support them. The Project will also ensure that the schools have learning materials, and educational leadership and management support. The Project will train new and existing teachers in practical and student-centered teaching methods. The diversified upper secondary schools will focus on optional modules in career orientation; information technology; and health, sex, HIV/AIDS, and gender education. The student-centered teaching methods and other improvements in the instructional process will raise student learning and add to the perception by students and their parents that they are getting good value for time spent in school, and thus encourage students to remain in school until graduation and continue in successive levels of education. Low internal and external efficiencies should be overcome through project interventions.

4. Direct Beneficiaries

62. The beneficiaries of component 1 will be all upper secondary education students in the country (about 5 million during the Project) who will have access to modern, interesting, and relevant curriculum and learning materials. The Project targets approximately 66,000 students during the pilot try-out and revision of the curriculum and textbooks in 55 upper secondary schools in the 11 selected provinces. Female students will benefit from gender-sensitive learning materials. While the curriculum is being developed, 100 master teachers, 1,000 core trainers, and about 18,600 teachers will receive training; about 230,000 poor students will benefit from access to improved instructional materials in the 11 selected provinces. Development of new technical schools will benefit employers, who will have a source of well-trained employees, and TUSS students, who will have job opportunities. Under component 2, poor, ethnic minority, and/or female students in the 20 disadvantaged provinces will be direct beneficiaries. Provision of about 1,500 classrooms either constructed or replaced will benefit approximately 120,000 students; and 22,500 poor, ethnic minority, and/or female students needing learning assistance will attend special study support programs. One thousand teachers will be trained to provide these programs and will benefit from financial assistance. Another 810 more teachers will receive in-service training to update their teaching skills in the diversified curriculum. IEC programs will benefit ethnic minority girls, who will be encouraged to attend upper secondary schools. Component 3 will benefit communities by allowing them to form close relationships with their schools and by ensuring that public and nonpublic schools are managed well. Pilot initiatives in community-school partnerships and school management in difficult situations will lead to efficiency gains and resource mobilization for schools. About 1,400 education administrators, school principals, and members of community groups and parents associations will receive management training.

B. Financial Sustainability Analysis

63. The Project's financial sustainability depends on ongoing reforms of the Government's education finance policy and, to a lesser degree in the short term, on the continued growth of the Vietnamese economy. Recurrent spending must be at regional standard levels to ensure that (i) teachers have incentives to remain in poor provinces, (ii) new teachers are hired to meet growing enrollment, and (iii) project investments in new and rehabilitated school facilities will be properly maintained. The Project is designed to minimize recurrent cost implications for the Government and households. The Project will have limited impact on the government budget, under the following assumptions: (i) education expenditure will stay at over 3% of GDP and 15% of government expenditure throughout the Project; and (ii) incremental recurrent costs after the Project will be maintained at minimal levels (\$800,000 per annum thereafter), and increases will be contained through allocation of existing resources. Of the project cost of \$80 million, ADB will finance \$55 million, and the Government, \$25 million. The Government's annual share in project cost will average around \$4.2 million or D63,000 million equivalent or about 0.2% of the upper secondary education average annual budget of about \$212 million or D3,200 billion. Given that the upper secondary education annual budget averaged 10% of the total education budget over the last 5 years, the budgetary impact of the estimated annual recurrent costs during and after project implementation is considered minimal. A summary of financial sustainability analysis is in Appendix 11.

C. Economic Analysis

64. Public and private investment has been substantial at all levels of education for the last two decades. Increased spending on education at all levels has directly increased access to and participation in it. From school years 1996/97 to 2001/02, primary education enrollment

increased by 16%, lower secondary by 37%, and upper secondary by 115%. The Government's goal is to gradually expand upper secondary education by 2010 to provide the level of human resources required for industrialization and economic modernization. The socioeconomic, political, and cultural climate calls for a redesign of educational objectives, content, and methods. To achieve a sustainable level of economic growth and to prosper in a globally competitive environment, Viet Nam needs to increase its human capital base by raising the level of general education together with problem-solving skills and the ability to adapt to a rapidly changing labor market. The Project will draw the curriculum away from near-total reliance on rote memorization to student-centered, inquiry-based, and problem-solving instruction. The quality of instructional materials will be improved and matched to the curriculum and teaching methods. Access will be expanded to previously underserved populations, including the rural poor, ethnic minorities, and girls. School management will become more efficient and effective. The Project is expected to yield substantial economic benefits. A summary of the economic and labor market analysis is in Appendix 12.

D. Environmental and Social Measures

1. Environment and Resettlement

65. The Project's environmental impacts were reviewed, and no significant adverse impacts identified. However, any environmental consideration will be incorporated into all project-funded school construction and replacement during implementation. The designs of the new schools will require minimum maintenance. Construction of buildings and replacement of old ones will not negatively impact the environment. Water supply (for drinking and toilets) to promote good health and environmental sanitation for students and teachers will also be emphasized.

66. Construction of new schools will be carried out on vacant public land or commune reserve land. In the event no vacant public land is available and community or household land might be needed, a detailed community decision-making process for site selection must be strictly followed to safeguard the communities' interests. First, the commune will identify possible land through a process of household level consultation, including a process of grievance redress. Second, the district people's committee will confirm that (i) the land selected has no housing or enterprises, no encroachers or squatters; (ii) the contribution of land by any one household is not more than 5% of the household's total landholding; (iii) the contributors are not poor; (iv) the commune will guarantee to replace any lost assets at replacement cost and replace any lost income/livelihoods, and compensation to be paid will be in accordance with ADB's *Policy on Involuntary Resettlement*,¹³ and (v) the people affected will provide verbal or written agreement to the arrangement. The PPIUs will check each case before the award of civil works contracts that these procedures are followed and provide a written report to ADB together with contract documentation for ADB's endorsement prior to the award of civil works contracts. ADB review missions will make spot checks to ensure that the community site selection process has been followed.

2. Social Analysis

67. The Project does not have any adverse social impact. A detailed social analysis was undertaken during project preparation. The Project is classified as a poverty intervention and is expected to raise incomes of families in the 20 targeted provinces. Students who graduate from upper secondary schools are likely to be more productive than their parents with lower educational qualifications. The improvement of teaching methods, student-centered textbooks, diversified curriculum, student and quality assessment, and educational leadership will benefit

¹³ ADB. 1998. *The Bank's Policy on Involuntary Resettlement*. In *Handbook on Resettlement (Appendix 1)*. Manila.

students nationally. Updating teaching methods will improve (i) creativity, self reliance, problem-solving ability, flexibility, and life-long learning ability of all students; and (ii) practical knowledge and understanding, skills, attitudes, and values to prepare students for further studies and/or training or jobs. Nationwide, 47% of upper secondary students are females, but lower in the targeted provinces under component 2. Improved access to and participation in education, especially for ethnic minority females, are expected to have significant social consequences such as widespread adoption of preventive primary health care measures; greater acceptance of family planning methods; and an understanding of HIV/AIDS, sexually transmitted diseases, and drugs. A summary poverty and social strategy is in Appendix 13, and a gender and ethnic minorities action plan prepared in accordance with ADB's *Policies on Gender and Development and Indigenous Peoples* is in Appendix 14.

E. Project Risks

68. The Project covers a diversified curriculum and compatible textbooks, in-service teacher training, construction and replacement of school facilities, and management activities. With such a large student population served by so many teachers, not all classrooms will have teachers trained to teach the new curriculum, textbooks, or instructional materials at the beginning of a school year. MOET is aware of the risk and allows some flexibility in the schedule. The Project will also build on and collaborate with existing systems at the DOET level for in-service teacher training and civil works. During the transition, teachers will continue to rely on familiar teaching methods. However, most teachers are willing to accept new teaching methods and will try to adopt them. Risks involved in improving access, equity, and participation of upper secondary students in disadvantaged areas are that (i) qualified teachers and volunteers to conduct the special study support programs are lacking, and (ii) school sites in provinces may not be in the neediest areas. During project preparation, detailed discussions were held with DOETs, and the selection criteria carefully developed. To minimize the risks involved in civil works, PPIUs will utilize the services of provincial construction engineers to supervise civil works and budgets, undertake fieldwork, and hold consultative meetings.

V. ASSURANCES

A. Specific Assurances

69. In addition to the standard assurances, the Government has given the following assurances, which have been incorporated in the legal documents:

- (i) The Government will provide counterpart funds for project implementation on time. The Government will make timely submissions of annual budgetary appropriation requests and ensure prompt disbursement of appropriate funds during each year of project implementation.
- (ii) Within 3 months of loan effectiveness, the Government, through MOET, will conduct initial baseline studies and surveys to establish appropriate key indicators for monitoring and evaluating project implementation. Further, the Government, through MOET, will undertake periodic surveys, in the third and sixth year of project implementation, to monitor relevant indicators and to institute revision or improvement in implementation schemes, where necessary.
- (iii) Within 6 months of loan effectiveness, the Government, through MOET, will have designated one model upper secondary school for each of the 61 provinces, and

submit to ADB a list containing the names and location of the designated model upper secondary schools.

- (iv) Within 6 months of loan effectiveness, the Government, through MOET, will have established and submitted criteria acceptable to ADB for the selection of candidates for overseas training.
- (v) Within 6 months of loan effectiveness, the Government, through MOET, will identify the first year of school construction and replacement program as set out under component 2 of the Project.
- (vi) The Government, through MOET, will ensure that new schools to be constructed are precisely located by school mapping in areas requiring access for lower secondary graduates from poor, ethnic minority and disadvantages areas, and that the school mapping is completed at least 1 year prior to construction of new schools. Further, the Government, through MOET, will submit to ADB the details of school construction and replacement program at least 1 year prior to the commencement of the program.
- (vii) The Government and the MOET will ensure that construction of new schools will be carried out on vacant public land or commune reserve land. In the event no vacant public land is available and community or household land might be needed, a detailed community decision-making process for site selection as specified in the project design must be strictly followed. Further, in the event compensation must be paid, as a consequence of the use of community or household land, the Government will ensure that compensation will be paid in accordance with the ADB's *Policy on Involuntary Resettlement*.
- (viii) The Government will ensure the continuation of the existing textbook lending scheme to ensure that improved textbooks for the new curriculum are made accessible to poor and disadvantaged students in all priority provinces.
- (ix) Within 3 months of loan effectiveness, the Government, through MOET, will submit to ADB the names of the participating provinces in the pilot initiatives as required under component 3 of the Project.
- (x) The Government will establish, by the end of 2005, a student-based EMIS that will enable the tracking of upper secondary graduates in both higher education and the work environment and generate feedback for improving the implementation of diversified curricula.
- (xi) The Government, through MOET, will ensure priority be given to the gender and ethnic minority development through the implementation of the gender and ethnic minorities action plan, prepared in accordance with ADB's *Policies on Gender and Development and Indigenous Peoples*. The Government, through MOET, will further ensure that (a) in selecting the participants for all training activities, priority will be given to women to achieve participation of women in each training activity at a level at least proportionate to their representation in the groups of candidates from among whom the selection is made; and (b) in order to increase the quality and access of upper secondary education received by ethnic minorities, ethnic minorities will have equal opportunities to participate in training activities. The

Project's impact on ethnic minorities will be observed during project monitoring and evaluation.

- (xii) Although no significant environmental impacts were identified, the site selection, design, construction, replacement work and operation of school facilities will be implemented in line with ADB's environmental guidelines.

B. Conditions for Loan Effectiveness

70. Before loan effectiveness, the following will have been completed:

- (i) The members of the IASC will have been appointed.
- (ii) Project finance specialist, project civil works specialist, and project procurement specialist of the NPIU will have been appointed.
- (ii) Eleven pilot provinces will have been selected and designated for try-out of new upper secondary curriculum and textbooks.

C. Conditions for Disbursement

71. Before any disbursement, the following will have been satisfied:

- (i) DOETs will have appointed the members of the PPIUs at least in 20 provinces designated under component 2 of the Project.
- (ii) DOET, through MOET, will have submitted to ADB, a letter from each of the 20 provinces confirming their commitment to participate in the Project and for the provision of budget to maintain project facilities.

VI. RECOMMENDATION

72. I am satisfied that the proposed loan would comply with the Articles of Agreement of ADB and recommend that the Board approve the loan in various currencies equivalent to Special Drawing Rights 41,615,000 to the Socialist Republic of Viet Nam for the Upper Secondary Education Development Project from ADB's Special Funds resources with an interest charge at the rate of 1% per annum during the grace period and 1.5% per annum thereafter; a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft Loan Agreement presented to the Board.

Tadao Chino
President

25 November 2002

PROJECT FRAMEWORK

Design Summary	Targets/Performance Indicators	Monitoring Mechanism	Assumptions and Risks
<p>1. Sector Goal Help reduce poverty by increasing the relevance of upper secondary education to industrialization and modernization</p>	<p>Raise the gross enrollment rate (whole country) from 38% in 2000 to 45% by 2005 and 50% by 2010</p> <p>Raise completion rates (whole country) from 78% in 2000 to 82% by 2005 and 85% by 2010</p> <p>Increase the employment rate of upper secondary school graduates from 40% in 2000 to 45% in 2005 and 50% in 2010</p>	<p>Statistics of national and provincial statistical offices</p> <p>Project performance management system of the Ministry of Education and Training (MOET)</p> <p>Field studies and sample surveys</p>	
<p>2. Purpose Improve the quality, efficiency, access and equity, and management of upper secondary education</p>	<p>Quality and Efficiency By 2008, complete two rounds of nationwide introduction of the new, diversified curriculum and textbooks for grades 10, 11, and 12</p> <p>By 2005, install a learning assessment and quality assurance system</p> <p>By 2005, develop a technical upper secondary school (TUSS) model</p> <p>By 2005, equip 11 centers for career orientation, 4 demonstration centers, and 61 model schools including 2 schools which meet international standard</p> <p>Access and Equity Increase participation of the poor and ethnic minorities, especially ethnic minority females. Increase the gross enrollment rate from 24% in 2000 to 30% by 2005 in 20 selected project provinces</p> <p>Conduct in-service training for teachers involved in study support programs; and information, education, and communication (IEC) programs</p> <p>Provide study support programs, including tutorial and teacher enrichment programs</p>	<p>Project reports and studies</p> <p>MOET and provincial department of education and training (DOET) pilot study reports Surveys of principals and teachers</p> <p>Field studies</p> <p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Surveys of principals and teachers</p> <p>Field studies</p>	<p>The Government's try-out and revision is on schedule.</p> <p>Effective monitoring and evaluation mechanisms are established to assess the results of the pilot efforts.</p> <p>Teachers are willing to adopt new teaching methods.</p> <p>Teacher training universities are willing to help develop new in-service training programs.</p> <p>Centers for career orientation can absorb expansion and are willing to provide training for designated upper secondary school.</p> <p>Provincial officials properly identify the poorest areas and individuals for project support and ensure appropriate support is received.</p> <p>Teachers are willing to participate in study support programs.</p>

Design Summary	Targets/Performance Indicators	Monitoring Mechanism	Assumptions and Risks
	<p>Management Complete five pilot initiatives as the basis to prepare training programs and materials for education planners and school managers</p> <p>Examine regulatory options for nonpublic schools</p> <p>Pilot a student-centered education management information system (EMIS).</p>	<p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Surveys of principals and teachers</p> <p>Field studies</p>	<p>Government counterpart resources are made available for pilot study in other control schools.</p> <p>DOETs, and provincial, district, and commune people's committees agree to and support pilot studies.</p>
<p>3. Outputs 3.1 Conditions developed to improve quality of upper secondary education</p> <p>Curriculum and textbooks upgraded (for upper secondary schools and TUSSs)</p> <p>Teachers upgraded</p> <p>Instructional materials upgraded</p>	<p>Overseas staff development for 32 curriculum and textbook writers (year 1)</p> <p>About 1,400 specialists trained in-country to develop curriculum, textbooks, and multimedia (year 1 = 500; year 2 = 500; year 3 = 400)</p> <p>55 principals and 2,700 teachers trained to pilot curriculum</p> <p>16 master trainers trained overseas (year 1)</p> <p>1,000 core trainers trained in-country (year 1)</p> <p>10,000 teachers trained in new methodologies (year 2 = 3,000; year 3 = 4,000; year 4 = 3,000)</p> <p>8 trainers trained for TUSS (year 2 = 8) and 120 TUSS staff trained twice (year 3 = 120; year 4 = 120)</p> <p>128 teacher trainers in subject areas assigned</p> <p>810 teachers upgraded on assigned subject areas</p> <p>3,660 teachers retrained in assigned subject areas (year 2 = 1,200; year 3 = 1,200; year 4 = 1,200)</p> <p>Learning and library materials provided for poor, ethnic minority students in 20 provinces (year 2 = grade 10; year 3 = grade 11; year 4 = grade 12)</p>	<p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Field studies</p>	<p>Effective monitoring and evaluation mechanisms can be established to correctly assess the results of the pilot efforts.</p> <p>Teachers are willing to adopt new teaching methods.</p> <p>Teacher training universities are willing to help develop in-service training programs.</p>

Design Summary	Targets/Performance Indicators	Monitoring Mechanism	Assumptions and Risks
<p>Educational leadership and academic supervision enhanced</p> <p>3.2 Access to, equity in, and participation in upper secondary education in disadvantaged areas improved</p> <p>School facilities developed</p> <p>Study support programs delivered</p> <p>IEC program developed</p> <p>3.3 Management of upper secondary education strengthened</p> <p>Pilot initiative implemented</p> <p>Decentralized school management strengthened</p>	<p>Textbooks provided under the loan scheme (year 2 = grade 10; year 3 = grade 11; year 4 = grade 12)</p> <p>1,422 principals trained in educational leadership and academic supervision for new diversified curriculum, and student-centered teaching methods (year 2 = 474; year 3 = 474; year 4 = 474)</p> <p>Facilities provided for 2,000 schools, including 1,484 classrooms, 226 science laboratories, 160 computer laboratories, and 130 libraries (year 2 = 400; year 3 = 400; year 4 = 400; year 5 = 400; year 6 = 400)</p> <p>20 core trainers trained in special programs and IEC (year 2 = 20)</p> <p>1,000 new teachers trained in and assigned to study support program development (year 2 = 500; year 3 = 500)</p> <p>Study support programs set up for 22,500 poor, ethnic minority, and female students (year 2 = 2,500; year 3 = 5,000; year 4 = 5,000; year 5 = 5,000; year 6 = 5,000)</p> <p>IEC developed and disseminated (year 2)</p> <p>3,600 teachers/staff trained in IEC and advocacy (year 2 = 1,200; year 3 = 1,200; year 4 = 1,200)</p> <p>Pilot initiatives completed in eight provinces: (i) financing schools, (ii) improving community relationships, (iii) administrative roles and responsibilities in a decentralized environment, (iv) managing education in difficult areas, and (v) socialization (cost sharing) of upper secondary education</p> <p>1,422 education administrators, school principals, and members of community groups and parents associations trained (year 2 = 474; year 3 = 474; year 4 = 474)</p>	<p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Field studies</p> <p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Surveys of principals and teachers</p> <p>Field studies</p>	<p>Provincial officials identify the most disadvantaged areas and individuals for project support and ensure appropriate support is received.</p> <p>Teachers and qualified volunteers can be found to conduct special studies programs for poor and ethnic minority students.</p> <p>Government counterpart resources are made available for pilot study in other control schools.</p> <p>DOET, and provincial, district, and commune people's committees agree to and support pilot initiatives in their areas.</p>

Design Summary	Targets/Performance Indicators	Monitoring Mechanism	Assumptions and Risks
<p>Nonpublic education adequately regulated</p> <p>EMIS developed and strengthened</p>	<p>Pilot initiatives conducted in two provinces to examine regulatory options for nonpublic upper secondary schools</p> <p>Pilot initiatives conducted in two provinces to develop EMIS</p> <p>Equipment provided for EMIS in 61 DOETs and at the central level</p> <p>126 EMIS specialists trained (Phasing: year 4 = 63; year 5 = 63)</p>		
<p>4. Inputs</p> <p>4.1 Conditions to improve quality supported</p> <p>a. Staff development</p> <p>b. Instructional materials</p> <p>c. Equipment</p> <p>d. Consultant services</p> <p>e. Special programs</p> <p>f. Operation and maintenance</p> <p style="text-align: right;">Subtotal</p> <p>4.2 Access, equity, and participation in disadvantaged areas improved</p> <p>a. Land</p> <p>b. Civil works</p> <p>c. Equipment and furniture</p> <p>d. Staff development</p> <p>e. Consultant services</p> <p>f. Special programs</p> <p>g. Operation and maintenance</p> <p style="text-align: right;">Subtotal</p> <p>4.3 Management strengthened</p> <p>a. Equipment and furniture</p> <p>b. Staff development</p> <p>c. Consultant services</p> <p>d. Special programs</p> <p>e. Operation and maintenance</p> <p style="text-align: right;">Subtotal</p> <p>4.4 Project implemented</p> <p>a. Vehicles, equipment, and furniture</p> <p>b. Staff development</p> <p>c. Consultant services</p> <p>d. Recurrent costs</p> <p style="text-align: right;">Subtotal</p> <p>Taxes and Duties</p> <p style="text-align: right;">Total (Base Cost)</p>	<p>Base Cost</p> <p>To improve quality and efficiency of upper secondary education (US\$)</p> <p>10,131,000</p> <p>2,571,000</p> <p>11,310,000</p> <p>956,000</p> <p>150,000</p> <p>1,393,000</p> <p style="text-align: right;">26,511,000</p> <p>To improve access, equity, and participation in upper secondary education in disadvantaged areas</p> <p>4,764,000</p> <p>19,849,000</p> <p>6,305,000</p> <p>514,000</p> <p>52,000</p> <p>2,430,000</p> <p>1,750,000</p> <p style="text-align: right;">35,664,000</p> <p>To strengthen management capacity of upper secondary education</p> <p>472,000</p> <p>972,000</p> <p>100,000</p> <p>510,000</p> <p>192,000</p> <p style="text-align: right;">2,246,000</p> <p>To strengthen project implementation capacity</p> <p>339,000</p> <p>85,000</p> <p>320,000</p> <p>1,560,000</p> <p style="text-align: right;">2,303,000</p> <p style="text-align: right;">4,309,000</p> <p style="text-align: right;">71, 033,000</p>	<p>Project reports and studies</p> <p>MOET and DOET reports</p> <p>Surveys of principals and teachers</p> <p>Field studies</p>	

SECTOR AND SUBSECTOR ANALYSIS

1. The education system in Viet Nam consists of 5 years of primary, 4 years of lower secondary, and 3 years of upper secondary education, followed by 4–6 years of higher education. Education administration is shared among the central, provincial, and district governments, and communes, with centralized decision making and decentralized implementation. The Ministry of Education and Training (MOET) is responsible for all policy formulation, guidance, and supervision. Upper secondary education is administered by the provincial department of education and training under the supervision of MOET and provincial people's committees. The Government is the main provider of upper secondary education in rural and remote areas, while upper secondary-level enrollment is increasingly covered by nonpublic schools, especially in urban areas.

2. The general public education system has expanded rapidly over the last decade. Primary education is nearly universal, with the net enrollment rate at 95% in 2000. In 1994–2000, lower secondary education enrollment increased by 61%, and upper secondary education enrollment, by 202%. In 2001/02, 2.3 million students were enrolled in upper secondary schools, and the gross enrollment rate (GER) was 38%. While enrollment in lower secondary schools will peak in 2006 and begin to decline due to the falling number of children in the lower secondary school age bracket, upper secondary education enrollment is projected to increase through 2010.¹ The Government targets a nationwide upper secondary education GER of 45% in 2005 and 50% in 2010.

3. In many of the 61 provinces, the 2005 target for upper secondary enrollment has already been or will be attained. However, the top-quartile and bottom-quartile provinces have different enrollment rates. The 15 provinces with the lowest enrollment rates have the greatest poverty, difficult topography, and a larger proportion of ethnic minorities than the 15 provinces with the highest enrollment rates. The average GER for upper secondary education was 47.5% in 2000, but only 21.4% in the bottom-quartile provinces. Efforts to increase participation in upper secondary education should clearly focus on the provinces with the most difficult conditions. Equity in providing upper secondary education has also improved. Female gross enrollment increased from 21% in 1996/97 to 27% in 1999/00. However, regional disparities in gender equity are also a problem. Female GER in the top quartile was 42.6% but only 20.0% in the bottom quartile. More poor children are in upper secondary school, but their participation remains low. In 1998, 64.1% of children from the richest quintile (20%) of the population were in upper secondary school but only 4.5% from the poorest.

4. Repetition and dropout rates have improved nationwide in the past decade. The completion rate in upper secondary education rose from 61.7% in 1991/92 to 78.4% in 1999/00. However, in the lowest quartile, repetition and dropout rates increased from 1996/97 to 1999/00. For the highest and lower quintiles, student-teacher ratios were similar at around 30:1 in 1999/00, as were student-class ratios. The ratio of teachers per class showed a wider disparity. The standard is two teachers per class for upper secondary education. The top-quartile provinces have 1.6, but the lowest-quartile provinces have only 1.0.

5. Public expenditure for education has increased significantly from 1.8% of gross domestic product (GDP) in 1992 to 3.5% in 1998, but the picture is incomplete without reference to another dramatic increase: in private contribution. Household expenditure on education increased from 1.7% of GDP in 1992 to 3.4% in 1998. In 1998, the private share of expenditure on upper secondary education was 69%, placing Viet Nam near the top of all countries in this category and illustrating how great demand is as well as the Government's inability to finance

¹ ADB and MOET. February 2002. *Secondary Education Sector Master Plan (Final Report), Volume I: Main Report*. Hanoi.

expansion from purely public resources. Expenditure per student or unit cost of primary and lower secondary education is nearly the same—a departure from the typical case, where each successive level is much more costly than the previous one. Expenditure per student for upper secondary education was lower than that for lower secondary education in 2000/01 (D260,000 vs. D264,000). High household outlay to meet children's education needs does not denote the presence of either private schools or even high levels of household involvement in school affairs, which are low.

6. Few direct indicators are available to assess education quality. Enrollment expansion does not mean student learning. Because Viet Nam has no tradition of periodic assessments of learning achievement, how much of the curriculum is mastered by which students is unknown. However, indirect indicators include (i) qualified teachers, who make up 95% of all teachers; and (ii) study hours per week (31.59) for the 35-week school year, or about 800 hours per year, which is low by international standards (900–1,200 hours per year). Depending on the indicator used, therefore, Viet Nam ranks low or high. Physical facilities are inadequate and frequently in poor repair. Other facilities such as desks, bookshelves, and so forth are either lacking or in poor condition. Less than 20% of schools had chemistry, biology, or language laboratories. Only 25% had physics laboratories. Boarding and specialized schools had the most facilities, followed by public schools. Semipublic and people-founded schools had the least amount of facilities. Nearly all specialized, boarding, and public schools had computer laboratories.

7. MOET places high priority on improving education quality to prepare a creative, flexible, self-motivated, and skilled labor force. A diversified curriculum and compatible instructional materials are being developed for upper secondary education to encourage active student learning and student-centered instruction, but similar objectives for lower secondary education have not had the same results. A much-improved system for in-service teacher training will be a key to attaining this objective. A try-out of the new curriculum and materials, as well as supportive systems for school management and student learning assessment, is planned for 2003–2006.

8. Another important objective is increased participation in upper secondary education. To reach the target of 45% GER in 2005 and 50% in 2010, the focus should be on provinces with the most difficult conditions and serving the rural poor population, a large proportion of which is made up of 54 minority groups. In 1998, ethnic minorities represented 14.2% of the population but 28.5% of the poor. They are most numerous in the Northern and Central highlands and the Mekong River Delta. Bringing ethnic minorities into the secondary education mainstream will ensure equitable social and economic development.

9. In accordance with policy directions under public administration reform for 2001–2010,² decentralized education management will continue to be explored. New approaches to finance schools and improve school and community partnerships should result in better student outcomes and lower overall costs. More community participation will also allow students and their families to match their education to their abilities and their long-term economic and social aspirations.

² The Government of Viet Nam. 2001. *Master Program on Public Administration Reform for the Period 2001-2010*. Hanoi.

EXTERNAL ASSISTANCE TO THE EDUCATION SECTOR

Funding Agency	Subsector	Project	Total Amount (\$ million)	Duration
ADB	Lower secondary Teacher Training	Capacity Building for Teacher Training	0.6 (grant)	2000-2001
		Teacher Training	25.0 (loan)	2000-2006
	Secondary Education	Secondary Education Master Plan	0.6 (grant)	2001-2002
		Lower Secondary Education Development	50.0 (loan)	1998-2004
		Second Lower Secondary Education Development	0.6 (grant)	2002-2003
		Upper Secondary Education Development	0.6 (grant)	2001-2002
	Vocational and Technical Education	Capacity Building for Technical Education	0.6 (grant)	1998-2000
Vocational and Technical Education		54.0 (loan)	1999-2004	
World Bank	Primary Education	Primary Education	77.2 (loan)	1994-2002
	Higher Education	Higher Education	83.3 (loan)	1998-2005
	Primary Teacher Training	Primary Teachers Development	88.2 (loan)	2002-2005
JICA	Primary Education	Primary Education Development Program (phases I and II)	2.5 (grant)	2001-2004
		Primary School Construction (various phases)	18.0 (grant)	2001-2002
EU	Sector Planning and Capacity Building	Education Management	7.1 (grant)	2000-2003
UNESCO	Education for All	National EFA Action Plan	0.2 (grant)	2001-2002
UNICEF	Primary Education	Primary Education	10.9 (grant)	1996-2000
	Early Childhood Education	Early Childhood Education	3.5 (grant)	1996-2000
	Nonformal Education	Flexible Education and Ethnic Minority Education	8.2 (grant)	1996-2000
Save the Children UK	Primary Education	Ethnic Minority Education	1.5 (grant)	1996-2006
Belgium	Primary Teacher Training	Distance Education Northern Regional Normal Schools	2.5 (grant)	1999-2002
UK	Primary Teacher Training	Teacher Training	0.83 (grant)	1999-2000
AusAid	Primary Education	Primary Education for Disadvantaged Children	5.8 (grant)	2000-2006
Germany	Technical and Vocational Education	Restructuring Technical and Vocational Education System	10.7 (grant)	1996-2002
Netherlands	Higher Education	Community University Development	4.5 (grant)	2001-2004

ADB= Asian Development Bank, AusAid = Australian Agency for International Development, EFA = education for all, EU = European Union, JICA = Japan International Cooperation Agency, UK = United Kingdom, UNESCO = United Nations Education, Scientific and Cultural Organization, UNICEF = United Nations Children's Fund.

PROJECT COST ESTIMATES AND FINANCING PLAN

Table A4.1: Detailed Cost Estimates and Cost Estimates by Item of Expenditure
(\$'000)

	Total			ADB Financed				Government Financed (Central and Community)			
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	(%) Share	Foreign Exchange	Local Currency	Total Cost	(%) Share
A. Base Cost											
1. Land and Civil Works											
a. Land	0	4,764	4,764	0	0	0	0	0	4,764	4,764	100
b. Civil Works	7,940	11,909	19,849	7,940	7,239	15,179	76	0	4,670	4,670	24
2. Equipment and Furniture ^a	14,237	4,189	18,426	14,237	4,189	18,426	100	0	0	0	0
3. Staff Development and Training											
a. Overseas Training	1,214	0	1,214	1,214	0	1,214	100	0	0	0	0
b. In-country Training	0	10,487	10,487	0	6,565	6,565	63	0	3,922	3,922	37
4. Consultant Services											
a. International Consultants	400	720	1,120	400	720	1,120	100	0	0	0	0
b. Domestic Consultants	0	308	308	0	308	308	100	0	0	0	0
5. Textbook and Materials	1,028	1,543	2,571	1,028	1,543	2,571	100	0	0	0	0
6. Pilot Initiatives/Special Program	0	3,090	3,090	0	2,580	2,580	84	0	510	510	0
7. Operations and Maintenance	0	3,335	3,335	0	0	0	0	0	3,335	3,335	100
8. Project Implementation	0	1,560	1,560	0	0	0	0	0	1,560	1,560	100
9. Taxes and Duties ^b	0	4,309	4,309	0	0	0	0	0	4,309	4,309	100
Subtotal (I)	24,819	46,214	71,033	24,819	23,144	47,963	68	0	23,070	23,070	32
B. Contingencies											
Physical Contingency ^c	1,241	2,310	3,551	1,241	1,157	2,398	68	0	1,153	1,153	32
Price Contingencies ^d	1,480	1,559	3,039	1,480	782	2,262	74	0	777	777	26
Subtotal (II)	2,721	3,869	6,590	2,721	1,939	4,660	71	0	1,930	1,930	29
C. Interest Charges^e											
	2,377	0	2,377	2,377	0	2,377	100	0	0	0	0
Total	29,917	50,083	80,000	29,917	25,083	55,000	69	0	25,000	25,000	31

^a Including teaching aids and educational equipment.

^b Estimated at 5% of local costs.

^c 10% contingencies on civil works, equipment, furniture, textbooks and learning materials; 5% on other costs.

^d Foreign and local price escalation is calculated at 2.4% of annual disbursements.

^e Interest charges are computed based on 1% during the grace period, and 1.5% during the remainder of the 32 year amortization period.

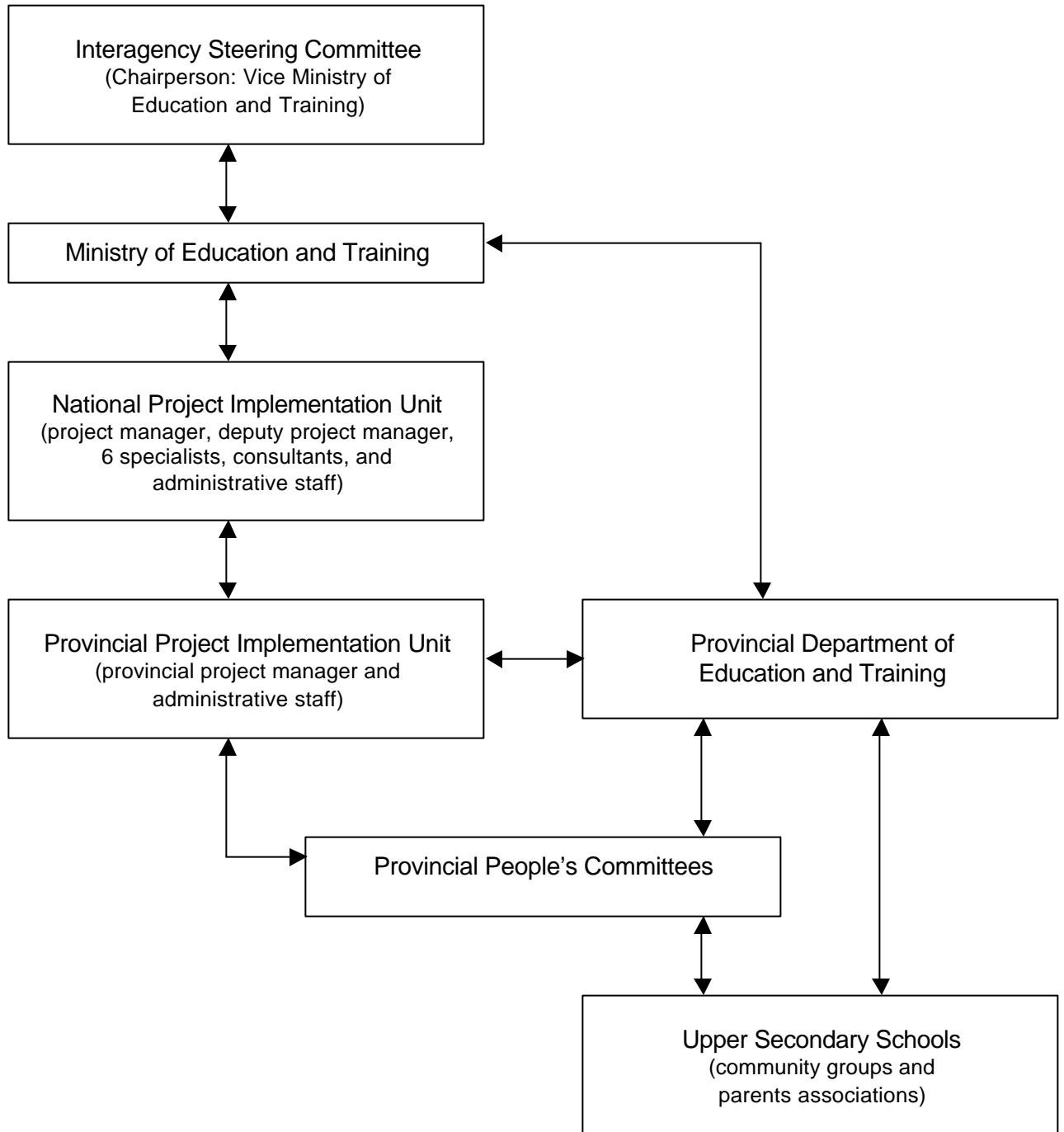
Table A4.2: Detailed Cost Estimates and Financing Plan by Item of Expenditures

('000)

Components	Total			ADB Financed				Government Financed (Central and Community)			
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	% Share	Foreign Exchange	Local Currency	Total Cost	% Share
A. Supporting Conditions for Quality											
Improvement in Upper Secondary Education											
1. Staff Development	689	9,442	10,131	689	5,911	6,600	65	0	3,531	3,531	35
2. Textbook and Instructional Materials ^a	1,028	1,543	2,571	1,028	1,543	2,571	100	0	0	0	0
3. Equipment	9,048	2,262	11,310	9,048	2,262	11,310	100	0	0	0	0
4. Consulting Services	76	880	956	76	880	956	100	0	0	0	0
5. Special Programs	0	150	150	0	150	150	100	0	0	0	0
6. Operations and Maintenance	0	1,393	1,393	0	0	0	0	0	1,393	1,393	100
Subtotal	10,841	15,670	26,511	10,841	10,746	21,587	81	0	4,924	4,924	19
B. Improving Access, Equity and Participation in Upper Secondary Education in Disadvantaged Areas											
1. Land	0	4,764	4,764	0	0	0	0	0	4,764	4,764	100
2. Civil Works	7,940	11,909	19,849	7,940	7,239	15,179	76	0	4,670	4,670	24
3. Equipment and Furniture	4,559	1,746	6,305	4,559	1,746	6,305	100	0	0	0	0
4. Staff Development	0	514	514	0	322	322	63	0	192	192	37
5. Consulting Services	18	34	52	18	34	52	100	0	0	0	0
6. Special Programs	0	2,430	2,430	0	2,430	2,430	100	0	0	0	0
7. Operations and Maintenance	0	1,750	1,750	0	0	0	0	0	1,750	1,750	100
Subtotal	12,517	23,147	35,664	12,517	11,771	24,288	68	0	11,376	11,376	32
C. Strengthening Management of Upper Secondary Education											
1. Equipment and Furniture	359	113	472	359	113	472	100	0	0	0	0
2. Staff Development	525	447	972	525	280	805	83	0	167	167	17
3. Consulting Services	72	28	100	72	28	100	100	0	0	0	0
4. Special Programs	0	510	510	0	0	0	0	0	510	510	100
5. Operations and Maintenance	0	192	192	0	0	0	0	0	192	192	100
Subtotal	956	1,290	2,246	956	421	1,377	61	0	869	869	39
D. Project Implementation											
1. Vehicle, Equipment and Furniture	271	68	339	271	68	339	100	0	0	0	0
2. Staff Development	0	85	85	0	53	53	63	0	32	32	37
3. Consulting Services	234	86	320	234	86	320	100	0	0	0	0
4. Recurrent Costs	0	1,560	1,560	0	0	0	0	0	1,560	1,560	100
Subtotal	505	1,798	2,303	505	207	712	31	0	1,592	1,592	69
E. Taxes and Duties^b	0	4,309	4,309	0	0	0	0	0	4,309	4,309	100
Total Base Cost	24,819	46,214	71,033	24,819	23,144	47,963	68	0	23,070	23,070	32
F. Contingencies											
Physical Contingencies ^c	1,241	2,310	3,551	1,241	1,157	2,398	68	0	1,153	1,153	32
Price Contingencies ^d	1,480	1,559	3,039	1,480	782	2,262	74	0	777	777	26
Subtotal	2,721	3,869	6,590	2,721	1,939	4,660	71	0	1,930	1,930	29
G. Interest Charges^e	2,377	0	2,377	2,377	0	2,377	100	0	0	0	0
Total	29,917	50,083	80,000	29,917	25,083	55,000	69	0	25,000	25,000	31

^a Including teaching aids and educational equipment.^b Estimated at 5% of local costs.^c 10% contingencies on civil works, equipment, furniture, textbooks and learning materials; 5% on other cost items.^d Foreign and local price escalation is calculated at 2.4% of annual disbursements.^e Interest charges are computed based on 1% during the grace period, and 1.5% during the remaining of the 32 year amortization period.

PROJECT IMPLEMENTATION AND IMPLEMENTATION STRUCTURE



→ Flow of management decision and inputs

INDICATIVE PROCUREMENT PACKAGE

Package/Items	Unit Cost (\$'000)	Number of Contracts	Total Cost per Package	Mode of Procurement	Responsible Unit
A. Civil Works					
1. Component 2 – Improving Access, Equity, and Participation					
a. Expansion and Replacement of Existing Schools	10.000	20	95.828	LCB	PPIU
b. Construction of New Schools and Facilities	10.000	30	189.000	LCB	PPIU
B. Equipment					
1. Component 1 – Supporting Conditions for Quality Improvement					
a. Multimedia facilities	100.000	1	100.000	LCB	NPIU
b. Model Schools	100.000	61	6100.000	ICB	NPIU
c. Demonstration Schools	150.000	4	600.000	ICB	NPIU
d. Technical Upper Secondary Schools	245.000	4	980.000	IS	NPIU
e. Ethnic Minority Boarding Schools	61.000	20	610.000	ICB	NPIU
f. Centers for Career Orientation	60.000	11	60.000	DP	NPIU
2. Component 2 – Improving Access, Equity, and Participation					
a. Library Equipment	5.000	50	162.500	LS	NPIU
b. Science Laboratories	15.000	50	847.500	ICB	NPIU
c. Computer Laboratories	10.000	50	400.000	IS	NPIU
3. Component 3 – Strengthening Management of USE EMIS Equipment	7.000	62	420.000	IS	NPIU
4. Project Implementation					
a. Office and Computer Equipment	60.000	1	60.000	DP	NPIU
b. Office and Computer Equipment	5.000	40	200.000	LCB	NPIU
c. Mobile phones	0.300	40	12.000	DP	NPIU
d. NPIU Vehicle	40.000	1	40.000	DP	NPIU
C. Furniture					
1. Component 2 – Improving Access, Equity, and Participation					
a. Classroom	0.500	50	30.350	DP	PPIU
b. Library Furniture	1.000	50	6.500	DP	PPIU
c. Science Laboratories	1.500	50	16.950	DP	PPIU
d. Computer Laboratories	1.200	50	9.600	DP	PPIU
2. Project Implementation					
a. NPIU Office Furniture	12.000	1	12.000	DP	NPIU
b. PPIU Furniture	5.000	20	200.000	LCB/DP	PPIU
D. Instructional Materials					
Component 1 – Supporting Conditions for Quality Improvement					
a. Textbook for Tryouts	0.300	11	907.650	N/A	NPIU/EPH
b. Workbooks and Teachers' Guides	0.200	11	184.800	N/A	NPIU/EPH
c. Instructional Materials	0.500	11	27.500	DP	NPIU
E. Pilot Initiatives/Studies					
1. Pilot Initiatives/Studies	100.000	5	100.000	LCB	NPIU
2. Benchmark, Impact, and Tracer Studies	30.000	1	30.000	LCB	NPIU
3. External Auditing	30.000	1	30.000	DP	NPIU

EMIS = education management information system, EPH = Education Publishing House, ICB = international competitive bidding, IS = international shopping, LCB = local competitive bidding, NPIU = National Project Implementation Unit, PPIU = provincial project implementation unit.

CONSULTING SERVICE REQUIREMENTS AND OUTLINE TERMS OF REFERENCE

Table A8.1: Consulting Service Requirements

Component/Area of Expertise	No. Persons	Type	Person Months	Total	
				Intl.	Domestic
A. Supporting Conditions for Quality Improvement In Upper Secondary Education					
1. Curriculum, Textbooks, and Teaching Methodologies					
Curriculum and Textbook Development	1	Intl.	18	18	
	6	Domestic	3		18
Teaching Methods	1	Intl.	6	6	
	8	Domestic	5		40
2. Learning Materials and Equipment					
Instructional/Educational Materials	1	Intl.	6	6	
	6	Domestic	4		24
3. Quality Assurance and Education Leadership					
Education Leadership and Supervision	1	Intl.	3	3	
	1	Domestic	8		8
Evaluation, Student Assessment, and Quality Assurance	1	Intl.	5	5	
	1	Domestic	8		8
Subtotal				38	98
B. Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas					
Study Support Programs					
	1	Intl.	1	1	
	1	Domestic	4		4
Information, Education, and Communication	1	Domestic	6		6
Social Development, Gender, and Ethnic Minorities	1	Domestic	6		6
Subtotal				1	16
C. Strengthening Management of Upper Secondary Education					
Education Management Information System Development					
	1	Intl.	4	4	
	1	Domestic	10		10
Subtotal				4	10
D. Project Implementation					
National Project Implementation Unit Advisor					
	1	Intl.	12	12	
	1	Domestic	24		24
Midterm Review	1	Intl.	1	1	
Monitoring and Evaluation	1	Domestic	6		6
Subtotal				13	30
<hr/>					
Total (International)				56	
Total (Domestic)					154

I. Outline Terms of Reference for International Consultants

A. Component 1: Supporting Conditions for Quality Improvement in Upper Secondary Education

1. Curriculum and Textbook Development Specialist/Team Leader (18 person-months)

1. The specialist will have the following tasks:
 - (i) Assess the quality, appropriateness, and relevance of the pilot general and technical upper secondary education curriculum in line with the diversified framework and structure, and the syllabus for each of the 14 subjects, including student assessment, teaching hours, content structure and sequence, and learning styles.
 - (ii) Design in-country training courses in curriculum and textbook development and various aspects of textbook writing and layout design, and help the domestic consultants provide in-country training programs and coach the textbook writing team.
 - (iii) Help the national project implementation unit (NPIU)
 - (a) contact overseas universities and other training providers, which will have been competitively shortlisted for courses in curriculum and textbook development based on criteria to be agreed upon by the Asian Development Bank (ADB);
 - (b) match candidates with selected universities and other education providers; and
 - (c) reporting on training results.

As a team leader, the specialist will (i) ensure that the consulting services will be implemented according to the terms of reference and the provisions of the consultancy contract between the Government and the consulting firm; (ii) incorporate any subsequent instructions and guidance provided by the Ministry of Education and Training (MOET), interagency steering committee, and ADB; and (iii) keep MOET, concerned government agencies, and aid agencies informed of the project progress through related seminars and workshops.

2. Teaching Method Specialist (6 person-months)

2. The specialist will have the following tasks:
 - (i) Develop the manuscripts for an in-service training manual for general and technical upper secondary schoolteachers and determine modification in writing procedures, outlines, and design for the teaching materials to be developed for all grades.
 - (ii) Design in-country training workshops and seminars for student-centered teaching methods, including type of training, selection criteria and procedures, and length of training guidelines to evaluate and prepare courses. On training completion, prepare a report on the results.

3. Instructional/Educational Materials Specialist (6 person-months)

3. The specialist will have the following tasks:
 - (i) Develop training programs in instructional design for a specified group of subjects.
 - (ii) Produce sample learning materials using a range of media and technology, and use sample learning materials to develop a manual for general and technical upper secondary schoolteachers in classroom situations.
 - (iii) Design programs to train teachers to use learning materials for general and technical upper secondary education, including type of training, selection criteria and

procedures, and length of training guidelines to evaluate and prepare courses. On completion of training, prepare a report on the results.

4. Education Leadership and Supervision Specialist (3 person-months)

4. The specialist will have the following tasks:

- (i) Develop educational leadership and academic supervision manuals based on best practice.
- (ii) Develop guidelines on educational leadership, academic supervision, and student assessment relevant to subject content in general and technical upper secondary education.
- (iii) Help produce the manuals and guidelines and amend them as required.
- (iv) Design in-country training for educational leadership, supervision, and assessment for general and technical upper secondary education, and prepare courses and a completion report on the training results.

5. Evaluation, Student Assessment, and Quality Assurance Specialist (5 person-months)

5. The specialist will have the following tasks:

- (i) Develop an evaluation and quality assurance framework and monitoring systems suitable for general and technical upper secondary education, including (a) piloting, (b) curriculum, (c) textbooks, (d) examination and assessment, (e) facilities and equipment, (f) in-service teacher training, and (g) management and leadership.
- (ii) Develop student assessment strategies, mechanisms, and procedures relevant to subject content in general and technical upper secondary education.
- (iii) Carry out a sample survey of students' learning achievements in 11 pilot provinces to produce benchmark information and monitoring indicators of learning achievement during and after the Project.
- (iv) Develop strategies to improve national examinations at grade 12 so that student performance and the impact of the new curriculums and textbooks on learning outcomes can be effectively monitored.

B. Component 2: Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas

6. Study Support Programs Specialist (1 person-month)

6. The specialist will develop (i) an implementation plan; (ii) a curriculum structure, including objectives, detailed syllabus, and expected outcomes for study support programs; and (iii) a teaching guide of study support programs for upper secondary education in the 20 selected poor provinces with a special focus on ethnic minorities and girls.

C. Component 3: Strengthening Management of Upper Secondary Education

7. Education Management Information System Development Specialist (4 person-months)

7. The specialist will have the following tasks:

- (i) Based on the analysis of the existing education management information system (EMIS), design a socially, technically, and financially feasible student-based EMIS and develop a pilot program to be tried out in two provinces.

- (ii) Prepare training materials to operate the student-based EMIS from the school through the provinces, try out and revise the pilot program and materials, and train staff.
- (iii) Ensure appropriate procurement, delivery, and maintenance of EMIS facilities.
- (iv) Monitor implementation of the piloting, evaluate its results, and prepare a report of the piloting with recommendations for dissemination of the student-based EMIS.

D. Project Implementation

8. National Project Implementation Unit Advisor (12 person-months)

8. The NPIU advisor will have the following tasks:
- (i) Help the NPIU (a) keep abreast of the latest ADB project implementation guidelines; (b) prepare bid documents, annual budgets for release of the government counterpart fund, withdrawal applications, and quarterly progress reports; and (c) consolidate all documents for submission to ADB.
 - (ii) Train NPIU managers and specialists to prepare all project administration documents and to implement other procedures to transfer responsibilities within year 2 of project implementation.
 - (iii) Advise on procurement procedures, prepare a detailed procurement schedule, and help domestic consultants survey local manufacturers and suppliers to determine if they can supply the goods and services.
 - (iv) Help the NPIU finalize the procurement bid packages according to government specifications and acceptable to ADB.
 - (v) Liaise with the team leader on managing consulting services.

9. Midterm Review Specialist (1 person-month)

9. The specialist will have the following tasks:
- (i) Compile and analyze all primary and secondary data on project implementation progress.
 - (ii) Identify changes since appraisal, assess performance against indicators, and reassess impact on implementation and sustainability.
 - (iii) Review and establish compliance with loan covenants, identify problems and constraints, and recommend measures to facilitate project implementation and improve performance.
 - (iv) Review lessons and experiences in upper secondary education development focusing on the new, diversified curriculum and textbooks, and teaching and learning methods.
 - (v) Recommend measures and develop a detailed action plan to achieve development impacts and project objectives.

II. Outline Terms of Reference for Domestic Consultants

A. Component 1: Supporting Conditions for Quality Improvement in Upper Secondary Education

1. Curriculum and Textbook Development Specialists (6; 3 person-months each)

10. The specialists will have the following tasks:
- (i) Assist the international curriculum and textbook development specialist.

- (ii) Develop mechanisms to (a) ensure consistency in textbooks, teaching guides, and student workbooks in line with the curriculum and subject offering ratio to be approved by the curriculum steering committee; (b) reflect in the diversified curriculum the demand for upper secondary school graduates; (c) make learning methodologies student centered; and (d) incorporate career-oriented topics into subjects to create career, information technology, and health and gender awareness.

2. Teaching Methods Specialists (8; 5 person-months each)

11. The specialists will have the following tasks:

- (i) Assist the international teaching method specialist.
- (ii) Evaluate the effectiveness and relevance of the existing upper secondary in-service teacher training program, curriculum, syllabus, hours allocated to teaching methods and practice, and student assessment.

3. Instructional/Educational Materials Specialists (6; 4 person months each)

12. The specialists will have the following tasks:

- (i) Help the international instructional/educational material specialist, and
- (ii) Assess the suitability of existing classroom instructional and/or educational materials and equipment for the new curriculum and specify requirements and/or modification to existing materials.

4. Education Leadership and Supervision Specialist (8 person-months)

13. The specialist will help the international education leadership and supervision specialist, especially in educational leadership training, academic supervision, and student assessment system for general and technical upper secondary education, in line with student-centered teaching and learning approaches; and in preparation of courses and of a completion report on the training results.

5. Evaluation, Student Assessment, and Quality Assurance Specialist (8 person-months)

14. The specialist will have the following tasks:

- (i) Help the international evaluation, student assessment, and quality assurance specialist.
- (ii) Train provincial project implementation unit staff in education evaluation and quality assurance.
- (iii) Develop and disseminate exemplary assessment materials for key subjects in grades 10 to 12.
- (iv) Train provincial department of education and training staff in the 11 pilot provinces in test administration and in methods to interpret and benefit from the periodic sample-based assessment.

B. Component 2: Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas

6. Study Support Program Specialist (1 person-month)

15. The specialist will help the international study support program specialist by developing a curriculum structure, including objectives, detailed syllabus, and expected outcomes, focusing on ethnic minorities and girls.

7. Information, Education, and Communication Specialist (6 person-months)

16. The specialist will have the following tasks: (i) consult with representatives of major stakeholders to identify possible impediments to delivery of key messages for implementation of component 2, (ii) recommend processes and media by which key messages will be delivered, and (iii) prepare a report with recommendations on future information, education and communication activities.

8. Social Development, Gender, and Ethnic Minorities Specialist (6 person-months)

17. The specialist will monitor the project poverty reduction and social strategy, and gender and ethnic minority action plan by consulting with major stakeholders to identify possible impediments to successful inclusion of social, gender, and ethnic minority needs relevant to all project components/subcomponents.

C. Component 3: Strengthening Management of Upper Secondary Education

9. Education Management Information System Development Specialist (10 person-months)

18. The specialist will help the international EMIS development specialist, and develop the pilot student-centered EMIS program track students at risk of dropping out.

D. Project Implementation

10. NPIU Advisor (24 person-months)

19. The NPIU Advisor will have the following tasks:

- (i) Assist the international NPIU advisor in undertaking the assigned tasks,
- (ii) Design and conduct training courses on all aspects of project implementation procedures for NPIU and PPIU staff, and relevant staff from MOET and DOET's directly and indirectly involved in the project implementation, and
- (iii) Assist NPIU/PPIUs in producing quarterly progress reports and other reports as required.

11. Monitoring and Evaluation Specialist (6 person-months)

20. The specialist will (i) develop baseline indicators to monitor the project performance and benefits including measurement for internal/external efficiency, cost effectiveness, social demand, and (ii) train NPIU/PPIU staff in implementing sample baseline and periodic surveys.

STAFF DEVELOPMENT (TRAINING) PROGRAM

Component/ Type of Training/Workshop	No. Persons	Location	Days	Number Times	Total Person-Days		Remarks	
					Intl.	Local		
A. Supporting Conditions for Quality Improvement in USE								
1. Curriculum Quality Improvement	5	National	5	30		750	Development workshops	
	25	National	2	10		500	Seminars	
2. Teaching and Learning Methods and New Materials	10	National	5	30		1,500	3 workshops x 6 subjects	
	100	National	12	1		1,200	Training 10 master trainers	
	1,000	National	30	1		30,000	Training 100 core trainers	
	12,000	National	14	1		168,000	Initial teacher training	
	12,000	National	7	1		84,000	Refresher 1	
	12,000	National	7	1		84,000	Refresher 2	
	16	Overseas	90	1	1,440		Short Course	
3. Textbook and Learning Material Development	110	National	7	3		2,310	3 workshops for natural science	
	110	National	7	3		2,310	3 workshops for social science	
	220	National	7	1		1,540	1 workshops for curriculum design	
	480	National	7	1		3,360	1 workshop for textbook writers	
	10	National	14	1		140	1 workshop for multimedia	
	32	Overseas	90	1	2,880		Short course - curriculum development/textbook development	
4. Education Leadership	5	National	7	3		105	Development workshops	
	5	National	14	1		70	Training trainers	
	55	National	7	1		385	Initial principal in-service	
	55	National	7	1		385	Principal refresher	
	10	National	7	2		140	Development workshops	
Gender Issues	20	National	14	1		280	Training trainers	
5. Student Assessment	5	National	7	5		175	Development workshops	
	50	National	2	2		200	Seminars	
6. Education Evaluation and Quality Assurance	10	National	7	5		350	Development workshops	
	25	National	3	3		225	Seminars	
	5	Overseas	30	1	150		Short course	
Subtotal						4,470	381,925	
B. Improving Access, Equity, and Participation of USE in Disadvantaged Areas								
1. Teacher In-Service	30		7	3		630	Development workshops	
	14		30	1		420	Training trainers	
	150		60	1		9,000	Training 1	
	150		60	1		9,000	Training 2	
2. Teacher Retraining	30		7	3		630	Development workshops	
	14		21	1		294	Training trainers	
	1,000		30	1		30,000	Training 1	
	1,000		7	1		7,000	Training 2	
3. Teacher Training – New Methods	30		7	10		2,100	Development workshops	
	100		14	1		1,400	Training trainers	
	2,500		14	1		35,000	Initial training	
	2,500		7	1		17,500	Refresher training	

Component/ Type of Training/Workshop	No. Persons	Location	Days	Number Times	Total Person-Days		Remarks
					Intl.	Local	
4. Special Program Developer	10		7	4		280	Development workshops
	1,000		14	1		14,000	Instructor training
	5,000		45	2		450,000	Student training
5. Information, Education, and Communications	10		7	2		140	Development workshops
	15		14	1		210	Training trainers
	300		7	12		25,200	Training
Subtotal					0	602,804	
C. Strengthening Management of USE							
1. Studies (5 decentralization and one EMIS)	60		7	2		840	2 workshops for 6 studies
	50		2	12		1,200	2 seminars in 12 provinces
	25		7	12		2,100	Training in 12 provinces
2. Manager Training (twice)	5		7	3		105	3 development workshops
	50		3	1		150	Seminar
	10		14	1		140	Training trainers
	240		7	2		3,360	Manager training
3. EMIS Development (twice)	5		7	5		175	Workshops
	50		3	2		300	Seminars
	15		14	1		210	Training trainers
	360		14	2		10,080	Training staff 12 provinces
Subtotal					0	18,660	
Total					4,470	1,003,389	

EMIS = education management information system, USE = upper secondary education.

PILOT INITIATIVES

1. Pilot initiatives will be contracted to prequalified research agencies or universities or institutions as separate packages for the following priority pilot initiatives: (i) decentralized financing of schools, (ii) improvement of school and community partnership, (iii) administrative roles and responsibilities in a decentralized environment, (iv) management of upper secondary schools in difficult conditions, and (v) socializing of upper secondary education.

2. For each pilot initiative, the research agency, university, or institution will do the following:
 - (i) Help identify venues and develop detailed procedures for the pilot initiative.
 - (ii) Provide all technical assistance support and ensure that each stage of the pilot study is conducted effectively.
 - (iii) Monitor the implementation of the pilot study and submit periodic progress reports to the National Project Implementation Unit (NPIU) and Interagency Steering Committee (IASC).
 - (iv) Review the results of the pilot activity and prepare a report with recommendations to strengthen decentralized management or privatization of upper secondary education as appropriate.
 - (v) Prepare training programs and materials.
 - (vi) Conduct training programs.

3. A working group of 3-5 persons assigned from appropriate agencies (ministries of education and training, finance, and planning and investment; and provincial departments of education and training) will advise the contractor on design and implementation of the pilot initiatives. The general implementation schedule for each pilot initiative will be as follows:

4. The **design stage** (1 month) includes
 - (i) formation of the working group;
 - (ii) review of activities and experiences in the areas of concern;
 - (iii) review of legislation, norms, and regulations relating to the areas of concern;
 - (v) identification of issues to be addressed in the pilot activity;
 - (vi) identification of new and/or refined approaches to decentralization to be examined in the pilot study;
 - (vii) preliminary design of the pilot study, including means for effective monitoring and evaluation of the pilot study; and
 - (viii) review and approval of the pilot study design by the IASC and NPIU.

5. The **implementation stage** (6 months) includes
 - (i) preparation of programs and materials for orientation/training of provincial staff to be included in the pilot study;
 - (ii) tryout, revision, and finalization of orientation/training programs and materials;
 - (iii) orientation/training of provincial staff as appropriate;
 - (ii) procurement and delivery of equipment and materials for the pilot study; and
 - (iii) monitoring and evaluation of implementation of the pilot study (participatory evaluation recommended).

6. The **reporting stage** (1 month) includes
 - (i) analysis of the results of the pilot study (to be undertaken in a participatory manner);
 - (ii) preparation of a draft report of the pilot study with recommendations for future development;
 - (iii) review and revision of the draft report by the working group, IASC, and NPIU; and
 - (iv) finalization and submission of the pilot study report with recommendations.

7. The **deliverables** include
 - (i) preliminary design of pilot study with issues to be addressed,
 - (ii) final design of pilot study with issues to be addressed,
 - (iii) programs and materials for orientation/training of provincial staff,
 - (iv) report of the results of orientation/training of provincial staff,
 - (v) quarterly progress reports,
 - (vi) midterm evaluation report of the pilot study,
 - (vii) draft report of the results of the pilot study with recommendations; and
 - (viii) final report of the results of the pilot study with recommendations for future development.

FINANCIAL SUSTAINABILITY ANALYSIS

1. Over the last 10 years, economic growth in Viet Nam has averaged a robust 7.4%, helping finance increased government expenditure on education from 1.8% of gross domestic product (GDP) in 1992 to 3.5% in 1998. One result has been near-universal primary-level coverage and rapid expansion of lower and upper secondary school enrollment. Government policy calls for increasing the net enrollment ratio of primary school students to 99% in 2010, and gross enrollment of lower and upper secondary school students to 90% and 50% respectively. However, as with most rapid expansion elsewhere, resources to sustain expansion at acceptable levels of quality are constrained. Additional spending for infrastructure expansion and current budget increases are needed for curricular development and diversification, textbook quality and availability, teacher education and pedagogical methods, and vocational and technical education. Provinces are to be financially responsible for upper secondary education infrastructure with central budgetary aid to the poorest areas. Nongovernment school financing, already high, is to be further increased. Management is to be decentralized to the provincial and district levels with assistance and training as required.

2. Education and training sector spending by level are as follows: primary education, 38%; lower secondary education, 20%; upper secondary education, 8%; and the remainder is for training expenditures. Upper secondary school enrollment is expected to increase substantially, requiring changes in intersectoral allocation during the project period.¹ Capital and recurrent costs comprise about 30% and 70%, respectively. Salaries consist of 60% of recurrent costs, which go primarily to teachers' salaries. At the school level, funds are raised through construction fees paid by parents and other contributions to augment the construction and maintenance of facilities. Teachers' salaries are low by international comparison and teachers need at least two jobs. Although the budget for 2000/2001 provides for increased teachers' salaries, these only make up for the losses that occurred during the financial crises. From the *Viet Nam Living Standards Survey, 1997-1998*, the average expenditure per pupil at the upper secondary level is D1.2 million (\$97).² Private costs to education are about 60% of the cost of education to parents.

3. The Project will address some education financing issues. It has been designed to minimize recurrent cost implications for the Government and community. The improvement of the quality support systems under the Project is intended to reduce wastage, improve the internal efficiency of upper secondary education, and reduce the cost of producing a graduate. The incremental recurrent project costs arise largely from increased access to schools. The cost of textbooks has been minimized by improving their design, and quality for reuse. Cost recovery from parental purchases of textbooks is proposed under the textbook loan scheme. Although new construction and renovation of schools are being financed, sustainability is being ensured by the local community's commitment to operate and maintain the schools.

4. The financial sustainability analysis evaluates the impact of the Project on the government budget. The total financial cost of the Project, inclusive of taxes, duties, contingencies, and interest charges, is \$80 million for a approximately 6 years. The Project will be financed 69% by the Asian Development Bank, and the remainder by the Government,

¹ During the last 5 years, upper secondary education budgets increased by over 200%. Education Strategy 2010 projects enrollment to reach 50% in the upper secondary level by 2010. Ministry of Education and Training. March 2002. *Vietnamese Education Development Strategy to Year 2010 for the Industrialization and Modernization of Viet Nam*. Hanoi.

² General Statistical Office. 2000. *Viet Nam Living Standards Survey, 1997-1998*. Hanoi: Statistical Publishing House.

including through community financing. The fiscal impact of the Project shows that it will have very limited impact on the government budget under the following assumptions: (i) education expenditure is maintained at over 3% of GDP and 15% of government expenditure throughout the project period; and (ii) incremental recurrent costs after the Project are maintained at minimal levels (\$800,000 per annum thereafter), and increases are contained through allocation of existing resources.

5. From the total project cost of \$80 million, the Government will finance about \$25 million of the total project cost and a maximum of 30% of the development expenditures. The Government's annual share in project costs will average about \$4.2 million or D63,000 million equivalent during the Project, or about 0.2% of the upper secondary education average annual budget of about \$212.0 million or D3,200 billion annually. The upper secondary education budget is projected based on increased enrollment in upper secondary education during the Project, consistent with historical growth in the subsector. The recurrent costs to be borne by the Government during the Project are estimated to be about \$800,000 per year and include (i) the operating expenses of the project implementation unit, and (ii) operation and maintenance of new and replaced school facilities and equipment. Given that the upper secondary education annual budget averaged 10% of total education budget over the last 5 years, the budgetary impact of the estimated annual recurrent costs during and after project implementation is considered minimal (Table A11.1).

Table A11.1: Financial Sustainability Analysis
Actual and Projected, 1998–2013

Item	Actual ^a			Budget Planned		Budget Projected ^b							After Project					
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2003–2008	\$ million	2009	2010	2011	2012	2013
Finance Plan (D million)																		
ADB						41,253.5	165,013.9	206,267.4	206,267.4	165,013.9	41,253.5	825,069.5	55.0					
Government of Viet Nam						16,874.5	67,498.0	84,372.6	84,372.6	67,493.0	16,874.5	337,490.2	17.0					
Community						1,874.9	7,499.8	9,374.7	9,374.7	7,499.8	1,874.9	37,498.9	8.0					
USEDP Total						60,002.9	240,011.7	300,014.7	300,014.7	240,011.7	60,002.9	1,200,058.7	80.0					
% Total																		
ADB						0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69					
Government of Viet Nam						0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28					
Community						0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03					
USEDP by Category (D million)																		
Salaries						2,040.0	8,160.0	10,200.0	10,200.0	8,160.0	2,040.0	40,800.0	2.7					
Operating Expenses						44,032.5	176,130.0	220,162.5	220,162.5	176,130.0	44,032.5	880,650.0	58.7	13.5	13.5	13.5	13.5	13.5
Capital Costs						13,927.5	55,710.0	69,637.5	69,637.5	55,710.0	13,927.5	278,550.0	18.6					
USE Portion Total						60,000.0	240,000.0	300,000.0	300,000.0	240,000.0	60,000.0	1,200,000.0	80.0	13.5	13.5	13.5	13.5	13.5
Government Share in USED P (D million)																		
(D million)																		
Salaries ^a						2,040.0	8,160.0	10,200.0	10,200.0	8,160.0	2,040.0	40,800.0	2.7					
Operating Expenses ^b						13,759.1	55,036.3	68,795.4	68,795.4	55,036.3	13,795.1	275,181.7	18.3	13.5	13.5	13.5	13.5	0.9
Capital Costs ^c						2,925.0	11,700.0	14,625.0	14,625.0	11,700.0	2,925.0	58,500.0	3.9					
USE Portion Total ^d						18,724.1	74,869.3	93,620.4	93,620.4	74,896.3	18,724.1	374,481.7	25.0	13.5	13.5	13.5	13.5	0.9
USE Budget (D billion)																		
Salaries	430.1	479.1	513.1	655.0	756.2	890.5	1,048.6	1,234.9	1,454.1	1,712.4	2,016.5	8,375.0	557.1	2,419.8	2,903.7	3,484.5	4,181.4	5,017.7
Operating Expenses	253.6	263.4	282.0	360.1	415.7	489.5	576.4	678.8	799.4	941.3	1,108.5	4,593.9	306.3	1,108.5	1,330.2	1,596.2	1,915.5	2,298.5
Capital Costs	296.3	352.0	376.9	481.2	555.5	654.2	770.4	907.2	1,068.3	1,258.0	1,481.4	6,139.5	409.3	1,481.4	1,777.7	2,133.3	2,559.9	3,071.9
Total	979.0	1,094.4	1,172.1	1,496.3	1,727.4	2,034.2	2,395.4	2,820.9	3,321.8	3,911.7	4,606.4	19,090.4	1272.7	5,090.7	6,011.6	7,214.0	8,656.7	10,388.1
Average (2003-2008)													212.1					
Education and Training Budget (D billion)																		
Salaries ^e	5,392.7	5,673.9	6,076.6	9,833.7	10,458.6	12,316.0	14,503.1	17,078.7	20,111.7	23,683.3	27,889.2	115,582.1	7,705.5	33,467.1	40,160.5	48,192.6	57,831.1	69,397.3
Operating Cost ^f	4,330.3	4,556.1	4,879.4	5,775.3	6,142.4	7,233.2	8,517.7	10,030.4	11,811.6	13,909.3	16,379.4	67,888.1	4,525.4	19,655.3	23,586.3	28,303.6	33,964.3	40,757.1
Capital Costs ^g	2,034.0	2,912.9	3,119.6	2,360.0	4,144.0	4,879.9	5,746.5	6,767.1	7,968.8	9,384.0	11,050.5	45,796.8	3,053.1	13,260.6	15,912.7	19,095.2	22,914.3	27,497.1
Total ^h	11,757.0	13,142.9	14,075.6	17,969.0	20,745.0	24,429.1	28,767.4	33,876.2	39,896.2	46,976.6	55,319.1	229,260.5	15,284.0	66,328.9	79,659.5	95,591.4	114,709.6	137,651.6
USEDP Impact on USE Budget (5%)													Average(%)	Average(%)				
USEDP Impact on Salaries ^{af}						0.002	0.008	0.008	0.007	0.005	0.001	0.005	0.000	0	0	0	0	0
USEDP Impact on Operating Expenses ^{bf}						0.028	0.095	0.101	0.086	0.058	0.012	0.064	0.036	0.00001	0.00001	0.00001	0.00001	0.00000
USEDP Impact on Capital Costs ^{cf}						0.004	0.015	0.016	0.014	0.009	0.002	0.010	0.082	0	0	0	0	0
USEDP Impact on Total USE Budget ^{dh}						0.009	0.031	0.033	0.028	0.019	0.004	0.021	0.002	0.000003	0.000002	0.000002	0.000002	0.000000

ADB = Asian Development Bank, USE = upper secondary education, USE = upper secondary education, USED P = upper secondary education development project.

^a Data from the Ministry of Education and Training.

^b Asian Development Bank estimates.

ECONOMIC AND LABOR MARKET ANALYSIS

A. Economic Justification

1. Public and private investment at all levels of education in Viet Nam has been substantial over the last two decades. Increased government and household spending on education at all levels has had direct impact on access and participation. From 1996/97 to 2001/02, enrollment in primary schools increased by 16%; in lower secondary, 37%; and in upper secondary, 115%. The Government's goal is to expand upper secondary education by 2010 to promote industrialization and economic modernization. Quality improvement is of the highest priority. The socioeconomic, political, and cultural climate of the country calls for improvement of education, including curriculum and teaching methods. To achieve a sustainable growth path and to survive in a globally competitive environment, the country needs to build a dynamic human resource base with adaptable skills. Investment in education under the Project consists of improving quality, promoting access and participation, and increasing efficiency and effectiveness of education management through management training, decentralization, and improved fiscal transfers. The Project is expected to yield substantial economic, social, and institutional benefits.

B. Labor Market Demand

2. Viet Nam's population is now about 78 million, having doubled in the last 30 years. Gross domestic product (GDP) growth during the last decade averaged 7.4% annually. Population growth will result in further increase in the working-age population in Viet Nam. The labor demand projections¹ indicate that the 38.6 million labor force in 2000 will increase to 45.7 million in 2010, representing an average annual growth rate of 1.8%. By 2010, the working-age population will account for around 51.0% of the total population as compared to 46.7% in 2000. Despite strong economic growth, employment growth lagged behind. The labor-intensive and export-oriented domestic private sector, although growing quickly, is still small. This employment structure remains largely dominated by agriculture, with labor shifting from the public and cooperative sectors toward household enterprises/farms that do not use salaried workers, and toward independent labor.

3. The labor market in Viet Nam continues to be predominantly unskilled, agricultural, or household workers². In 2000, the educated and trained labor force comprised only 15.3% of employed persons (at the technical professional level). The labor market will continue to increase by 3%, which means that every year another 1.4 million people will enter the labor market. These are young, often unskilled workers with minimal experience, who live in rural areas where land and nonfarming jobs are scarce. Those who will not be absorbed by the formal sector will continue to work in household enterprises. If the private sector does not develop significantly, unemployment will increase, especially as state enterprises and the agriculture sector employ fewer people, and because the absorptive capacity of the labor-intensive, low-productivity tertiary sector is low. The Government, while dismantling its monopoly in employment, has not invested sufficiently in retraining, which has been left to individual initiative.

4. The transition to a market economy, and rapid economic growth in the last decade have raised the demand for skilled labor. Growth promises to be more labor intensive. Given its rich natural and human resources, Viet Nam can triple manufacturing exports and create around 1.6

¹ Ministry of Labor, Invalids, and Social Affairs. 2001. *Vocational Training Development Strategy 2010*. Hanoi.

² In 2000, 84.6% of the labor force was unskilled and 63% in agriculture.

million manufacturing jobs in export sectors in the near future. To be competitive, however, Viet Nam must develop the high-technology sectors and upgrade its labor force. Upper secondary education is particularly important to foster the needed labor skills and the capacity to learn on the job while adapting to new technologies. Measures must mitigate the poverty and inequality that may worsen with increasing globalization. Viet Nam's comparative advantage is likely to be in sectors and enterprises that require relative shifts in the skill content of export manufactures; steady increase in labor-intensive products; and dramatic increase in science-based goods, including those that are technologically complex.

C. Economic Rates of Return and Project Benefits

5. The economic benefits will potentially include high social returns from the investment through (i) improved efficiency of infrastructure and personnel, and in allocation of resources; and (ii) improved productivity of graduates. The major economic benefits of the Project lie in its contributions to improving the internal efficiency of upper secondary education. The new curriculum and teaching methodologies based on active student-centered approaches to be introduced by the Project will enable the newly trained teachers to interact more with students, thus helping improve the performance of their students. Teachers will be upgraded in areas where they have had no preservice training, and principals will be trained in new approaches to school leadership and management training. The Project will also develop comprehensive evaluation and assessment procedures, formative and summative. The Project is expected to increase the number of upper secondary school graduates to over 500,000 annually. The Project will directly improve the quality of outcomes and performance of graduates in the labor market. The Project will provide the means to raise academic standards and help improve the alignment between graduate skills and the labor market. Increased earning capacity and spending ability of low-income groups will help reduce poverty.

6. **Demand Analysis.** Lower and upper secondary education has rapidly expanded since 1994. From 1996 to 1999, upper secondary education enrollment increased from about 1.2 million to 2.0 million, for a net enrollment rate (NER) of 32%. In the 15 provinces with the highest NER, the number of secondary schools increased by 38.1%, and enrollment by 78.6%. In 15 provinces with the lowest NER, the number of schools increased by only 30.3%, and enrollment by 128.0%. Enrollment differs significantly, however, among income groups. Upper secondary education NER among the richest 20% of households in 1998 was 64.1%, while among the 20% poorest households it was a mere 4.5%. The low enrollment rates among the poor are attributable to the high direct private costs to education and the indirect (opportunity) costs of upper secondary education. In view of government plans to expand primary, and lower and upper secondary enrollment by 2010, significant public (and private) resources will be required at all levels.

7. **Reverse Cost-Benefit Analysis.** Expected benefits from productivity differential and reduced costs are based on the expected minimum. Total project benefits are estimated at about \$19 million per year based on reduced costs and productivity differentials (Tables A12.1 and A12.2). In considering the benefits of education, "switching values" are useful in the absence of reliable data on earnings differentials. The analysis, sometimes referred to as reverse cost-benefit analysis, consists of estimating the productivity differential required for an education investment to have an acceptable rate of return. The Project has few, if any, quantifiable objectives for which future monetary benefits can be estimated, but it does have multiple objectives and multiple inputs toward reaching them. The Project is an investment to redirect and improve an existing upper education system. The Project is not just a series of discrete investments aimed at particular goals but a systemic approach using a combination of

policy changes and new investments to improve upper secondary education. Investment loan funds are being provided to the upper secondary education (about 30% of which come from the Government) to improve the system through in-service teacher training, curriculum and textbook reform, student assessment, education leadership, education evaluation and quality assurance system, and promotion of access to upper secondary education in disadvantaged areas.

**Table A12.1: Calculation of Reverse Cost-Benefit Analyses
Expected Benefit from Reduced Cost**

Year	Annual Benefits (D billion)	Annual Benefits (\$ billion)
2003	13	0.9
2004	15	1.0
2005	18	1.2
2006	20	1.4
2007	23	1.6
2008	27	1.8
2009	31	2.1
2010	36	2.4
2011	41	2.7
2012	47	3.1
2013	54	3.6
2014	62	4.2
2015	72	4.8
2016	83	5.5
2017	95	6.3
Total	625	41.7
Average — 15 Years	41.7	2.78

Source: ADB. 2002. *Upper Secondary Education Development Project (Final Report)*. Manila.

Note: Annual benefits are calculated based on 1% of annual recurrent cost of upper secondary education. These recurrent costs are projected to increase annually by about 15% based on past trends (real increases).

**Table A12.2: Calculation of Reverse Cost-Benefit Analyses
Expected Benefit from Productivity Differential**

Year	USE Enrollment	USE Graduates	Annual Benefits (D million)	Annual Benefits (\$ million)
1999/00	1,950,000	458,815	71,561.9	4.8
2000/01	2,194,933	516,445	100,688.2	6.7
2001/02	2,333,069	548,947	128,429.9	8.6
2002/03	2,474,896	582,318	158,943.4	10.6
2003/04	2,599,001	611,518	190,758.5	12.7
2004/05	2,172,933	638,325	199,120.7	13.3
2005/06	2,867,611	674,719	210,473.6	14.0
2006/07	3,004,387	706,901	220,512.5	14.7
2007/08	3,069,278	722,170	253,434.7	16.9
2008/09	3,084,083	725,653	254,657.2	17.0
2009/10	3,118,178	733,675	286,080.5	19.1
2010/11	3,173,342	746,655	291,141.6	19.4
Total			1,906,179.5	127.1
Average — 8 Years			238,272.4	15.9

USE = upper secondary education.

Notes: Base data: mean income of D3.4 million (\$226) as annual per capita income; median income of D2.4 million (\$160) as annual per capita income; and productivity differential of D995,000 (\$66).

7. The approach used in the economic quantification is to estimate some minimum rate of return based on the least that one can expect from the proposed investments in upper secondary education. With a minimum hurdle rate of 12% (real rate of return), the Project can be deemed a good investment. The rate-of-return approach is based on organizing on an annual basis the different project activities or interventions. Where possible, the expected effects have been summarized in monetary terms either as cost reductions (such as producing the same output at a reduced overall cost) or increased benefits (such as producing more graduates who earn more because they are better educated and/or more equipped to contribute to the global economy). These benefits exclude externalities that accrue to the Project.

8. Productivity differentials are computed based on the number of projected graduates from the secondary education sector master plan (SESMP)³ multiplied by the differential earnings from the mean and median average income. The *Viet Nam Living Standards Survey, 1997-1998* (VLSS98)⁴ shows that the median average for the seven regions with educational attainment less than primary diploma and lower secondary diploma comprises 70% of population. The difference between the median and mean income is the productivity differential of the upper secondary education graduates under the Project, assuming 78% completion rate. About 40% of graduates are expected to benefit from the productivity differential.

9. **Key Benefit Assumptions.** Reduced costs are the yearly savings expected as a result of strengthening management of upper secondary education. The Project is expected to improve cost-effectiveness by increasing capacity utilization of upper secondary education schools, reducing the unit cost, and strengthening the management of upper secondary education at the provincial and school levels. The expected cumulative savings are assumed to be about 1% of annual recurrent costs of upper secondary education.

10. Productivity differentials—benefits from increased earnings or inflows—will result from improved productivity of graduates. The quality improvement measures and teacher training are expected to increase earnings of new graduates based on the better education that they will receive through the Project. Benefits will come from increased earnings because students have been directed into subjects for which demand is greater. Better-qualified teachers and student-centered approaches will improve student performance and thus improve the quality of graduates and the workforce. VLSS98 data on education and income was used to calculate productivity differentials.

D. Cost-Effectiveness and Internal Efficiency

11. A key element of cost-effectiveness of education spending is per student or unit cost. According to the SESMP,⁵ the public cost per pupil in 2000/01 was D254,000 for primary education; D264,000 for lower secondary; and D260,000 for upper secondary. Upper secondary education public expenditure is increasing, but is relatively modest compared to expenditure in primary and lower secondary education. Public expenditure per student is only slightly above expenditure per pupil at the primary level and less than the cost per pupil at the lower secondary level. This is possible due to the relatively large share of total costs borne by individual households as described below. In most countries, however, public expenditure per pupil increases significantly at each successive education level.

³ ADB and the Ministry of Education and Training (MOET). 2002. *Secondary Education Sector Master Plan (Final Report), Volume II: Projections of Students, 2000-2010*. Hanoi.

⁴ General Statistical Office. 2000. *Viet Nam Living Standards Survey, 1997-1998*. Statistical Publishing House. Hanoi.

⁵ ADB and MOET. 2002. *Secondary Education Sector Master Plan (Final Report), Volume I: Main Report*. Hanoi.

12. The Government has continued its efforts at cost recovery (shifting costs of education from the Government to individuals and families) by encouraging the establishment of semipublic programs and nonpublic schools requiring fee payments at the upper secondary level.⁶ The consequence has been a rapid increase in the private costs of education from a per capita expenditure of D32,700 in 1993 to D108,400 in 1998. In 1998, the private share of upper secondary education expenditure represented 69% of the total expenditure. In 1993, the private expenditure share was 57%. According to VLSS98, the average per pupil expenditure per year was D557,500 (\$45) at the lower secondary level and D1.2 million (\$97) at the upper secondary level. Public unit cost per student at all levels is almost equal, resulting in the provision of low-quality higher-level education. This indicates that improvements in teacher quality, and curriculum, textbook, and other quality reforms, are the most important and cost-effective educational spending to prepare students for higher education or the labor market. It makes good economic sense that various activities planned under the Project aim to improve quality.

E. Beneficiaries

13. A large number of teachers and principals will benefit from the new and improved in-service training programs: 18,600 teachers trained in new teaching methods (component 1); 1,000 teachers retrained and upgraded (component 2); and about 1,400 school principals trained in school management and education leadership (component 3). The Project will directly benefit about 25% of the teaching and administrative staff at the districts and schools through training, leading to enhanced capacity and improved efficiency, and upgraded school management skills. About 5 million upper secondary education students will benefit from improved student assessment, testing, education evaluation, and quality assurance. Public and private upper secondary education institutions will benefit from improved student-centered curriculum, teaching methods, textbooks, and instructional materials in key subject areas. Students will benefit from enhanced quality and quantity of education inputs, leading to improved education achievements and higher returns to private investment in education. Educational reforms will be supported through participatory policy studies, study visits, and external training of key staff. Under component 2, about 120,000 disadvantaged students in 20 selected provinces with low participation rates will benefit from the new construction and replacement of classrooms, and equipment provision. The teaching and learning environment (i.e., conditions of facilities and availability of instructional equipment, teaching aids, and materials) will be improved. Study support programs will benefit about 22,500 poor and ethnic minority students.

⁶ Public upper secondary education is supposedly free (but in actuality there are costs). Semi-public students pay tuition and a construction fee among others. Students in nonpublic schools pay a higher tuition and perhaps construction fee. Provincial peoples' committees set the fee levels within the range established by the Government.

SUMMARY POVERTY AND SOCIAL STRATEGY

A. Linkage to the Country Poverty Analysis

Sector Identified as a National Priority in Country Poverty Analysis?	Yes	Sector Identified as a National Priority in Country Poverty Reduction Partnership Agreement?	Yes
Partnership agreement signed.			
Contribution of Sector/Subsector to Reduce Poverty:			
<p>The upper secondary education subsector is geared to reduce poverty in Viet Nam by promoting greater access to upper secondary education nationally and for females, especially those from poor and ethnic minority backgrounds. The poor and ethnic minorities, for various cultural and economic reasons, are underrepresented in upper secondary education. The provision of upper secondary education includes general upper secondary education curriculum together with career orientation and technical training focusing on local industry requirements, thus providing students with skills to help them get jobs and overcome transgenerational poverty.</p> <p>Viet Nam's lower and upper secondary education has expanded rapidly since 1994. From 1991 to 1999, upper secondary enrollment increased by 101.2% from 700,000 to 2 million, for a net enrollment rate (NER) of 32% in 1999. In the 15 provinces with the highest NER, secondary schools increased by 38.1%, and enrollment, by 78.6%. In the 15 provinces with the lowest NER, schools increased by only 30.3%, and enrollment, by 128.0%. However, significant differences in enrollment remain among income groups. NER in upper secondary education among the richest 20% of households in 1998 was 64.1%, while among the 20% poorest households, a mere 4.5%. The low enrollment rates among the poor are due to the high direct private costs of education, and the indirect (opportunity) costs of upper secondary education.</p> <p>The Project will address issues concerning access to and participation in upper secondary education. The provinces recommended for component 2 promote access, equity, and participation in upper secondary education in the disadvantaged provinces in the North East, North West, North Central Coast, South Central Coast, Central Highlands, South East, and Mekong River Delta.</p>			

B. Poverty and Social Analysis

Proposed Classification: Poverty Intervention

Human Development

Gender and Development

<p>Viet Nam has an overwhelmingly rural population (59 million in 2000). The population grew from just over 66 million in 1990 to slightly over 77.6 million in 2000,¹ or an increase of 17.5%. The female population increased from 33.8 million to 49.5 million, and the male population from 32.2 million to 38.2 million. The annual per capita income in 1994 was D2 million (\$134) and D3.5 million (\$236) in 1999. In the rural areas, the annual per capita income in 1994 was D1.7 million (\$113), and D2.7 million (\$180) in 1999. However, stark differences exist between rural and urban areas, and between the lowest and highest household quintiles. In 1999, the lowest income quintile of households had an annual per capita income of D1.2 million (\$78); the highest, D10.4 million (\$691). In rural areas, the corresponding figures for the lowest income quintile are D996,000 (\$66), and for the highest, D6.3 million (\$418). In 1999, the figures for the lowest income quintile in urban areas was D2.4 million (\$160), and for the highest, D23.5 million (\$1,569).²</p> <p>Poverty incidence is highest the Northern Uplands, Central Highlands, and Mekong River Delta, and certain groups remain vulnerable. Most of the poor (i) are farmers, (ii) are poorly educated, (iii) have many children, (iv) have little access to material resources such as land, and (v) have little access to social and physical infrastructure. Two groups are particularly vulnerable: ethnic minorities and unregistered migrants in urban areas.</p> <p>The Government's achievements in reducing poverty are momentous. Urban poverty dropped from 25% in 1993 to 9% in 1998, and rural poverty, from 66% to 45%. Poverty largely affects the rural population and ethnic minorities. Approximately 90% of poor live in rural areas, where the incidence poverty is 45% compared with 10–15% in urban areas. Although poverty incidence has declined significantly, one third of the country's population remains poor. The increased private costs (tuition fees, uniforms, etc.) of education have reduced enrollment, particularly among the poor. Ethnic minorities make up 28.5% of the poor but only 14.2% of the population. Despite the Government's high priority on poverty reduction and support for ethnic minorities, they are underrepresented in upper secondary education, especially the poor and females. Low income and consumption, and poor health bar these groups from upper secondary education.</p> <p>Poor households lack access to productive farming land and adequate infrastructure and education services. Ethnic minority households, and settlers who previously engaged in swidden agriculture then moved to urban areas are often excluded from mainstream economic activity. Physical and social exclusion usually results in a transgenerational poverty cycle of poor living conditions, low productivity, and low income, limiting access to education.</p>
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¹ Statistical Publishing House. 2001. *Statistical Yearbook 2000*. Hanoi. Data for 2000 is only preliminary.

² The conversion rate applied is D15,000 = \$1.

The Project envisions the need to reduce poverty by removing barriers to exclusion; addressing the needs of the poor, ethnic minorities, and females; and providing the means to improve access and participation in upper secondary education. Targeting poor beneficiaries, especially females from ethnic minorities and others from disadvantaged socioeconomic backgrounds, the Project will reduce poverty in the 20 disadvantaged provinces through (i) provision of special study support programs, (ii) provision of institutional materials and teaching aids to poor students, and (iii) development of facilities such as new schools/classrooms closer to the homes of poor students. These measures will increase access and participation, and retention and completion rates among disadvantaged students.

The Project is national in scope but will focus its investment in 20 disadvantaged provinces with (i) the lowest NER, (ii) low gross enrollment rate (GER) and female GER, (iii) a large number of very poor communes and/or low human development index rating, (iv) a high number of ethnic minority people, and (v) a high completion rate in lower secondary education but low transition rate to upper secondary. At least 35% of the benefits will accrue to poor, ethnic minorities, especially females.

Benefits To The Poor	Gender Benefits	Benefits to Ethnic Minorities
Component 1: Supporting Conditions for Quality Improvement in Upper secondary Education		
Subcomponent 1.1. New Curriculum, Textbook, and Teaching Methodologies		
Upgrading and retraining of teachers in 20 disadvantaged provinces should help improve education quality for students, most of whom are poor and ethnic minorities.		
Subcomponent 1.2. Provision of Instructional Materials and Equipment		
230,000 (10% of the total upper secondary students) poor students will benefit from access to improved instructional materials.	Female students (46% of the total upper secondary students) should benefit from gender-sensitive learning materials and programs.	20 ethnic minority boarding schools in the 20 disadvantaged provinces will be equipped to enhance the new diversified curriculum and student centered-teaching methods.
Subcomponent 1.3 Development of Quality Assessment Systems and Enhanced Education Leadership		
The training of 1,420 principals (all public upper secondary principals nationwide) in educational leadership and academic supervision roles for the diversified curriculum should contribute to the improved education quality for students, most of whom are poor and from ethnic minorities.		
Component 2: Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas		
Subcomponent 2.1. School Facilities Development		
Provision of 2,000 school facilities over the 6-year project period will benefit approximately 120,000 students (30% students in 20 provinces), including the poor students who will have access to upper secondary education.	Provision of 2,000 school facilities over the 6-year project period will benefit approximately 120,000 students (30% students in 20 provinces), including female students who will have access to upper secondary education.	Provision of 2,000 school facilities over the 6-year project period will benefit approximately 120,000 students (30% students in 20 provinces), including ethnic minorities who will have access to upper secondary education.
Subcomponent 2.2. Study Support Programs with Vocational Orientation		
Over the project period, 22,500 poor, female and/or ethnic minority students needing learning assistance will attend special study support programs during the summer and/or tutorials during the rest of the year.		
Subcomponent 2.3. Development of Information, Education, and Communication (IEC) Programs		
IEC programs will benefit girls, especially from ethnic minorities and poor families, who will be encouraged to attend and remain in upper secondary education whereas previously they had faced social and cultural constraints.		
Component 3: Strengthening Management of Upper Secondary Education		
Subcomponent 3.1 and 3.2 Pilot Initiatives: Strengthening Decentralized Upper Secondary School Management and Regulatory Options for Managing Nonpublic Upper Secondary Schools		
The pilot initiative to strengthen decentralized school management is aimed at improving management of upper secondary schools. The Project will examine regulatory options for nonpublic schools in ethnic and mountainous areas.		
Subcomponent 3.3. Application of New Information Technology in Upper Secondary School Management Development		
Student-based EMIS should lead to better targeting of at-risk students and development of programs to help them stay in school.		

C. Participation Process

Stakeholder Analysis Prepared:	No
<p>Participation Strategy: The participation groups in the development of the project preparatory technical assistance (TA) include parents, teachers, school principals, provincial departments of education and training (DOET) directors, teacher training university rectors, and provincial peoples' committee representatives in 15 provinces. During the TA, workshops and seminars were held at the national and provincial levels, including two regional workshops—one encompassing Ministry of Education and Training representatives and upper secondary principals and DOET representatives and from 30 North, South, and Central provinces. Participation strategy also included consultation with students, teachers, principals, school managers, DOET directors, and DOET department heads during field visits to 12 public and nonpublic schools in six provinces. Further participation took place through macro planning workshops with 20 DOET directors from North, South, and Central provinces. Midterm and final seminars were held, enabling feedback and participation from representatives of national government departments, potential funding agencies, and DOETs.</p> <p>The Project is envisaged to use a participation strategy to solicit inputs by incorporating dialogue with stakeholders such as the Committee for Ethnic Minority and Mountainous Areas, Women's Union, Committee for Protection and Care of Children, and Committee for the Advancement of Women. Local consultation is required at every step of the process—school site selection, design and construction, and operation and maintenance. The Project will ensure direct participation of relevant stakeholders through civic awareness and community dialogue. This will involve community participation at appropriate levels and input from interest groups, which will be utilized in community dialogue. During implementation of the pilot curriculum, and other activities associated with components 1, 2, and 3, representative groups and stakeholders such as students, parents, communities, schools, and the groups mentioned above will be consulted.</p>	Yes

D. Potential Issues

Issue	Issue Level	Strategy to Address Issues	Output Prepared
Resettlement	Not significant	Classrooms will be replaced in existing sites. New schools will be built on vacant public land or commune reserve land. If no vacant public land or commune reserve land is available and community or household land might be needed, a detailed community decision-making process for site selection must be followed to safeguard the communities' interests.	Compensation will be paid in accordance with the Asian Development Bank's policy on involuntary resettlement.
Gender	Significant	To ensure adequate participation of women, IEC packages will be developed and disseminated and gender-inclusive curriculum developed. Special study support programs will improve access to and participation in upper secondary education.	- Gender and ethnic minorities action plan - IEC program in provinces with low female GER
Affordability	Significant	The rural poor pay a substantial percentage of their income for education of their children. The Project will lower the cost of instructional materials and teaching aids, and provide them free, and provide study support programs for the poor, ethnic minorities, and girls.	- Affordable instructional materials and teaching aids - Study support programs
Upper Secondary Education Graduates	Significant	The number of poor, ethnic minority, and female students in general and technical upper secondary education should increase significantly. The Project will operate in the 20 selected provinces and support model schools in 61 provinces nationwide, including 2 schools with international standard.	- A curriculum framework including gender and ethnicity - Career orientation modules plan for upper secondary education - Sample syllabus for career orientation and technical upper secondary education
Ethnic Minorities	Significant	The Project will operate in 20 selected provinces with large ethnic minority and poor rural populations. Ethnic minorities will significantly benefit from the Project. The Project will train teachers to gain knowledge of ethnicity to support learning for ethnic minorities. The Project will also develop an IEC strategy targeting ethnic minorities.	- Gender and ethnic minorities action plan - Social and poverty analysis - Provinces with a high number of ethnic minority people selected for target assistance
Vulnerable Groups	None	No issues are expected.	None

GENDER AND ETHNIC MINORITIES ACTION PLAN

A. Introduction

1. Access, equity, and participation in upper secondary education has improved markedly over the past decade, with increasing enrollment among females and ethnic minorities. However, wide disparities still remain in and between provinces. The poor have much more limited access to education at all levels than do higher-income groups. Many more ethnic minority children, especially girls, continue to face obstacles to attending school.

2. The Government has actively supported and invested in services for the poor and vulnerable. However, certain ethnic minorities face many specific disadvantages, which are highlighted by physical and cultural isolation. Gender inequality is also serious, especially among poor, rural, and ethnic minority households. Despite government initiatives, discriminatory practices and traditions undermine the rights and needs of ethnic minority girls and women. Curriculum and facility development targeting ethnic minority children will be prioritized. The following action plan identifies the approach and target group that the Project will focus on to address the needs of female and ethnic minority students.

Table A14.1: Action Plan for Gender and Ethnic Minority Needs

Component/Activity	Approach and Target
<p>Component 1: Supporting Conditions for Quality Improvement in Upper Secondary Education</p> <p>Curriculum development</p>	<p>Curriculum development specialists will be trained in gender and ethnic minority issues and diversity. The new diversified curriculum will be sensitive to gender and ethnic minority issues (social, cultural, and economic diversity).</p> <p>Optional topics relevant to gender and ethnic minority issues, preservation of indigenous knowledge, and economic development of ethnic minority areas will be included.</p>
<p>Teaching methods</p>	<p>Teaching methods for the diversified curriculum will be sensitive to gender, and ethnic and cultural diversity.</p>
<p>In-service teacher training</p>	<p>In-service teacher training will include topics on gender issues, ethnic and cultural diversity, indigenous language instruction, and learning styles of girls and diverse ethnic minority groups.</p> <p>Master trainers will conduct in-service training for delivery of summer school programs. New teachers will be trained and assigned to teach in special programs. Skills of teachers in poor areas will be upgraded.</p> <p>In selecting participants for in-service teacher training, priority will be given to women to achieve at least the same proportion of women's participation as in the overall pool of the in-service trainees.</p> <p>Through student-centered learning approaches, the learning needs of female and ethnic minority students will be included in in-service teacher training.</p>
<p>Instructional materials</p>	<p>Improved instructional materials will be provided to upper secondary schools that serve the poor populations, including ethnic minority groups under component 2.</p>

<p>Component 2: Improving Access, Equity, and Participation in Upper Secondary Education in Disadvantaged Areas</p> <p>Construction, replacement, or upgrading of upper secondary school facilities, including classrooms</p>	<p>This subcomponent will cover the 20 disadvantaged provinces. Efforts will be made to locate schools as close to ethnic minority communities as possible and to include amenities to attract girls. Decisions on school locations will be based on school mapping and targeting.</p>
<p>Support study programs</p>	<p>Support study programs for targeting poor, ethnic minority, and female students will be initiated and implemented in the 20 disadvantaged provinces. The programs will be conducted at a school or through qualified teachers who reside in remote areas. Support study program delivery will be sensitive to local needs such as remote location. Materials designed to enhance academic skills and knowledge of gender, and culture and ethnic diversity will be used.</p>
<p>Information, education and communication (IEC) development</p>	<p>An IEC program will be developed and campaigns conducted in target communities, especially among ethnic minority groups to convince parents of the benefits of educating children, particularly girls. Information will be disseminated in ethnographically focused and culturally sensitive ways and means.</p>
<p>Component 3: Strengthening Management of Upper Secondary Education</p> <p>Pilot initiatives</p>	<p>Pilot initiatives will be completed in eight provinces: (i) decentralized financing of schools, (ii) improving community-school partnerships, (iii) administrative roles and responsibilities in a decentralized environment, (iv) managing education in difficult areas, and (v) socializing of upper secondary education.</p> <p>Lessons learned will be fed back into the education system to increase access and participation in upper secondary schools, especially among the poor, ethnic minorities, and girls. Training of education managers at provincial, district, school, and commune level, including members of parents' associations, will raise awareness of gender and ethnic minority issues.</p>
<p>Student-based education management information system (EMIS)</p>	<p>Student-based EMIS strategies will be strengthened so that disaggregated data tracking and analyses can be carried out. This activity will be of special benefit to the underserved ethnic minority and female students on whom there is little available data.</p>

B. Implementation Arrangements

1. Organization

3. The Project's gender and ethnic minorities action plan is infused across all three components. Overall implementation responsibilities will lie with relevant departments of the Ministry of Education and Training (MOET) and the National Project Implementation Unit (NPIU) at the central level, and provincial project implementation units (PPIUs) at the provincial level. Specific responsibilities for particular aspects and activities of the action plan are included in the terms of reference for individual consultants to ensure that intended goals are achieved.

Nongovernment organizations will be consulted to develop innovative approaches to reach ethnic minority female students in remote areas.

2. Institutional Capacity

4. MOET has one research center, the Research Center for Ethnic Minority Education, responsible for gathering information on education of ethnic minority groups, developing curriculum and teaching methods, and contributing to policy studies. The Department of Continuing Education also does similar work, but targets ethnic minorities and adult learners. The action plan will seek to involve the center staff, although primary responsibility for activities will be spread throughout MOET departments, NPIU, PPIUs, and consultants. The Project will build upon ongoing activities under the Lower Secondary Education Development Project and the Teacher Training Project, targeting ethnic minorities, especially females, in school construction and replacement programs; curriculum renovation adopting more active, student-centered learning approaches; and related in-service teacher training.

3. Budget and Financing Plan

5. The action plan does not require separate budgets since it is integrated into the overall project cost. The benefits of component 1 will spread nationwide at different levels; estimating how much will accrue to ethnic minorities and female students is difficult. Civil works under component 2 in the 20 disadvantaged provinces will increase access in remote and ethnic minority areas. The Project will also have specialist assistance through social development, ethnic minority, and gender specialist (6 person-months) who will help implement the action plan.

4. Implementation Schedule

6. The action plan's implementation schedule will be in line with the overall implementation of the Project for 6 years, from early 2003 to mid-2009, and specific implementation schedule of each of three project components.

5. Monitoring and Evaluation

7. The monitoring and evaluation of the action plan will be incorporated into the overall monitoring and evaluation plan developed for all three project components. Monitoring will be ongoing to ensure that activities are effectively carried out and targets reached. Monitoring will also allow for adjustments of the action plan during implementation. The NPIU will be responsible for establishing and coordinating monitoring and evaluation activities, and PPIUs will monitor local school-based and community activities. The midterm review will also be accompanied by staff with expertise in gender and ethnic minority issues.