Viet Nam: Skills Enhancement Project

**Project Name**: Skills Enhancement Project

**Project Number**: 41339-013

**Country**: Viet Nam

**Project Status**: Closed

**Project Type / Modality of Assistance**: Loan

**Source of Funding / Amount**

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**Strategic Agendas**

- Inclusive economic growth

**Drivers of Change**

- Governance and capacity development

**Sector / Subsector**

- Education - Technical and vocational education and training

**Gender Equity and Mainstreaming**

Effective gender mainstreaming

**Description**

The Project will produce a more competitive and highly skilled workforce in priority industries by developing higher level training programs at a new college level, while also establishing and strengthening system governance and quality assurance frameworks for vocational training. Studies will also strengthen the policy foundation for future development. The project will improve the quality and management of vocational education and training (VET) programs in 15 public and 5 private vocational colleges (VCs) in economic zones offering programs for occupations in high demand in priority industries. The programs cover automotive technology, electrical manufacturing, hospitality and tourism, information and communication technology (ICT), mechanical manufacturing, and navigation and shipping. The project will consist of two loans, the first to strengthen the public vocational training system and VCs, and the second to provide private VCs with additional resources through an onlending facility. The direct beneficiaries of the project will be students in certificate and diploma vocational training courses, most of whom come from the rural lower middle class.

**Project Rationale and Linkage to Country/Regional Strategy**

The VET system is being transformed by a new focus on higher level skills, through the recent establishment of a college level. There are currently 90 public VCs and 20 private VCs. In response to the demand for a more highly skilled workforce, the government has developed an excellent set of policies to strengthen the VET system, through the new Law on Vocational Training, 2006, effective in 2008. The major provisions of this law are (i) expansion of a more advanced level of training; (ii) improved VET quality and relevance; (iii) greater involvement of a range of partners, particularly from the private sector; and (iv) strengthened VET sector management under one central agency, the Ministry of Labor, Invalids and Social Affairs (MOLISA). Most of the groundwork for this law was laid under the Asian Development Bank (ADB)-supported Vocational and Technical Education Project (VTEP). Implementation of the major provisions of the law forms the foundation of the proposed project. Many VET graduates lack appropriate technical and general work skills. The immediate causes are poor training quality and management capacity, weak sector management, and limited private sector collaboration and partnerships. This is underpinned by inadequate financing of the VET sector and vocational training institutions. In addition, the VET system is largely supply-driven, reinforced by input-focused financing and the absence of skills standards that link specific competencies to labor market needs. Limited collaboration with industry has reinforced this tendency. However, this is now changing and there is a strong desire within the government to build a better training system that is more relevant to industry.

The VTEP initiated significant reform in VET quality assurance systems, and modernized vocational training curricula in line with new production techniques and technologies, while substantially upgrading vocational secondary schools. Other donor initiatives include system reforms and strengthening of vocational training institutions by Agence Fran aise de D veloppement, the European Union, German development cooperation through GTZ and KfW, the Government of the Republic of Korea, and the Government of Luxembourg. These projects have all been successful in strengthening the lower levels of the vocational training system and have expanded training opportunities for primary school and junior secondary school leavers.

The VTEP illustrated the value of experimenting with new approaches within a circumscribed context before system-wide implementation. It focused upon improving the technical skills of students and teachers, but weak management at the school and central levels undermined these efforts.4 Similarly, the absence of a training system to periodically update teachers’ skills in response to new technologies and changing job markets hampered efforts to improve teacher quality. The proposed project will address both of these weaknesses.

**Impact**

Reduction in skills shortages in 15 key occupations.

**Project Outcome**

**Description of Outcome**

Higher-level skills training in 15 key occupations established for males and females.

**Progress Toward Outcome**

The borrower reported that for two outcome indicators, the achievements are assessed as partly to fully achieved. The targeted establishment of a comprehensive national system and plans for college level VET is documented in the national strategy for vocational training 2011-2020 that was approved through Decision No. 630/Q -TTg dated 29/5/2012 by Prime Minister. The targeted 30% increase over baseline in enrollment in 15 occupational training programs is assessed as partly achieved. Enrollment increased by 154% from 2011 to 2015 (14% female), and by 55% from 2015 to 2017 (13% female). The number of graduates in 15 occupational training programs increased by 111.1% from 2011 to 2015. In 2015, 88% of graduates have jobs within 6 months after graduation.

**Implementation Progress**

**Description of Project Outputs**

1. Quality and management of vocational training improved.
2. VCs upgraded to deliver priority occupational training programs.
3. Partnerships with the private sector strengthened.
Progress (Outputs, Status of Implementation, Activities for this sub component have been integrated into other subcomponents)

Output 3h: Training programs in the 15 occupations are developed in close consultations with industries, in which the occupations typically occur.

Output 3g: Study on how to stimulate enterprise-based training completed.

Output 3f: Marketing plans developed for 15 SEP VCs. See output 2 responsiveness of VCs to the demand for training and the need for non-government based revenue.

Output 3e: National skills standards for 15 occupational programs had been issued as follows: Decision No. 1305 issued by MOT, 21 Jun 2011, for automotive technology, exploitation of marine machinery and ship control; Decision No. 4837 issued by MoF, 22 Sep 2011, for computer network administration, computer programming, database administration, industrial electronics, electrical installation techniques and industrial control, industrial electricity, mechatronics, operation repair of refrigeration equipment, and metal cutting.

Target: Professional standards for teachers and principals approved by end year 2.

Output 1h: Studies on teacher incentives and new cost norms completed and recommendations agreed with government and ADB. COMPLETED. Refer to Teacher Incentives Study, Final Assessment Report, January 2015 (contract package TV09).

MOlSA issued Circular No. 14/2017/TT-BLDTBXH dated 25 May 2017 on technical cost norm for VT

Output 2a: 15 occupational training programs developed in close cooperation with the industry and approved by MOlSA by end 2012 (8 designed to attract larger numbers of female trainees).

COMPLETED. GDVT working on national standards based on ASEAN standards.

Output 2b: Each public VC offering 1 to 3 SEP occupational programs by 2014.

Baseline: 2012 = 6 VCs offering 3 OPs, 12 VCs offering 2 OPs, and 1 VC offering 1 OP

Achievement (2016): 13 VCs offering 3 OPs, 2 VCs offering 2 OPs and none offering 1 OP.

Output 2c: ERUs operational in SEP VCs with marketing plans developed by 2012 (with equal gender representation).

Target: 15 public VCs and 3 private VCs with operational ERUs by 2012

Achievement: 2012, 7 public VCs and 1 private VC with operational ERU; by 2016, 13 public VCs and 3 private VCs. By 2016, 8 public VCs and 2 private VCs with ERUs have marketing plans

Output 2d: Skills testing centers operational at SEP VCs with 1,000 workers and 2,500 graduates (35% female) tested by 2015.

Target: Skills testing centers operational in 15 public VCs and 3 private VCs

Achievement: Five out of 6 skill testing centers (5 public, 1 private) are operational.

Target: 1500 workers/graduates tested by 2015, 35% female

Achievement: 1,413 workers/graduates tested by 31 August 2017 in VCs

Output 2e: Planning and management skills of VC leadership improved and 20 institutional business plans developed.

Target: Implementation of management training package completed, 40% female participation

Achievement: Training courses for principals, vice principals and managers conducted in 3rd and 4th quarter of 2016 attended by 75 participants, 27% female.

Target: 20 institutional business plans by 2015

Achievement: Business plans were prepared by August 2017

Output 2f: Pedagogical and technical skills of vocational instructors in 20 VCs meet the standards for teaching SEP occupational programs.

Target: 260 teachers from 20 VCs issued teacher competency certificates by 2015

Achievement: Trained 204 teachers out of targeted 205 teachers.

Target: 500 teachers from other VCs issued teacher competency certificates by 2015

Achievement: Trained 296 teachers out of targeted 395 teachers

Output 2g. 20 SEP VCs accredited by end 2012.

Achievement: 17 of 18 SEP VCs (94%) accredited by GDVT

Output 2h: Pilot initiatives to increase female enrollment in nontraditional areas completed.

Achievement: 3 out of 18 VCs (17%) have initiated work

Output 3a: Achievement: Only 3 subloans approved

1. Bac Nam VC: subloan includes construction of multi-function workshop, supply of vocational equipment and supply and installation of equipment for fire protection and firefighting. Post-review of Bac Nam VC bidding documentation of multifunctional building has been approved in July 2014. Bidding documents for supply of vocational equipment submitted for post review. VC has fully utilized the subloan.

2. An Nhut Vinh VC: subloan includes construction, expansion and improvement (including supply and installation of equipment/furniture). Post-review of An Nhut Vinh VC NBC documents for its construction, expansion, and improvement has been approved in June 2014. Civil works component completed but large packages of equipment not procured due to change in equipment list.

3. Dong An VC: subloan includes construction and purchase of equipment. Civil works completed but procurement of equipment not completed. Total enrollment in 3 private VCs, 2011-12 = 1471 (55% female). In 2016, enrollment increased by 36%, 43% female.

Output 3b: VCs borrowing from onlending facility have an institution-specific gender strategy.

VCs informed and proposed training and guiding for related people: The Private VCs implement the gender strategy by themselves. No supervision for implementation has been made.

Baseline: 2012 = 6 VCs offering 3 OPs, 12 VCs offering 2 OPs, and 1 VC offering 1 OP

Achievement: 58% in 2016

Output 3d: At least 2 formal partnership agreements a year signed between each VC and local enterprises from 2012 (at least 1 with an enterprise where most employees are female).

Achievement: 100% of VCs with more than 2 formal partnership agreements signed per year. Three out of 18 VCs with 1 enterprise with mostly women employed

Output 3e: Technical skills of 200 teachers improved through pilot training program incorporating industry training in enterprises (30% of trainee teachers to be female).

This activity was approved for cancellation in the Mid term review in Jan 2014. The basis of effective industry involvement in TVET is a national framework for industry to contribute to and endorse national skills standards and then a plan at the VC/Province level to implement a strategy to provide cost recovery skills development on industry standards. Each target VC requires and operational plan, including a marketing strategy targeting industry and communities in its own province. Funds are no longer required in either teacher training or management training for this activity. Consultants engaged will concentrate on strengthening each target VC in this area to improve the responsiveness of VCs to the demand for training and the need for non-government based revenue.

Output 3f: Marketing plans developed for 15 SEP VCs. See output 2

Output 3g: Study on how to stimulate enterprise-based training completed.

Output 3h: Training programs in the 15 occupations are developed in close consultations with industries, in which the occupations typically occur.

Activities for this sub component have been integrated into other subcomponents.
A stakeholder and problem analysis was conducted to identify key project stakeholders including those agencies and organizations promoting women and ethnic minorities. Consultations were held with stakeholders including officials from Ministry of Labor, Invalids and Social Affairs (MOLISA), Ministry of Education and Training (MOET), Ministry of Finance (MOF), State Bank of Viet Nam (SBV), Ministry of Planning and Investment (MPI), vocational college managers, teachers and students. Additional consultations were held with the Department of Gender Equality in MOLISA and other departments concerned.

During Project Implementation: Being monitored during project implementation

### Business Opportunities

**Consulting Services**

All consultants will be recruited according to Guidelines on the Use of Consultants by ADB and its Borrowers (2007, as amended from time to time). The terms of reference for all consulting services are detailed in Section D. All consultants to be financed from the loan proceeds will be selected in accordance with ADB’s Guidelines on the Use of Consultants (2007, as amended from time to time). Individual national consultants will be engaged to provide preparatory training and support and guide start-up activities. A consulting firm will be engaged through QCBS (BG:20) using a full technical proposal to provide technical support for implementation, quality assurance, monitoring and evaluation, and teacher upgrading. The Project will provide 116 person months of international consultant inputs, and 174 person-months of national consultant inputs. MOLISA, through GDVT, will be responsible for selecting and hiring consultants. All consultants will be selected in accordance with ADB’s Guidelines on the Use of Consultants (2007, as amended from time to time). The Project will also recruit institutions or firms to carry out the baseline, midterm and final impact studies; the social marketing campaign; and various training programs and studies using the consultant’s qualification selection method for contracts under $200,000. An individual international consultant will be engaged for 9 months to support the development and piloting of a vocational training information system. Individual national consultants from VET institutions, industry and elsewhere may also be engaged to assist the PMU and the PIUs as needed. All consulting assignments will be advertised by the EA on the Consulting Services Recruitment Notice (http://csrn.adb.org). The online collection of Expressions of Interest (EOIs) is preferred to assure comparability of the EOIs and transparency of the selection process.

**Procurement**

All procurement of goods and works will be undertaken in accordance with ADB’s Procurement Guidelines (2007, as amended from time to time).

1. Supply contracts for goods under the investment loan such as workshop equipment estimated at $500,000 equivalent or more will be awarded on the basis of international competitive bidding. Supply contracts for goods such as vehicles, computers and office equipment of more than $100,000 but less than $500,000 will follow national competitive bidding procedures. Items costing $100,000 or less will be procured through shopping.

2. Civil works will consist of classroom or workshop rehabilitation and possible extensions. Civil works under the investment loan will be implemented at school level, with contract values less than $350,000. As all civil works is financed by the Government, procurement will follow the Law on Procurement of Vietnam.

3. The private VCs will procure their own works and goods. Procurement undertaken by the VCs will be in accordance with established private sector or commercial practices (ADB Procurement Guidelines, para 3.12). ICB may be the most appropriate procurement method for the purchase of large single items or in cases where large quantities of similar goods can be grouped together for bulk purchasing. Each private VC will establish a project implementation unit (PIU) and procurement evaluation committees. The PIU will be responsible for the procurement of goods and civil works. Taxes will be paid by the training institutions and managing authorities.

4. Before the start of any procurement ADB and the Government will review the public procurement laws of the central and state governments to ensure consistency with ADB’s Procurement Guidelines.

### Responsible ADB Officers

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- Responsible ADB Department: Southeast Asia Department
- Responsible ADB Division: Human and Social Development Division, SERD
- Executing Agencies: Ministry of Labor, Invalids and Social Affairs
  - Doh Nang Khanh
  - dionangkhanh@yahoo.com.vn
  - Hanoi

### Timetable

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### Loan 2652-VIE

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Loan 2653-VIE

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