

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country and Project Title: Viet Nam University of Science and Technology of Ha Noi Development (New Model University) Project

Lending/Financing Modality:	Project Loan	Department/ Division:	Southeast Asia Department/ Human and Social Development Division
-----------------------------	--------------	-----------------------	--

I. POVERTY ANALYSIS AND STRATEGY

A. Link to the National Poverty Reduction Strategy and Country Partnership Strategy	
<p>Viet Nam's Socio-Economic Development Plan 2006–2010¹ (SEDP) envisions Viet Nam as “an industrialized country by 2020,” moving out of its low-income country status by increasing average gross domestic product per capita from about \$732 in 2006 to the rank of middle-income countries (\$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) 2007–2010² 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. The poverty assessment in the CSP 2007–2010 endorsed the notion that higher education institutions operate as incubators of innovation and provide the 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 project is 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.</p>	
B. Poverty Analysis	Targeting Classification: General intervention (GI)
<p>1. Key issues. Viet Nam is one of the fastest-growing economies in Asia, with annual growth of real gross domestic product averaging 7.1% from 1990 to 2009. A long period of rapid economic growth, combined with various policies targeting the poor, has enabled Viet Nam to reduce poverty dramatically. The poverty rate, based on household survey data, dropped from 58.1% in 1993 to 16.0% in 2006. The proportion of people living below the official poverty line fell from 20.2% in 2005 to 12.3% in 2009. The current SEDP 2006–2010 sets Viet Nam's goal of becoming a middle-income country by 2010 and an industrialized nation by 2020.</p> <p>Poverty has been reduced through a range of economic and institutional reforms, which have fostered sustainable and inclusive economic growth, and through increased targeting of poverty reduction programs. In particular, Viet Nam has been in gradual transition from a centrally planned to a market economy, and from a poverty reduction program that relied heavily on price subsidies to a system based on targeted programs. Market-oriented reforms included full or partial privatization of state-owned enterprises, liberalization of markets, and recognition of private property rights, which has resulted in the emergence of a vibrant, albeit young, private sector. The fall in poverty overall is tempered by a broader trend towards increased inequality, unequal access to economic opportunities, and a growing rural–urban divide. There are significant differences in poverty across regions and between rural and urban areas. Poverty incidence is highest in the highlands and lowest in the southeast. Poverty is strongly related to ethnicity. In 2004, only 13.5% of Kinh and Chinese were poor, while 60.7% of the ethnic minorities lived below the poverty line. Poverty has declined more slowly among ethnic minorities due to multiple disadvantages. The quality of education in remote areas where many ethnic minorities live is a concern. In highland areas, up to 50% of teachers are not fully trained. Migrants constitute a high percentage of the urban poor. Households headed by females show lower mean household expenditures than households headed by males. There is a gender gap in secondary school enrollment and in vocational training.</p> <p>Economic growth has played a key role in Viet Nam's development and poverty reduction. There is an increasing demand for skilled workers in those occupations that traditionally absorb tertiary education graduates, as well as in newly developing sectors such as manufacturing, electricity, and trade. From 1998 to 2004, the share of higher education workers in the manufacturing, construction, and utilities sectors rose substantially in Viet Nam.</p>	

¹ Ministry of Planning and Investment. 2006. *The Five-Year Socio-Economic Development Plan, 2007–2010*. Hanoi.

² ADB. 2007. *Viet Nam: Country Strategy and Program 2007–2010*. Manila.

Developing the country's teaching and research base, particularly in the area of science and technology, will be critical if Viet Nam is to transform itself into a modern, industrialized nation and progress to lower-middle income status and beyond. Viet Nam scores poorly compared to key Asian neighbors such as Malaysia and Thailand on a range of research and innovation measures. The higher education system is not well equipped to play the role of innovation incubator or provider of skilled labor, thus constraining knowledge creation. Inadequate access, limited numbers of postgraduate students, lack of qualified academic staff and university investment in faculty development, limited state budget for higher education, a small proportion of funds from private sources, and weak governance and management structures all contribute to weak higher education research in Viet Nam. The project supports the establishment of a university that will generate industry-relevant science and technology teaching and research as well as demonstrate a new policy framework for the governance, financing, and quality assurance of universities in Viet Nam.

2. Design features

- USTH will be a center of excellence in its area of specialization, which will positively affect innovation and skill development, increase productivity, and drive economic growth.
- Gender and social issues will be addressed by developing and implementing strategies to increase participation of female students, including scholarships, transition courses, dormitory spaces, upper secondary school outreach programs, and student and job counseling.
- Industry placement programs will promote gender balance to increase female employment and/or participation in further studies in science and technology.
- Project civil works include gender-inclusive design features and will require recruitment of local labor, with a 40% target for female unskilled laborers.
- Target of 20% for female faculty staff and a target of 30% for females in postgraduate courses.
- A new policy framework for higher education governance, financing, and quality assurance could generate systemwide reform to improve the management, sustainability, and quality of higher education and R&D.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

- Only 21% of higher education students are drawn from the two lowest-income quintiles, 65% from the two highest quintiles, and 14% from the middle quintile.³ The VHLSS 2006 reports a similar pattern in assessments of learning capacity, with 28% of students in the top income quintile assessed at distinction level, against only 6% in the lowest income quintile.
- The proportion of higher education students from ethnic minorities is small but increasing. VHLSS 2004 shows that ethnic minority participation is only 4.6%,⁴ which was only about one-third of their 13% population share. The proportion of lecturers from ethnic minorities has generally been at or below 1.0%.
- Key gender issues are highlighted in the gender and development section.

B. Consultation and Participation

1. Summary of the Consultation and Participation Process during Project Preparation.

ADB has conducted stakeholder consultations with central and provincial governments, university representatives, the private sector, and development partners (especially the World Bank and the Government of France).

2. What level of consultation and participation is envisaged during the project implementation and monitoring?

☐ Information sharing ☒ Consultation ☒ Collaborative decision making ☐ Empowermentⁱ

3. Was a consultation and participation plan prepared? ☐ Yes ☒ No.

A separate consultation and participation plan has not been prepared. Consultation and participation processes will be mainstreamed in relevant project outputs and documents such as the resettlement plan, initial environmental examination, and gender action plan.

C. Gender and Development

1. Key issues. From 1999–2000 to 2006–2007, the percentage of women students in higher education rose from 42% to 55%, highlighting that in higher education female students are a clear majority. The current statistics in Viet Nam do not break down subject of study by gender. However, evidence from the VHLSS 2006 indicates there is considerable gender disparity in subject study choices, with males making up 80%–90% of students in engineering and technology and 57% of students in the physical sciences. In other program areas, males made up a smaller proportion of enrolments than did females: 46% in life sciences, 43% in mathematics and statistics, and

³ World Bank. 2008. *Vietnam Higher Education and Skills for Growth*, Hanoi. Figure 1 8. p. 23.

⁴ Footnote 4, Figure 1 7, p. 21.

44% in business administration. However, only 12% of the intake to the Hanoi University of Science and Technology between 2002–2003 and 2006–2007 was female. MOET surveys show that in 2002–2003, female students accounted for 65% of all social science students, while male students predominated in natural sciences and technical areas (70%). Within the higher education system as a whole, the proportion of women lecturers rose from 34% in 1999–2000 to 43% in 2007–2008. In universities specializing in science and technology, this proportion is lower.

2. Key actions. The project includes a gender action plan.

☒ Gender plan ☐ Other actions or measures ☐ No action or measure

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Impact	Strategy to Address Issue	Plan or Other Design Measures
Involuntary resettlement	Significant	The involuntary resettlement categorization is A in accordance with the Asian Development Bank's Involuntary Resettlement Policy (1995). The land for the university campus site has been identified and acquired by the government. An assurance on land acquisition and resettlement is included.	<input checked="" type="checkbox"/> Resettlement Plan
Indigenous peoples	Limited impact (positive)	The indigenous peoples categorization for the project is C. Although the project includes social equity measures to increase access of indigenous peoples to USTH, it is unlikely to have a significant impact on indigenous peoples given the selective nature of USTH and the underrepresentation of indigenous peoples in Viet Nam higher education.	<input checked="" type="checkbox"/> None
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	Limited impact (positive)	Project civil works will provide employment opportunities. No negative impact. Labor standards maintained and basic facilities provided for workers. Enhanced employability of USTH graduates will improve their employment opportunities.	<input checked="" type="checkbox"/> No action
Affordability	Limited impact	The project will introduce a student financial assistance scheme to ensure that poor but meritorious students are able to gain access to USTH.	<input checked="" type="checkbox"/> No action
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others	No impact	None.	<input checked="" type="checkbox"/> No action

IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? ☒ Yes ☐ No

CSP = country strategy program, MOET = ministry of education and training, R&D = research and development, SEDP = social and economic development plan, USTH = University of Science and Technology of Hanoi, VHLSS = Viet Nam Household Living Standards Survey