



Technical Assistance Report

Project Number: 42079
July 2008

Socialist Republic of Viet Nam: Preparing the Higher Education Sector Development Project (Financed by the Japan Special Fund)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 25 June 2008)

Currency Unit	–	dong (D)
D1.00	=	\$0.0000602011
\$1.00	=	D16,611.00

ABBREVIATIONS

ADB	–	Asian Development Bank
CSP	–	country strategy and program
DMF	–	design and monitoring framework
GDP	–	gross domestic product
HEI	–	higher education institution
MOET	–	Ministry of Education and Training
PPTA	–	project preparatory technical assistance
R&D	–	research and development
SEDP	–	socioeconomic development plan
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sector	–	Education
Subsector	–	Tertiary education
Themes	–	Sustainable economic growth, inclusive social development, capacity development
Subthemes	–	Promoting economic efficiency and enabling markets, human development, institutional development

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Asian Development Bank (ADB) is assisting Viet Nam in three strategic priority areas: business-led, pro-poor economic growth; social equity; and environment.¹ Under the first priority, ADB assists the Government of Viet Nam to increase the country's productivity and competitiveness by helping to improve the business-enabling environment, develop financial and related market institutions, and respond to the rising demand for highly qualified human resources. The Government requested ADB and the World Bank to support the development of science and technology universities as centers of excellence in human resource development and research. ADB's 2008 Country Programming Mission confirmed inclusion of project preparatory technical assistance (TA) for the Higher Education Sector Development Project during 2008, with an ensuing loan programmed in 2009.² A fact-finding mission to Viet Nam in April 2008 reached an understanding with the Government on the TA's impact, outcome, outputs, scope, implementation arrangements, cost estimates, financing plan, and outline terms of reference for the consultants.³ The design and monitoring framework is in Appendix 1.

II. ISSUES

2. Viet Nam is one of the rapidly growing economies in Asia, recording an average annual growth in gross domestic product (GDP) of about 7.5% over the last decade and 8.5% in 2007. The country's success in reducing the general poverty incidence is remarkable. The latest household survey data shows that the income poverty incidence fell from 58.1% in 1993 to 19.5% in 2004. The Government's Socioeconomic Development Plan (SEDP) 2006–2010⁴ envisions Viet Nam as “an industrialized country by 2020,” moving the country out of its low-income status and increasing average GDP per capita (about \$723 in 2006) to \$1,100 by 2010. An initial poverty and social analysis is in Appendix 2.

3. To progress beyond middle-income country status by 2010 and become an industrialized country by 2020, however, Viet Nam must accelerate building its knowledge and technological capacity and greatly improve its business climate. The Government, having recently joined the World Trade Organization, is committed to promoting knowledge-led development and fostering a skilled population with strong knowledge and a technological basis that will position the country well for expansion and integration with the global economy. The SEDP recognizes that education and knowledge are fundamental to social and economic development, and it aims to proactively invest to equip citizens with the knowledge, skills, and attitudes needed to compete economically in a rapidly changing society. Building high-quality higher education institutions (HEIs) that are innovative and relevant to market demands is essential. HEIs can operate as incubators for the innovation and creative thinking needed for an economically competitive society by carrying out research and development (R&D) and developing human resources for a knowledge-based economy.

4. The Government has set overall quantitative and qualitative goals for higher education development in its SEDP. The Ministry of Education and Training (MOET), which manages and regulates the higher education system in the country, has elaborated on these goals in its *Higher Education Reform Agenda, 2006–2020*.⁵ The reform agenda advances a forward-

¹ ADB. 2006. *Country Strategy and Program (2007–2010): Viet Nam*. Manila.

² The TA first appeared in the business opportunities section of ADB's website on 12 May 2008.

³ In accordance with the Government's request, a joint TA Fact-Finding (ADB) and Identification (the World Bank) Mission was fielded during 2–11 April 2008.

⁴ Government of Viet Nam. 2006. *Socioeconomic Development Plan 2006-2010*. Hanoi. This plan also serves as the national poverty reduction strategy.

⁵ Ministry of Education and Training. *Vietnam Higher Education Reform Agenda, 2006–2020*. Hanoi.

looking strategy for developing a highly competitive higher education system with advanced research and teaching capacity as driving forces for the knowledge-based economy. The main objectives of the strategy are to (i) dramatically increase the participation rate in HEIs, (ii) simultaneously boost quality and efficiency of the higher education system, (iii) strengthen research capacity in HEIs in order to upgrade the quality of teaching and to provide a research base for the development of industry and enterprises, and (iv) improve governance of the higher education system. MOET faces tremendous challenges, however, in meeting specific targets in the higher education reform agenda, which include (i) developing key HEIs into major scientific centers for the entire country by growing income from science and technology activities (services and products) to 15% of the total HEI revenue by 2010, and to 25% by 2020; (ii) increasing enrollment to 200 students per 10,000 population by 2010, and to 450 students per 10,000 population by 2020; (iii) raising the proportion of university teaching staff with master's level degrees to 40% by 2010, and to 60% by 2020; (iv) raising the proportion of university teaching staff with doctorate level degrees to 25% by 2010, and to 35% by 2020; and (v) reducing the ratio of university students to teaching staff to 20:1 by 2020.

5. There are now more than 1.3 million Vietnamese enrolled in 230 HEIs. Although the gross enrollment rate has risen from a mere 2% in the early 1990s to about 13% in 2005, it is still well below those of other high-performing countries in the region. To improve efficiency, HEIs have become more multidisciplinary through the formation of larger universities. Nevertheless, the sector is still dominated by smaller HEIs that remain very specialized as a legacy from the influence of the former Soviet Union's higher education model. Despite the Government's goal to improve the quality of higher education, quality assurance measures remain in a nascent stage. There is also a relevance issue in that the knowledge and skills of higher education graduates need to be better aligned with labor market demand. At the same time, the country requires measures to prevent or reverse brain drain. In spite of a gradual increase in their autonomy and decision-making authority in some areas, HEIs still have little experience in managing themselves or pursuing institution-specific goals. MOET and the sector ministries continue to make most of the management decisions. Furthermore, institutional funding is insufficient and there is heavy reliance on public funds. More private funding needs to be mobilized by promoting private and foreign universities' entry into the sector and strengthening university–industry linkages.

6. The Prime Minister places the highest priority on developing world-class research universities to drive the country's knowledge-based economy. MOET aims to have at least one Vietnamese HEI recognized and ranked as one of the world's top 200 universities by 2020. MOET seeks (i) investment financing to develop four "new model" research universities as centers of excellence in research and teaching with strong university–industry linkages in the northern (Ha Noi), central (Da Nang), southern (Ho Chi Minh City), and Mekong River Delta (Can Tho) regions; and (ii) technical assistance to design a "new model" HEI with a new policy and regulatory framework to provide enabling conditions for closer university–industry linkages and for possible replication once proven successful. As envisaged in the higher education reform agenda, these new model research universities are expected to become core scientific centers for the entire country. They will be more research-oriented and aligned with international standards of quality, relevance, and competitiveness. They will productively absorb the many PhD graduates returning to Viet Nam from overseas universities and research institutes, play a critical role in research and teaching, and lead to enhanced R&D capacity of the country.

7. While development of the overall policy framework for the higher education system is supported by the World Bank,⁶ it is necessary to ensure, in collaboration with the World Bank, that the overall policy development process is efficient and relevant to new model research universities. In addition, a specific policy framework plus new mechanisms and procedures need to be developed in governance, finance, and quality assurance to make the proposed four research universities fully effective, autonomous, and competitive. Policy development will require improvements in the areas of (i) governance, in terms of choice of university leaders, recruitment, compensation and management of academic and administrative staff, admissions, choice of study programs and degrees, and choice of research topics; (ii) financing, including tuition and a student loan scheme, a competitive research grant scheme, and incentives for greater nonpublic funding; and (iii) quality assurance, including additional resources linked to higher performance standards, accountability through financial and academic audits, and establishment of an independent accreditation agency or body. Major investments in modern facilities, advanced research laboratories, and strong library holdings are also required to deliver the necessary improvement in quality, relevance, and competitiveness.

8. At the tertiary education level, ADB supported establishment of the Royal Melbourne Institute of Technology in Ho Chi Minh City as a private sector operation in 2001,⁷ and it is supporting teacher training universities and colleges for secondary and professional teachers.⁸ ADB has also supported higher education projects in Bangladesh, Indonesia, Lao People's Democratic Republic, Mongolia, Papua New Guinea, Sri Lanka, and Thailand (at the postgraduate level). Major lessons learned include that (i) basic research is more challenging due to the time and type of products and resources required; (ii) the expanding global market for postgraduate degree holders, and resulting brain drain, needs to be anticipated; and (iii) the capacities of HEIs need strengthening to promote internal and external efficiency and to be responsive to industry's needs.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The impact of the TA will be two new model research universities in Ha Noi and Da Nang with high-quality postgraduate programs and R&D capacity in key disciplines. The outcome of the TA will be an agreed design for a loan project for developing two universities and a related policy and regulatory framework that is suitable for ADB financing.

B. Methodology and Key Activities

10. The outputs of the TA will be (i) an assessment of higher education development models in various countries and higher education sector constraints and issues; (ii) a design for the overall policy framework for research universities within the higher education system and the policy and regulatory framework specific to the new model universities; (iii) strategic road mapping to reach international standards of quality, relevance, and competitiveness; (iv) a completed project outline that addresses key sector constraints and issues and meets the

⁶ World Bank. 2007. *Project Appraisal Document on a Proposed Credit to the Socialist Republic of Viet Nam for a Second Higher Education Project*. Washington, DC. See also World Bank. 2007. *Viet Nam: Higher Education and Skills for Growth*. Washington, DC.

⁷ ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan for the Royal Melbourne Institute of Technology International University in Viet Nam*. Manila.

⁸ ADB. 2002. *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 and Professional Teacher Development Project*. Manila.

requirements of international standards; and (v) a detailed project design for the proposed project in line with the Government's policy and strategies and ADB requirements.

11. The TA will engage a wide range of public and private representatives in a dialogue to explore ways of creating university–industry linkages. The TA will focus on developing model research universities with initial focus on science and technology disciplines to enhance long-term industrial productivity and economic competitiveness. The TA will help prepare a road map for developing these universities into centers of excellence located strategically in or near high-technology parks or industrial zones.⁹ The “Ha Noi Science and Technology University” and the “Viet Nam–German University” in Ho Chi Minh City will be newly established. The universities in Can Tho and Da Nang will likely be developed from existing universities in these locations. ADB will support the “Ha Noi Science and Technology University,” to be located in the Hoa Lac High Tech Park, and the Da Nang university subproject to be located next to the Dien Nam Industrial Zone. The World Bank will support the “Viet Nam–German University” in Ho Chi Minh City and the Can Tho university subproject.

12. The TA will conduct a project feasibility study for the two new model universities in Ha Noi and Da Nang, including a sector assessment, by examining higher education models in other countries and identifying higher education sector constraints and issues. It will create a strategic road map to reach international standards of quality, relevance, and competitiveness. The TA will also develop a proposal for a specific policy and regulatory framework appropriate to all new model research universities. In this connection, the TA will provide support in determining, among other things: (i) governance arrangements, (ii) level of autonomy, (iii) accountability requirements and mechanisms, (iv) financing arrangements (including salary structures and incentive mechanisms), (v) quality assurance arrangements, (vi) management staff and faculty recruitment arrangements, and (vii) student recruitment arrangements (including equity concerns). Furthermore, the TA will examine and propose a project management and implementation arrangement. In view of lessons learned, it will include project readiness or bridging assistance to facilitate the project start-up activities (e.g., recruitment of consultants, preparation of bidding documents).

13. The proposed project will likely have the following outputs (to be designed in close collaboration with MOET, the new model universities, the private sector, and with development partners that include in particular the World Bank and bilateral agencies): (i) a policy and regulatory framework for implementing specific arrangements for new model universities' governance, financing, and quality assurance procedures that are in harmony with the higher education system's overall policy and regulatory framework; (ii) university establishment and development, including to design and build the facilities, equip the two new model universities, establish management systems, and develop and deliver a training program for leadership, management, and teaching and research staff to meet the industry's needs; and (iii) project implementation management, which will manage the project, coordinate project activities, and monitor performance and results.

C. Cost and Financing

14. The TA is estimated to cost \$1,200,000. ADB will finance \$1,000,000 equivalent. The TA will be financed on a grant basis by the Japan Special Fund, funded by the Government of

⁹ High-tech park means “a zone which specializes in research, development and application of high technologies and which provides a centre for fostering high-tech enterprises, for training human resources in high technologies and for manufacturing and trading high-tech products.” Industrial zone means “a zone which specializes in the manufacture of industrial products and the provision of services for industrial manufacture.” National Assembly of the Socialist Republic of Viet Nam. 2006. *Law on Investment Year 2005*. Hanoi: Transport Publishing House.

Japan. The remaining \$200,000 will be contributed by the Government and will include office accommodation, utilities, remuneration and per diem for counterpart staff, local transportation for support staff, and administration support. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project. The cost estimates and financing plan are in Appendix 3.

D. Implementation Arrangements

15. **Project Management.** MOET will be the Executing Agency and responsible for providing counterpart support. A project preparation unit will be established in MOET with a qualified TA project manager and project staff acceptable to ADB and having skills across the range of issues that will be covered during project preparation. The project preparation unit will include representatives from each of the four university subproject teams, and manage both ADB and the World Bank TA teams. Office space will be allocated by MOET and concerned university subprojects. Overall guidance for both ADB and the World Bank TA projects will be the responsibility of an interministerial project advisory committee to be chaired by the vice minister of MOET in charge of higher education. The committee will comprise representatives from MOET, Ministry of Finance, Ministry of Planning and Investment, Ministry of Science and Technology, the Office of the Government, and State Bank of Viet Nam. It will invite representatives of the four university subproject teams to participate in its meetings.

16. **Consulting Services.** A team of 11 international consultants totaling 33 person-months and 15 national consultants totaling 64 person-months will provide the following expertise: (i) university governance, financing, and quality assurance; (ii) university campus development; (iii) curriculum development and academic design; (iv) facilities and laboratory design; (v) economic and financial analysis and management, and project costing; (vi) project planning and management; (vii) civil works (architect and engineer); (viii) procurement; (ix) gender analysis; (x) resettlement; (xi) environmental assessment; and (xii) monitoring and evaluation. ADB will select and engage consultants through a firm, in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Simplified technical proposal and the quality and cost-based selection method will be used. An additional 2 months of individual international consulting services will remain unallocated. The outline terms of reference for consultants are in Appendix 4. All TA-financed goods will be procured in line with ADB's *Procurement Guidelines* (2007, as amended from time to time). Upon completion of the TA, all equipment procured under the project will be handed over to and retained by MOET.

17. **Implementation Period and Reporting Requirements.** The TA will be carried out over 8 months, tentatively from mid-September 2008 to the end of June 2009 (not counting a 6-week break). An inception report and TA implementation plan will be submitted within 1 month of the start of the TA and a project outline within 3 months. At the beginning of month 4, a midterm seminar will be organized to discuss the project outline with all stakeholders. A tripartite meeting will be scheduled based on the draft TA final report in month 5. The appraisal seminar for the TA final report will be organized jointly by the Government and ADB in month 7. The TA final report will be submitted to the Government and ADB by the end of month 8. The TA project completion date will be 30 June 2009.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis to the Government of Viet Nam for preparing the Higher Education Sector Development Project, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Two new model research universities producing high-quality postgraduate programs and strengthening research and development capacity in key disciplines</p>	<p>Postgraduate degree (master and doctorate) program enrollment increased from 1,000 in 2009 to 1,500 in December 2014</p> <p>Faculty members with doctorate degrees increased from 50% in 2009 to 80% in December 2014</p> <p>Recovery of operational costs from the tuition and revenue from consultancy and industry linkages (Actual percentage of cost recovery to be established through the TA.)</p>	<p>MOET statistics reports</p> <p>University subproject quarterly progress reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • The Vietnamese economy will grow on a sustainable basis. • The Government will sustain its policy and priority on developing new model research universities in the higher education system. • University–industry linkages will continue to grow. • Close coordination with the private sector will be maintained to ensure university training is consistent with the industry’s needs.
<p>Outcome An agreed design for a loan project that is suitable for Asian Development Bank (ADB) financing</p>	<p>Project design is agreed by the Government of Viet Nam and ADB by 31 May 2009</p>	<p>Investment report</p> <p>TA final report</p> <p>Memorandum of understanding of the loan appraisal mission</p>	<p>Assumption</p> <ul style="list-style-type: none"> • MOET supports the establishment and development of new model universities on international standards.
<p>Outputs</p> <p>1. Sector assessment, including the review of various higher education models plus sector constraints and issues</p> <p>2. Design of the overall and specific policy and regulatory frameworks</p> <p>3. Strategic road mapping appropriate for developing new-model research universities</p>	<p>Satisfactory sector assessment and timely submission of the sector assessment outputs by 15 October 2008</p> <p>Proposal for overall policy framework for research universities in the higher education system, as well as specific policy and regulatory framework for new model research universities by 31 October 2008</p> <p>Strategic road mapping by 30 November 2008 to achieve world-class research universities</p>	<p>Sector assessment with problem tree analysis in inception report submitted to ADB.</p> <p>A proposal of the overall and specific policy and regulatory frameworks submitted to the Government and ADB in midterm report</p> <p>Strategic road mapping, including institutional assessment of MOET and new model universities, in midterm report to ADB</p>	<p>Assumption</p> <ul style="list-style-type: none"> • The Government is committed to make data and information available <p>Risk</p> <ul style="list-style-type: none"> • Existing universities may oppose the establishment of new model research universities. <p>Assumption</p> <ul style="list-style-type: none"> • University campuses are identified and available in a timely manner.

<p>4. Project outline that addresses key sector constraints and issues and meets requirements of the policy and regulatory framework</p> <p>5. Detailed project design</p>	<p>Agreed project outline and design and monitoring framework (DMF) by 15 December 2008</p> <p>Detailed project design completed by the Government and ADB by 16 March 2009</p>	<p>TA midterm report</p> <p>Draft investment report</p> <p>TA draft final report</p> <p>TA final report</p> <p>Investment report</p>	<p>Assumption</p> <ul style="list-style-type: none"> Agreement can be reached with major stakeholders regarding the DMF.
<p>Activities with Milestones</p> <ol style="list-style-type: none"> Conduct higher education sector assessment by 15 October 2008. <ol style="list-style-type: none"> Examine a range of higher education models in various countries and their relevance to new model research universities in Viet Nam. Identify higher education sector constraints and issues to be addressed in the project design, and conduct problem tree analysis. Develop a proposal for the overall and specific policy and regulatory frameworks for new model research universities by 31 October 2008. <ol style="list-style-type: none"> In collaboration with the World Bank, ensure overall policy development work and a process that is efficient and relevant to new model research universities. Develop a proposal for the specific policy and regulatory framework appropriate for the new model research universities by determining, among other things: <ol style="list-style-type: none"> governance arrangements level of autonomy accountability requirements and mechanisms financing arrangements quality assurance arrangements management staff and faculty recruitment arrangements student recruitment arrangements Conduct strategic road mapping to reach international standards of quality, relevance, and competitiveness by 30 November 2008. <ol style="list-style-type: none"> Conduct institutional assessment and capacity building needs assessment for MOET and new model universities to be financed by ADB. Submit strategic road mapping to ADB in a draft midterm report by 30 November 2008. Prepare project outline that addresses key sector constraints and issues and meets requirements in specific policy and regulatory framework by 15 December 2008. <ol style="list-style-type: none"> Develop project outline and DMF, including performance indicators and timelines, in consultation with major stakeholders. Confirm project outline and DMF with senior government officials and university representatives. Submit a completed midterm report by 26 December 2008. Complete detailed project design based on the DMF by 16 March 2009. <ol style="list-style-type: none"> Develop the detailed DMF. Develop the detailed project design. Submit draft final report and Government's investment report by 16 March 2009. Submit final report by 30 June 2009. 			<p>Inputs</p> <p>ADB: \$1,000,000</p> <p>Consulting services: \$855,000 Equipment: \$20,000 Workshops, seminars, and conferences: \$40,000 Surveys: \$10,000 Miscellaneous administration and support: \$20,000 Contract negotiations: \$5,000 Contingencies: \$50,000</p> <p>Government: \$200,000</p> <p>Office accommodation and transportation: \$100,000 Remuneration and per diem of counterpart staff: \$60,000 Other support: \$40,000</p>

ADB = Asian Development Bank, DMF = design and monitoring framework, MOET = Ministry of Education and Training, TA = technical assistance.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country and Project Title:	Viet Nam: Preparing the Higher Education Sector Development Project		
Lending or Financing Modality:	Project	Department and Division:	Southeast Asia Department Social Sectors Division

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

1. Based on the country poverty assessment, the country partnership strategy, and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Viet Nam has been one of the rapidly growing economies in Asia, recording an average annual growth in gross domestic product (GDP) of about 7.5% over the last decade and 8.5% in 2007. The country's success in reducing general poverty incidence is remarkable. Viet Nam has achieved continuous poverty reduction, with the proportion of households living below the poverty line falling to 19.5% in 2004 compared with 58.1% in 1993 (Household Survey, 2006). The Government has prepared its Socioeconomic Development Plan (SEDP) 2006–2010, which is also Viet Nam's national poverty reduction strategy. The SEDP envisions Viet Nam as "an industrialized country by 2020," moving out of its low-income country status by increasing average GDP per capita from about \$732 in 2006 to the rank of middle-income countries (at \$1,100) in 2010. Furthermore, the Government has set a goal of becoming an industrialized country by 2020 by greatly strengthening its human knowledge base and technological capacity.

The country strategy and program (CSP) 2007–2010 supports the Government's SEDP, focusing on three priorities for assistance: (i) business-led, pro-poor economic growth; (ii) social equity; and (iii) environment. Under the first priority, the Asian Development Bank (ADB) will help the Government to improve the business-enabling environment by developing financial and related market institutions and human resources needed to meet increasing demand for skilled workers and by increasing labor productivity. At the same time, the poverty assessment in the CSP 2007–2010 endorsed the contribution of economic growth to poverty reduction. In particular, higher education institutions can operate as incubators of innovation and creative thinking needed for an economically competitive society by carrying out research and development (R&D) and by developing human resources for a knowledge-based economy. The technical assistance (TA) and proposed project, which will prepare, establish, and develop new model research universities that are world-class in their quality and competitiveness, are in line with the Government's SEDP and ADB's CSP 2007–2010. The development of a responsive, innovative, and high-quality higher education system is essential to the demands of the market and will pave the way toward an industrialized country by 2020.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention (GI) Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The TA will prepare an investment project to establish and develop new model research universities in the "tiered" higher education system meeting international standards of quality and competitiveness. These will enhance the country's capacity for R&D and the production of highly qualified graduates (and especially in science and technology disciplines). The proposed project is envisaged to reduce poverty in an indirect manner through creating new model research universities as centers of research and teaching excellence with strong university–industry linkages. That, in turn, will contribute to business-led, pro-poor economic growth.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

Not applicable.

2. What resources are allocated in the project preparatory technical assistance (PPTA)/due diligence?

A national gender and ethnic minority specialist, under the guidance of the project team member in charge of social development and gender aspects, will be engaged to conduct poverty analysis.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The proposed project aims at developing new model research universities as centers of research and teaching excellence with strong university–industry linkages. This should create potential for pro-poor growth. In addition, the design of the proposed project will consider such socially inclusive measures as affirmative admission criteria, level of student tuition, and student financial assistance schemes favoring students from poor households.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The potential primary beneficiaries will be the upper secondary school graduates and graduates of existing universities—both in-country and overseas—who will have access to new model research universities meeting international standards of quality and competitiveness. Other primary beneficiaries include new faculty members to be recruited from existing universities in-country and overseas. The poor and the socially excluded can have access to new model universities through affirmative admission criteria, as well as due to a student tuition scheme and a student financial assistance scheme ensuring that all qualified students will be admitted irrespective of their ability to pay tuition and other related costs.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The potential needs of beneficiaries include the level of autonomy in university governance, flexibility and equity in the financial mechanism, and transparency and accountability in the quality assurance system.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The Government and university authorities may not be fully aware of the required level of autonomy in university governance, flexibility in the financial mechanism, and transparency and accountability in the quality assurance system that would enable new model research universities to reach international standards of quality and competitiveness. The PPTA will assess various higher education development models and draw lessons for developing a specific policy and regulatory framework suitable to new model research universities in terms of governance, financing, and quality assurance, and the proposed project will help the Government and universities to implement the specific policy and regulatory framework.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Upper secondary and undergraduate education age cohorts will be the potential initial stakeholders. Education decision makers, planners and managers, and university subproject teams comprising university administrators and faculty members will be involved in the project, both as the executing and implementing agencies and as beneficiaries of the project activities. The private sector will also be involved in the project through (i) representation on decision-making committees; (ii) involvement in program definition, curriculum design, and thesis panels; and (iii) hiring teaching staff from enterprises.

2. What type of consultation and participation is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

During the PPTA, the following seminars and workshops will be conducted: (i) inception, midterm, and final seminars involving all the project stakeholders; (ii) a workshop involving decision makers, planners, managers, and representatives from the private sector on the specific policy and regulatory framework; and (iii) focused group workshops involving university subproject stakeholders in Ha Noi and Da Nang.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment

4. Will a consultation and participation plan be prepared? Yes No Please explain.

A separate consultation and participation plan is not required. ADB has already started stakeholder consultations with the central and provincial governments, university representatives, the private sector, and other development partners (in particular with the World Bank). Furthermore, consultation and participation processes will be mainstreamed in relevant project

components and documents such as the resettlement plan, initial environmental examination, and gender action plan.

C. Gender and Development

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

Key gender issues are: (i) a gender imbalance in educational attainment which exists at the upper secondary and tertiary levels, as fewer girls than boys are enrolled at these levels of the education system except for professional secondary education, and this gap widens drastically between the majority of Kinh boys and ethnic minority girls; and (ii) a gender imbalance in teaching staff at the tertiary level, with fewer female teachers than male teachers. It should be noted that in some science and technology fields, however, female students show better academic performance than male students.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

The proposed project aims to (i) introduce admission criteria that will encourage enrollments by female students in general, (ii) give special consideration to student tuition and financial assistance schemes for qualified ethnic minority female students, and (iii) put priority on hiring qualified female faculty members.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? Yes No Please explain.

The proposed project aims to establish a nondiscriminatory environment for female students and faculty members.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The land for university campus sites has been identified and acquired by the Government (approximately 65 hectares of mostly vacant land inside the Hoa Lac High Tech Park in Ha Noi and approximately 300 hectares of vacant government land in Da Nang). Since the exact campus development will be determined during the TA implementation, it is rather difficult to determine if resettlement can be completely ruled out. Therefore, the resettlement category A or B is recommended for the TA. This categorization may be revised during or after completion of the TA.	Not significant: Appropriate resettlement due diligence would be facilitated for land acquired to clarify involuntary resettlement and to prepare a retrofitted resettlement plan based on the section in ADB's Operations Manual on involuntary resettlement (ADB. 2006. <i>Operations Manual</i> . Section F2: Involuntary Resettlement. Manila [25 September]).	<input checked="" type="checkbox"/> Full Plan or <input checked="" type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples		Not known (but most likely limited): The PPTA will include surveys to assess the number of indigenous peoples either positively or negatively affected and their socioeconomic conditions. If found necessary, either a short indigenous peoples	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain

		development plan or special actions will be prepared.	
Labor <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The project will enhance employability of graduates from the universities to be developed, which will lead to increased employment opportunities. At the construction sites, employment opportunities for workers will also be increased.	No negative impact. Labor standards will be maintained and basic facilities (water and sanitation) will be provided for the workers. National laws on labor standards against child labor or discriminatory practices will be complied with.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	The project will contribute to sustainable economic growth through enhanced R&D capacity and developed human resources. Affordability will increase through improved economic opportunities.	No negative impact: The project will introduce a student financial assistance scheme so that equal opportunities to all students especially those from poor households and ethnic minorities will be ensured.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify.	No other risks or vulnerabilities are anticipated.	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT			
1. Do the terms of reference (TOR) for the PPTA (or other due diligence) include poverty, social and gender analysis, and the relevant specialist(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.			
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and consultation and participation during the PPTA or due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.			

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants ^b	645.0
ii. National Consultants	150.0
b. International and Local Travel	50.0
c. Reports and Communications	10.0
2. Equipment ^c	20.0
3. Workshops, Seminars, and Conferences ^d	40.0
4. Surveys	10.0
5. Miscellaneous Administration and Support Costs	20.0
6. Representative for Contract Negotiations	5.0
7. Contingencies	50.0
Subtotal (A)	1,000.0
B. Government Financing	
1. Office Accommodation and Transport	100.0
2. Remuneration and Per Diem of Counterpart Staff	60.0
3. Others	40.0
Subtotal (B)	200.0
Total	1,200.0

^a Financed by the Japan Special Fund, funded by the Government of Japan.

^b Includes an allocation of \$36,000 for individual international consultant(s) as needed.

^c Includes computers with standard software and modems, printers, photocopiers, facsimile machine, scanner, air conditioners, and other necessary office equipment and furniture. Procurement of equipment will be subject to Asian Development Bank approval.

^d Includes costs for a series of workshops, the midterm review seminar, the tripartite conference, and other consultation meetings with funding agencies and local stakeholders.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A team of 11 international consultants totaling 33 person-months of input and 15 national consultants totaling 64 person-months of input will be recruited for the technical assistance (TA). The areas of expertise required by each or a pair of consultants are listed below. The international and national consultants will work closely with counterparts to be designated by the Government at a project preparation unit to be established in the Ministry of Education and Training (MOET), as well as with the TA team preparing the two World Bank-financed new model research university subprojects. Overall guidance for ADB and World Bank TA projects will be given by the interministerial project advisory committee. Additional consulting services totaling \$36,000 will remain unallocated.

2. International consultants will lead and plan their respective expertise areas in collaboration with national consultants and government counterpart staff. The national consultants will advise international consultants on the local situation in order to adjust analyses and recommendations to local conditions. Consultants will help the international team leader and the national deputy team leader to prepare and conduct workshops and seminars, to prepare TA reports, and to carry out specific tasks assigned to them according to their respective terms of reference.

A. Policy and Regulatory Framework

1. University Governance Specialists (2 person-months international and 4 person-months national)

3. The specialists' tasks will include, but not be limited to, the following: (i) design specific governance arrangements for new model research universities, including government–university relations (autonomy), governance structure (with business and industry representation), appointment procedures (for leadership, management, faculty, and administrative staff), and academic decision making (study programs, curriculum content, and student assessment); and (ii) assist the project planning and management specialist (international team leader) in conducting a higher education sector assessment (mainly relying on the existing information) and strategic road mapping to achieve research universities meeting international standards.

2. University Financing Specialists (2 person-months international and 4 person-months national)

4. The specialists' tasks will include, but not be limited to, the following: (i) design specific financing arrangements for new model research universities, including a public financing mechanism, public financing structure, student tuition, student financial assistance, research financing, and business-industry financing (research and development contracting and licensing); and (ii) assist the project planning and management specialist (international team leader) in conducting a higher education sector assessment (mainly relying on the existing information) and strategic road mapping to achieve research universities meeting international standards.

3. University Quality Assurance Specialists (2 person-months international and 4 person-months national)

5. The specialists' tasks will include, but not be limited to, the following: (i) design specific quality assurance arrangements for new model research universities, including quality standards (with international benchmarking for research and teaching), a government quality assurance

system, a university-internal quality assurance system, student selection procedures, and monitoring and reporting (accountability); and (ii) assist the project planning and management specialist (international team leader) in conducting a higher education sector assessment (mainly relying on the existing information) and strategic road mapping to achieve research universities meeting international standards.

B. University Establishment and Development

1. Overall Campus Development Specialists (2 person-months international and 3 person-months national)

6. The specialists' tasks will include, but not be limited to, the following: develop a plan to establish two new model university campuses, including administration and classroom facilities, laboratories and incubators, university marking and industrial networking, and such other service facilities as job placement, alumni, health, student recreation, and community services.

2. Facilities and Laboratory Development Specialists (2 person-months international and 3 person-months national)

7. The specialists' tasks will include, but not be limited to, the following: in cooperation with overall campus development, civil works, and procurement specialists, and in consultation with two new model university authorities, prepare a detailed development plan for facilities and teaching and research laboratories and incubators in relevant science and technology fields (e.g., life sciences and computer science). The plan should include an indicative list of equipment to be procured.

3. Curriculum Development and Academic Review Specialists (2 person-months international and 3 person-months national)

8. The specialists' tasks will include, but not be limited to, the following: (i) assess current curricula in Viet Nam in the specified specializations against those of top-ranked overseas universities, then design new or revised curricula and academic programs; (ii) design curricula and academic programs in relevant science and technology fields (e.g., life sciences, computer science) by strengthening international and domestic networking for undergraduate and postgraduate levels; (iii) prepare long- and short-term staff development programs in curriculum development and academic review; (iv) prepare evaluation criteria and methods for teaching effectiveness and research quality and performance; and (v) develop a format for utilizing and maintaining facilities, laboratories, and equipment.

4. Personnel Recruitment and Management Specialists (2 person-months international and 3 person-months national)

9. The specialists' tasks will include, but not be limited to, the following: develop a plan to establish a human resource function for the two new model universities, including management and staff recruitment and employment services, compensation schemes and benefits, other incentive mechanisms, job performance evaluation, labor and employee relations, relocation, and staff training and development.

5. Gender and Ethnic Minority Specialist (2 person-months national)

10. The specialist's tasks will include, but not be limited to, the following: (i) collect most recent gender-disaggregated information and data on gender-relevant aspects of tertiary education, at both central and provincial levels; (ii) assess the impact of existing initiatives (including gender targets or quotas) aimed at promoting women's equal representation among faculty members, girls' equal access to tertiary education, and girls' effective access to tuition and financial assistance (with emphasis on ethnic minority girls); (iii) based on the evidence collected, present in the TA final report practical modalities to remedy the identified gender gaps for possible incorporation into the policy and investment-based assistance under the ADB loan; (iv) present gender-related activities in a project-specific gender action plan to be finalized under the TA in consultation with the resident mission-based social development and gender officer; and (v) assess the number of indigenous peoples and their socioeconomic status using ADB's checklist and indigenous people impact categorization form. Then, if necessary, develop a short indigenous peoples development plan based on ADB's *Policy on Indigenous Peoples* (1998) and *Policy on Gender and Development* (1998).

6. Resettlement Specialist (2 person-months national)

11. The specialist's tasks will include, but not be limited to, the following: (i) screen all sites identified for civil works to ensure that none of these sites will entail involuntary resettlement as defined in ADB's *Involuntary Resettlement Policy* (1995) and *Operations Manual* section on involuntary resettlement;¹ (ii) assess land issues, titles, and the potential impact of the ensuing project; (iii) if any of the sites for rehabilitation or expansion will result in involuntary resettlement, develop a full or short resettlement plan in accordance with ADB's *Involuntary Resettlement Policy* and the *Operations Manual* section on involuntary resettlement (footnote 1) or a resettlement framework; and (iv) assess the capacity of the project preparation unit and MOET on the issues related to involuntary resettlement and conduct an involuntary resettlement capacity-building workshop.

7. Environmental Assessment Specialist (2 person-months national)

12. The specialist's tasks will include, but not be limited to, the following: (i) review environmental risks of the proposed project, and, where environmental risks are present (e.g., treatment and disposal of hazardous waste from research laboratories), examine the measures that are currently being taken or that will be taken during project implementation to mitigate the environmental risks; and (ii) conduct an initial environmental examination and summary or environmental impact analysis for prospective university facilities' construction-related proposals in accordance with ADB's *Environment Policy* (2002) and *Environmental Assessment Guidelines* (2003).

C. Project Preparation Management

1. Project Planning and Management Specialists/Team Leader (8 person-months international) and Deputy Team Leader (8 person-months national)

13. The specialists' tasks will include, but not be limited to, the following: (i) develop an overall work plan and a participation strategy with major stakeholders, including the counterparts at the national and provincial levels, the private sector, and donor partners; (ii) prepare an institutional assessment of MOET with reference to its capacity to regulate the higher education system, and

¹ ADB. 2006. *Operations Manual*. Section F2: Involuntary Resettlement. Manila (25 September).

an institutional assessment of the two new model universities with reference to their new roles and responsibilities deriving from the specific policy framework and regulations in governance, financing, and quality assurance arrangements; (iii) prepare an institutional capacity development plan for MOET and the new universities for change management and institutionalizing roles and responsibilities in MOET and in the new model universities; (iv) conduct a higher education sector assessment and strategic road mapping to achieve research universities meeting international standards in quality and competitiveness; (v) review ADB's and other funding agencies' past, ongoing, and planned assistance to higher education while drawing lessons for preparing a feasible project design and implementation arrangements; (vi) prepare, in formats satisfactory to ADB and the Government, a detailed feasibility study for the ensuing project, incorporating comments and advice from the Government, university authorities, and donor partners; (vii) recommend appropriate loan covenants for compliance with timely project implementation; (viii) prepare the draft implementation plan for the proposed project; (ix) design the project management training component under the proposed project; and (x) in cooperation with the monitoring and evaluation specialist, define and identify monitoring and evaluation indicators for the proposed project as benchmarks.

2. Education Economics, Finance, and Project Costing Specialists (5 person-months international and 8 person-months national)

14. The specialists' tasks will include, but not be limited to, the following: (i) conduct a detailed economic (cost–benefit) analysis of the impacts and outputs of the proposed project; (ii) conduct a financial analysis to determine the level of available resources for the Government and new model universities to manage recurrent costs of the project's investments; (iii) propose cost-recovery measures and recovery ratios in a phased manner (e.g., through tuition, student loan schemes, and revenues from research products) and assess the feasibility to justify the ordinary capital resources lending; (iv) assess the potential job market for the proposed universities' prospective graduates; (v) conduct an affordability analysis to design a student financial assistance scheme that includes stipends and/or subsidies for the poor or traditionally excluded groups; (vi) prepare, in coordination with other consultants, cost estimates for the proposed loan project (with detailed cost tables for all components and activities) while taking into consideration project sustainability (use of COSTAB is highly desirable); (vii) analyze the fiscal framework and financial procedures, then recommend strategies to ensure sustainability and accountability of the proposed project; (viii) suggest a package of financial incentives to promote greater private sector and industry involvement in the university development; (ix) define financial procedures, delineate responsibilities between central government and local authorities and institutions for financial management of loan proceeds, and design a financial management system for the project (including a system for subprojects); (x) design a fund flow mechanism and identify an appropriate ADB disbursement procedure based on the capacity of the Executing Agency and university subproject teams; and (xi) propose strategies to ensure financial sustainability of the proposed project and prepare a financial management capacity assessment that includes an assessment of financial sustainability and accountability for the proposed project.

3. Civil Works/Architecture Specialists (4 person-months international and 8 person-months national)

15. The specialists' tasks will include, but not be limited to, the following: (i) collect data and analyze cost norms for civil works and prepare a realistic schedule and cost estimates for design, supervision, inspection, and maintenance of civil works to be planned under the proposed project; (ii) prepare bidding documents for (a) an architectural design competition for the two new model university subprojects (architect), and (b) civil works of two new model university subprojects

(engineer); and (iii) in cooperation with procurement specialists, conduct seminars and workshops on procurement for the proposed project in accordance with government regulations and ADB's *Procurement Guidelines* (2007, as amended from time to time).

4. Procurement Specialists (2 person-months international and 4 person-months national)

16. The specialists' tasks will include, but not be limited to, the following: (i) prepare a procurement capacity assessment of MOET and the two new model universities; (ii) in coordination with other consultants and the two new model universities, prepare a tentative list of laboratory equipment and civil works to be procured, taking into account the needs of the new curricula and laboratory and teaching equipment; (iii) prepare the procurement plan for the proposed project; (iv) in cooperation with the civil works specialists, conduct seminars and workshops on procurement for the proposed project in accordance with government regulations and ADB's *Procurement Guidelines* (2007, as amended from time to time); (v) prepare bidding documents for the equipment to be procured under the proposed project; and (vi) assist the Government to start recruitment of project consultants, including draft request for proposals.

5. Monitoring and Evaluation Specialist (6 person-months national)

17. The specialist's tasks will include, but not be limited to, the following: (i) define the types of indicators to be monitored throughout the project life, which will be related to (a) the Government strategy outlined in the Higher Education Reform Agenda to assess the overall progress of the Government higher education reform strategy, (b) project development objectives to track progress against targets of the proposed project, and (c) key activities planned under each component and subcomponent of the proposed project; (ii) develop an appropriate format which will be used for monitoring purposes; and (iii) design a preliminary project performance management system.