

Project Administration Manual

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Proposed Asian Development Fund Loan to the
Socialist Republic of Viet Nam: Skills Enhancement
Project

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Labor, Invalids and Social Affairs, the General Directorate of Vocational Training and the Vietnam Development Bank are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by Ministry of Labor, Invalids and Social Affairs, the General Directorate of Vocational Training and the Vietnam Development Bank of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

Abbreviations

ADB	= Asian Development Bank
ADF	= Asian Development Fund
CQS	= consultant qualification selection
DMF	= design and monitoring framework
DOLISA	= Department of Labor, Invalids and Social Affairs
EMIS	= education management information system
FDI	= foreign direct investment
GDVT	= General Department of Vocational Training
GDP	= gross domestic product
ICB	= international competitive bidding
ICT	= information and communications technology
ILO	= International Labour Organization
LMIS	= labor market information system
MOF	= Ministry of Finance
MOLISA	= Ministry of Labor, Invalids and Social Affairs
NCB	= national competitive bidding
NGO	= nongovernment organization
PAI	= project administration instructions
PAM	= project administration manual
PIU	= project implementation unit
PMU	= project management unit
PSC	= project steering committee
QCBS	= quality- and cost based selection
RRP	= report and recommendation of the President to the Board
SBD	= standard bidding documents
SBV	= quality- and cost based selection
SEP	= Skills Enhancement Project
TOR	= terms of reference
VC	= vocational college
VET	= vocational education and training
VTIS	= vocational training information system
VTTC	= vocational teachers' competency certificate
VTEP	= Vocational Training and Education Project

I. PROJECT DESCRIPTION

1. The project will produce a more competitive and highly skilled workforce in priority industries through the development of higher level training programs at the new college level, while also establishing and strengthening system governance and quality assurance frameworks. It will (i) improve the quality and management of training programs, (ii) upgrade 15 vocational training colleges (VCs) near industrial zones to address key skills shortages, and (iii) strengthen partnerships with the private sector through the provision of a credit line for private VCs and greater involvement of enterprises in program development and training. The direct beneficiaries of the proposed project will be students in certificate and diploma vocational training courses, the majority of whom will come from rural areas and less wealthy families.

2. 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 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.

3. **Project Approach.** The Government requested that Skills Enhancement Project (SEP) address critical skills shortages in highly skilled occupational areas. The starting point for the design of SEP was therefore the identification of these occupations. The following criteria were used to identify these occupations: (i) must be in high growth industries, (ii) must be in high demand and/or have wide application in other industries and (iii) must be a higher level occupation (requiring college-level training). The critical occupations were identified through an analysis of labor market data, a survey of enterprises and interview for the industrial and service sectors. This information was used to identify six broad industry sectors to be targeted under SEP:

- (i) Automotive Technology
- (ii) Electrical Manufacturing
- (iii) Hospitality and Tourism
- (iv) Information and Communications Technology
- (v) Mechanical Manufacturing
- (vi) Transport (Navigation and Shipping)

4. Within these groupings, 15 specific occupations have been identified, which satisfy the three criteria specified above (Linked Document 12 shows the agreed industries, associated occupations and occupational training programs).

5. **Project Colleges.** The public VCs to deliver training programs in the identified occupational areas were selected according to a set of agreed criteria covering the programs offered, location near an economic zone, good facilities, good training quality and good employment outcomes for students. The selection was confirmed by site visits to each institution. Following this process, 15 institutions were agreed upon. Ten of the public colleges are owned by People's Committees, two are owned by the Ministry of Transport, and two by the Ministry of Agriculture and Rural Development. One school is owned by the Ministry of Culture, Sports and Tourism.

6. Five private VCs were identified as potential borrowing colleges through an assessment of: (i) their financial and management capacity, (ii) potential for strong enrolment growth, (iii)

willingness to borrow, (iv) course offerings, which should include occupational training programs in high demand and requiring high skill levels, and (v) institutional objectives that are consistent with the Project outcomes. The selection criteria were almost the same as those for public VTCs, with the addition of financial capacity and willingness to borrow. The specific criteria covered various dimensions of financial capacity (60%) and institutional quality (size, teacher and management quality).

7. Linked Document 13 identifies the 20 project colleges, college ownership, and occupational training programs to be delivered in each college.

A. Impact and Outcome.

8. The expected impact of the project is a reduction in skills shortages in key occupations. The performance targets are: (i) a 20% increase among employees in skilled labor force by 2020 and (ii) increased employer satisfaction with the knowledge, skills and attitudes of employees coming from VCs by 2020. The outcome of the project is the establishment of higher level skills training in 15 key occupations. Vietnam's long term prosperity and economic development is dependent on increasing its competitiveness in the region and in the global market. The project aims to strengthen the capacity of the VET system to train highly-skilled workers/technicians who can master the modern technologies required by enterprises in the industrial and service sectors. The performance targets are: (i) comprehensive national systems and plans established for college-level vocational education and training (VET), (ii) 30% increase in enrolments (30% of the increase to be female) from 2010/11 baseline in 15 occupational training programs by end of 2015 (baseline to be established at start of the project), (iii) 20% increase in graduates (30% of the increase in graduates to be female) from 2010 baseline in 15 occupational training programs by end of 2015 (baseline to be established at start of project), and (iv) 85% of graduates (30% female) from SEP occupational training programs gain employment within 6 months after graduation. The design and monitoring framework (DMF) is in Appendix 1, and the occupations and colleges selected are in Linked Document 13.

B. Outputs

9. The Project adopts a demand-driven approach with effective participation of the private sector and three outputs are expected: (i) improved quality and management of training; (ii) selected VCs are upgraded to deliver priority occupational programs; and (iii) strengthened partnerships with the private sector.

10. Each occupational training program will be developed involving industry experts according to a comprehensive strategy that forms the core of the Project: (i) develop skills standards for the 15 occupations; (ii) complete a competency-based curriculum on the basis of the relevant skills standards; (iii) establish links with industry experts to support the development of relevant occupational programs; (iv) develop appropriate teaching-learning resources; (v) upgrade VC equipment and facilities to deliver the program; (iii) train instructors to deliver each occupational training program; (vi) establish testing centres for assessing the competence of graduates and workers; (vii) accredit the training program in each VC, and (viii) ensure that sound plans are developed, and resources are allocated, to maintain the equipment properly.

1. Quality and Management of Training Improved

11. The project will support improvements in the quality and management of training by strengthening leadership, planning and management capacities in Ministry of Labor, Invalids and Social Affairs (MOLISA) and the VCs, improving the quality assurance system to ensure uniform quality across all VCs, developing skills standards and certification so trainees meet industry standards, and expanding access to and enrollment in VET.

12. **Sector leadership enhanced.** The project will promote more effective sector leadership and management by providing training to General Department of Vocational Training (GDVT) staff to build capacity in (i) policy coordination and formulation; (ii) GDVT management; and (iii) management of national VET quality assurance programs, the vocational training information system (VTIS), and strategic planning and resource allocation. A study to formulate realistic cost norms for different occupational training programs will also be carried out to help GDVT prepare more accurate budget proposals that accurately reflect the true costs of training. GDVT will prepare a national VET training plan as well as annual operational plans. The project will improve the capacity of provincial staff from GDVT, Department of Labor, Invalids and Social Affairs, and other concerned ministries to manage, develop, and adapt VET training programs to fit the requirements of local enterprises.

13. The project will also design a management information system to cover central, provincial, and VC levels to improve planning, monitoring, and resource allocation. This will address one of the most serious shortcomings of the current VET system. The new information system will be piloted in project VCs before a national rollout.

14. Professional standards for vocational instructors will be developed to reinforce uniform teacher quality and allow better targeted training programs. The new professional standards will be aligned with the vocational qualifications framework and will incorporate both teaching and technical skills relevant to the selected occupational programs. A study to address the long-term problem of how to attract and retain vocational instructors in the VET system will be carried out.

15. **Quality assurance strengthened.** The project will implement the skills standards currently being developed by MOLISA, and will strengthen skills testing and certification by supporting the development of procedures for assessment and certification, including assessor standards and a training program to train assessors. Assessment tools for each of the training programs will be developed, for use by assessors and national skills testing centers. The current quality accreditation program for institutions will be strengthened to ensure uniform quality of training, and a new system for accrediting individual training programs will be introduced.

16. On the basis of the new skills standards, curricula and training materials will be developed with industry involvement. A materials development team (including representatives from industry) will be formed for each occupational program to develop modular curriculum and training materials.

17. **Access and enrollments expanded.** The project will support a national social marketing campaign to enhance the poor social image of VET and thereby increase VET enrollments—targeting rural areas, women, and disadvantaged groups. The campaign will also target employers to inform them about the new programs to raise the quality of VET graduates and prepare them for employment. The social marketing program will train VC managers in strategies for marketing their training programs to local industries.

2. Vocational Colleges Upgraded to Deliver Priority Occupational Programs

18. The project will support the upgrading of 20 VCs to strengthen the capacity of the VET system to produce highly skilled technicians and workers for key industries. Each of the 15 public VCs will be upgraded to deliver good, market-relevant training in up to three of the 15 occupational training programs. Eight of these VCs will include training programs with the potential to attract larger numbers of female trainees. The management and training quality of at least five private VCs will also be strengthened, but their physical facilities and equipment will be upgraded using funds from the onlending facility.

19. **Quality of instructors strengthened.** The teaching skills of instructors will be strengthened through in-service training. This training will use industry employees as trainers and provide both students and teachers with workplace training to expose them to current work patterns and technologies. This will lay the foundation for a system for periodic upgrading of technical skills and for remodelling the VC's 6-month pre-service training program..

20. **Management capacity of vocational colleges strengthened.** The project will support the development of a modern competency-based management training program to train principals and VC management staff in strategic planning, leadership, financial management, monitoring of performance and cost effectiveness, and entrepreneurship and marketing.

21. **Market-oriented program planning introduced.** The project will train and support VCs to assess the quality and relevance of their training programs by measuring graduate employment and employability, primarily through regular tracer studies. To improve program planning, staff will be trained to conduct surveys on local skill needs and to use information from the vocational training and labor market information systems. The project will support a pilot program to improve career counseling and work placements, to improve student employment outcomes.

3. Partnerships with the Private Sector Strengthened

22. **Development of private vocational colleges.** Greater private sector involvement in the provision of training, encouraged by incentives, is a government priority. The government supports a significant expansion of the VET system, accompanied by a gradual shifting of state funding from the public to the private sector. The project will support this objective by establishing a credit line for private VCs. Private VCs will be able to access credit to upgrade their equipment and facilities. Five private colleges have been identified by GDVT as potential borrowers, based on a survey of the 11 institutions that expressed interest in borrowing.¹ The institutions were selected on the basis of their program's relevance to the project objectives as well as their financial soundness. The training programs proposed for funding are all in high-technology areas: mechatronics, industrial electricity, welding, automotive technology, maritime, and ICT. The government is encouraging the private sector to provide more training places in high-technology areas such as these. The selected private VCs will be treated as part of the overall project, so that all human resource development, systems improvement, and other nonphysical inputs will be provided to the approved private VCs on a grant basis, as for the 15 public VCs. It is expected that each institution will borrow \$3 million–\$4 million. More private

¹ The five short-listed VCs are Hai Phong Coastal Vocational College, Dong An College, Nam Viet International Vocational Training College, Lilama Technical College 1, and Vinashin Shipbuilding Secondary Vocational School.

VCs will be identified by GDVT if the funds are not fully absorbed. The fund will be administered by the Vietnam Development Bank (VDB), which will approve individual applications.²

23. **Greater involvement of industry.** VCs need strong managers who can forge new partnerships with local enterprises to facilitate work placements, more market-relevant training programs, and better employment opportunities for graduates. Managers will be trained on how to communicate and partner successfully with local companies. At the same time, the concept of corporate social responsibility will be promoted among corporations and companies, to encourage companies to support VET training programs and institutions consistent with their corporate priorities. Finally, as Viet Nam lags significantly behind its neighbors in the provision of direct training by companies, a study will be carried out to investigate ways in which such training can be stimulated.

24. **Sustainability of vocational colleges improved.** The project will support MOLISA's plan to improve the sustainability of VCs through business and service activities, including short-term courses for workers. Revenue from these activities can be retained by VCs and used to enhance teacher salaries and other quality improvement activities.

II. IMPLEMENTATION PLANS

Project Readiness Activities

Indicative Activities	Months						Who responsible
	1	2	3	4	5	6	
Establish project implementation arrangements	x						GDVT, MOLISA
Government feasibility study approval			x				MOLISA
ADB Board approval				x			ADB
Loan signing					x		Government, ADB
Government legal opinion provided						x	Government
Government budget inclusion							MOLISA, MOF
Loan effectiveness						x	Government, ADB

25. **Implementation Strategies.** Detailed implementation strategies have been developed for each of the main Project programs, including National Skills Standards and Certification, the Vocational Teachers Development Program, and VET System Accreditation. These strategies are in Appendices 2-4. The human resources development plan is in Appendix 5.

² Onlending Facility for Private Vocational Colleges (Appendix 2).

[illegible]

[illegible]

Activity	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6	
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
1,200 teachers from other VCs																						
9. Update and modernize the 6-month pre-service teacher training program incorporating technical and teaching skills upgrading and which adopts work-based approaches																						
10. Pilot the delivery of the new pre-service training program in VC teaching faculties,																						
11. Upgrade 75 instructors to teach the new occupational training programs																						
12. Train 40 technicians and company supervisors as “enterprise trainers”																						
C. Partnerships with the Private Sector Strengthened																						
1. Ensure each SEP VC develops a plan to link with industry to improve programs																						
2. Establish an enterprise relations unit (ERU) and learner support services at VCs																						
3. Establish policies/mechanisms for VCs to generate/retain income from enterprises																						
4. Assist VCs to sign two partnership agreements with local enterprises annually.																						
5. Train 125 staff from SEP VCs to manage and operate ERUs																						
6. Assist ERUs to deliver skills upgrading courses at SEP VCs to 2000 workers																						
7. Update and modernize the facilities of 5 non-public VCs through on-lending																						
Management Activities																						
Carry out procurement plan key activities to procure contract packages																						
Preparation and approval of equipment list, specifications and cost estimates																						
Preparation and approval of procurement plans																						
Preparation and approval of bidding documents																						
Advertisement, bid preparation																						
Bids evaluation, approval, contract award																						
Equipment delivery, commissioning, acceptance																						
Consultant selection procedures																						
Call for EOI																						
Preparation of long-list and short-listing																						
Preparation and approval of RFP, including TORs																						
Request for Proposals (preparation of proposals)																						
Evaluation of technical and financial proposals																						
Contract negotiation and signing																						
Communication strategy key activities																						
Create a website																						
Post project information, including procurement, on the website																						
Conduct baseline, mid-term, and final impact surveys																						
Submit quarterly progress reports to ADB and government agencies																						
Submit auditor's reports to ADB																						
Annual/Mid-term review																						
Prepare project completion report																						

ADB=Asian Development Bank; ERU=Enterprise Relations Unit; GDVT=General Department of Vocational Training; LAC=Local Advisory Committee; PMU=Project Management Unit; PIU=School project implementation unit; PSC=Project Steering Committee; SEP=Skills Enhancement Project; SAC=School Advisory Committee; VC=Vocational Training College; VTIS=Vocational Training Information System.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Stakeholders – Roles and Responsibilities

Project Stakeholders	Management Roles and Responsibilities
<ul style="list-style-type: none"> MOLISA 	<p>Approve requests and documents within its jurisdiction (i.e. approval of procurement plans, except for procurement of civil works and procurement of office equipment and furniture for PIUs; approval of any changes in the FS; settlement of complains during procurement)</p> <p>Supervise, steer and monitor project activities;</p> <p>Report to the Government and concerned donor agencies as required.</p>
<ul style="list-style-type: none"> General Department of Vocational Training 	<p>Mobilize its professional staff to support the project implementation;</p> <p>Approve requests and documents within its jurisdiction during the project implementation (approval of bidding documents, bid evaluation results and contract awards for contracts procured by PMU; approval of overall and detailed implementation plans and cost estimates)</p> <p>To submit periodic and adhoc reports on project performance as required by concerned agencies.</p>
<ul style="list-style-type: none"> General Department of Vocational Training, PMU 	<p>Propose to Vietnam Development Bank viable non-public VCs who are interested in borrowing from the on-lending facility, with proposals are relevant to project objectives.</p> <p>Central PMU will be responsible for assisting GDVT and MOLISA in implementing the following activities:</p> <ul style="list-style-type: none"> - Procure all contracts, except for civil works contracts and office equipment and furniture for PIUs; - Develop implementation plans and financial plans in accordance with Project Document approved by MOLISA; - Act as a contacting point with the donor and local concerned agencies, manage and coordinate activities of consultants and concerned agencies during project implementation; - Implement activities in accordance with approved plans; - Develop specific norms of expenditure from counterpart fund, submit these norms to concerned authorities for approval; - Manage, effectively use counterpart funds; to perform disbursement, accounting, auditing in accordance with regulations of Vietnam; - Guide and inspect project activities at PIUs; - Submit periodic and adhoc reports on project performance as required by concerned agencies; - Evaluate project performance; liquidate the investment cost of the project in accordance with applicable regulations.
<ul style="list-style-type: none"> Vietnam Development Bank 	<ul style="list-style-type: none"> - Bear credit risks for onlending; - Appraise project financial proposal, financial capacity of non-public vocational training institutions before signing onlending agreements; - Manage, supervise the use of loans onlent to non-public vocational training institutions. Record, book keeping, accounting clearly each loan onlent to each non-public vocational training institution;

Project Stakeholders	Management Roles and Responsibilities
<ul style="list-style-type: none"> • ADB • College managing authorities (ministries, provinces, cities) • Vocational training colleges (public and private) 	<ul style="list-style-type: none"> - Finalize legal documents, manage and settle mortgages and other properties used by non-public vocational training institutions as collaterals; - Undertake necessary legal measures to collect repayments from non-public vocational training institutions fully and timely and transfer the repayments to the Fund for Payment of Foreign Debts in accordance with terms and conditions in the Onlending Agreements and Authorized Onlending Contract; - Provide information and reports in relation to project implementation to Ministry of Finance, ADB on a quarterly basis or upon request. - Supervise project implementation and ensure compliance with the Loan Agreement and PAM - Ensure project achieves the expected outputs and outcome - Ensure compliance with good governance, social safeguards and anti-corruption measures - Establish PIUs at VCs - Allocate counterpart fund to VCs in full and on time during project implementation - Approve relevant requests and documents within its jurisdiction during project implementation (approval of procurement plans, bidding documents, bid evaluation results and contract awards for contracts procured by PIUs - civil works and office equipment and furniture for PIUs; approval of detailed list, specifications and cost estimates for VET equipment to be procured by PMU); - Monitor and inspect project activities at the VC. - Procure civil works and office equipment and furniture for PIUs; - Prepare implementation plans for approval by its managing authority. - Implement activities in accordance with approved plans; - Submit periodic and adhoc reports on project performance as required by concerned agencies; - Accept VET equipment procured and transferred by PMU; - Evaluate project performance; liquidate the investment cost of the project at school in accordance with applicable regulations.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Labor, Invalids and
Social Affairs (MOLISA)

Dr. Dam Huu Dac
First Vice Minister
Telephone: +84 4 38248353
Fax: +84 4 38248036
Office address: 12 Ngo Quyen Street, Hanoi, SRV

Implementing Agencies

General Department of Vocational
Training (GDVT)

Mr. Nguyen Tien Dung
Director General of GDVT, Project Director
Telephone: +84 4 39740356
Fax: +84 4 3 9745050
Office Address: 37B Nguyen Binh Khiem Street, Hanoi, SRV

Mr. Do Nang Khanh
Director of ODA VPMU, GDVT, Project Manager
Tel: +84 4 36230349
Email: donangkhanh@yahoo.com.vn
Office address: No.1, Lane 17, Ta Quang Buu Street, Hanoi, SRV

Mr. Do Minh Hoai
Position: Deputy Director of ODA VPMU, GDVT
Tel: +84 4 36230349
Email: hoaivtep@yahoo.com
Office address: No.1, Lane 17, Ta Quang Buu Street, Hanoi, SRV

Vietnam Development Bank (VDB)

Mr. Nguyen Quang Dung
General Director
Tel: +84 4 3 7365659 - 671
Fax: + 84 4 3 7365672
Office address: 25A Cat Linh Street, Hanoi, SRV

ADB

Division Director

Shireen Lateef
Director, Social Sectors Division
Telephone No. +632 632 6904
Email address: slateef@adb.org

Mission Leader

Wendy Duncan
Principal Education Specialist, Social Sectors Division
Telephone No. +632 632 6809
Email address: wduncan@adb.org

C. Project Organization Structure

26. The Project will consist of two loans, the first to strengthen the public vocational training system and vocational training colleges (VCs), and a second loan to establish a credit line, or on-lending facility, for private VCs. MOLISA will be the Executing Agency (EA) for both loans. GDVT will be the Implementing Agency (IA) for the public sector loan while VDB will implement the on-lending facility for private VCs. The organizational structure is depicted in Figure 1.

27. For the public sector loan, the Director General, GDVT will be the project director and will provide implementation support to the Project. The ODA Vocational Training Projects Management Unit (PMU) in GDVT, headed by the Director, PMU, will manage day-to-day project implementation, planning and budgeting, procurement, disbursement, monitoring, supervising, overseeing the implementation of SEP and submitting reports to the Government

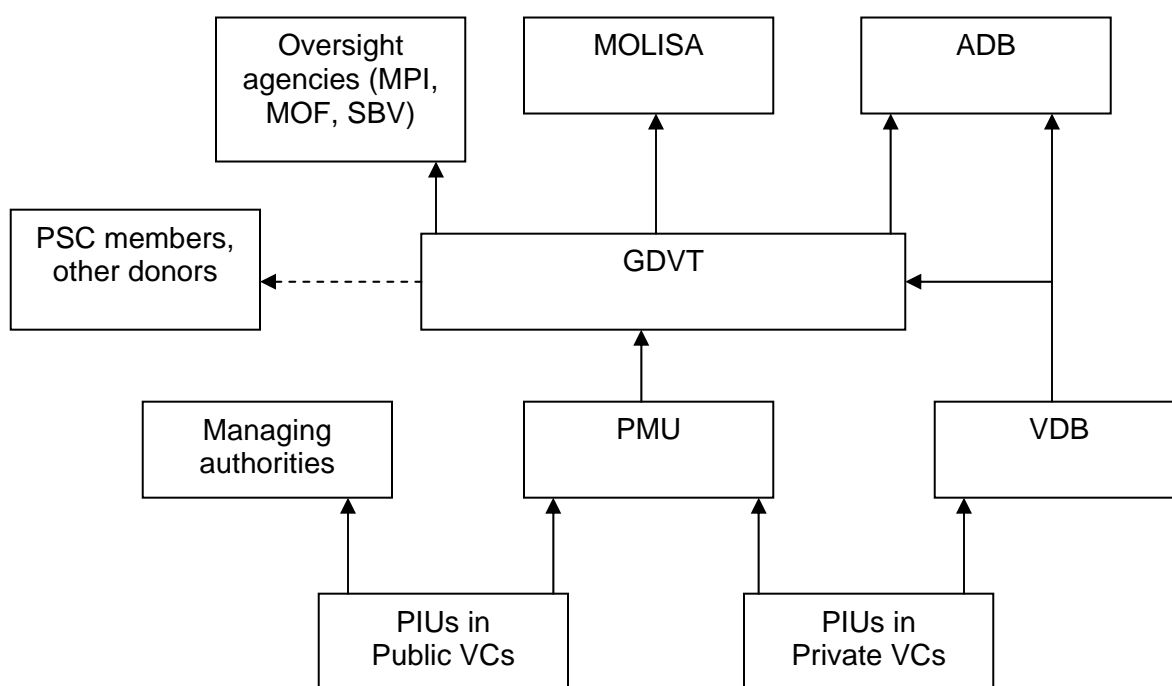
and ADB. The Director, PMU will be the Project Manager. He will be supported by a deputy director of the PMU. The PMU will have at least 35 staff members, including technical, finance, monitoring, and administrative staff. The PMU will include a technical working group comprising GDVT staff who will work closely with consultants on each project program to ensure that project activities and programs are directly linked with national VET priorities.

28. At each VC, public and non-public, a project implementation unit (PIU) will be established and headed by a PIU manager, assisted by technical staff. The PIU will receive budgetary support from the project. A school advisory committee or similar body in each VC will assist in implementing the project. This committee will be chaired by the college principal, assisted by committee members from the community, industry and teachers. The deputy college principal will be the secretary of the school advisory committee. A budget to support the committee and Project implementation will be allocated by each VC.

29. VDB will establish a small team to manage the onlending facility

30. A project steering committee (PSC) will provide advice to the PMU on general policy, inter-sectoral coordination and strategic direction. The PSC will be chaired by MOLISA and will include representatives from the oversight ministries (MOF, MPI, SBV), various ministries managing vocational training institutions, VDB, the Vietnam Chamber of Commerce and Industry and professional and industry groups.

Figure 1: Project Organization Structure



Legend: Information sharing ←-----
 Reporting ←

IV. COSTS AND FINANCING

31. The project investment cost is estimated at \$78.0 million including taxes and duties of \$4.8 million. The total cost includes physical and price contingencies, and interest charges during implementation. The detailed cost estimates are presented in Table 1 and Appendix 6.

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Quality and Management of Vocational Training Improved	8.62
2. VCs Upgraded to Deliver Priority Occupational Programs	37.27
3. Partnerships with the Private Sector Strengthened	19.74
4. Project Management	5.23
Subtotal (A)	70.86
B. Contingencies^c	4.87
C. Financing Charges During Implementation^d	2.27
Total (A+B+C)	78.00

^a Includes taxes and duties of \$4.8 million.

^b In 2010 prices.

^c Physical contingencies computed at 5% for civil works and equipment. Price contingencies computed at around 1% on foreign exchange costs and an average of 7.1% on local currency costs.

^d includes interest charges. Interest charges have been computed at the regular ADF and ADF hard term loan offered rate

Source: Asian Development Bank estimates.

32. The government has requested a loan of \$50.0 million equivalent on regular Asian Development Fund (ADF) terms and a loan of \$20 million equivalent (hard-term), both from the ADF, to help finance the project. Both loans will have a term of 32 years, including a grace period of 8 years. The first loan will have an interest rate charge of 1% per year during the grace period and 1.5% per year thereafter. The second loan will have an interest rate charge of 2.22% per year for the life of the loan. The government will sign a subsidiary loan agreement with VDB, and will relend the second loan amount to VDB using the ADF hard-term rate plus a service fee. The repayment period will be 20 years with a 5-year grace period. VDB will sign a project agreement with ADB specifying terms and conditions, the project component to be implemented by VDB, and relending and onlending of the loan amount. The maximum onlending period will be 20 years (including a grace period of 5 years). The funds will be onlent to private VCs in either US dollars or local currency, on favorable credit terms through an onlending agreement between VDB and each private VC. VDB will determine the interest rate and will bear the foreign exchange risk. The loans will be used to build workshops and purchase equipment and materials to improve training quality and expand access to vocational training. With respect to the free limit, the maximum loan size for individual sub-borrowers permitted under the loan agreement will be \$7 million.

33. The ADF loans will fund 89.7% of the proposed project, with the Government accounting for the remaining 10.3% (Table 2). The government's contribution of \$8.0 million will fund civil works, project management, and taxes and duties.

Table 2: Financing Plan
(\$ million)

Source	Total	%
Asian Development Bank	70.00	89.7
ADF Regular	50.00	
ADF Hard Term	20.00	
Government	8.00	10.3
Total	78.00	100.0

Source: Asian Development Bank estimates.

A. Detailed Cost Estimates by Expenditure Category

Item	(Dong Million)					(US\$ '000)		
	Local	Foreign	Total	% Foreign Exchange	% Total Base Costs	Local	Foreign	Total
A. Civil Works	47,175.0	-	47,175.0	-	4	2,550.0	-	2,550.0
B. Vehicles, Equipment, Furniture and Consumables								
1. VTIS Equipment and Software	2,642.2	6,454.3	9,096.5	71	1	142.8	348.9	491.7
2. PMU and PIU Equipment and Furniture	1,182.9	6,284.5	7,467.3	84	1	63.9	339.7	403.6
3. TL Equipment for Vocational Faculties at VCs	1,071.17	6,698.3	7,770.0	86	1	57.9	362.1	420.0
4. VET Equipment	73,852.0	461,575.0	535,427.0	86	40	3,992.0	24,950.0	28,942.0
Subtotal (B)	78,748.8	481,012.0	559,760.8	86	43	4,256.7	26,000.6	30,257.3
C. Training and Workshops								
1. Overseas	466.2	4,662.0	5,128.2	91	-	25.2	252.0	277.2
2. In Country	118,157.3	-	118,157.38	-	10	6,406.4	-	6,406.4
3. Development and Implementation Costs	31,050.0	-	21,050.0	-	1	1,725.0	-	1,725.0
4. Seminars and Workshops	8,469.0	-	8,469.0	-	1	470.5	-	470.5
Subtotal (C)	158,142.5	4,662.0	162,904.5	3	12	8,627.1	252.0	8,879.1
D. Consultant Services								
1. Technical (International)	27,400.0	17,820.0	45,220.0	39	3	1,520.0	980.0	2,500.0
2. Technical (National)	10,485.0	-	10,485.0	-	1	576.0	-	576.0
Subtotal (D)	37,885.0	17,820.0	55,705.0	32	4	2,096.0	980.0	3,076.0
E. Studies, Pilot Programs and Advocacy	34,200.0	-	34,200.0	-	3	1,900.0	-	1,900.0
F. Onlending to Private Institutions	343,260.0	-	343,260.0	-	28	19,070.0	-	19,070.0
G. Teaching Learning Materials								
1. Materials and Supplies	21,274.8	-	21,274.8	-	2	1,150.0	-	1,150.0
2. Translation	5,550.0	-	5,550.0	-		300.0	-	300.0
Subtotal (G)	26,824.8		26,824.8		2	1,450.0		1,450.0
H. Project Management								
1. PMU and PIU Staff	39,204.0	-	39,204.0	-	3	2,178.0	-	2,178.0
2. PMU and PIU Operating Cost	27,654.9	-	27,654.9	-	2	1,496.2	-	1,496.2
Subtotal (H)	66,858.9	-	66,858.9	-	5	3,674.2	-	3,674.2
Subtotal (A+B+C+D+E+F+G+H)	793,095.0	503,494.0	1,296,589.0	38	100	42,694.0	27,232.6	70,856.7
Physical Contingencies	5,807.8	20,998.1	26,805.9	78	2	313.9	1,135.0	1,449.0
Price Contingencies	53,563.7	9,154.7	62,828.4	20	4	3,856.5	494.9	3,421.3
Interest During Implementation	41,594.7	-	41,594.7	-	3	2,273.1	-	2,273.1
Total Project Cost	894,171.2	533,646.8	1,427,818.0	37	109	49,137.5	28,862.5	78,000.0

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

Table 1: Investment Loan

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Skills Enhancement Project)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated SDR		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Equipment and Vehicles	17,958,000		100.0 percent of total expenditure*
2	Materials	999,000		100.0 percent of total expenditure*
3	Training and Workshops	5,701,000		100.0 percent of total expenditure*
4	Consulting Services	2,121,000		100.0 percent of total expenditure*
5	Studies, Pilot Programs and Social Marketing	1,308,000		100.0 percent of total expenditure*
6	Project Management	2,066,000		81.7 percent of total expenditure
7	Interest Charge	923,000		100.0 percent of amount due
8	Unallocated	3,353,000		
	Total	34,429,000		

* Exclusive of taxes and duties imposed within the territory of the Borrower

Table 2: On-Lending Facility

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Skills Enhancement Project)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated SDR		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Onlending to Private Institutions	13,131,000		100.0 percent of total expenditure*
2	Interest Charge	641,000		100.0 percent of amount due
	Total	13,772,000		

* Exclusive of taxes and duties imposed within the territory of the Borrower

C. Detailed Cost Estimates by Financier (\$, '000) ^b

Item	Total	Government		ADB	
		Total Amount ^c	% of Cost Category	Total Amount	% of Cost Category
A Investment Costs					
1 Civil Works	2.55	2.55	100.00	0.00	00.0
VET Equipment and Furniture, VTIS					
2 Equipment and Software, Multimedia	30.26	4.18	13.81	26.08	86.19
Equipment for VC Faculties, and PMU/PIU					
Vehicles and Equipment					
3 Consulting Services	3.08	0.00	-	3.08	100.0
4 Training and Workshops					
Training Programs	6.68	0.60	8.98	6.08	91.02
Seminars and Workshops	2.20	-	-	2.20	100.0
Subtotal	8.88	0.60	6.78	8.28	93.24
5 Onlending to Private Institutions ^a	19.07	-	-	19.07	100.0
6 Teaching and Learning Materials	1.45	-	-	1.45	100.0
7 Studies, Pilot Programs and Social Marketing	1.90	-	-	1.90	100.0
8 Project Management	3.67	0.67	18.30	3.00	81.7
Subtotal (A)	70.86	8.00	11.29	62.86	88.72
B Contingencies	4.87	0	0	4.87	100.00
C Interest Charges	2.27	-		2.27	100.0
Total Project Cost (A+B+C)	78.00	8.00		70.00	
% Project Cost		10.3		89.7	100.0

ADB= Asian Development Bank.

^a Amount of ADF hard-term loan proceeds allocated to the cost category.

^b The amounts disbursed by ADB for eligible expenditures under a cost category will be subject to the ceiling set by the allocation of loan proceeds for such cost category.

^c Includes taxes and duties of \$4.8 million (Items A.2 (\$4.18 million) and A.4 (\$0.6 million), to be fully financed by the Government.

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Outputs

Item	Quality and Management Improved		Vocational Colleges Upgraded		Partnerships with the Private Sector Strengthened		Project Management		Total	Physical Contingencies	
	Amount	% Category Cost	Amount	% Category Cost	Amount	% Category Cost	Amount	% Category Cost	Amount	%	Amount
A. Civil Works	-		2,550.0	100.0	-		-		2,550.0	5.0	127.5
B. Vehicles, Equipment, Furniture and Consumables											
1. VTIS Equipment and Software	491.7	100.0	-		-		-		491.77	5.0	24.6
2. PMU and PIU Equipment and Furniture	-		-		-		403.6		403.6	5.0	20.2
3. Multimedia Equipment for Vocational Faculties at VCs	420.0	100.0	-		-		-		420.0	5.0	21.0
4. VET Equipment	-		28,942.0		-		-		28,942.0	4.3	1,255.7
Subtotal (B)	911.7	3.0	28,942.0	95.7	-		403.6	1.3	30,257.3	4.4	1,321.5
C. Training and Workshops											
1. Overseas training	277.2	100.0	-		-		-		277.2	-	-
2. In Country training	1,648.2	25.7	4,229.5	66.0	502.5	7.8	26.2	0.4	6,406.4	-	-
3. Training Program Development	1,725.0	100.0	-		-		-		1,725.0	-	-
4. Seminars and Workshops	-		-		20.0	4.3	450.5	95.7	470.5	-	-
Subtotal (C)	3,650.4	41.1	4,229.5	47.6	522.5	5.9	476.7	5.4	8,879.1		
D. Consultant Services											
1. Technical (International)	1,030.0		1,030.0		-		440.0		2,500.0	-	-
2. Technical (National)	171.0		171.0		-		234.0		576.0	-	-
Subtotal (D)	1,201.0	39.0	1,201.0	39.0	-		674.0	21.9	3,076.0	-	-
E. Studies, Pilot Programs and Advocacy											
1. Studies	300.00		-		150.00		-		450.0	-	-
2. Gender and Other Pilots	-		200.00		-		-		200.0	-	-
3. Social Marketing	300.00		-		-		-		300.0	-	-
4. Impact Surveys, Tracer Studies	600.00		150.00		-		-		750.0	-	-
5. Audit	200.00		-		-		-		200.0	-	-
Subtotal (E)	1,400.0	73.7	350.00	18.4	150.00	7.9	-		1,900.0		
F. Onlending to Private Institutions	-		-		19,070.0	100.0	-		19,070.0	-	-
G. Teaching Learning Materials	1,450.0	100.0	-						1,450.0		
H. Project Management											
1. PMU and PIU Staff Salaries	-		-		-		2,178.0		2,178.0	-	-
2. PMU and PIU Operating Cost	-		-		-		1,496.2		1,496.2	-	-
Subtotal (H)	-		-		-		3,674.2	100.0	3,674.2	-	-
Subtotal (A+B+C+D+E+F+G+H)	8,613.1	12.1	37,272.5	52.6	19,742.5	27.9	5,228.5	7.4	70,856.7	2.0	
Physical Contingencies	45.6	3.1	1,383.2	95.5	-		20.2	1.4	1,449.0	-	
Price Contingencies	327.5	19.6	1,731.7	50.6	1,035.4	30.26	326.6	9.5	3,421.2	1.6	
Interest Charges	269.7	11.9	1,212.3	53.3	623.7	27.4	167.4	7.4	2,273.1		
Total	9,256.0	11.9	41,599.7	53.3	21,401.6	27.4	5,742.7	7.4	78,000.00	2.0	

Source: Asian Development Bank estimates.

E. Detailed Cost Estimates by Year

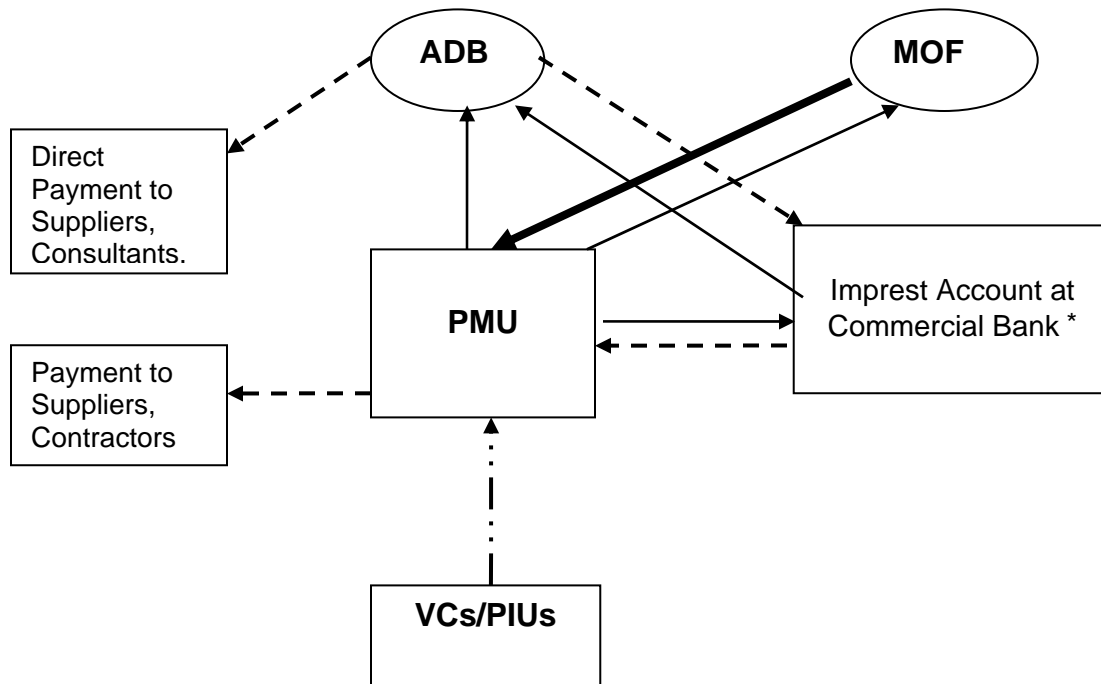
Item	Year					Total
	2010	2011	2012	2013	2014	
A. Civil Works	-	2,550.0	-	-	-	2,550.0
B. Vehicles, Equipment, Furniture and Consumables						
1. VTIS Equipment and Software	491.7	-	-	-	-	491.7
2. PMU and PIU Equipment and Furniture	403.6	-	-	-	-	403.6
3. Multimedia Equipment for Vocational Faculties at VCs	420.0	-	-	-	-	420.0
4. VET Equipment	-	19,012.4	9,929.6	-	-	28,942.0
Subtotal (B)	1,315.3	19,012.4	9,929.6	-	-	30,257.3
C. Training and Workshops						
1. Overseas Training	-	138.6	138.6	-	-	277.2
2. In Country Training	1,097.0	1,538.3	1,864.9	1,146.5	759.7	6,406.4
3. Training Program Development	1,250.0	250.0	175.0	50.0	-	1,725.0
4. Seminars and Workshops	94.1	94.1	94.1	94.1	94.1	470.5
Subtotal (C)	2,441.1	2,021.0	2,272.6	1,290.6	853.8	8,879.1
D. Consultant Services						
1. Technical (International)	1,660.0	840.0	-	-	-	2,500.0
2. Technical (National)	378.0	180.0	18.0	-	-	576.0
Subtotal (D)	2,038.0	1,020.0	18.0			3,076.0
E. Studies, Pilot Programs and Advocacy						
1. Studies, Gender and Other Pilots, and Social Marketing	1,140.0	140.0	340.0	40.0	240.0	1,900.0
F. Onlending to Private Institutions	-	6,356.7	6,356.7	6,346.7	-	19,070.0
G. Teaching Learning Materials						
1. Materials and Supplies	1,150.0	-	-	-	-	1,150.0
2. Translation	100.0	100.0	50.0	50.0	-	300.0
Subtotal (G)	1,250.0	100.0	50.0	50.0		1,450.0
H. Project Management						
1. PMU and PIU Staff	396.0	396.0	396.0	396.0	594.0	2,178.0
2. PMU and PIU Operating Cost	305.1	320.1	280.1	280.1	311.0	1,496.2
Subtotal (H)	701.1	716.1	676.1	676.1	905.0	3,674.2
Total (A+B+C+D+E+F+G+H)	8,885.5	31,916.1	19,642.9	8,413.3	1,998.9	70,856.7
I. Contingencies						
1. Physical Contingencies	65.8	950.5	432.7			1,449.0
2. Price Contingencies	105.7	1,178.3	1,005.0	734.3	397.9	3,421.3
Subtotal (I)	171.4	2,128.8	1,437.7	734.3	397.9	4,870.2
Interest Charges	271.9	1,021.9	632.8	274.2	71.9	2,273.1
Total	9,328.8	35,066.9	21,713.4	9,422.2	2,468.7	78,000.0

Source: Asian Development Bank estimates.

F. Fund Flow Diagrams

34. The fund flows for both the investment loan for public sector VCs and the on-lending facility for private VCs are shown in Figures 2 and 3.

Figure 2: Fund Flow Arrangements for Public VCs

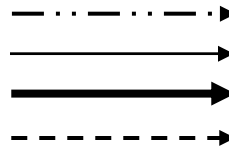


Legend: Request for Payment

Sending Withdraw Application

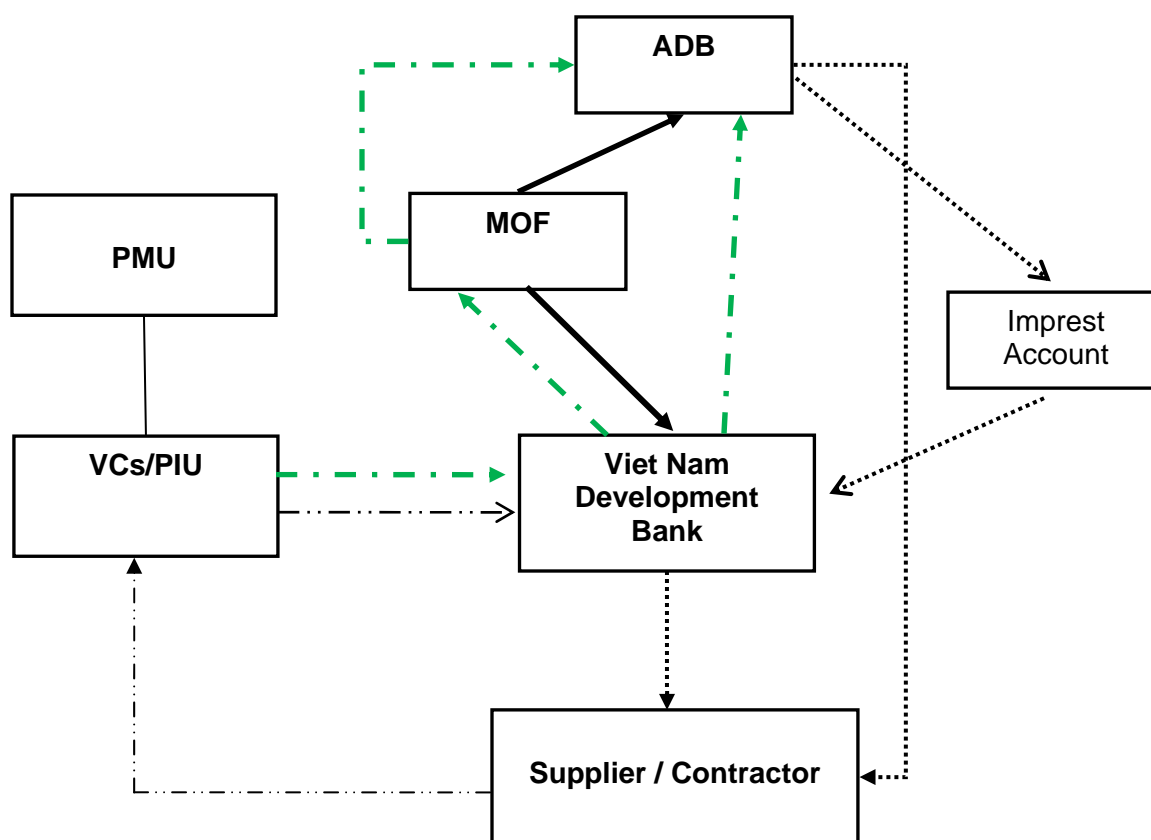
Withdrawal Application Approved

Funds Flow



* ADB and Government Approved Commercial Bank

Figure 3: Fund Flow Arrangements for Onlending Facility for Private VCs



Legend:

- Request for Payment (to supplies/contractor)
- Withdrawal Application
- Withdrawal Application Approval
- Funds Flow
- Reporting
- Repayment

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

35. A financial management assessment (FMA) of MOLISA and GDVT according to ADB-guidelines and questionnaire format was carried out. The assessment concluded that the capacity of both agencies is sufficient for them to be able to carry out the Project. Performance under the previous ADB-funded project, VTEP, was satisfactory. Nevertheless, the FMA did identify some shortcomings: (i) coordination of management, inspection, and monitoring of financial management procedures between MOLISA/GDVT and PMU is poor; (ii) financial management systems in MOLISA and GDVT are inefficient and need to be modernized, incorporating a results- or performance-based orientation to planning, budgeting, monitoring and control; (iii) there is no effective financial performance monitoring system to measure the impact and utilization of funds; (iv) there is no manual or guidance describing the financial management operational procedures; (v) the financial unit in GDVT is small and lacks clearly defined duties, responsibilities, lines of supervision and limits of authority and (vi) training institutions lack computerized financial management reporting systems. The FMA is in Appendix 7.

36. To alleviate these shortcomings, the financial management specialists will build capacity within MOLISA and GDVT in financial planning, accounting, reporting, auditing and control. The consultants will develop and install a performance-based planning and budgeting system based on the cost norms to be identified under the project. They will enhance the computerized financial management system in GDVT and MOLISA, and will support schools to use the national FMIS designed by MOF. School finance staff will be trained in financial planning, preparation of budgets, financial analysis and reporting, and internal controls. The consultants will also ensure that the FMIS used by the PMU is better integrated with the GDVT/MOLISA system.

B. Disbursement

37. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time),¹ and detailed arrangements agreed upon between the Government and ADB.

38. Pursuant to ADB's Safeguard Policy Statement (2009),² ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list to subprojects financed by ADB.

39. To ensure effective project implementation and timely disbursement, the Government will establish two project imprest accounts in the name of the Project immediately after loan effectiveness. One account will be for the investment loan, while the other will be for the onlending facility, or credit line.

40. The imprest account for the public sector loan will be held in a commercial bank, acceptable to ADB, and MOLISA will be authorized to operate this account. This account will be established, managed, and liquidated by MOLISA in accordance with ADB's *Loan Disbursement*

¹ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

² Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

Handbook, and other detailed arrangements agreed to by the Government and ADB. The deposit into this imprest account will not exceed the estimated ADB-financed expenditures to be funded through the imprest account for the next 6 months or 10% of the relevant loan amount, whichever is lower.

41. For the on-lending facility, the Government will establish a Project imprest account in a commercial bank, acceptable to ADB, and VDB will be authorized to operate this account. The imprest account will be established, managed, and liquidated by VDB in accordance with ADB's *Loan Disbursement Handbook*, and other detailed arrangements agreed to by the Government and ADB. The deposit into the imprest account will not exceed the estimated ADB-financed expenditures to be funded through the imprest account for the first 6 months or 10% of the relevant loan amount, whichever is lower.

42. No withdrawals will be made from the Loan account for the credit line component of the Project until (i) a subsidiary loan agreement, in form and substance satisfactory to ADB, will have been executed by the Government and VDB; and (ii) the first onlending agreement will have been executed and submitted to ADB for review. ADB will review drafts of these agreements. No funds will be released to any training institution. VDB will organize the payment of suppliers and contractors directly through the imprest account or through direct payment by ADB. The on-lending facility is described in more detail in Linked Document 14.

43. The request for initial advances to both imprest accounts should be accompanied by an Estimate of Expenditure Sheet³ setting out the estimated expenditures to be funded through the imprest account for the next six (6) months of project implementation, and submission of evidence satisfactory to ADB that the imprest account has been duly opened. For every liquidation and replenishment request of the imprest account, the borrower will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement (IARS) reconciling the above mentioned bank statement against the EA's records.⁴

44. The statement of expenditure procedure will be used for reimbursing eligible expenditures and liquidating the imprest account for any individual payment transaction up to \$50,000 equivalent under both loans. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.⁵

45. Before the submission of the first withdrawal application, SBV should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB. MOF is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members,

³ Available in Appendix 29 of the *Loan Disbursement Handbook*.

⁴ Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

⁵ Checklist for SOE procedures and formats are available at:

http://www.adb.org/documents/handbooks/loan_disbursement/chap-09.pdf

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-100-Below.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-Over-100.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Operating-Costs.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Free-Format.xls

and are eligible for ADB financing.

46. The disbursement and liquidation procedures for government funds are as follows:

- (i) Civil Works. For VCs owned by ministries, the ministries shall make an annual budget proposal to MPI for budget allocation for the civil works. The ministries will inform the VCs after MPI approval. For disbursement, the VCs will process the request for payment submitted by the contractor through the local state treasury where the VC has its account. The State Treasury will clear the payment and pay to the contractor's account. The liquidation of the fund follows the same procedure. For VCs owned by People's Committees: the VC will make an annual budget proposal to the People's Committees for budget allocation. For disbursement and liquidation, they will follow the same procedures as public VCs.
- (ii) Recurrent Costs. For VCs owned by ministries, the procedure will be the same as for civil works with the one difference that the budget proposal will be sent to MOF, not MPI. VCs owned by People's Committees will follow the procedure for civil works.

C. Accounting

47. MOLISA will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. Project accounts will follow international accounting principles and practices.

D. Auditing

48. MOLISA will cause the detailed consolidated project accounts to be audited in accordance with International Standards on Auditing and in accordance with the Government's audit regulations by an auditor acceptable to ADB. The auditors' services will be financed from the loan proceeds. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest accounts and the SOE procedures. The Government and MOLISA have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures. For revenue generating projects only, ADB requires audited financial statements (AFS) for each executing and/or implementation agency associated with the project.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Procurement of Goods, Works and Consulting Services

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

50. 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.

51. 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.

52. 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.

53. 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*.

54. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and procedures applied to national competitive bidding guidelines is in Section C.

55. 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)*.⁶ The terms of reference for all consulting services are detailed in Section D.

56. 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 (80:20) using a full technical proposal to provide qualified consultants 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://csrnl.adb.org>). The online collection of Expressions of Interest (EOIs) is preferred to assure comparability of the EOIs and transparency of the selection process.

⁶ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

B. Procurement Plan

A. General

Project Information	
Country	Socialist Republic of Viet Nam
Name of Borrower	Socialist Republic of Viet Nam
Project Name	Skills Enhancement Project
Loan Reference	TA 7086-VIE: Preparing the Skills Enhancement Project (SEP)
Date of Effectiveness	(TBD)
Amount	\$50 million
Executing Agencies	General Department for Vocational Training (GDVT), Ministry of Labor, Invalids and Social Affairs (MOLISA)
Approval Date of Original Procurement Plan	(TBD)
Approval of Most Recent Procurement Plan	12 February 2010
Period Covered by this Plan	15 June 2010

B. Procurement Project Thresholds

Except as ADB may otherwise agree, the following process thresholds will apply to procurement of goods and works.

Method	Threshold
International Competitive Bidding (ICB) for Works	More than \$1,000,000
International Competitive Bidding (ICB) for Goods	More than \$500,000
National Competitive Bidding (NCB) for Works	More than \$100,000 up to \$1,000,000
National Competitive Bidding (NCB) for Goods	More than \$100,000 up to \$500,000
Shopping (SHP) for Works	\$100,000 or less
Shopping (SHP) for Goods	\$100,000 or less

C. ADB Prior or Post Review

The following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the Project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works ICB Goods	Prior Prior	Prior review of all bidding documents
NCB Goods NCB Works	Prior/Post Prior/Post	Prior review for first two English language version of bidding documents. ADB-approved procurement documents will be used as a model for subsequent procurement.
Shopping for Works Shopping for Goods	Prior/Post Prior/Post	Prior review of the first draft English language version.
Recruitment of Individual Consultants		
Individual Consultants	Prior	GDVT selects, contracts, and manages contract.
Recruitment of Consulting Firms		
QCBS (80:20)	Prior	GDVT selects consulting entity, evaluates proposals, negotiates, and manages the contract.
CQS	Prior	GDVT selects consulting entity, evaluates proposals, negotiates, and manages the contract.

D. Consulting Services Contracts Expected to be above \$100,000

The following table lists consulting services contracts for which procurement activity is expected to commence within the next 18 months.

General Description	Contract Value (\$)	Procurement Method	Advertisement Date	Prior or Post Review	Comments
Consulting services for project implementation and PCR	2,842,000	QCBS 80:20	Quarter 1 Year 1	Prior	Advertisement is to be published on http://csrn.adb.org
Consultant for Vocational Training Information System	180,000	Individual consultant selection	Quarter 1 Year 1		Advertisement is to be published on http://csrn.adb.org
Baseline survey	200,000	CQS	Quarter 2 Year 1		Advertisement is to be published on http://csrn.adb.org . Survey firm or research institute
Midterm and final impact studies	400,000	CQS	Quarter 2 Year 1	Prior	Advertisement is to be published on http://csrn.adb.org . Survey firm or research institute
Annual audits	200,000	CQS	Year 1	Prior	Advertisement is to be published on http://csrn.adb.org Survey firm
Graduate tracer studies	150,000	CQS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Research firm or institution
VET financing/ Program cost norm studies	150,000	CQS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Research firm or institution
Enterprise-based Training/ Training Levy Study	150,000	CQS	Year 3	Prior	Advertisement is to be published on http://csrn.adb.org Research firm or institution
Teacher incentives study	150,000	CQS	Year 3	Prior	Advertisement is to be published on http://csrn.adb.org Social marketing/. advertising firm
Social marketing campaign	300,000	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org Management training provider
Management training	230,400	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org
Regional study tours	252,000	CQS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Training provider
Vocational Teachers' Development Program	2,980,800	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Training provider
Vocational teachers' upgrading through industry	384,000	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Training provider
Vocational teachers' training for materials development	441,600	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org
Training on Skill Testing and Certification	432,000	QCBS	Year 2	Prior	Advertisement is to be published on http://csrn.adb.org . Training provider

E. Goods Contracts Estimated to Cost in Excess of \$500,00

General Description	Contract Value (\$)	Number of Contracts	Procurement Method	Pre-qualification of Bidders	Advertisement Date
Equipment					
Automotive Technology	3,600,000	1	ICB	No	First 18 months on www.adb.org
Ship Engine Operations and Repair	1,300,000	1	ICB	No	First 18 months on www.adb.org
Navigation	1,300,000	1	ICB	No	First 18 months on www.adb.org
Culinary Skills and Hotel Management	3,300,000	1	ICB	No	First 18 months on www.adb.org
Industrial Electricity Installation	1,860,000	1	ICB	No	First 18 months on www.adb.org
Industrial Electricity	2,850,000	1	ICB	No	First 18 months on www.adb.org
Industrial Electronics	2,080,000	1	ICB	No	First 18 months on www.adb.org
ICT	1,080,000	1	ICB	No	First 18 months on www.adb.org
Mechatronics	2,280,000	1	ICB	No	First 18 months on www.adb.org
Welding Technology	1,080,000	1	ICB	No	First 18 months on www.adb.org
Metal Working	3,600,000	1	ICB	No	First 18 months on www.adb.org
Refrigeration	620,000	1	ICB	No	First 18 months on www.adb.org
Vocational Training Information System	431,000	1	ICB	No	First 18 months on www.adb.org
VC Teacher Training Faculties multimedia equipment	362,100	1	ICB	No	First 18 months on www.adb.org

F. Goods and Works and Consulting Services Contracts Estimated to Cost Less than \$500,000

General Description	Contract Value (\$)	Number of Contracts	Procurement Method	Advertisement Date
PMU and PIU Equipment				
Vehicles (2) for PMU	120,000	1	NCB	First 3 months
Equipment for PMU	100,000	1	NCB	First 2 months
Furniture for PMU	22,000	1	SHP	First 2 months
Equipment and Furniture for 15 PIUs	97,600	15	SHP	First 3 months
PMU Consultants	54,000	2	Individual consultant selection	First 3 months

ADB=Asian Development Bank, CQS=consultants' qualification selection, CQBS=consultants qualification and cost based selection; GDVT=General Department for Vocational Training, ICB=international competitive bidding; MOLISA = Ministry of Labor, Invalids and Social Affairs, NCB=national competitive bidding, PMU=project management unit, QCBS=quality and cost-based selection, SHP=shopping, VET=vocational education and training, VC=vocational college.

Source: Asian Development Bank.

57. The NCB Annex is in Appendix 9

C. Consultant's Terms of Reference

58. To support project implementation, a firm will be engaged to provide 116 and 174 person months of international consultant inputs and 174 months of national consultant inputs. In addition, an individual consultant will be engaged for 9 months to design and implement the vocational training information system. Individual consultants to assist the PMU during project implementation will also be engaged if needed. The breakdown of consultant inputs is as follows:

Implementation Specialists (Firm)	Person Months	
	International	National
Teacher Training Specialist	7	12
VET Financing/FMIS Specialist	3	12
Industry Sector Specialists	66	66
Gender Specialist	4	12
Accreditation Specialist	3	6
Social Marketing Specialist	1	2
Management Specialist	4	4
Project Management Specialist	18	30
Procurement Specialist	4	24
Monitoring and Evaluation Specialist (2+1+3 pm)	6	6
Total	116	174

59. In addition, an international individual consultant will be engaged for 9 months to design and implement the vocational training information system. Training providers (firms, universities etc.) will be engaged to provide the training specified in the HRD plan. A marketing firm will be engaged to carry out the social marketing campaign. The outline terms of reference for these tasks are in Appendix 10.

60. Research institutes or survey firms will be engaged to carry out the three studies to be undertaken as part of the project: (i) a study on options for improving teacher incentives, (ii) options for stimulating enterprise-based training including a feasibility study on a payroll levy, and (iii) establishing VET program cost norms. The outline terms of reference are in Appendix 11.

VII. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

61. The detailed DMF is in Appendix 1.

B. Monitoring

1. Project performance monitoring

62. A detailed monitoring and evaluation framework for monitoring the DMF outcome and outputs will be drawn up by the monitoring and evaluation consultants in year 1. Terms of reference will be developed for a survey firm which will be engaged to collect all the quantitative and qualitative data so defined for the baseline study, including baseline data on the risks. All student and worker data will be disaggregated by gender and social background where possible. For some locations, the data will also be disaggregated by ethnic group. The baseline study will be used as the basis for the data collection and analysis for the midterm and final impact studies. College management will be engaged in collecting college level data. The final impact study will be the basis for the project completion report.

63. A vocational training information system (VTIS) will be designed for different levels of management, including GDVT, DOLISA and provincial offices, and VCs. The VTIS will also be used as a source of data for monitoring some of the indicators in the DMF, initially at VC level only. A detailed description of the development of the VTIS is in Appendix 12.

64. Responsibility for the internal monitoring of project implementation performance will lie with the project monitoring unit in the PMU, using a project tracking system that will be established for internal monitoring of project activities and implementation, in collaboration with the VCs and DOLISA offices. The school-industry advisory committees in each VC will also play a role in monitoring implementation at college level.

65. Routine internal monitoring of project implementation performance will lie with the project monitoring unit in the PMU in accordance with a framework prepared in collaboration with the monitoring and evaluation consultants. A project tracking system will be established for internal monitoring of project activities and implementation, in collaboration with the VCs and DOLISA offices. The school-industry advisory committees in each VC will also play a role in monitoring implementation at college level. Data on selected outputs will also be collected regularly by the PMU, monitoring and evaluation consultants and ADB review missions, using data from VTIS and field visits, and the midterm survey. The PMU will prepare quarterly reports on project implementation and submit them to ADB within 30 days after each quarter. These reports, which will include data on the implementation targets and their achievement, problems and constraints faced, and proposed actions and solutions, will be submitted in English, in a format acceptable to ADB.

66. **Compliance monitoring:** All project covenants will be monitored regularly by the PMU, and twice a year during ADB loan review missions. The loan covenants are in Appendix 13.

67. **Poverty, gender and social action plans:** A summary poverty reduction and social strategy was prepared for the Project based on the social analysis conducted during project preparation.

68. A gender analysis and action plan (GAP) was also prepared to ensure women have equal opportunities to access vocational and technical training in the 20 vocational colleges (15 public and 5 private) supported by the Project. The GAP is also based on a social analysis, and is developed in accordance with the ADB *Policy on Gender and Development* (1998), and the Government of Viet Nam's *Social and Economic Development Plan (2005-2010)*, its *Law on Gender Equality* (2006) and subsequent decrees and regulations. Specific actions and targets are set out in the GAP, with some of these targets included in the DMF and in the HRD plan. The PMU will be responsible for implementing, monitoring and reporting progress on the GAP. They also will be responsible to ensure specific targets (and sex-disaggregated indicators) are incorporated into the PPMS. The Department of Gender Equality (DGE) in MOLISA, which is responsible for implementing and monitoring progress of the Law for Gender Equality, will be responsible for periodic spot-checks on the progress. As described under the project, they will receive assistance from the Project to develop and deliver two gender awareness training modules for (i) management staff from PMU/DGVT, DOLISA and management staff from SEP VCs; and (ii) training of trainer modules for mid-level SEP VC and DOLISA staff. The gender action plan is in Appendix 14.

69. **Social safeguards.** The expected social safeguard impacts of the Project are insignificant. The involuntary resettlement categorization is C, as the scope of civil works will include upgrading of school facilities within the existing boundaries. No new land acquisition or resettlement is envisioned. The indigenous peoples categorization is B, as two vocational institutions have been selected to ensure social equity—one in Yen Bai, and the other in Dak Lak. The social marketing strategy for increasing awareness on VET will address social and gender inequality issues in VET. Further, the Project will emphasize the importance for industry partners to become more aware and engage in social corporate responsibility initiatives. Any civil works that might trigger resettlement Category A will not be eligible for financing under the Project.

C. Evaluation

70. ADB will conduct an inception mission within 2 months after project start-up, and a review mission every 6 months thereafter. The midterm review mission will occur early in year 3 of implementation. Within 6 months after the physical completion of the Project, the PMU will submit to ADB a project completion report analyzing project implementation, project performance and achievements against the targets, and expected project impact.¹

D. Reporting

71. MOLISA will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the Project. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency AFSs, together with the associated auditor's report, should be adequately reviewed.

¹ Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

E. Stakeholder Communication Strategy

72. The key messages of the social marketing strategy will focus on i) enhancing the image of vocational education and training in Vietnam amongst the general public; ii) increasing awareness of the improved capacity of vocational colleges (supported by the project) to deliver high skilled priority occupational programs, amongst local communities; iii) increasing the demand for high-level vocational and technical training amongst women and disadvantaged groups in non traditional occupations; iv) increasing awareness and mobilizing private enterprises to improve access of women in traditionally non-female vocational training and occupations, in general and in the project locations, in particular.

73. The key target audiences are i) women and disadvantaged groups from target locations; ii) private enterprises in general and those operating in project locations in particular; iii) local communities in the project locations and the public in general.

74. The key messages will be disseminated using a mix of media and outreach channels (TV, radio, newspapers, direct mail, workshops, advocacy events, etc) identified as preferred by the different audience segments. The communication/media plan will be aligned to and complement the schedule of outputs and activities of the overall project. In this regard, there will be phase-wise delivery of communication materials and activities. For example, while the media plan for enhancing the image of VET maybe rolled out in the first year of the Campaign (the second year of the project), the plan for publicizing the improved capacity of the project supported colleges will be undertaken towards the end of third year of the project, dependent on the capacity development activities of the project).

75. The PMU/MOLISA will issue press releases and hold press conferences outlining the project to sensitize and popularize the project among the general public. The PMU will also organize opening ceremonies at each of the VCs, and discussion sessions on the importance of the project at the various locations as well as through the media to publicize the project. Leaflets/fliers will also be produced outlining the purpose and outcome of the project and provided to key stakeholders (local community, local employers, national level enterprises, related ministries and service providers) the national and local levels. In addition, all communication messages and materials will have the logo of the project for facilitating identification and branding of the project.

76. The communication campaign will be implemented by a media agency. The media agency will be responsible for production and dissemination of the communication materials. The PMU will provide overall oversight and approve all strategy components, media materials and dissemination plan.

VIII. ANTICORRUPTION POLICY

77. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.² All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.³

78. To support these efforts, relevant provisions are included in the loan agreement and the

² Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

bidding documents for the Project. The Project incorporates several additional measures to deter corruption and increase transparency. The Project will (i) build capacity within GDVT and training institutions to understand and comply with ADB and government procedures as outlined in the project administration memorandum; and (ii) widely publicize in training institutions and MOLISA the existence of the integrity division within ADB's Office of the Auditor General, as the initial point of contact for allegations of fraud, corruption, and abuse in ADB-financed projects. A project webpage will be developed to disclose information about project matters, including procurement.

79. The Project will adapt MOF's financial management system to the needs of training institutions as well as MOLISA and DOLISAs. There will also be a comprehensive training program for GDVT, DOLISA and VET institution staff in principles and practice of financial management. MOLISA financial management activities at all levels will be supported with suitable equipment and software. With these actions, and current reforms in financial management, MOLISA and GDVT will be able to successfully manage the project.

IX. ACCOUNTABILITY MECHANISM

80. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.⁴

X. RECORD OF PAM CHANGES

81. All revisions/updates during course of implementation should retain in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

⁴ For further information see: <http://compliance.adb.org/>.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact Skills shortages in 15 key occupations reduced	Against a baseline established in 2010: <ul style="list-style-type: none"> • A 20% increase in employees in the skilled labor force by 2020 • Increased employer satisfaction with the knowledge, skills and attitudes of employees coming from vocational colleges (VCs) by 2020 	<ul style="list-style-type: none"> • Labor market data monitored and reported by MOLISA • MOLISA competitiveness surveys • Graduate tracer studies done by VCs 	Risks <ul style="list-style-type: none"> • The demand for higher skilled workers in the identified occupations will not continue to expand • Continuing poor recognition of the productive value of high skilled labor in most economic sectors
Outcome Higher level skills training in 15 key occupations established for males and females	<ul style="list-style-type: none"> • Comprehensive national systems and plans established for college-level VET by end 2015. • 30% increase in enrollments (30% of the increase to be female) from 2010/11 baseline in 15 occupational training programs by end 2015 (baseline data to be collected at start of the project) • 20% increase in graduates (30% of the increase in graduates to be female) from 2010/11 baseline in 15 occupational training programs by end 2015 from 2010/11 baseline • 85% of graduates (30% female) from 15 occupational training programs gain employment within 6 months after graduation 	<ul style="list-style-type: none"> • National VET Strategy for the development of VCs • National VET Training Plan developed for college level with gender targets • VC quarterly reports, with gender disaggregated data • VC quarterly reports, with gender disaggregated data • Tracer studies conducted annually from year 3 	Risk <ul style="list-style-type: none"> • Industry experts will not participate fully in developing and delivering effective programs • Poor social image of VET will inhibit enrolment growth • VCs will be unable to recruit instructors or industry experts with skills to deliver training programs
Outputs			
1. Quality and Management of Vocational Training Improved	<ul style="list-style-type: none"> • Sector leadership and management strengthened through a professional development program (40% female participation) • VTIS fully developed by end of 2015, for system-wide implementation • Program accreditation system developed and 40 programs accredited by end 2015 • National skills standards developed and issued by MOLISA by end year 2 for SEP training programs • Professional standards for teachers and principals approved by end year 2 • Pre-service training program in VCs reviewed and strengthened • Gender responsive training and learning materials and 	<ul style="list-style-type: none"> • Midterm and impact evaluations • VTIS reports, with gender disaggregated data • MOLISA decree(s) and Guidelines • MOLISA decrees • Standards approved by MOLISA • Attendance records and assessment reports, disaggregated by sex • Approved materials and tools and letters of 	Risks <ul style="list-style-type: none"> • Industry groups, ministries and industry may not reach agreement on skills standards • Managing authorities (ministries, agencies, provincial governments) may oppose implementation of the new quality assurance system in colleges

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<p>assessment tools developed for 15 occupational programs in collaboration with industry</p> <ul style="list-style-type: none"> Studies on teacher incentives and new cost norms completed and recommendations agreed with government and ADB 	<p>endorsement from industry bodies</p> <ul style="list-style-type: none"> Approved reports 	
2. VCs Upgraded to Deliver Priority Occupational Training Programs	<ul style="list-style-type: none"> 15 occupational training programs approved by end 2012 (8 designed to attract larger numbers of female trainees) Each public VC offering 1–3 SEP occupational programs by 2014 ERUs operational in SEP VCs with marketing plans developed by 2012 (with equal gender representation) Skills testing centers operational at SEP VCs with 1000 workers and 2500 graduates (35% female) tested by 2015 Planning and management skills of VC leadership improved and 20 institutional business plans developed Pedagogical and technical skills of vocational instructors in 20 VCs meet the standards for teaching SEP occupational programs 20 SEP VCs accredited by end of 2012 Pilot initiatives to increase female enrolment in non-traditional areas completed. 	<ul style="list-style-type: none"> GDVT records Accreditation certificates from GDVT, MOLISA Summary marketing plans attached to VC quarterly reports Testing records in VC quarterly reports disaggregated by sex VC quarterly reports Teacher competency certificates issued GDVT accreditation records Report submitted by VC on each initiative 	<p>Risks</p> <ul style="list-style-type: none"> Lack of suitable enterprise placements for students and teachers in SEP programs Technical skills of teachers may not reach required standards
3. Partnerships with the Private Sector Strengthened	<ul style="list-style-type: none"> VCs borrowing from onlending facility expand enrollments by 20% (20% of enrollments to be female) VCs borrowing from on-lending facility have an institution-specific gender strategy 20% increase in revenue generated by VCs by 2015 from 2010/11 baseline 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) Technical skills of 200 teachers improved through pilot training program incorporating industry training (30% of trainee teachers to be female) 	<ul style="list-style-type: none"> VDB quarterly reports Summary gender plans included in VC quarterly reports GDVT guidelines issued SEP training program documents show on-the-job training requirements Records of income reported by VCs in quarterly reports MOAs signed between VCs and enterprises 	<p>Risk</p> <ul style="list-style-type: none"> Private VCs will not qualify or will not be attracted to borrow from the on-lending facility

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<ul style="list-style-type: none"> • Technical skills of 200 teachers improved through pilot training program incorporating industry training (30% of trainee teachers to be female) • Marketing plans developed for 15 SEP VCs • Study on how to stimulate enterprise-based training completed 	<ul style="list-style-type: none"> • Midterm and impact evaluations • Summary of market plan attached to VC quarterly report • Approved report 	

Core Activities with Milestones	Inputs
<p>1. Quality and Management of Vocational Training Improved</p> <p>1.1 Strengthen VET management and planning</p> <ul style="list-style-type: none"> • Develop a cost methodology and options for future VET financing for GDVT • Develop professional standards for instructors • Carry out a study on how to attract and retain vocational instructors. • Develop a VTIS and pilot it at 15 VCs • Carry out data collection in year 3 and release report by the middle of year 4 • Carry out baseline, midterm, and end-of-project surveys <p>1.2 Improve the quality assurance system</p> <ul style="list-style-type: none"> • Assist the 15 SEP VCs to be accredited by end year 2 • Update training program and train 80 quality assessors and auditors. • Develop a program accreditation system and pilot in SEP VCs by end year 2 • Implement 15 occupational training programs in new formats from year 3 • Produce training materials for SEP occupational programs in year 2 • Accredite all SEP occupational programs by end year 3 <p>1.3 Develop skills standards, skills testing and certification systems</p> <ul style="list-style-type: none"> • Develop procedures for assessment and certification of skills by end month 18, and a set of assessment tools for each program by year 3 • Test and certify about 2,500 graduates and 1,000 workers by end year 5 • Design and develop a national register of assessors by year 2 • SEP VCs to be approved national skills assessment centers in at least 2 SEP occupations by year 3 <p>1.4 Expand access and enrollments</p> <ul style="list-style-type: none"> • Review and implement the gender action plan for the project in year 1 • Assist each VC to prepare an institution-specific gender action plan by month 18 • Develop and implement a social marketing plan by end year 2 <p>2. Upgrade VCs to Deliver High Skill Occupational Training Programs</p> <p>2.1 Improve training quality</p> <ul style="list-style-type: none"> • Complete civil works and provide equipment to 15 VCs • Develop and implement in-service teacher training development program that includes work-based and competency-based training approaches • Update and modernize the 6-month pre-service teacher training program • Upgrade 700 teachers to be able to deliver SEP occupational training programs <p>2.2 Improve management</p> <ul style="list-style-type: none"> • Train 100 VC managers in demand-driven approaches to management by year 3 • Ensure each SEP VC prepares an annual report on performance • Establish a monitoring and evaluation system in all SEP VCs <p>2.3 Introduce market-oriented program planning</p> <ul style="list-style-type: none"> • Assist SEP VCs to develop marketing plans • ERUs to carry out two tracer studies on graduates of SEP VCs in years 4 and 6 <p>3. Strengthen Partnerships with the Private Sector</p> <p>3.1 Develop private VCs</p> <ul style="list-style-type: none"> • Upgrade the facilities of at least 5 private VCs through onlending from VDB 	<p>ADB: \$70.00 million</p> <ul style="list-style-type: none"> • Consulting services: \$3.08 million • VET equipment and furniture, VTIS equipment and software, teaching and learning equipment: and PMU, PIU vehicles, equipment and furniture; \$26.08 million • Training and workshops: \$8.28 million • Loans to private institutions: \$19.07 million • Teaching and learning materials: \$1.45 million • Pilot programs, studies and social marketing: \$1.90 million • Project management: \$3.00 million • Physical and price contingencies: \$4.87 million • Interest charges: \$2.27 million <p>Government: \$8.00 million</p> <ul style="list-style-type: none"> • Civil works: \$2.55 million • Taxes and duties: \$4.78 million • Project management: \$0.67 million

Core Activities with Milestones	Inputs
<ul style="list-style-type: none"> • Implement all project capacity and systems development programs in private VCs • Develop and implement institution-specific gender action plans <p>3.2 Expand involvement of industry in training</p> <ul style="list-style-type: none"> • Implement CSR awareness training, and develop CSR strategy for each institution • Assist SEP VCs to develop a strategy and plan to strengthen links with industry • Assist SEP VCs to sign two partnership agreements with local enterprises annually • Assist VCs to generate more income from enterprise-based activities by end year 2 • Complete a study on how to expand enterprise-based training 	

CSR=corporate social responsibility; DOLISA=Department of Labor, Invalids and Social Affairs; ERU=enterprise relations unit; FMIS=financial management information system; GDVT=General Department of Vocational Training; MOLISA=Ministry of Labor, Invalids and Social Affairs; SEP= Skills Enhancement Project; VC=vocational college; VET=vocational education and training.

NATIONAL SKILLS STANDARDS AND CERTIFICATION

1. The Development of a National Skills Standards System

1. The Government of Vietnam has endorsed the introduction of a standards based approach to vocational education and training in order to improve the quality and relevance of it vocational training provision. The development of national skills standards was foreshadowed in Chapter IX of the National Law on Vocation Education No. 97/2006. In this Law, which took effect in 2008, the government proposes to develop standards for each identified vocation. Clause 2 of Article 79 says:

'The national standards for work skills are the base on which workers can improve their skills, meeting the increasing demand of production and trading, employers can assign different jobs for and correspondingly remunerate workers; the standards also help increase the competitiveness of the business in international integration; based on those standards, vocational training programs can be established in accordance with production and trading requirements.'

2. In this Law, Article 80 assigns the responsibility for the development of procedures for the setting of standards to MOLISA who have the responsibility for the development and management of establishing and issuing national skills standards. Article 81 assigns the 'implementation of assessment and certification of national skills standards' to MOLISA, which is also required to work with other relevant ministries and government agencies to ensure a cooperative approach to implementation.

3. Other relevant features from the law which inform national skills development and certification are that the rights of employees or existing workers will be protected, and that a skills recognition system will be developed to enable employees to be assessed against national skills standards. Provision is further made to ensure that grievances and appeals can be managed and principles of good conduct are specified to inform assessment practices. The law also stipulates that, on completion of an assessment, a person deemed qualified will be granted a national work skill certificate at the assigned vocational skills level.

4. In Chapter X of the Law, the management of vocational training—to be aligned with national skills standards—is described in detail. Given the importance of these provisions these are reproduced below from Article 83, which describes the management functions of GDVT:

- (i) To set up and implement strategies, planning, plans and policies on vocational training development.
- (ii) To issue and implement legal documents on vocational training.
- (iii) To set objectives, contents, methods and curriculum for vocational training; standards for vocational trainers; the list of trained vocations at different levels; standards for physical conditions and equipment; statutes for selection and certification.
- (iv) To manage the implementation of quality control in vocational training
- (v) To maintain statistics and information on the organization and operation of vocational training.
- (vi) To implement the vocational training management structure
- (vii) To organize and manage the training of teaching and management staff of vocational training.
- (viii) To mobilize, manage and utilize sources for the development of vocational training

- (ix) To organize and manage research and technological and scientific application in vocational training.
- (x) To organize and manage international cooperation in vocational training.
- (xi) To inspect and check the legal observation in vocational training; to settle claims, appeals and breach of law on vocational training. [Article 83]

5. Given the complex web of agencies involved in the provision of vocational training and the resulting fragmentation of effort this generates throughout Vietnam, the government has sought to ensure the creation of a nationally consistent and coordinated approach to the management and implementation of its skills development system. Article 84 reinforces the provision reproduced above and goes further to specify that through the GDVT:

- (i) The state shall unanimously control vocational training.
- (ii) The central state vocational management office shall report to the Government on state management issues on vocational training.
- (iii) Ministries and quasi-ministerial offices, in coordination with the central state vocational management office, shall carry out state management on vocational training in accordance with their authorities.
- (iv) People's committees at all levels shall carry out state management on vocational training in accordance with their authorities as assigned by the Government, and be responsible for investment in vocational training development to meet the local requirements for the workforce [Article 84]

6. The adoption of the National Law is a significant shift from the previous arrangements governing vocational education and training in Vietnam. MOLISA, in accordance with its specified obligations under this law, has developed the operational machinery to enable implementation of national skills standards and an associated certification system through which skills can be formally recognized.

2. National Skills Standards

7. MOLISA has issued a set of regulations concerning the principles and criteria for guiding the development and awarding of the national skills standards—Decision No. 09/2008/QĐ-BLDTBXH. These regulations are central to the establishment and implementation of a national standards-based vocational training system and are consistent with the provisions of the national law described above. In these regulations, GDVT is assigned overall responsibility for the management and administration of the system. A national skill standard comprises regulations on level of performance and requirements on knowledge, skills, attitudes needed for an occupation' [Article 2, Clause 1]. The format and content of a national skill standard is detailed in the regulations to ensure consistency of approach and to ensure standards have national application. The purpose of issuing national skills standards is to:

- (i) facilitate worker participation in upgrading of skills and provide a direction for improvement through the attainment of higher level qualifications needed to attain opportunities for promotion or self advancement;
- (ii) guide employers with recruitment, work organization and allocation, and with the setting of wages;
- (iii) facilitate vocational training institutions to develop training programs designed to achieve national skills standards and align with the vocational qualifications framework;
- (iv) facilitate approved agencies to conduct assessments and issue national skills certificates. [summarized from Articles 3].

8. The regulations prescribe that skills standards are to be developed for defined occupations within skill qualification levels. Skill qualification levels promote career progression through development of logical pathways within an occupationally relevant skills set. Unlike the more system wide approaches that have been adopted in some other economies, Vietnam is aiming to create logical pathways relevant at an occupational level, as opposed to generic skill or cross occupational approaches. Standards need to be developed in a consistent format and be capable of alignment with regional and international occupational standards. The regulations prescribe five levels of qualification with minimum requirements prescribed at each level. Levels are determined based upon the following key criteria:

- (i) scope, difficulty and complexity of task;
- (ii) flexibility and creativeness in performing the task;
- (iii) coordination and responsibility in performing the task [Article 5]

9. Progression between levels is based on achievement and demonstration of skills which needs to be externally assessed. In essence these regulations prescribe the development of a vocational training pathway and it is not intended to be linked with the formal schooling system. This removes many of the contestations experienced in many economies when seeking to develop equivalency between a secondary school certificate and a vocational qualification. This enables Vietnam to move quickly ahead with the development of occupational standards and improve training provision to meet these requirements. It also allows the system to be responsive to the needs of employers and to more quickly address their priorities through the revised system. The disadvantage is the lack of articulation with the formal school system.

10. Central to the success of this system will be the roles and responsibilities ascribed to industry. A key feature of the approach is that the standards have to meet the specified needs of employers, enterprises and industry. To facilitate this, Vietnam has adopted a unique model that brings industry and relevant government agencies together through the formation of National Skill Standard Development Committees (NSSDC). The regulations prescribe the establishment, role and operation of these committees in Articles 8, 9, 10, 11 and 12. Essentially, committees are formed to undertake task and skills analysis through which skills standards can be identified and adopted. These are then packaged into qualifications and proposed for alignment into a qualification level. There are currently about 20 NSSDCs.

11. A key feature is the requirement that government agencies, departments and ministries that have a direct interest in the development of identified occupations will participate in the process of developing standards. Lead government agencies will facilitate the process and provide secretariat support. Currently, for example, the Ministry of Construction has established an NSSDC and facilitates the development of standards in construction occupations. Government agencies can only comprise up to 50% of committee members and GDVT has indicated that it is seeking a 70% membership from industry. Membership rules prescribe that employers, employer associations, labor organizations and recognized technical experts are to be members of the committee.

12. MOLISA provides funds for the operations of recognized NSSDCs, which can be supplemented from lead government agencies and industry to facilitate the identification and establishment of standards. Committees can enter into contracts for service and utilize vocational colleges and industry experts to support the prescribed work of the NSSDC. International expertise is being sought to support this process particularly in areas where there is an absence of local skill to build upon. The GDVT department responsible for this system is the National Vocational Skills Testing and Certification Department. To date, 10 construction

occupational standards have been developed and a further 81 are under development. In December 2009 the occupational standards for bricklaying and plumbing will be approved by MOLISA which will allow skills testing and certification to occur. GDVT have trained approximately 50 assessors for the construction industry through the use of an external service provider. Currently there is no set of standards for assessors.

13. To support improved quality in the VET system, the government has established a National Skill Standards Appraisal Council to verify the skills standards that are developed through the NSSDC process. An appraisal council is made up of recognized experts involved with the specific occupations who evaluate standards for endorsement. This validation process is managed within the overall framework of the NSSDC and is essentially an independent sub committee of the NSSDC. The procedures for appraisal are described in Articles 13, 14 and 15 and detailed requirements to be applied in the appraisal process are stipulated. The appraisal committee forwards its recommendations to the lead government agency that facilitates and seeks agreement with MOLISA who is charged with responsibility for endorsement and assigning of a national standard.

14. GDVT is seeking support to bolster the establishment and operations of NSSDCs to develop national skill standards. These provide the trigger for improving the quality and relevance of current VET provision and are the necessary ingredient for improving the skills base of the workforce and current vocational training programs. SEP will provide the following to support GDVT with the establishment of national skills standards:

1. Assist GDVT to establish national standards for 15 occupational programs identified as priorities by GDVT. Six NSSDC will be established and supported to develop standards for these identified occupations and that international consultants with recognized expertise be engaged to support the initial development of standards and provide training to committee members to be able to successfully undertake job and task analysis activities required to establish standards. The standards should be developed through use of the prescribed criteria and GDVT should be kept informed of issues and progress. The development of standards will address both the occupationally specific requirements of the identified occupation but also develop the hierarchy of skills from levels 1 to 5 to achieve the broader requirements of the shift towards a standards based system. Standards must be developed, appraised and issued within the first two years of SEP. International consultant inputs do not have to be full time. The inputs should be aligned with key work plan milestones and be 6 months of inputs per consultant over the first 24 months of the project.

2. Six national consultants will be contracted through SEP to provide executive officer support for the effective and timely functioning of the NSSDC and to facilitate the national skills standard develop process. NSSDC do not have to be limited to the development of standards for one occupation so it is proposed that an industry subsector approach be adopted by SEP to complete requirements quickly to enable training program development to commence.

Specific Activities:

- (i) 6 NSSDCs established for 6 industry subsectors, to develop standards for 15 occupations within year 1 of the project.
- (ii) National skills standards developed, appraised and issued by MOLISA for 15 occupations and aligned with each level of the vocational qualifications framework by year 2 of the project.
- (iii) Executive officer operational for each SEP NSSDC within year 1 of the project.

- (iv) Standards developed be capable of regional or international recognition by international industry or professional body by end of year 2 of the project.

3. Assessment and Certification

15. Currently GDVT is testing a number of approaches to the assessment of skills. A number of different systems from Australia, South Korea, the United Kingdom and Germany are being trialed to help the Government better appreciate and address the policy implications of adopting an assessment model. GDVT have asked for support to review arrangements and are looking for a system that can be located and managed in Vietnam. Assessment policies and procedures need to be strengthened to ensure that learners are assessed on the basis of national skill standards to the levels required through the vocational qualifications framework. Previously assessments were conducted by the teachers/trainers who delivered the courses. The recently promulgated regulation [Decision No. 09/2008/QD-BLDTBXH] provides for assessment of workers not in training programs and requires assessment to be conducted externally by qualified assessors who have recognized occupational skills in the areas in which they conduct assessments.

16. The regulations provide for the establishment of 'skills centers' to conduct assessments against national skills standards, which trigger the issuance of a national certificate. A skill center can be an enterprise, a training provider/institution, a stand-alone assessment service center or other organizations approved by GDVT. To ensure consistency and reliability in assessment of skills, GDVT requires an assessment procedure that it can monitor and quality assure. Assessment results can then be tracked and recorded through the VTIS to be developed through SEP. A national record of skills will be available to enable government to track its progress in meeting the skills needs and requirements of industry as set through the NSSDC process.

17. Certification of skills can only occur through MOLISA. The procedures for certification are described in Article 16 of the regulations. The National Law on Vocational Training states that accredited training providers can issue qualifications. The provisions enshrined in these rules enable the delegation of the issuing of a qualification or a statement of attainment to a broad range of stakeholders including other government ministries. However the certification of skill standards requires approval from MOLISA.

18. A quality assurance and accreditation system will be developed through SEP that is cognizant of these requirements. The development and implementation of the revised VET system in the selected 15 occupations in selected VCs gives GDVT the chance to test and strengthen the system before it rolls out the new requirements to all economic sectors and occupations. It is recognized that many of the systems developed through SEP will have national significance and will be able to guide vocational training reform and improvement across the system. Many of the products will be replicable to other occupational programs and economic sectors. This will significantly reduce the time involved in transforming and improving the quality and relevance of the VET system to meeting their workforce development and labor market requirements. SEP will:

- (i) Conduct a review of the assessment and certification arrangements adopted by MOLISA and facilitate a policy dialogue within GDVT and between key stakeholders to develop a nationally consistent and integrated model of assessment. This review will be completed within the first nine months of the project.

- (ii) Develop principles and procedures to support assessment and certification of vocational training programs and national skills standards resulting from the review undertaken in the first year of the program. This should include the development and adoption of assessor standards and a model training program that can be used to train assessors. This qualification should also be registered in the vocational qualification framework. This program should be completed by the end of year 1.
- (iii) Strengthen local service provider(s) to train 300 assessors. These assessors should be selected to undertake assessments in the 15 SEP occupational programs. The training of assessors will be undertaken in year 2 and 3 and be evaluated to ensure it meets GDVT requirements. Assessors need to have recognized skill in the occupational areas for which they will be conducting assessments.
- (iv) A national register of qualified assessors will be developed and located within the responsible department in GDVT by year 2.
- (v) Support SEP VCs to become national skills assessment centers and be equipped with materials and facilities to be able to conduct assessments to national skills standard requirements in selected occupational programs. Skills assessment centers should be functioning by year 3 of the project. It is estimated that each of the VCs will be able to perform this function in at least two of the priority occupational areas. It is not intended that colleges be equipped to undertake assessments in all 15 SEP occupations.
- (vi) Develop a bank of assessment tools, aligned to national skills standards, for each of the 15 occupational programs that can be utilized by trained assessors and approved national skill centers. This activity can be integrated with the development of revised curriculum and should be completed by end of year 3.

Specific Activities:

- (i) Review assessment and certification arrangements and facilitate adoption of revised or strengthened policy options within first 9 months of the project including standards for assessors.
- (ii) Develop procedures for assessment and certification of skills standards within year 1 including assessor standards and a training course to be completed by selected candidates to become recognized assessors.
- (iii) Develop assessment tools that will ensure occupationally relevant, nationally consistent and reliable assessment processes and outcomes are achieved for each of the 15 occupational programs by year 3.
- (iv) Select and support local service provider to train assessors and mentor their initial work in conducting assessments which conform with adopted GDVT policies and procedures in year 2.
- (v) Design and develop a national register of assessors for use by GDVT and the broader VET system by year 2.
- (vi) Strengthen SEP VCs to be approved national skills assessment centers in at least 2 SEP occupations by year 2.
- (vii) Develop a set of assessment tools by year 3, aligned to national skills standards, in each of the 15 SEP occupational training programs.

VOCATIONAL TEACHER DEVELOPMENT PROGRAM

1. Key issues in the development of vocational teachers

1. The development of high quality vocational teachers is a key ingredient of SEP's goal to improve the quality and relevance of VET. It is widely recognized that the quality of teaching throughout the VET system needs to be improved. GDVT is acutely aware of the following issues:

1.1 Lack of technical teaching skills and industrial experience

2. The majority of VET teachers have little or no industrial or technical experience in the areas in which they teach. Table 1 provides an overview of teacher qualifications that illustrates that technical specializations occur as part of formal teacher training. And teacher training institutions deliver programs that are not linked to industry practice or vocational standards. Assessment of teachers lacks validity in that technical skills and application are overlooked or not valued in their development process. And many of the teacher training institutions do not themselves have adequate technical workshops in which teachers can develop technical skills. And further, there is no requirement for VET teachers to have any workplace or industry experience. This has resulted in the teaching of only basic technical concepts and has not equipped learners with the high level skills sought by government or industry.

3. With very few exceptions, the participation of industry in VET activities is minimal. There are few opportunities, mechanisms or policies that encourage the participation of industry, particularly those from the private sector. This results in fewer opportunities for teachers to gain industrial or workplace exposure or experience. And very few opportunities to access or learn the technologies utilized by, or the work practices applied in, industry. This lack of engagement between industry and VET provision further reduces the ways through which teachers can validate their training program content. School visits undertaken during the preparation of SEP indicate that some industry partnerships do exist at the school level, and that there is some opportunity to link curriculum design, assessment, job placement and teacher training with enterprises. A key initiative of SEP is to establish a systematic and college level approach to engagement and partnership with industry.

4. In 2007, there were 20,195 instructors in the vocational colleges, intermediate schools and vocational training centers. Of these, 4,678 were in vocational training colleges, 9,583 were at the vocational intermediate level and 5,934 were in other vocational training schools. Overall, 10,886 teachers or 76% of all teachers in vocational colleges, vocational secondary schools, and vocational training centers have a university degree. Only 1,825 or 13% of teachers in these institutions have industry experience and possess the practical knowledge or technical skills that are needed.

Table 1: Professional Qualifications of Vocational Teachers, 2007

Vocational Teachers	Total	Post-graduate Degree	Under-graduate Degree	College Diploma	Craftsmen	Other
Vocational training institutions (formal)	14,261	829	7,604	2,453	1,825	1,550
Vocational training centers (nonformal)	5,934	181	2,103	1,210	1,514	926
Other Institutions	15,767	2,772	6,767	2,264	2,005	1,959
Total	35,962	3,782	16,474	5,927	5,344	4,435

1.2 Recruitment of teachers

5. The majority of teachers are recruited through the schooling or university systems and not from industry. This further compounds the approach that educational theory is emphasized at the expense of technical skill acquisition and application. The result in educational practice that is neither grounded in, nor applied to, technical pursuits, and embodies a subject-driven, classroom-centred approach to learning and skills acquisition. The private colleges adopt more flexible employment arrangements and utilize part-time staff which allows the hiring of industry personnel and retired professionals as teachers. This practice has also been adopted in the public sector but is not yet widely used.

6. The present salary level of vocational teachers is comparatively low and does not encourage or reward improvement of professional and technical skills. This also serves as a barrier where it becomes difficult to recruit or motivate skilled technicians or production managers from industry to become VET teachers. There is no incentive program to attract people with extensive industry experience into the profession. Vietnam does place a high value on teaching and the role of teachers in society. But this has to be better translated or reflected in policy to improve the status of technical teaching.

7. It is estimated that there will be a shortage of teachers with the increased emphasis on VET. Government has actively promoted VET which has resulted with increased enrolments throughout the VET system. The current student-teacher ratio exceeds the standard ratios promoted by government policy. The ratio is about 30 students per teacher (against the standard of 20). This places further pressure on teachers and contributes to their sense of being overloaded and in not having time to improve their training skills—even if those opportunities were available. It also requires government to think about teacher formation more broadly to address expected enrolment increases and policy pressures to improve the industry responsiveness and overall quality of the VET system.

1.3 Upgrading technical teacher skills

8. The shift to workplace modes of learning require teachers to engage with delivery and assessment techniques that are different from those normally used with students in a classroom. The integration and application of knowledge and skill through project-driven, problem-based activities aligned to the achievement of broad-based national skills standards is new to vocational education in Vietnam. Pre-service and in-service training programs are relatively ineffective and do not introduce teachers to workplace learning theory or to various models available for the delivery of these including competency based training and structured on the job training programs. These approaches are more familiar to those involved in adult education or community-based education than to those involved in formal schooling programs. Vocational teachers are therefore doubly disadvantaged in that are not trained in how to apply work based learning methodologies, and nor do they have technical skills in the programs that they are required to teach in.

9. Recent policy adopted by MOLISA requires teachers to know how to prepare training curricula from skills standards set by industry and government, and how to assess the competence and skills of student in applying knowledge and technical skill to achieve a specified outcome. Colleges have sought to address this through the use of workshop instructors who provide training in practical work within school facilities. Workshop instructors are often graduates from the college, or others who have some workplace experience. These instructors do have some technical and instructional skills but do not have pedagogical training

in integrating theory with practice. The result is poor integration between knowledge developed through theory classes, and the skills developed in college workshops.

1.4 Adequacy of facilities

10. Many classrooms and technical workshops have limited materials and equipment. This places further pressure on the skills of teachers and workshop instructors in using these to simulate the workplace and to be able to support learners to apply the theoretical foundations they have learned in any meaningful way. SEP will address college workshop requirements to better prepare students for the world of work and through improved teacher development. A balance is required in improving facilities and workshop equipment. Facilities can be upgraded but this has to occur with a reorganization of technical teacher development to maximize the opportunities that have become available through the new machinery and equipment. It is also important to look at ways that delivery can occur in industry. Colleges should be encouraged to use the facilities available in enterprises to support technical skills development in learners.

11. Facilities utilization should be a key concern for management and program planners in colleges to avoid costly ongoing maintenance and to ensure that workshops provide foundational skills, and industry provides more specialist skills within the training experience. Technology and work organization change rapidly, and it is important that colleges provide specialist skills development and not try to emulate enterprise working environments because the replacement and ongoing maintenance of equipment can be very expensive. This is a further reason to develop structured on-the-job training opportunities for learners as part of their training experience. It is equally important for teachers also to have the opportunity to work in an enterprise, so that they are better able to gauge the foundation skills learners will need to gain employment.

1.5 Standards for quality vocational training

12. The introduction of national skills standards transforms the ways in which learners are taught and the way in which skills are assessed. Pedagogical methods become more facilitative and experiential—'learning through doing'. Emphasis is placed upon learners demonstrating a mastery of skills in given contexts to identify and solve problems, underpinned with applied theoretical awareness of key occupational concepts. Generic skills in mathematics, science, ethics, language, communication and personal management etc. are embedded or integrated in technical activities and assessed through their application and not as separate bodies of knowledge. Vocational training becomes post-formal schooling and more holistic within given occupational or technical pursuits.

13. To improve the quality of teaching and training in VET institutions, it is important to raise the standard of professionalism for vocational teachers and instructors by identifying a set of national standards that can be applied across the system. To improve the status of VET teachers, a licensing/professional certification and qualification system should be introduced and managed through GDVT. These standards would also form the basis for teacher development programs. The absence of such a system is hindering teachers from upgrading their qualifications and of linking their skills and performance to increased salaries.

1.6 Current training and development for vocational teachers

14. Teachers are primarily recruited from universities that provide degree programs in education or other relevant disciplines. GDVT is aware of the shortcomings of the current

arrangements to develop technical teachers and has instituted a number of interventions to improve teacher skills:

- (i) The Vocational Teacher Competency Certificate. This course is designed for people with non-education degrees who wish to become teachers, and provides the following core modules - Vocational educational psychology, Pedagogical skills, Management of teaching programs, Teaching skills, Subject specific teaching methods. A student then selects 2 modules from the following bank of elective subjects to complete the requirements of the qualification - Science methods in vocational education, Curriculum development techniques, Technology teaching methods, Information Technology usage in teaching. The course normally take 6 months to complete and is delivered through universities and a teacher training institution.

15. GDVT supports this program but did express concern that there were no consistent standards for teachers that can be used to assess or measure competence, and that the program does not provide a sufficient practical skills and demonstration component - practical skills both in terms of application of theory and developing technical skills.

- (i) The introduction of 'competency based training' approaches through a pilot program for teachers that uses the Australian Certificate 4 in workplace training through the ILO for teachers/instructors at Vocational Training Centers. This is a one month program. GDVT has supported 30 teachers to undertake this training.
- (ii) The introduction of higher level training for teachers in technical schools and vocational colleges through the United Kingdom based City and Guilds Certificate 2 program in vocational training. This is conducted over 3 months through the use of a service provider that is licensed to use this training package. To date 22 teachers have completed this program with a further 130 expected to complete in December 2009.
- (iii) GDVT support teachers to develop improved English language proficiency and has adopted the TOEIC system used by the City and Guilds authority in the United Kingdom.

2. A vocational teacher development program

16. GDVT is seeking assistance to review teacher development systems and to build a national system for Vietnam. The abovementioned interventions provide important case studies to help GDVT develop a more comprehensive solution to the area of teacher development. GDVT is committed to developing a more holistic solution and recognizes that it is testing different systems with different standards until it has developed its own national approach with its own national standards. GDVT encourages different approaches but is looking for a nationally consistent set of standards so that it can monitor teaching processes to help improve the technical skills of graduates. Short term interventions have been adopted in the absence of a more comprehensive approach. From these experiences GDVT has recognized that the components of a future strategy should include:

- (i) Releasing teachers to industry for specific structured on-the-job training and development opportunities. By immersing teachers in the workplace it is hoped that they will be more responsive to production and/or service requirements, and be able to better integrate workplace requirements with the classroom activities they design for students.

- (ii) Involving industry in the development of skills standards that guide curriculum development and assessment activities undertaken in the VET colleges. Industry should also be supported to validate curriculum in meeting national standards and participate in the teaching, learning and assessment activities. In terms of teacher training, GDVT supports the recruiting of industry experts to teach teachers in college workshops and to mentor or coach teachers as they teach students in the college. That industry linkages being develop through FET colleges should include provision for teacher upgrading particularly in the technical skills area.
- (iii) Developing vocational trainers within vocational college teaching faculties that can meet the requirements of vocational teachers. These faculties would also train industry trainers and assessors as proposed in regulations adopted by government to implement a standards-based system for vocational training. The proposed faculties would specialize in workplace learning approaches and provide pedagogical training as well as coordinate technical skills development for vocational teachers.

17. GDVT is able to provide some budget support and has sought additional funding from government to upgrade teachers in the sector through a comprehensive proposal for teacher development until 2020. Currently teacher training is funded by vocational training institutions, by teachers themselves seeking advancement, and by GDVT. SEP will assist these efforts through system development and through comprehensive upgrading in SEP occupational program areas. SEP will support GDVT to establish a set of teacher standards and align these with the vocational qualifications framework. A model training program and assessment tools will also be developed which can be delivered to teachers across the system by established teacher training faculties in VET colleges. Training needs to address pedagogic priorities with the shift towards standards-based VET and technical skills development. Initial training will be conducted for those teachers involved with the delivery of the 15 SEP occupation programs in the SEP colleges. Later, this training will be provided to teachers in these occupational areas in other colleges nationally.

18. The challenges presented by teacher training can be addressed through an integrated approach to improving the quality of VET provision whilst at the same time addressing the other objectives of the VET reform agenda—particularly in the development of skills standards, the upgrading and alignment of curriculum to these endorsed standards, the shift towards assessment based on mastery of skills, improvements to college equipment and facilities. GDVT acknowledges that there are competing ideas in this area about what and how teachers should be recruited and developed, and is seeking a process that facilitates dialogue between stakeholders that results in the adoption of a national vocational teacher development program.

19. Support will be provided to enhance the quality of teaching in colleges by delivering a standards-based, in-service teacher training program to improve the teaching skills of vocational teachers, and training for teachers of the new demand-driven occupational programs. SEP will upgrade the teaching skills of vocational teachers as follows:

- (i) design a short (one month) standards-based inservice teacher training program to improve teaching skills, based on an internationally-benchmarked program;
- (ii) develop a cadre of technical teacher trainers who can train vocational teachers in this new course within designated faculties within the vocational college system;

- (iii) upgrade the teaching faculties in selected SEP VCs to help deliver the course to 750 teachers involved in developing and delivering the selected occupational programs
- (iv) provide opportunities for selected teachers to undertake short enterprise placements in areas relevant to the programs they deliver
- (v) develop a network of industry experts who can undertake in-college training and mentoring for teachers in the 15 selected occupational programs and
- (vi) integrate the revised training course into the current 6-month pre-service program and strengthen this program to better meet government policy requirements.

20. SEP will also train teachers to deliver the new demand-driven priority programs. Two teachers from each SEP college, in each of the 15 program areas, will be engaged to support the development of national standards, training materials (curriculum), and assessment tools with industry as part of their teacher development and to prepare them for implementation.

21. The establishment of NSSDCs provides an opportunity for teachers to be involved in the development of new demand-driven programs with industry, and to participate in monitoring the initial implementation of programs in colleges. The curriculum development activities can be coordinated through the establishment of national teams supported by SEP advisers. The project will engage about 600 teachers in the development of 15 SEP priority programs and train teachers to work on the development of national skills standards. It will also provide financial support for SEP college teachers to obtain on-the-job training and skills upgrading at local enterprises within the framework of the revised teacher training development program.

22. The revised vocational teacher development program will still emphasize two areas of competence, i.e. pedagogical competencies and technical competencies. The program will be packaged in terms of teaching competencies (pedagogy) and a technology component with competencies based on the skills standards for a given occupation at a prescribed level of the vocational qualifications framework.

23. A vocational teacher needs to be competent in both types of skills. To deliver effective standard based programs in a technical field of specialization, a teacher must be competent in standards-based teaching methodologies including assessment of learner achievement. A vocational teacher also needs to be competent in his/her technical field of specialization to be able to train and produce skilled persons.

24. SEP will develop and implement a model that requires a vocational teacher to have a national certificate at least one level above the level of the technical course he/she teaches. That is, if a teacher teaches a group of trainees seeking to be certified at level 3, a vocational teacher should have a minimum qualification of National Certificate (NC) level 4. If he/she teaches a group of trainees seeking to be certified at level 4, then the Vocational teacher should be a qualified NC level 5 (equivalent to a skilled technologist).

25. The technical competencies of a vocational teacher must be certified based on national skill standards endorsed by MOLISA. The framework shown in Figure 1 shows four National Certificate (NC) levels for certification in technical occupations. This is additional to the pedagogical requirements of the revised 6 month training program. Pedagogical (teaching) competencies will be certified through GDVT as training competencies at levels 1 to 5 which yields an integrated approach to the development of vocational teachers.

26. For purposes of international benchmarking, teaching modules in training methodology may be sourced from performance based teacher education modules (e.g. from the American Association for Vocational Instructional Materials) and competency-based teaching modules from the Commonwealth of Learning, ILO trainers qualifications and other international sources. To implement the vocational teacher training system, a standards-based professional development module will be prepared for each teaching competency as shown in Figure 2.

3. Curriculum development for priority programs

27. Revised curricula and training materials will be developed by occupational program development teams with industry involvement. The existing curriculum frameworks developed by GDVT will be used as the basis for the curricula for the priority occupations (new frameworks will be developed where necessary). These frameworks will need to be upgraded to reflect and respond to the requirements that will emerge from the National Skill Standards to be developed over the next 2 years. The current framework specifies 70% of the curriculum content. The remaining 30% is developed at college level.

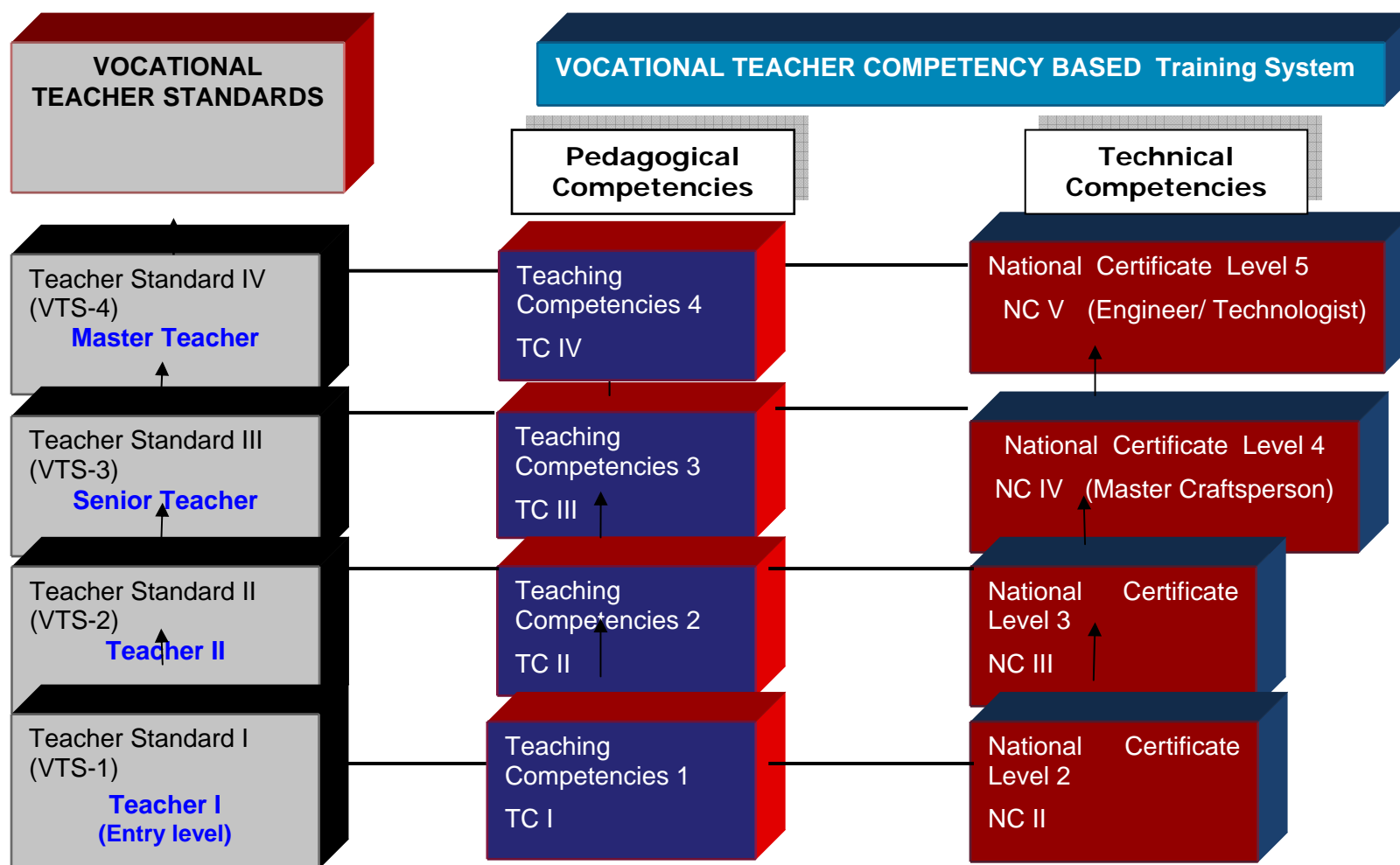
28. A national curriculum development committee (CDC) will be formed for each of the identified occupational programs and link with the NSSDCs. Its function will be to revise learning materials and develop assessment tools that can be applied across a given occupational category. These assessment tools can also be used for skills certification by licensed skills testing centers. In this way industry can participate in the validation of training program designed to meet skills standards. For GDVT this strategy and approach 'narrows the gap' between its curriculum based programs and the requirements to be set through the development of national skill standards.

29. The result will be revised, modular curriculum and training materials developed for each of the identified occupational programs that produce graduates for high demand occupations to standards set by industry.

30. SEP will also develop a model for ongoing curriculum maintenance. Learning materials and assessment tools will be formally reviewed by GDVT every 5 years in accordance with requirements adopted to review skills standards. In this way training programs should not be out of step with the requirements of industry, as reflected in national skills standards. Continuous improvement processes can be applied for minor modification through the maintenance of curriculum development teams coordinated through GDVT. Operational procedures will need to be adopted by GDVT to ensure that regular meetings can occur to update/upgrade the curriculum and allow colleges to share experiences drawn from implementation.

31. SEP will assist initial development through the development of models, teacher training systems and the provision of internationally available curriculum materials for the identified occupations, to support strengthening and adaptation to national skills standards. This step will also ensure that training curriculum developed for SEP occupational programs are similar to, or can be aligned with, training programs in other countries. Formats for new curriculum will be modular and aligned to skills standards and will include learning materials (learner and teacher workbooks), assessment tools, proposed scheduling arrangements for delivery and equipment lists for each module. These packages will also need to be clearly aligned with the vocational qualifications levels adopted by MOLISA.

Figure A3.1: Proposed National Vocational Teacher Standards System



32. Vocational teachers will have four levels of qualifications, or Vocational Teacher Standards (VTS) 2 to 5, as shown in Figure 1. For example, a vocational teacher with qualification level 2 (VTS-2) will have achieved all teaching competencies 2 (TC2) and should be certified at NC Level 2.

33. In Figure 2, the suggested pedagogy (teaching) modules are presented for the Vocational Teacher Development Program (VTDP). The modules listed comprise the core skills that a vocational teacher should possess to successfully deliver competency based instruction. These sample teaching modules can easily be customized from available programs in the United States, the Philippines, Australia, Singapore, the United Kingdom and many other organizations. It is important that Vietnam develop its own teaching standards and develop programs to meet these requirements. International products can be easily adjusted to reduce development time and there are many similarities between available models and packages.

Main Features of the Vocational Teacher Development Program

- Standards based pedagogy modules can be used for both pre-Service and inservice training of vocational teachers.
- Existing vocational teachers teaching either in the vocational secondary schools or in vocational colleges can upgrade their teaching skills and abilities by selecting those modules where they lack ability/competence and wish to develop professionally. As a result, the training program for a given teacher can be individualized to suit the person's training needs.
- New vocational teachers can proceed to become competent teachers by taking all of the teaching modules at the prescribed level leading up to the first step of being awarded the Vocational Teacher Standard 1 Qualification.
- All pedagogy modules combine theory and practice, and assessment of performance of each standard is conducted according to established criteria.

34. SEP will develop a vocational teacher curriculum from the National Vocational Teacher Standards System. Project consultants will conduct functional analysis workshops to develop standards. The workshops will involve various stakeholders, that may include senior officers of MOLISA/GDVT, senior management staff of technical teacher training institutes, vocational colleges, the Vietnam Vocational Training Association, vocational educators and representatives from industry associations and NSSDCs.

35. A curriculum framework will be formulated from the functional analysis workshop and reflect skills standards. The curriculum will have a pedagogy component and a technical component.

36. Pedagogy modules and technical modules will be identified from the functional analysis workshops. The program will have a total of not less than 180 credits. The number of learning hours in one credit will be decided by MOLISA/GDVT. It is proposed that one credit be equivalent to 25 nominal learning hours, as in the European Credit Transfer System.

Figure A3.2: Competency Based Professional Development Training Modules for Vocational Teachers

SUGGESTED PEDAGOGICAL (TEACHING) MODULES			
Teaching Competencies 1 (TC1) A vocational teacher at Level 1 should be able to:	Teaching Competencies 2 (TC2) A vocational teacher at Level 2 should be able to:	Teaching Competencies 3 (TC3) A vocational teacher at Level 3 should be able to:	Teaching Competencies 4 (TC4) A vocational teacher at Level 4 should be able to:
1. Plan Standards based Program delivery. 2. Develop a Lesson Plan 3. Introduce a Lesson 4. Demonstrate a Manipulative Skill 5. Demonstrate a Concept or Principle 6. Deliver Competency based Instruction 7. Maintain workshop/laboratory training facilities 8. Maintain Workshop/Laboratory Safety. 9. Assess Student Performance: Knowledge 10. Assess Student Performance: Skills 11. Determine Student Grades 12. Use Multi-Media Equipment in Instruction.	13. Develop Student Performance Objectives 14. Organize workshop/Training facilities. 15. Perform Work Safely 16. Determine Needs and interest of students 17. Design and implement standards based Curriculum 18. Organize and Manage Instructional Resources 19. Design Assessment Tools 20. Conduct standards based Assessment 21. Apply standards based Assessment tools. 22. Establish Student Performance Criteria 23. Assess Student Performance: Attitudes 24. Direct students in problem solving	25. Plan and Organize training facilities 26. Apply work ethics and values 27. Conduct Occupational/Functional Analysis 28. Communicate in a Team Environment 29. Plan and Organize work 30. Solve Training Related Problems 31. Design and develop standards based Instructional materials. 32. Apply ICT in Training Delivery 33. Use Computers in Education Technology 34. Employ ICT Programmed Instructions 35. Evaluate Your Instructional Effectiveness	36. Conduct Career Counseling Session with students 37. Maintain Professional competence/development. 38. Practice quality Management. 39. Solve Training Related problems. 40. Manage and Lead Teams 41. Undertake VET Research 42. Develop training plans and programs. 43. Prepare Project Proposals 44. Supervise Maintenance of Training Facilities 45. Assess Trainer Performance 46. Communicate with subordinates and superiors. 47. Design and implement Team Teaching Approach
<i>A vocational teacher who has achieved these Pedagogy competencies and NC II technical competencies at an acceptable standard will be awarded</i>	<i>A vocational teacher who has achieved these Pedagogy competencies and NC III technical competencies at an acceptable standard will be awarded</i>	<i>A vocational teacher who has achieved these Pedagogy competencies and NC IV technical competencies at an acceptable standard will be awarded</i>	<i>A vocational teacher who has achieved these Pedagogy competencies and NC V technical competencies at an acceptable standard will be awarded</i>
↓	↓	↓	↓
Vocational Teacher Standard 1 Qualification (VTS-1; Entry Level Teacher)	Vocational Teacher Standard 2 Qualification (VTS-2; Teacher II)	Vocational Teacher Standard 3 Qualification (VTS-3; Senior Teacher)	Vocational Teacher Standard 4 Qualification (VTS-4; Master Teacher)

VET SYSTEM ACCREDITATION

A. Training Provider Accreditation

1. Institutional or provider accreditation is a requirement of the National Law on Vocational Training (No. 97 of November 2006). In particular, Articles 44, 73, 74, 75, 76, 77 and 78 describe the requirements that a training provider has to meet to be recognized by GDVT. These articles underpin government efforts to improve system quality and are summarized below:

- (i) Article 44 identifies the minimum 'statutes and charters' for vocational training centers, vocational secondary schools and vocational colleges. These describe the articles of incorporation, scope of services, duties and responsibility of staff, management structures and delegated authorities including the duties of trainers and trainees.
- (ii) Article 73 provides for the quality control of vocational training to ensure that the vocational training institution has fulfilled its objectives and training requirements as specified in approved syllabus and other regulations of government.
- (iii) Article 74 establishes the methodology for the quality control of vocational training and details an extensive list of criteria to be addressed through government auditing of providers.
- (iv) Article 75 delegates the management and organization of quality control for vocational training and authorizes the GDVT to determine the standards and procedures for quality assurance.
- (v) Article 76 describes the responsibilities and authority of vocational training institutions in the quality assurance process and requires providers to develop and implement operational plans to improve quality of provider operations and services.
- (vi) Article 77 details how quality in vocational training can be certified. Once certified a provider is presented with a certificate of 'good quality' which is valid for 5 years.
- (vii) Article 78 describes the benefits, responsibilities and authorities granted to vocational training institutions that are issued with good quality certificates by GDVT. Providers are also required to report annually to GDVT on results and achievements. Importantly these providers enjoy government investment to further improve performance and are eligible to bid for vocational training contracts issued by the state.

2. GDVT has commenced accrediting or formally recognizing training providers within the framework described above to improve the quality of vocational training throughout Vietnam. GDVT have developed and are currently implementing a system through which providers have to meet set requirements to gain authority to be a recognized training provider in Vietnam. GDVT have developed standards that providers have to meet, or comply with, in order to be recognized as an accredited provider and receive 'good quality' certification. GDVT have also developed the criteria through which providers will be evaluated against these standards. And have further documented the accreditation procedure – the 'step by step' process to support training providers to meet or comply with the set standards.

3. The process for gaining provider accreditation supports providers to self assess in the first instance and to then be subjected to an external assessment by a quality assessor/auditor

who is contracted by GDVT. GDVT currently trains external quality assessors that it recruits from industry or from within the VET system. These people have industrial and vocational training experience and are recognized as experts by GDVT. GDVT provides training for these experts in the provider accreditation system and manages the process from the Department of Vocational Accreditation within GDVT.

4. GDVT accredited 15 training providers in 2009 and is preparing to assess and accredit a further 20 in 2010. GDVT has already trained approximately 160 people in provider accreditation requirements who support providers to prepare for accreditation requirements and who conduct provider assessments for GDVT. A key issue for GDVT is to expand the number of accredited providers and to strengthen the system to be more easily recognized externally by industry, society and by training authorities in other economies. To achieve this it is proposed that the following activities be undertaken through SEP:

- (i) Provide 'upgrading' training for 80 quality assessors. These assessors need additional training to be able to undertake the functions prescribed in the regulations and by GDVT. This cohort of auditors would be trained to perform functions to be prescribed for external accreditation auditors. GDVT requires external assessors to perform institutional and program (the training course being delivered) accreditation to improve quality levels through the VET system.
- (ii) Each Vocational College needs to have trained staff to be able to prepare for accreditation requirements (applying a model of 'self assessment') and to assist colleges to document, adopt and continuously improve quality practices. Most vocational training providers in the VET system are subject to the accreditation requirements of GDVT although the priority is to accredit vocational colleges, vocational secondary schools and vocational training centers over the next five years. SEP will support GDVT to ensure that 20 vocational colleges are accredited by year 3 of the project, ensuring that the 15 SEP colleges achieve certification of 'good practice' within 5 years from project commencement.
- (iii) Support the GDVT accreditation system to be more recognized by industry and externally by training authorities in other economies, the accreditation system will be reviewed and potential international standards identified that could be used or adapted for downstream alignment. GDVT is seeking advice on which standards would be most appropriate and which could be most easily applied throughout Vietnam. GDVT considers the current institutional accreditation system sufficient and is not seeking to change it but rather to strengthen it. The intention of GDVT is to meet international standards that promote mutual recognition and equivalency, and are recognized by industry bodies.
- (iv) In meeting such requirements a longer term plan of GDVT is to create an overseas student market for colleges to be able to offer recognized programs that international compatibility and/or recognition offers. GDVT also seeks to create a quality skills environment that is attractive to international investment and to enable Vietnamese citizens to be able to work abroad. Therefore consideration will be given to the use of the ISO standards or those adopted by compatible systems in Singapore, South Korea, Australia, New Zealand, Malaysia and others as a means through which the provider network can be further strengthened. And of course the development of a set of training programs and national skill standards that are recognized by international

industry organizations. SEP will provide consultancy services to review and strengthen systems.

- (v) Once an appropriate external standard is adopted by the GDVT, the 15 SEP Colleges will be supported to achieve this by Year 4. This support will include preparation of necessary documents and strengthening the operational systems, governance and financial processes to be able to meet the additional requirements of the adopted external standard. This will need to be independently assessed and serve as a pilot for GDVT. Through this pilot, GDVT will be able to plan the financial resources required to enable other vocational colleges to achieve this objective and develop an organizational development plan for the sector.
- (vi) Support the Accreditation Department of GDVT through the development of a vocational training quality accreditation management system, to support monitoring of provider quality throughout the VET system. This system should be computerized and be aligned with the functions prescribed in the laws, regulations and decrees of government. This support should be extended to the production of quality assurance manuals for use throughout the VET system and be provided in both Vietnamese and English for use in developing external recognition by other VET systems and international standards setting agencies.

5. Key Activities to be completed through the SEP to support College Accreditation:

- (i) Review and strengthen provider accreditation standards and procedures for use by GDVT in the first 12 months of the project.
- (ii) Provide assistance to the 20 SEP VCs to ensure they are accredited by GDVT within 3 Years of project commencement.
- (iii) Update training program and deliver training to 80 quality assessors/external accreditation auditors for use by GDVT to improve VET institutions. Initial training will be provided to support 20 SEP VCs to achieve accreditation requirements within the first 3 years of the project. Twenty percent will be female.
- (iv) Undertake a review of the provider accreditation system and identify appropriate external systems (International Standards Organisation, City and Guilds Provider Standards, Australian Training Quality Framework, Singapore Accreditation Standards, South African Qualifications Authority ETQA standards) that could be easily adapted and applied by GDVT to support external recognition of training providers in first 2 years of the project.
- (v) Assist the SEP colleges to be able to meet provider standards within the first 3 years of the project and be issued with 'good practice' certificates by end of Year 3 in the project.
- (vi) Provide assistance through GDVT to support additional vocational colleges to achieve GDVT accreditation requirements through distribution of accreditation resources and through documenting the experiences of the 20 SEP VCs. These experiences can be widely circulated to support replication by other vocational training colleges. Initial priority will be given to other vocational colleges that seek to deliver the same occupationally specific programs developed through SEP.
- (vii) Develop and implement a computerized vocational training quality assurance management system to support GDVT.

B. Program (Training Course) Accreditation

6. Currently GDVT does not have a nationally consistent system through which a training program can be accredited or recognized as a high quality product or that it has achieved the purpose for which it was developed and delivered. Until 2008 vocational training programs were curriculum based in which national government determined the broad content of a training program and specified the core subjects a trainee must successfully complete in order to be awarded a qualification. Curriculum statements were prepared by GDVT and teachers were required to develop learning materials or lesson plans within these frameworks. The teacher would also develop assessment tasks that trainees were required to complete and conduct the assessment of their own learners. In many respects vocational training accreditation was organized along the same arrangements as what would normally be expected in classroom based schooling systems. The result of this was that the development of classroom lesson plans and learning materials to meet the requirements of curriculum frameworks was different between training providers and between teachers. Teacher notes and learning activities were checked through inspection activities and courses were adjusted in line with revision of curriculum statements. This devolved responsibility for teaching and assessment was further compounded with the requirement that some 30% of the training program was elective and which required teachers to develop learning activities that responded to local or trainee specific needs. Quality outcomes were therefore difficult to measure and document.

7. This model of vocational training tends to favor a more instructional and behaviorist approach to teaching and learning, and teacher training approaches emphasized the more pedagogic requirements associated with curriculum based schooling and subject based class management and assessment. The practical demonstration of a mastery of skills and experiential applications and approaches were limited and classroom management did not provide many opportunities for learners to practice and apply skills in fitted work shops, in the work place or through simulation. Assessment was not through demonstration, performance and explanation. Teaching was more instructional than problem based and teacher skills were more comfortably displayed through addressing subject content than in demonstrating the use and application of technical skills. Many teachers are not qualified in the technical areas they were assigned to teach and had more formal qualifications more attuned to subject based schooling.

8. The national law (No.97 of November 2006) provides the new framework which will underpin the development and implementation of a program accreditation system. Articles 44, 73 and 74 describe the minimum requirements for program approval and recognition by GDVT on behalf of the government of Vietnam. It is important to note that program accreditation is not just required to ensure that the government is satisfied quality programs are being developed and implemented throughout the VET system, but to ensure that industry be formally involved in the process. The adoption of a set of regulations by MOLISA in March 2008 concerning the 'principles and criteria for the development and issuance of national skills standards' also values the recognition by industry of the relevance and quality of vocational training in supporting enterprises to improve production processes, products and services and ensuring that trainees are equipped with the actual skills necessary to support this. These regulations also define the vocational qualification levels 1 - 5 that training programs will be aligned with (Article 6), how standards will be developed, endorsed and validated, and how regularly programs will be reviewed.

9. Importantly, and unlike many other economies, Vietnam has adopted a 'whole of government' approach to reduce system fragmentation and build support for skills development between the key agencies involved from government. The regulations require respective

government ministries to work with sectoral industry and labor organizations to develop standards that address skills needs in each sector of the economy – construction, tourism, agriculture and so forth. A key component of the quality assurance and accreditation to be undertaken by GDVT is to ensure that providers deliver programs that meet the expectation of social partners i.e. employers, trainees, labor organizations and government ministries and departments.

10. A central expectation of GDVT is that SEP will assist it to develop and implement a system wide quality assurance system that supports government efforts to improve the quality of programs by ensuring that quality is achieved through delivery by certified trainers, through a registered and authorized VET training provider, utilizing an approved training curriculum (modular by design) to a set of nationally consistent skills standards that have been recognized by both government and industry. It is a requirement that training programs be developed or upgraded utilizing a consistent approach and that they be packaged and aligned with the prescribed certificate levels according to a vocational training qualifications framework managed, monitored and maintained by GDVT. The key terms and definitions to be applied through this revised system, which informs the development of the quality assurance and accreditation system, include:

- (i) *Vocational training* which includes the teaching and learning of necessary knowledge, skills and professional attitudes so that learners can find a job or be self-employed after graduation.
- (ii) *Module* is a training unit which integrates professional knowledge, practical skills and professional attitudes so that learners will be able to complete the prescribed tasks of a vocation. A combination of tasks (integrated with essentially embedded or underpinning knowledge) creates a skill. Modules will need to be clearly aligned with national skills standards.
- (iii) *Curriculum* determines the content structure; the number and length of each module and sets the ratio between theory and practice in accordance with the objectives and purpose of each vocation. The curriculum also locates the depth of content to enable a training program to be located at a level on the qualifications framework at level 1 – 5.
- (iv) *Vocational skill standards* are the required levels of practical accomplishment, knowledge, skills and attitudes for each task of a vocation.¹

11. The development of an appropriate training program quality assurance system is required along with the necessary support mechanisms to enable GDVT to effectively implement a revised system and be able to monitor the impact of revised training products in meeting government plans and priorities, as well as meeting those requirements identified by industry. GDVT is acutely aware of the change management issues and the amount of work to be undertaken to achieve policy prescriptions. GDVT has allocated funds to support college level transformation, the development of revised curriculum, the development of national skills standards, the training of trainers and assessors but is seeking additional support to be able to achieve results more quickly and on a broader scale. The specific areas and activities to be undertaken through SEP are:

- (i) The development of a program accreditation system that is managed and implemented by GDVT. The program will need to reflect existing policy and

¹ This definition, taken from the National Law on Vocational Training, has been further developed through regulations establishing national skills standards (No 09/2008/QD-BLDTBXH). The terms are not different.

develop procedures to support implementation. Implementation will commence through trial of the developed system in 15 occupational programs to be developed by SEP to be completed within Year 3. Once the pilot has been completed and systems revised as a result of GDVT reviews, support will be provided to roll-out the system to other vocational colleges by Year 5. It should be noted that through the adoption of a vocational qualifications framework, qualifications will be packaged at levels 1 – 5. It is likely that the first three levels in each occupationally specific training course will be developed through SEP resulting with the accreditation of 45 training programs by the end of Year 5. It is also a requirement that the program accreditation system be documented and circulated in both a set of manuals and electronically and that these be circulated to all vocational providers throughout Vietnam for ongoing application.

- (ii) By the end of Year 3, GDVT will have been assisted to prepare necessary program accreditation documentation through the development of standardized templates for the accreditation. This system will build on the quality assured program accreditation requirements from point (i) above and be extended to include curriculum maintenance to ensure ongoing program relevance and quality. This system will include the course curriculum and module formats that reflect the requirements of the skills standards regulations promulgated by the government in March 2008. And will also include a set of auditing tools through which authorized assessors can conduct a review of a training program to ensure it complies with government requirements. External assessors will be trained and will be the same as those specified for provider accreditation above – 80 persons.
- (iii) SEP will engage international and local consultants to prepare 15 occupational programs in the revised format required by GDVT. The format will ensure that proposed teaching and learning assignments and activities clearly align with endorsed vocational skills standards and that a bank of acceptable assessment tools be developed. The minimum requirements for teaching and assessment, work shop layout, equipment and consumables be specified within the program documentation and be structured into a modular format. These programs will then be submitted to the GDVT for accreditation and endorsement and be registered as qualifications on the vocational qualification framework at level 1 – 5. It is proposed that programs will be developed sequentially and that the 15 will be completed with implementation commenced within Year 3 of the SEP program.
- (iv) The development of these 15 occupational programs provides an opportunity to upgrade teacher skills and should be integrated into the teacher development program to be undertaken by SEP. Teachers from the 15 SEP colleges can be mobilized into national qualification development teams by occupation to support learning material and assessment tool development according to the revised framework. Existing curriculum will be central to the development of the revised programs and will need to be supplemented with learning materials that can be accessed from abroad to develop upgraded occupational training programs in the revised format aligned with standards. The development of these programs and pilot activities should be completed within the first 3 three years of SEP. Once endorsed by GDVT these programs can be registered and made available to other colleges in the VET system.
- (v) The quality assurance model developed with GDVT will also need to monitor the impact and effectiveness of accredited training programs in meeting their objectives and purposes. This methodology will need to be developed and

applied through GDVT but will have to involve industry to ensure endorsed vocational skills standards have been achieved. It is a requirement that this review mechanism be included in the curriculum maintenance model for GDVT to apply and monitor.

12. Key Activities:

- (i) Complete the development of a program accreditation system with GDVT in Year 2 of SEP. A program accreditation procedures guide will be produced to inform colleges and system users and be introduced in SEP Colleges by Year 3 of the SEP.
- (ii) Train SEP College staff to undertake internal quality assurance and accreditation requirements through a self assessment approach by end of Year 2 of the SEP.
- (iii) Pilot and review the program accreditation system in SEP colleges by the end of Year 3. This timeframe is linked with the completion of the 15 occupational programs and may result with some delays experienced with the development of some occupational programs. Pilot activities and accreditation can commence on a program by program basis.
- (iv) Produce templates for internal (self assessment) and external (accreditation audit) accreditation system. System to include quality review procedures for quality assessors/auditors and curriculum maintenance system to be implemented by the third year of SEP.
- (v) Develop a curriculum maintenance model for application by the responsible department in GDVT by the end of Year 2 in SEP. This model must be cognizant of skills standards development and involve industry in review activities. Curriculum and training program review and reporting tools to be developed and applied by end of Year 3 of the Program.
- (vi) Implement 15 developed occupational training programs in revised formats from Year 3.

HUMAN RESOURCE DEVELOPMENT PLAN

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
Output 1. Sector Management and Quality of Vocational Training Improved								
1.1 Sector Planning and Management								
1.1.1 Management Training	40 GDVT and MOLISSA/DOLISSA staff	Modular management program in results based management, information management and reporting, strategic planning and monitoring.	15 Days total: Year 1, 2 and 3. Training can be project based.	A national training provider to conduct a needs assessment and prepare training modules, deliver and evaluate training program.	(2 groups) (30% females)	15 persons per group conducted regionally	600	48,000
1.1.2 Comparative Studies of Regional VET Policies and Systems	30 senior policy making staff from GDVT, MOLISA, college managing authorities and Industry partners.	3 study tours to study trends in VET policy and practice. Findings to be documented and circulated to VET stakeholders.	5 days per tour (excluding travel time): Year 2 / 3	National service provider to facilitate studies, arrange tour logistics, prepare and distribute reports.	30 participants (30% female)	3 x10-person teams.	210	210,000
1.1.3 Vocational Training Information System (VTIS)	20 SEP VCx2 (pilot group of 40), 30 staff from GDVT, DOLISA and college managing authorities.	Training for administrative staff on VTIS operations to enter, report on data and manage system requirements. Data analysis training to be provided once system is implemented.	3 days: Year 2, 3 days in Year 3. ICT-based support to be established in GDVT.	Program developed and piloted by International consultant.	70 participants (50% female)) Times 2 during the project	3 groups conducted regionally	420	33,600
1.1.4 Performance Monitoring and Evaluation	2x20 SEP VCs, 20 from PMU/GDVT.	Training in monitoring and evaluation techniques to support GDVT measure performance in meeting identified policies and SEP project requirements.	5 days: Years 1 and 2	GDVT with national consultant to develop and deliver program.	60 (3 groups) (50% female)	3 X 20 1 group GDVT/PMU and 2 groups. Regional.	300	24,000
1.1.5 Labor Market Information System (LMIS)	GDVT and SEP VC staff involved in program planning. 10 GDVT staff and 20 SEP VCs x2 staff (to include a person from the	Training to use and analyze data to improve links between training provision and labour market needs. Conduct of local labor market surveys.	10 days Years 3 and 4	Attend ILO-sponsored Labour Training Program	50 participants (50% female)	15-20 persons per group (4 groups). Central.	500	50,000

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
	Enterprise Relations Unit., ERU)							
1.1.6 Briefing on New Reforms to Managing Authorities, Provincial Governments and Private School Owners	Senior representatives of public and private school owners under SEP plus interested parties.	Briefing session to ensure that VC owners and major stakeholders will support the new reforms especially in quality assurance.	2 half-day workshops early in year 1 and year 2 or 3	National workshop conducted by PMU/GDVT	40 in Year 1	1 briefing session	2X 0.5 days	4,000
1.2 Registration and Accreditation								
1.2.1 Institutional Accreditation – Requirements and Procedures.	Induction workshops for senior VC managers, GDVT staff, provincial DOLISA and management authorities. 20x20.	Conduct workshop to describe college accreditation requirements and procedures	1 day workshop: Year 2 for each SEP VC	GDVT along with national consultant to prepare materials and conduct workshop for 20 SEP VCs.	400 in Year 2 (40% female)	20 workshops . Training conducted at each VC.	400	12,000
1.2.2 Institutional Accreditation – Assessor Training	80 existing accreditation assessors/auditors.	Course to update auditors on revised accreditation procedures, assessment tools and skills.	7 days: Year 2	GDVT to deliver program with consultants.	80 in Year 2 (20% female)	4 regional workshops with 20 Regional.	560	44,800
1.2.3 Program Accreditation – Assessor Training	80 accreditation assessors/auditors. Accreditation of 40 programs developed for SEP VCs.	Course to train auditors on program accreditation.	7 days: Year 2 and 3	GDVT to develop and deliver program with national and international consultant.	80 in Year 2 and 3 (20% female)	4 regional workshops with 20 persons per group. Regional	560	44,800
1.2.4 Self Assessment for Accreditation	2x20 SEP VCs and a further 10 from the accreditation department of GDVT	Course to train staff on program accreditation procedures.	7 days: Year 2 and 3 for SEP VCs (20)x2 and GDVT staffx10	GDVT to develop and deliver program with national and international consultant.	50 persons (50% female)	4 regional workshops Regional.	350	28,000
1.3 Skills Standards, Testing and Certification								
1.3.1 Introduction to Skills Standards	10x20 VCs 100 others	Course to present new skills standards (occupation based)	2 days Year 2	Industry sector specialists (consultants)	300	Group by occupation/ Sector. Regional	600	48,000

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
1.3.2 Skills Testing and Certification	300 persons including industry experts, existing teaching staff in SEP occupational programs and others.	An accredited Skills Assessor Training Course, to include development of assessment tools and support to assessment of 2500 program graduates and 1000 existing workers.	5 days x3 (15 Days in total) Year 2-5	A national service provider to develop and deliver training course	300 persons (40% female)	15 groups of 20 persons. Regional.	4500	360,000
	100 staff of VCs	Seminar on promotion of skills testing and certification	1 day Years 2 and 3	Sector Specialists/GDVT	100 (40% female)	4 groups of 25 people. Regional	100	8,000
	20 staff of VCs +10 other VCs	Test center management	3 day Year 2	Consultant/GDVT	30 (20% female)	1 group. Regional	90	7,200
1.4 Development and Use of New Learning Materials								
1.4.1 Develop Learning Materials for SEP Training Programs	Teachers from SEP VCs who will design and deliver SEP training programs. 80 teachers in total.	National workshops for teachers delivering SEP training programs. Teachers will develop learner materials and assessment tools during training.	20 days workshop+10 days in VC: Years 2 and 3	Conducted by a national service provider with SEP international and national consultants with GDVT.	80 persons in 15 teams (30% female)	5–10 per group. Regional, at VCs	1600	128,000
1.4.2 Using New Learning Materials	Teachers from SEP VCs who will deliver SEP training programs. Instructors from other VCs who will deliver SEP occupations	National workshops for teachers delivering SEP training programs. Staggered training, by occupation. Evaluation incorporated into year 3 training.	5 daysx2 Years 2,3 SEP VCs. 5 days year 4 for other VCs including private VCs who will purchase the learning materials	Conducted by a national service provider	200 teachers	8 groups. Regional, at VCs	3000	240,000
Other Training								142,960
Output 2. Upgrade Vocational Colleges to Deliver High Skill Occupational Training Programs								
2.1 Teacher/Instructor Training								
2.1.1 Pilot Vocational Teacher Development Program (VTDP)	13 technical teachers from SEP occupational program in 20 SEP VCs.	40 days, intermittent, in-service to upgrade teaching skills (pedagogy) and work-based learning methodology.	40 days; Year 1-2	National Institution, SEP international and national consultants.	260 persons 20 VCsx 13 teachers (40% female)	10-15 persons per group. Regional, at VCs	10400	832,000

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
		60 days on-job upgrading of technical skills with short release to enterprises. Occupation specific.	60 days: Years 2, 3 and 4			260 x \$200		52,000 Total: 884,000
	500 vocational teachers from other VCs, to be trained in pedagogy.	40 days (nominal days) intermittent, inservice, upgrading (teaching skills pedagogy) through introduction of the VTDP. Occupationally specific.	40 days; Year 3-5	Conducted by a national service provider, assisted by SEP VC teacher training faculties.	500 persons ((50% female)	25 groups of 20. Regional, at VCs	20,000	1,600,000
2.1.2 Training Enterprise Trainers	Technicians and supervisors in enterprises	Pedagogical training for experienced technicians	10 days Year 2, 3, 4	Tender to pre-qualified teacher training institutions	6 sectors x 6 40 persons (2 groups)	20 per group. Central.	400	40,000
2.1.3 Upgrading of Vocational Teachers using Enterprise Trainers and Workplace Assignments	Vocational teachers of other VCs for SEP occupations	Industry experts to provide technical training for teachers and facilitate local placements for work assignments in enterprises.	20 days; Year 3-4	Sector specialists and a national service provider.	200 persons (50% female)	20 technical teams of 10. Regional, at VCs	4000	320,000
2.2 College Management and Leadership								
2.2.1 Management and Leadership Program	20 principals and 2 deputy principals from SEP VCs.	Modular management program in results based management, information management and reporting, planning and monitoring, performance appraisal and program leadership.	10 daysx4, Year 1, 2, 3, 4. Some training may be delivered through distance modes with project based learning and activities.	A national training provider to conduct a needs assessment and prepare training modules, deliver and evaluate training program.	120. (6 groups) (10% female)	20 persons per group. Regional.	1800	144,000
2.2.2 Financial Management and Budgeting	3 management staff + finance staff from each SEP VC + 10 from other VCs	Tracking costs by program, budgeting. FMIS training for VC system operators and administrators to analyze data and report findings.	5 daysx2 Year 2,3	Financial management consultant	70 (3 groups)	23 persons per group. Regional.	700	56,000
2.2.3 Conducting Graduate Tracer Studies.	SEP VC, DOLISA, GDVT/PMU staff. 40+36+10	Training on tracer study methodology.	5x3 days: year 1, 2 and 3.	VTIS international consultant with GDVT	86 persons (50% female)	5 groups with 15-20 per group. Central.	1290	129,000

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
Other Management Training								277,000
Output 3. Strengthen Partnerships with the Private Sector								
3.1 Strengthen Linkages with Enterprises	2x20 SEP VC staff (including 1 person from each ERU).	Train ERUs to build linkages with employers for job placement, equipment, delivery and assessment of training, career counseling.	60 days (some in work place) 20 days in Years 2, 3 and 4.	Social Marketing consultant and a Marketing/media company	40 persons (50% female)	4 groups of 10. Regional, at VCs	2400	192,000
	SEP VCs, other VCs DOLISA and managing authorities 40+160+36+20	Workshop on integrated planning and marketing to develop a strategy to strengthen linkages between VCs and enterprises.	8 days: 2 days in years 2, 3, 4 and 5.	Social Marketing consultant and a Marketing/media company	260 persons (30% female)	3 workshops per year. Regional, at VCs	2080	166,400
	20xSEP VCs, 80 other VCs 10xGDVT staff, 1x36 DOLISA and 20 from managing authorities.	Training to identify how corporate social responsibility can strengthen links between industry and VCs and promote gender equality.	1 day workshop: Year 2 and 3	National consultant and the Department of Gender Equality in MOLISA	200 persons (30% female)	3 workshops per year. Regional at VCs	200	16,000
3.2 Market VET Program Benefits to Communities, Employers, Government Agencies and Industry Groups	20 SEP VCsx2 staff including ERU.	Workshops to support VC staff to market skills certification and promote revised training programs to communities. Program to result in college marketing plans.	2 day workshop Year 2-3	Marketing/media company to train staff and provide marketing strategy and resource materials (include in social marketing campaign contract)	40 persons (50% female)	1 national workshop to be conducted centrally	80	8,000
4. Social and Gender Awareness Training								
4.1 Social and Gender Awareness for Management Staff	20 SEP VCs, DOLISA, GDVT and managing authorities 20+36+20+20	Social and gender awareness training on the constraints, opportunities and strategies to promote women in the labor force	1 day	Social/Gender consultant and Department of Gender Equality in MOLISA	96 persons (50% female)	6 groups, 16 per group, Regional.	96	7,680
	2 x 20 SEP VCs mid-level staff and DOLISA	Training of trainers module on social and gender awareness	2 days	Social/gender consultant and MOLISA	76 persons (50% female)	8-9 persons per group,	152	12,160

Training Program	Target Group	Program	Program Length and Timing	Means of implementation	Number of Participants	Unit	Total Days	Program Cost
	40+36			Department of Gender Equality		Regional, at VCs		

Note: Estimated average cost per participant = \$100 per day for in-country training at central level, \$80 per day at regional level, and \$30 at VC level. A 20% management fee for contracting training providers has been assumed, including a 10% local tax. It is assumed that much of the training to be conducted at a regional level would occur at the participating SEP VCs.

Estimated average cost per participant = \$7,000 for regional study tours (5 days each+2 days travel).

FINANCIAL MANAGEMENT CAPACITY ASSESSMENT

1. A Financial Management Assessment (FMA) was carried out for the Ministry of Labor, Invalids and Social Affairs (MOLISA) and GDVT. This assessment includes a review of the executing/implementing agencies' systems for financial and management accounting, reporting, auditing and internal controls, as well as a review of the disbursement and cash flow management arrangements. It is designed to determine whether the executing/ implementing agencies' financial management arrangements are adequate for recording all transactions and balances, supporting the preparation of regular and reliable financial statements, safeguarding the entities' assets, and are subject to audit. Use was made of ADB's Financial Management Assessment Questionnaire (FMQ) and the Guidelines for the Financial Governance and Management of Investment Projects Financed by ADB.

A. Review of Previous Reports

2. Several documents were consulted prior to undertaking the financial management assessment of MOLISA and GDVT: ADB, Guidelines on Financial Management Assessment (FMA); ADB, Financial Management and Governance Issues in Vietnam; ADB, Strategy and Program Assessment: VIE Governance Assessment focus on Public Administration Reform (PAR) and Anti-corruption; Diagnostic Study of Accounting and Auditing (DSAA); WB, Vietnam Country Financial Accountability Assessment (CFAA); *Asian Development Bank and Vietnam-Factsheet*; ADB Regional Technical Assistance (RETA) 5877 *Strengthening Financial Management and Governance in Selected DMCs and Enhancing Governance for Sustainable Development*, October 2000. There have, however, been no previous financial management assessments undertaken for MOLISA or GDVT.

B. Key Findings

3. The FMA found that: (i) there is a need to improve coordination of management, inspection, and monitoring of financial management procedures between MOLISA/GDVT and PMU; (ii) financial management systems in MOLISA and GDVT need to be streamlined and modernized, incorporating a results- or performance-based orientation to planning, budgeting, monitoring and control; (iii) effective financial performance monitoring system is required to measure the impact and utilization of funds; (iv) a financial management operational procedures manual should be developed; (v) the financial unit in GDVT needs to be expanded, with clearly defined duties, responsibilities, lines of supervision and limits of authority and (vi) a computerized financial management reporting system at the school level is required for improved efficiency and effectiveness.

4. To address these issues, financial management specialists under the Project will build capacity within MOLISA and GDVT in financial planning, accounting, reporting, auditing and control. The consultants will develop and install a performance-based planning and budgeting system based on the cost norms to be identified. They will enhance the computerized financial management system in GDVT and MOLISA, and will support schools to use the national FMIS designed by MOF. School finance staff will be trained in financial planning, preparation of budgets, financial analysis and reporting, and internal controls. The consultants will also ensure that the financial management information system (FMIS) used by the PMU is better integrated with the GDVT/MOLISA system. The key findings are as follows:

5. *Accounting Policies and Procedures.* The chart of accounts is adequate to properly account for and report on project activities and disbursement categories. Cost allocations to the

various funding sources are made accurately and in accordance with established agreements, and the General Ledger and subsidiary ledgers are reconciled and in balance. All accounting and supporting documents are retained on a permanent basis in a defined system that allows authorized users easy access.

6. *Segregation of Duties.* Functional responsibilities are segregated between the Director of GDVT, the Chief Accountant, Accountants and Cashier to manage the cash flow. In the case of investment projects, the Project Director at PMU level has authority in executing transactions of goods and services. The recording of transactions is carried out by account officers at PMU level and the cashier is the custodian of assets obtained through the transactions. Ordering, receiving, accounting and paying functions are segregated. Hence, there is proper accounting control between the recording and cash disbursement functions.

7. *Budgeting System.* The current budgeting system of MOLISA and GDVT follows the financial Management Regulation specified by MOF. There is a system of variance analysis which is done on a quarterly and yearly basis. The Project Director is responsible for the preparation of budgets for investment projects in consultation with related GDVT/PMU staff. However, the system should be improved to include a performance-based budgetary system that tracks spending with quality and cost based norms. The Project VCs should follow the MOF FMIS, and include a performance based budgetary system.

8. *Safeguard over Assets.* There are adequate safeguards to protect assets from fraud, waste and misuse. However, asset values are not updated, and physical verification of assets and reconciliation with records is not being done on a regular basis. Consistent with government accounting, assets are not depreciated.

9. *Financial Reporting.* Financial statements are prepared semi-yearly and annually as required by MOF by MOLISA, GDVT and Project VCs. The reporting system is already fully adapted to report on the Project outputs. The financial management reporting responsibilities, required content of financial report and how to use it are specified in government FMIS guidelines issued by MOF and the Department of Finance within MOLISA. Computerization of the accounting records has just started, to keep pace with the progress of the shift to accrual-based double-entry accounting in both state and local governments. There is a need to improve the current information plans to incorporate the project accounts of the Project and ensure that these are reflected accurately in the financial reporting system of MOLISA, GDVT and managing authorities under the project. Likewise, the Project VCs financial reporting needs to be strengthened to conform to both ADB and MOF requirements.

10. *Management of accounting information* has inadequate levels of safeguards, leading to problems with confidentiality, integrity, and availability of data. The primary control over expenditure is the budget allocation. Another point of internal control is the Treasury that ensures that the payment is genuine and within budgetary limits.

11. *Internal audits* are not undertaken. Mandatory external audits are required by the Government.

12. *Staffing* is a major concern in MOLISA/GDVT. Although the GDVT planning and economics department is staffed with qualified finance/accounting graduates, the department lacks the qualified and trained staff necessary to perform the tasks of recording and maintaining inventory, asset accounts and the physical verification and reconciliation of assets. Moreover,

the accounting and finance staff do not have computer expertise due to lack of access to computers and accounts software training.

13. *Recommendations.* MOLISA/GDVT's capacity to undertake the financial management the project is adequate. The financial department of GDVT and the PMU has the capacity and experience in financial management required for the annual operation and maintenance of the system, with additional training and software improvement. The PMU has had experience in management of disbursements from internationally funded projects. It is however, necessary to provide training on the management of disbursements from ADB for PMU staff. Strengthening the capacity of the PMU/PIUs in ADB and Government procedures in bidding, procurement and finance will help to reduce potential delays in the release of ADB funds and counterpart funds.

PROCUREMENT CAPACITY ASSESSMENT

Proposed Project Name: Skills Enhancement Project (SEP)	Proposed Amount: \$50 million
Executing Agency General Department for Vocational Training (GDVT), Ministry of Labor, Invalids and Social Affairs (MOLISA)	Source of Funding: ADB ADF
Assessors: PPTA team/ADB mission leader	Date: _____

Expected Procurement

The procurement of Goods, Works and Services financed under the loan will be in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). Contracts for equipment, refurbishment of the PMU and vehicles for the PMU estimated to cost \$500,000 or less but more than \$100,000 shall be awarded through national competitive bidding. Other items costing less than \$100,000 such as furniture for the PIUs may be procured through shopping. Contracts for VET training equipment and equipment and software for the Vocational Training Information System (VTIS) and teaching-learning equipment for VC teacher training faculties estimated to cost \$500,000 equivalent or more shall be awarded on the basis of international competitive bidding. Civil works upgrading for 15 VCs estimated to cost less than \$1,000,000 but more than \$100,000 shall be awarded on the basis of national competitive bidding.

All procurement will be carried out by the PMU in GDVT. The PMU will work with the VCs to draw up the appropriate lists of equipment and technical specifications required to meet the skill standards set for the 15 occupational training programs under SEP.

The procedures to be followed for procuring goods, works and services are those set forth in the Law on Procurement (Law No. 61/2005/QH11) issued by the Socialist Republic of Vietnam on 29th November 2005, the Law on Amending and Supplementing Some Articles to other Laws in relation to Capital Investment (Law No. 38/2009/QH12) issued by the Socialist Republic of Vietnam on 19th June 2009, and Decree No. 85/2009/ND-CP on the Implementation Guidelines of the Law on Procurement issued on 15th October 2009, with the clarifications and modifications described in Schedule ___ of the Loan Agreement.

Assessment of the National Environment

This legal framework provides the policies and procedures governing the procurement of goods, works and consulting services using state funds. The Decree also provides for the decentralization of responsibilities for appraisal and approval of procurement actions, including procurement under ODA-funded projects.

Part 1 of Article 9 of the Law on Procurement requires that an individual of the Procuring Entity and the Procurement Specialist Team meets the following requirements:

- (i) knowledgeable regarding the legislation on procurement;
- (ii) knowledgeable in project management;
- (iii) possesses appropriate expertise matching the requirements of the procurement package such as technology, finance, commerce, administration and law; and
- (iv) proficiency in foreign language skills to meet the requirements of packages involving the selection of bidders through international bidding and packages funded by Official Development Assistance.

The Procurement Law also provides that the nature and complexity of a procurement package determines the composition of the procurement specialist team. Members of the procurement specialist team shall meet the following conditions:

- (i) holder of a certificate of attendance at a procurement training course;
- (ii) professional expertise related to the package;
- (iii) good knowledge of the specific contents of the package; and
- (iv) has at least 3 years of working experience in the fields relating to the economic and technical issues relative to the package to be procured.

ADB-funded procurement has to be supported by an annual budgetary appropriation. Clarifications and modifications

described in the National Competitive Bidding Annex to the Financing Agreement are needed for compliance with the provisions of the Procurement Guidelines. These include:

- Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.
- Eligible bidders (both national and foreign) shall be allowed to participate.
- A bidder declared the lowest evaluated responsive bidder shall not be required to form a joint venture or to sub-contract part of the supply of goods as a condition of award of the contract.
- Bidding of ICB contracts estimated at \$500,000 or more for goods and related services shall be advertised concurrently with the general procurement notices on ADB's website.
- Where required, bid security shall be in the form of a bank guarantee from a reputable bank.
- Bids shall be opened in public, immediately after the deadline for submission of bids.
- The contract shall be awarded to the technically responsive bid that offers the lowest evaluated price.
- Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.
- When the number of responsive bids is less than three (3), re-bidding shall not be carried out without the ADB's prior concurrence.
- Bidders must be nationals of member countries of ADB, and offered goods and services must be produced in and supplied from member countries of ADB.
- Firms bidding for a contract must be incorporated in an ADB member country.

General Agency Resource Assessment

The General Department of Vocational Training (GDVT), Ministry of Labor, Invalids and Social Affairs (MOLISA) has experience in procurement especially for training equipment, workshop tools, computers, vehicles and consulting services. GDVT supplements its staff resources in ODA Vocational Training Projects Management Unit (ODA VPMU) with consultants to assist with the implementation of donor-financed as well as ADB-funded projects, especially in procurement. MOLISA established the ODA VPMU in 2008 solely for implementing ODA-financed projects, including project-related procurement. The ODA VPMU is currently composed of the following officers and support staff:

- | | |
|-------|--|
| (i) | 1 Director |
| (ii) | 1 Deputy Director for ADB-Funded Projects |
| (iii) | 1 Deputy Director for the Korean-Funded Project (on-going) |
| (iv) | 1 Deputy Director for the German-Funded Project (on-going) |
| (v) | 4 Procurement staff |
| (vi) | 6 Administrative personnel |

GDVT has already achieved a level of expertise in procuring goods, works and services both for thresholds requiring the use of national and international competitive bidding procedures during the implementation of the ADB-funded Vocational and Technical Education Project (VTEP) from 1999 to 2008. The Deputy Director for ADB-Funded Projects in Item (ii) above has worked under the PMU of the previous ADB-funded VTEP and has specific expertise in procurement.

An assessment of the procurement actions carried out by GDVT for procuring goods under the VTEP and a review of the procurement documents on file revealed the PMU's good level of understanding and familiarity with the procurement procedures following ADB's *Procurement Guidelines* (2007, as amended from time to time), including the use of the standard ADB bidding documents. Procurement under AFD-funded component of VTEP was decentralized in December 2006, with GDVT delegating more responsibility to the project schools particularly the bidding process for procuring goods and works through the Sub-PMUs. The PMU became increasingly involved in providing the project schools with advice and assistance on all procurement matters.

A preliminary assessment of two sample VCs in Hanoi (Vocational Training College of Engineering Technology and the Hanoi Tourism College) showed that the experience of these two schools particularly in procuring civil works did not vary widely. Both colleges already had adequate experience in procuring, implementing and supervising civil works contracts through national competitive bidding process as VT College of Engineering was at the time of assessment expanding its building facilities on another campus nearby, and the Hanoi Tourism College also implemented the civil works for the building facilities of its 2nd, 3rd and 4th tourism college campuses established in Buntao, Hue City and Haiphong City, using state funds. These schools are also generally familiar with the Law on Procurement and the implementing guidelines.

Most civil works contracts under the project will be awarded through national competitive bidding procedures and will generally will also involve upgrading of existing workshops for installing the new equipment. Tendering of civil works contracts at the school level using government counterpart funds will be carried out by the PIUs through school-level

Bid Evaluation Committees. For this work, the specific workshops proposed to be upgraded for installing the new equipment should be clearly identified before preparing the civil works plans, the Bill of Quantities or schedule of activities for the bidding documents and the owner's cost estimates.

Procurement of modern teaching and learning equipment for vocational training will be a key component of the project. Considering that most of the contracts for VET equipment will exceed the threshold for NCB, ODA VPMU must be fully trained and supported in international competitive bidding procedures, including contract packaging, drafting of specifications and contract implementation. The assistance of a team of trade/technology specialists from the project VCs and the industry sector may be tapped for the preparation of detailed list and specifications of VET equipment for implementing the practical training program to ensure that the equipment to be procured meet the requirements of the program curricula and the industry.

Agency Procurement Processes Goods and Works

GDVT procured goods and works for VTEP from 1999 to 2008. Modern training equipment, most of which can only be sourced from international suppliers, will be procured for the project. A high level of technical expertise will be required for preparing the appropriate lists and detailed technical specifications for the VET equipment. Technical difficulties likely to be encountered in this work will pose a major challenge to the staff of the ODA VPMU and, if not properly addressed, may delay the bidding process. These delays will ultimately affect the timely delivery of training equipment to the project schools. The PMU procurement staff members are already familiar with the bidding process but the VCs have only limited experienced in preparing detailed lists and technical specifications. Consultants from the major industry sectors will be hired under the project to assist the PMU and VCs draw up these specifications. GDVT may also get advice from trade/technology specialists from industry and the VCs to assist in this process.

Bids are opened publicly right after the deadline for bid submission at the time and place stipulated in the bidding documents and witnessed by all attendants regardless of the presence or absence of invited bidders. Members of the procurement unit of PMU are familiar with the rules as to when bids may be rejected at bid opening.

Bid evaluation reports and contract award recommendations will be subject to final review and approval by the Director General of GDVT and ADB.

Agency Procurement Processes, Consulting Services

The EA through the PMU will carry out the recruitment of consultants.

Process Control and Oversight

The Director General (DG), as a matter of internal procedure, refers all bid evaluation reports to the Department of Planning and Finance (DPF) in GDVT for internal review before giving final clearance. This is an oversight function of DPF on procurement undertaken by the ODA VPMU. Regrettably, the Department of Planning and Finance is not only understaffed but also lacks the competence to undertake an expeditious review of bid evaluation reports referred to it.

During the implementation of VTEP, this delayed the issuance of the clearance on the bid evaluation reports by the office of the DG and the subsequent transmittal of the bid evaluation reports to ADB. It appears that the staff members of DPF lacked capacity to review bid evaluation reports considering their limited knowledge of the bidding documents and the requirements of the bids. DPF also reported cases where ADB did not grant the "no-objection" letter to some of the bid evaluation reports and recommendation for award submitted by GDVT due to deficiencies in some of the reports. However, this problem has now been overcome as GDVT has been given full responsibility for procurement. Under the provisions of the Law on Procurement. GDVT will now approve bid evaluation results and contract award recommendations.

Record Keeping and Audit

For VTEP, invitations to bid and the original copy of the bid documents, records of the bidding process, bid evaluation reports, communications related to the bidding process, original contracts, winning bid proposals, and contract implementation papers were compiled, coded and stored in a steel cabinet with glass door panels and provided with keys and are placed inside a secured room of the Administration Unit. Records can be easily retrieved if needed. The room is not fire or theft proof and can be accessed if there is any forced entry. The building is provided with security guards on a 24-hour shift basis who are posted at the main gate of the office building.

Summary Assessment and Recommendations

GDVT has experience in procuring goods, works and services. However, targets for achieving timely preparation and completion of appropriate list and detailed specifications of numerous and modern type of VET equipment to be procured for conducting high-tech training programs, including preparation of civil works plans for upgrading workshop facilities for installing the new equipment may pose a major challenge during the procurement process due to EA's general lack of technical expertise to undertake these tasks. The support of technical industry consultants as well as a procurement specialist will therefore be provided to supplement its capacity for procuring high-tech training equipment, including site management and monitoring of civil works implementation. The PMU may be supplemented with additional staff to assist in procurement.

Specific Recommendations, Project Implementation		
Capacity Constraint	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> Lack of technical expertise to prepare detailed list and technical specifications of modern/high-tech workshop equipment ICB Procedures for goods and NCB procedures for civil works 	<ul style="list-style-type: none"> Brief EA and PIU staff on revised consulting services and procurement guidelines during fact-finding mission Engage specialists to assist with training, drafting of procurement specifications and procurement planning in support of EA PIUs to be trained on procedures for ICB & NCB 	<ul style="list-style-type: none"> GDVT, ADB Compliance needed to avoid misprocurement GDVT
General Recommendations, EA Capacity		
Capacity Constraint	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> Appointment of procurement officers within GDVT on a project-to-project basis does not promote a professional procurement career path and sustainable procurement capacity Lack of staff to undertake/support procurement 	<ul style="list-style-type: none"> Develop and support career development path for public procurement experts 	<ul style="list-style-type: none"> MOLISA

NATIONAL COMPETITIVE BIDDING

A. General

1. The laws to be followed for national competitive bidding shall be those set forth in the Law on Procurement No. 61/2005/QH11 of 29 November 2005 and the Construction Law no. 16/2003/QH11 of 26 November 2003 and with the processes described in Decree No. 58/2008/ND-CP of 05 May 2008, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

B. Registration

- (i) Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.
- (ii) Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be required to register as a condition for submitting bids.
- (iv) Bidder's qualification shall be verified through post-qualification process.

C. Eligibility

- (i) National sanction lists may only be applied with approval of ADB¹.
- (ii) A firm declared ineligible by ADB cannot participate in bidding for an ADB financed contract during the period of time determined by ADB.
- (iii) A firm which has been engaged by the borrower to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or services, resulting from or directly related to the firm's consulting services for such preparation or implementation.

D. Prequalification and Post qualification

- (i) Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification

¹ Section 52 of the Integrity Principles and Guidelines allows ADB to sanction parties who fail to meet ADB's high ethical standards based on the decisions of third parties, such a decision can only be made by the Integrity Oversight Committee on the basis of ADB's own independent examination of the evidence. As such, the process should follow the normal assessment and investigative processes prescribed by the Integrity Principles and Guidelines. <http://www.adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures/integrity-guidelines-procedures-2006.pdf>

or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

- (ii) In the event where prequalification is used, interested firms shall be given no less than 42 days to prepare their prequalification submission.
- (iii) When pre-qualification is required, the evaluation methodology shall be based on pass/ fail criteria relating to the firm's experience, technical and financial capacities.
- (iv) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid.
- (v) In carrying out the post-qualification assessment, the Employer/ Purchaser shall exercise reasonable judgment in requesting, in writing, from a bidder missing factual or historical supporting information related to the bidder's qualifications and shall provide reasonable time period (a minimum of 7 days) to the bidder to provide response.

E. Preferences

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Regulations issued by a sectoral ministry, provincial regulations and local regulations which restrict national competitive bidding procedures to a class of contractors or a class of suppliers shall not be applicable.
- (iii) Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders, and local bidders shall be given no preference (either in bidding process or in bid evaluation) over foreign bidders, nor shall bidders located in the same province or city as the procuring entity be given any such preference over bidders located outside that city or province

F. Advertising

- (i) Invitations to bid (or prequalify, where prequalification is used) shall be advertised in Government Public Procurement Bulletin. In addition, the procuring agency should publish the advertisement in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids and allowing potential bidders to purchase bidding documents up to at least twenty-four (24) hours prior the deadline for the submission of bids. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.
- (ii) Bidding documents shall be made available by mail, or in person, to all who are willing to pay the required fee, if any.

- (iii) The fee for the bidding documents should be reasonable and consist only of the cost of printing (or photocopying) the documents and their delivery to the bidder. (Currently set at 1 Mln VND, increase subject to approval of ADB)

G. Standard bidding documents

- (i) The Borrower's standard bidding documents, acceptable to ADB, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids.
- (ii) Bidders shall be allowed to submit bids by hand or by mail/ courier.

H. Bid Opening

- (i) Bids received after the deadline for submission indicated in the bidding documents will be rejected.
- (ii) All bids received before the bid submission deadline shall be opened except those with proper notice of withdrawal.
- (iii) A copy of the bid opening record shall be promptly provided to all bidders who submitted bids.

I. Bid Evaluation

- (i) Merit points shall not be used in bid evaluation.
- (ii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.²
- (iii) Except with the prior approval of ADB, no negotiations shall take place with any bidder prior to the award, even when all bids exceed the cost estimates.
- (iv) A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.
- (v) Bids shall not be rejected on account of arithmetic corrections of any amount. However, if the Bidder that submitted the lowest evaluated bid does not accept the arithmetical corrections made by the evaluating committee during the evaluation stage, its bid shall be disqualified and its bid security shall be forfeited.

² Minor, non-substantial deviation is one that, if accepted, would not affect in any substantial way the scope, quality, or performance specified in the contract; or limit in any substantial way, the Contracting entity rights or the Bidder's obligations under the proposed contract or if rectified, would not unfairly affect the competitive position of other bidders presenting substantially responsive bids.

J. Rejection of All Bids and Rebidding

- (i) No bid shall be rejected on the basis of a comparison with the owner's estimate or budget ceiling without the ADB's prior concurrence.
- (ii) Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.

K. Participation by Government-owned enterprises

2. Government-owned enterprises shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under Enterprise law and are not a dependent agency of the contracting entity. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

L. Non-eligibility of military or security units

3. Military or security units, or enterprises which belong to the Ministry of Defense or the Ministry of Public Security, in whole or in part, shall not be permitted to bid.

M. Participation by Foreign contractors and suppliers. Joint Ventures and Associations

- (i) Foreign suppliers and contractors from eligible countries shall, if they are interested, be allowed to participate without being required to associate or form joint ventures with local suppliers or contractors, or to subcontract part of their contract to a local bidder.
- (ii) A bidder declared the lowest evaluated responsive bidder shall not be required to form a joint venture or to sub-contract part of the supply of goods as a condition of award of the contract.
- (iii) License for foreign contractors operation in Vietnam would be provided in a timely manner and will not be arbitrarily withheld.

N. Publication of the Award of Contract. Debriefing.

- (i) For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the Government Public Procurement Bulletin, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.
- (ii) For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.

- (iii) In the publication of the bid evaluation results, the borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the procuring entity. The procuring entity shall promptly provide an explanation of why such bid was not selected, either in writing and / or in a debriefing meeting, at the option of the borrower. The requesting bidder shall bear all the costs of attending such as debriefing. In this discussion, only the bidder's bid can be discussed and not the bids of competitors.

O. Handling of Complaints

- 4. The national competitive bidding documents shall contain provisions acceptable to ADB describing the handling of complaints in accordance with Article 47 of Decree No. 111/20006/DD-CP, read with Articles 72 and 73 of Law on Procurement No. 61/2005/QH11.

P. ADB Member Country Restrictions

- 5. Bidders must be nationals of member countries of ADB, and offered goods, works, and services must be produced in and supplied from member countries of ADB.

Q. Fraud and Corruption

- 6. ADB will sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed activities if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed contract.

R. Right to Inspect/ Audit

- 7. Each bidding document and contract financed from by ADB shall include a provision requiring bidders, suppliers, contractors to permit ADB or its representative to inspect their accounts and records relating to the bid submission and contract performance of the contract and to have them audited by auditors appointed by ADB.

TERMS OF REFERENCE FOR CONSULTING SERVICES

A. Scope of Work

1. To support Project implementation, a firm will be engaged to provide 116 person months of international consultant inputs, and 174 person-months of national consultant inputs. An individual consultant will be engaged for 9 months to support the development and piloting of a vocational training information system. Other individual consultants may be engaged by the PMU to support implementation as needed.

B. Project Implementation Specialists (Firm)

2. **Teacher Training Specialists** (international, 7 person-months; national, 12 person-months). The specialists must have experience in vocational teacher training. The specialists will (i) draft a set of professional standards for vocational instructors/teachers for consideration by GDVT; (ii) establish a framework for the provision of in-service and pre-service training in new teaching methodologies to VCs in collaboration with GDVT and Technical Teachers' University/Colleges; (iii) identify partner institutions or firms that can deliver the training as well as arrangements with local industry for in-service placement; (iv) assess the relevance, quality, and efficiency of current teacher training programs in public and private VET institutions and align these with the revised framework and professional standards; (vi) assist GDVT to upgrade professional certification arrangements of VC teachers to ensure alignment with the VQF; (vii) revise teacher training to ensure it is standards based and provides a basis for a nationally recognized system of certifying vocational teachers qualifications; (viii) conduct functional analysis workshops that involves participation of various stakeholders to identify vocational teacher competencies/standards to develop a competency based vocational teacher competency certificate (VTTC); (ix) design and pilot a strategy for in-service Technical Teacher training program utilizing project based learning methodologies, technical skills upgrading, release to industry assignments, and which prepares teaching staff for the introduction of standards based assessment. It is expected that the specialists work closely with the Industry Sector Specialists to ensure that teacher training activities are integrated with the development of revised occupational training programs; and (x) develop an assessor training program to support a competency assessment model of skills recognition.

3. **VET Financing/FMIS Specialist** (international, 3 person-months, national 12 person-months). The specialists will provide refresher training for VC staff involved in operating the financial management and reporting system and support analysis of results at operational and management levels to guide planning activities. The specialists will (i) assess the relevance, quality and efficiency of the current FMIS; (ii) undertake a study of current cost norms and prepare a revised set to guide future government reporting and planning; (iii) establish cost norm indicators for VC facilities, staffing, student support services and corporate services to establish unit costs for programs delivered; (iv) review current FMIS system and identify gaps based on revised program costing. In this review identify key policy issues for GDVT with proposed policy changes for to strengthen VET financing arrangements; (v) provide revised tools for application through the FMIS system; and, (vi) provide training to GDVT/VC staff to monitor revised tools and to analyze data to guide planning.

4. **Industry Sector Specialists** (international, 66 person months, national 66 person-months). Industry specialists will support GDVT with the development and implementation of the identified occupational training programs to be developed through the project. 15 occupational programs have been grouped into the following six industry sectors: Mechanical, Electrical, Hospitality, Information Technology, Automotive and Shipping Navigation. The role of the

specialists is to engender trust, confidence and credibility of the qualifications to be developed and registered.

5. The specialists will undertake the following tasks:

- a. Standards and Curriculum
 - (i) review, assess and improve the standards for each identified occupation;
 - (ii) upgrade the learning materials and curriculum to align with standards, building upon the existing qualifications and curriculum framework;
 - (iii) update learning materials to increase relevance and quality, including the application of competency-based training approaches;
 - (iv) review curriculum frameworks to ensure that they include module descriptors, teaching resources, learner workbooks, alignment with standards and assessment tasks, module scheduling and classroom/workshop organization plans – including equipment and materials lists for each module;
 - (v) develop an 'on the job training' module in each program with a learner workbook, projects and assessment tools to be completed by learners and host employers;
 - (vi) recommend ways in which training programs can be made more responsive to employer and labor market needs.

6. To enhance the effectiveness of revised training programs the specialists will also (vii) review the existing equipment of the selected VC; (viii) develop the list of equipment to be procured for each major field of study; (ix) ensure that the materials and equipment procured conform with the technical specifications and requirements of the curriculum; and (x) develop appropriate procedures for equipment maintenance, including equipment replacement.

- b. Teacher Upgrading
 - (i) undertake a training needs assessment of selected occupational teachers (up to 20 in each identified area) and develop a technical skills upgrading plan with the teacher training specialist;
 - (ii) coordinate teams of teachers to assist with the development of revised programs;
 - (iii) provide technical skills upgrading through workshops, short workplace placements and through modeling and demonstration techniques in the development of revised training programs.
- c. Assessment
 - (i) develop assessment tools and tasks that align with standards and requirements for 15 occupational programs;
 - (ii) develop test banks and instruments for assessing and certification of skills in selected occupations;
 - (iii) assist with the training of assessors in occupational programs;
 - (iv) align assessment reporting approaches for reporting to GDVT.

7. The activities of the industry sector specialists will have to align with accreditation requirements being developed through the project.

- d. Liaison with Industry
 - (i) develop strategies for networking with industry;
 - (ii) develop prototype courses that could be institutionalized where similar industry needs exist and which involve industry in delivery and assessment;
 - (iii) review international experience with successful models for the development of linkages between the VET sector and the private sector

- (v) including successful models of program advisory committees; and
- (vi) examine opportunities for international benchmarking, and trial selected international standards and benchmarks in cooperation with industry.

8. **Gender Specialist** (international, 4 person-months, national, 12 person-months). The specialist will provide overall technical assistance to the EA in the area of social and gender development. The specialist will work intermittently to:

- (i) design and undertake pilot social/gender analysis of accreditation standards and make recommendations for revisions;
- (ii) undertake a research on barriers to access for currently under-represented groups (i.e., women and ethnic minorities) and provide specific policy recommendations for GDVT;
- (iii) support the Access and Equity Task Force, particularly its recommendations to the EA and PSC;
- (iv) design and deliver access and equity training to GDVT, Dolisa and VC staff;
- (v) design and conduct training for GDVT and college MIS staff on developing social-gender indicators, conducting analyses, and on reporting of findings;
- (vi) establish systems for effective project monitoring and assist the EA and PIUs to review findings and make recommendations for improvements;
- (vii) guide the national social and gender expert.

9. **Social Marketing Specialist** (international, 1 person-month, national 2 person-months). Identify key stakeholders and develop a communication and marketing plan for adoption by GDVT to strengthen awareness of the VET system. The specialist will:

- (i) recommend initiatives to improve the profile of the VET system to employers and communities;
- (ii) mobilize and organize communities to access and utilize the VET system;
- (iii) formulate and deliver public awareness campaigns;
- (iv) provide selective training for VC staff responsible for marketing programs and developing links with industry;
- (v) assess training institutions' partnerships with employers and the private sector;
- (vi) develop policy and investment recommendations to facilitate such partnerships; and
- (vii) recommend ways to increase the sustainability of VET program delivery including changes to institutional management and administration structures, program financing, and PPPs.

10. **Accreditation Specialist** (international, 3 person-months, national 6 person-months). The specialist will coordinate and assist in ensuring that the quality assurance, accreditation, testing and certification systems are being developed through the application of government policy and approved skills standards. The specialist will:

- (i) review and strengthen institutional and program accreditation policies and procedures;
- (ii) develop operational guidelines and procedures to support the revised accreditation system;
- (iii) develop a training module for quality auditors and identify service providers to deliver the program;
- (iv) develop standards for QA auditors which reflect system requirements;

- (v) assist the staff of GDVT to finalize policies and procedures for quality assurance (registration, accreditation and quality audit of VCs);
- (vi) support the PMU and GDVT in facilitating consultation workshops on QA and accreditation requirements;
- (vii) assist with the development of assessor standards to ensure reliability in the certification of skills and which is aligned to the VQF;
- (viii) develop a national register of accredited institutions and prepare inputs for the VTIS specialist on maintaining records of accredited training programs, teachers, assessors and skills certification;
- (ix) support SEP VCs with self assessment activities;

11. **Management Specialist** (international, 4 person months, national, 4 person months) The specialist will: (i) review the professional development needs of College principles and develop a customized management development program to assist managers to meet VET policy requirements; (ii) develop a series of modules which can be delivered through flexible delivery means (project driven, on-line) which is integrated to current work and policy requirements – this will include modules in effective leadership, policy implementation, VET system management, reporting results, working with industry and others; (iii) trial the program with 15 SEP colleges and on completion revise the program for use across the system; (iv) support college managers to undertake training to improve work performance and develop a resource list of key policy requirements that Colleges have to deliver as a result of key policy intervention of government.

12. **Project Management Specialist** (international, 18 person-months, national 30 person months) The specialist must have a background in project management in VET sector, and have policy development skills at a system wide level to be able to support GDVT develop and deliver policy objectives in the sector.

a. **Project Management.** The specialist will (i) assist GDVT to coordinate the work of the other specialists; (ii) establish the project administrative and financial systems, guidelines on project management and reporting arrangements; (iii) lead overall activities that relate to project implementation; (iv) conduct periodic reviews of project implementation, including supervision missions, annual performance review, and preparation for the midterm review and project completion reports; and (v) review policies and provide technical assistance to strengthen VET policy, governance and quality management systems.

b. **VET Policy Support.** The project manager will also have to initiate policy discussion amongst system managers and undertake key studies to identify options for improving teacher incentives and in stimulating enterprise based training. The specialist will have expertise and extensive experience in the VET sub-sector, including the analysis, development and implementation of VET policies and strategies, as well as management of VET systems and institutions. The specialist will:

- (i) review existing sector performance, identifying and examining issues and policies affecting VET quality, relevance, access, efficiency and financing;
- (ii) build on VET sector work already undertaken by the Government and other development partners and prepare relevant policy recommendations and investment activities;
- (iii) review VET sector reforms, development and institutionalization of an intersectoral body to integrate VET and public private partnerships;
- (iv) assess the overall VET policy and regulatory framework focusing on the cost-effectiveness and efficiency of VET training;

- (v) review international experience with public VET systems and recommend policy, regulatory and funding reforms to strengthen VET; and
- (vi) recommend policy changes and reform and capacity strengthening activities, including teacher training, in-service training, partnering with the private sector, incentives to teachers;
- (vii) assess the institutional linkages and structure of VET providers;
- (viii) review institutional-level reforms to improve the efficiency, effectiveness and job relevance of public VET provision;
- (ix) perform an institutional stakeholder mapping and analysis (including private VET providers, sector stakeholders and development partners);
- (x) review the roles, mandates, and ongoing activities of VET agencies, including MOET, MOLISA and sector stakeholders;
- (xi) design appropriate organization and functional structures, job descriptions, institutional linkages and capacity development plans for GDVT/VET; and
- (xii) ensure policy development skills and expertise in developing national VET policy for government is built.

13. **Procurement Specialist** (international, 4 person-months, national 24 person-months) The specialists will (i) develop procurement guidelines and plans to support GDVT procurement and advise them of relevant Asian Development Bank and Government requirements; (ii) advise on procedures for procurement of civil works, materials, and goods and services; (iii) oversee and assist procurement and contract preparation; (iv) assist PMU and PIUs to set up appropriate procurement systems and conduct initial training for PMU and GDVT; (v) assist PMU to prepare Invitation to Bid announcements, the bidding documents, conduct the bidding process and assist in preparing bid evaluation reports; (vi) monitor the entire procurement process, as conducted by the PMU and propose interventions to strengthen systems where required; (vii) supervise implementation of contracts.

14. **Monitoring and Evaluation Specialist** (international, 6 person months, national 6 person months). The specialists will:

- (i) design a system for performance measurement, closely monitor the progress in achieving the targets in the Project and report to the PSC, PISC, PMUs;
- (ii) oversee the design of the baseline survey, including the development of performance indicators /data requirements for the project institutions for benefit monitoring and assist in the institutionalization of monitoring and evaluation activities in GDVT and other ministries (including the development of formats for baseline data generation and collection);
- (iii) developing measurable performance targets for the individual project activities and preparing the performance assessment report to be reviewed by PSC/PMU, and ADB; and
- (iv) develop measurable performance criteria for VET, based on the established criteria, collect performance data and develop a scoring system to rank the performance of all project VCs; and disseminate the outcomes of the performance ranking through national media and its own website;
- (v) determine what data is required for collection and the appropriate methodology to determine whether the chosen strategies and activities are contributing to an effective and efficient implementation;
- (vi) review, plan and evaluate whether implementation strategies and activities are contributing to achievement of policy and prepare a progress report (second and third inputs);

- (vii) facilitate workshops to strengthen VC systems to track student progress in gaining employment and develop a methodology for tracer studies to be undertaken by selected SEP VCs;
- (viii) provide support to GDVT and VC staff involved in monitoring, evaluating and reporting.

C. Vocational Training Information System Specialist (Individual)

15. **VTIS Specialist** (international, 9 person-months). The specialist must have a good understanding of the VET management information systems. The key tasks (i) assess the adequacy of ICT infrastructure and staff development needs in each SEP VC; (ii) review the overall design of the management information system and develop standardized classifications, codes and terminology; (iii) design, develop, and test the management information system based on MOLISA and project requirements; (iv) develop or strengthen the software to be able to implement FMIS in SEP VCs; (v) prepare operating manuals and procedures and (vi) provide guidance and conduct initial training for relevant central, local and college staff responsible for VTIS management.

16. It is proposed that VTIS will have two main purposes. It will firstly be a management tool for TVET institutions. It will keep statutory records and will assist with the production of reports and other documents like certificates or inventories of equipment and material. VTIS is secondly a tool by which reliable and timely data can be collected for DG TVET for the production of national reports and statistics. A developed VTIS will allow monitoring, evaluating and ranking of the performance of individual VET institutions and will assist in measuring the performance of VET provision in provinces and in the country.

D. Social Marketing (Firm)

17. **Social Marketing Agency** (national, 7.5 months). The agency will provide a range of expert professionals, cutting edge technology and services for designing and administering the social marketing plan for promoting high-skill vocational training in Vietnam. The agency selected will have a track record of experience in projects with similar scope and excellent past performance. The agency will have the following functions: i) the creation of media materials which will successfully convey the desired messages to the target beneficiaries. The agency will itself have the capacity to produce these materials in-house or be able to purchase and guide the production and printing of the relevant multi-media products; ii) roll-out the campaign. The agency will be able to purchase and/or organize the airing, placement and distribution of the media materials; and iii) report on the impact of the campaign. The agency will undertake media monitoring to verify/track that the schedule of the media plan is adhered to and, if required, take the necessary steps to ensure that the results are achieved.

OUTLINE TERMS OF REFERENCE FOR STUDIES

A. Stimulating Enterprise-Based Training

1. A feasibility study will be carried out on the establishment of a training levy to stimulate enterprise-based training. The study will include a review of the following topics:

- Levy rate -- what rate should be applied – experience in Latin America and Africa show that a rate too high may lead to surpluses and lavish bureaucracies (One lesson, therefore, is to adjust the amount periodically to ensure that the training is neither underfunded nor leads to surpluses).
- National or sectoral levies – A standard, national payroll levy is preferred to a sectoral levy for its greater ability to permit funds to be allocated where training needs are greatest. On the other hand, keeping funds in the sector where they were collected can increase the sense of ownership of training.
- Sectoral coverage – including public enterprises? Levy coverage should be as wide as possible across economic sectors and should include public enterprises.
- Company size- exempt very small companies because they tend not to capture the benefits? Small and micro enterprises are usually excluded, the question is at which size of enterprise to apply the levy.
- Levy collection—use effective agents. How to collect the funds efficiently without costing more in administrative expenses than the levy collects – integrating the levy collection with collection of taxes or social security often works; separate collection by a training agency usually does not.
- Security of levy proceeds – avoiding diversion to other purposes, including treasury confiscation.
- *Employer buy-in* -- Extensive consultations and consensus with employers is essential on the need and benefits before introducing a levy scheme. How to get enterprises to agree to the levy, which they often see as an additional tax that they will recoup by lowering wages of the workers.
- Allocation decisions- what role will employers and workers play in allocating the funds; allowing employers to have a major if not majority say on fund allocations can go a long way to gaining their support for the levy; how can transparency be assured; what share of the fund, if any, should be earmarked for “cross-subsidization”, e.g. training for those in the informal sector, or for small enterprises that have not contributed.¹

2. The study will have the following outputs:

- A sample survey of incidence of enterprise-based training by sector, ownership, size of firm, occupational categories trained, etc.
- A feasibility study on a possible payroll levy for enterprise training, and organizational alternatives for a training fund and its management.
- A study on apprenticeship training – what exists, constraints, possible mechanisms and incentives.

¹ ADB 2009, p.44 from Ziderman 2003, p.107.

B. Instructors and the Teaching Force: Recruitment and Retention

3. A fundamental question is how to widen the sources for qualified instructors and how to ensure they enter and stay in TVET teaching. The current national VT strategy does not address this fundamental issue. Solving this problem will require special incentives. What the incentives should be is beyond the scope of this report. A study will be carried out on the incentive structure for TVET instructors within the context of both market demand and civil service remuneration

C. Costs and Efficiency in VET

4. A study will be carried out to establish cost norms for different occupational programs, and a system established to keep these costs up to date.

5. The study will include:

- Identification and comparison of actual costs of different VET programs and rate of return to investments (compared with general education.)
- Agreed cost norms for different occupational programs
- Evaluation of the effectiveness of the current target investment program in VET

DEVELOPING A VOCATIONAL TRAINING INFORMATION SYSTEM

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I. INTRODUCTION

1. The overall goal of this project component is to establish a Vocational Training Information System (VTIS) both centrally at GDVT and at provincial and establishment levels. VTIS will provide basic functions for the management of VET establishments and – at the same time – will provide data electronically from this system to all three levels of VET management for monitoring, effective VET planning and resource allocation.

2. VTIS will not only be a data collection tool but also a tool that assists VET institutions in day-to-day management and monitoring.

3. For both VTIS and LMIS it will be very important that standard classifications for industries, occupations, skills and competencies are being developed and used in VTIS and in LMIS.

4. VTIS, which is also referred to as 'VETMIS', should not be seen in isolation. It should become an instrument within a national information system that serves the basic information needs of all stakeholders in the entire education sector, which includes basic education and higher education.

A. Vision of a National Data Warehouse for the Education Sector

5. The education sector in Vietnam is, as in many other countries, segmented.

6. Not one single education department is in charge of managing all educational institutions, but a variety of different ministries and of non-public organizations.

7. MOET is in charge of basic education comprising pre-schools, primary and secondary schools. MOET is also in charge of some institutions of higher and secondary professional education. Other ministries such as the Ministry of Industry & Trade (MOIT),¹ the Ministry of Transportation (MOT)², Ministry of Construction (MOC)³ and the Ministry of Agriculture and Rural Development (MARD)⁴ maintain educational institutions in the higher education and VET sub-sectors. Such a segmented education sector makes comprehensive data collection quite challenging given the daunting task of coordination and standardization across different ministries.

8. There are currently many different and inconsistent systems for collection and provision of education information in Vietnam. VTIS should not contribute to this variety and inconsistency of systems.

9. Involved in education are various different management authorities, different political and social organizations, donors, businesses and individuals. Each organization or individual has its own concern, but with a shared expectation of obtaining easy, timely and reliable data and information about education.

¹ Industry University (Hanoi), Industry University (Ho Chi Minh city), Industry Vocational College (Hue).

² Vocational college of transportation (Hanoi).

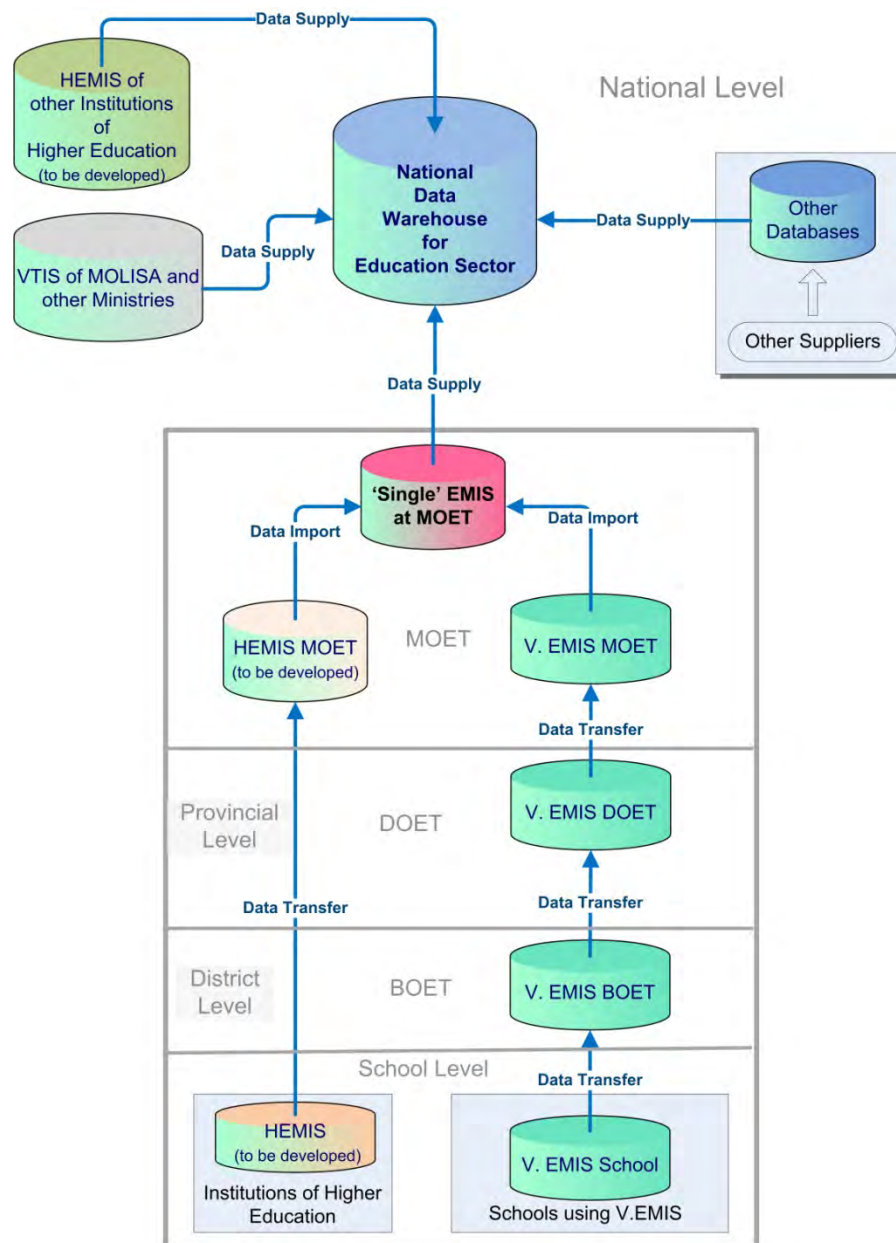
³ Vocational College of Vinh Phuc.

⁴ Agri-forestry college (Bac Giang).

10. MOET and the donor community are currently developing a 'roadmap' towards the creation of a National Data Warehouse for the entire education sector. While EMIS for the basic education sub-sector already exists, the roadmap provides for the establishment of an information system for higher education that will be integrated into a 'single EMIS' within MOET. The system for higher education, which is tentatively called 'HEMIS', will become the model for systems used by establishments of higher education of other ministries. These systems, like EMIS in the basic education sub-sector, will feed data into the National Data Warehouse as shown in the diagram below.

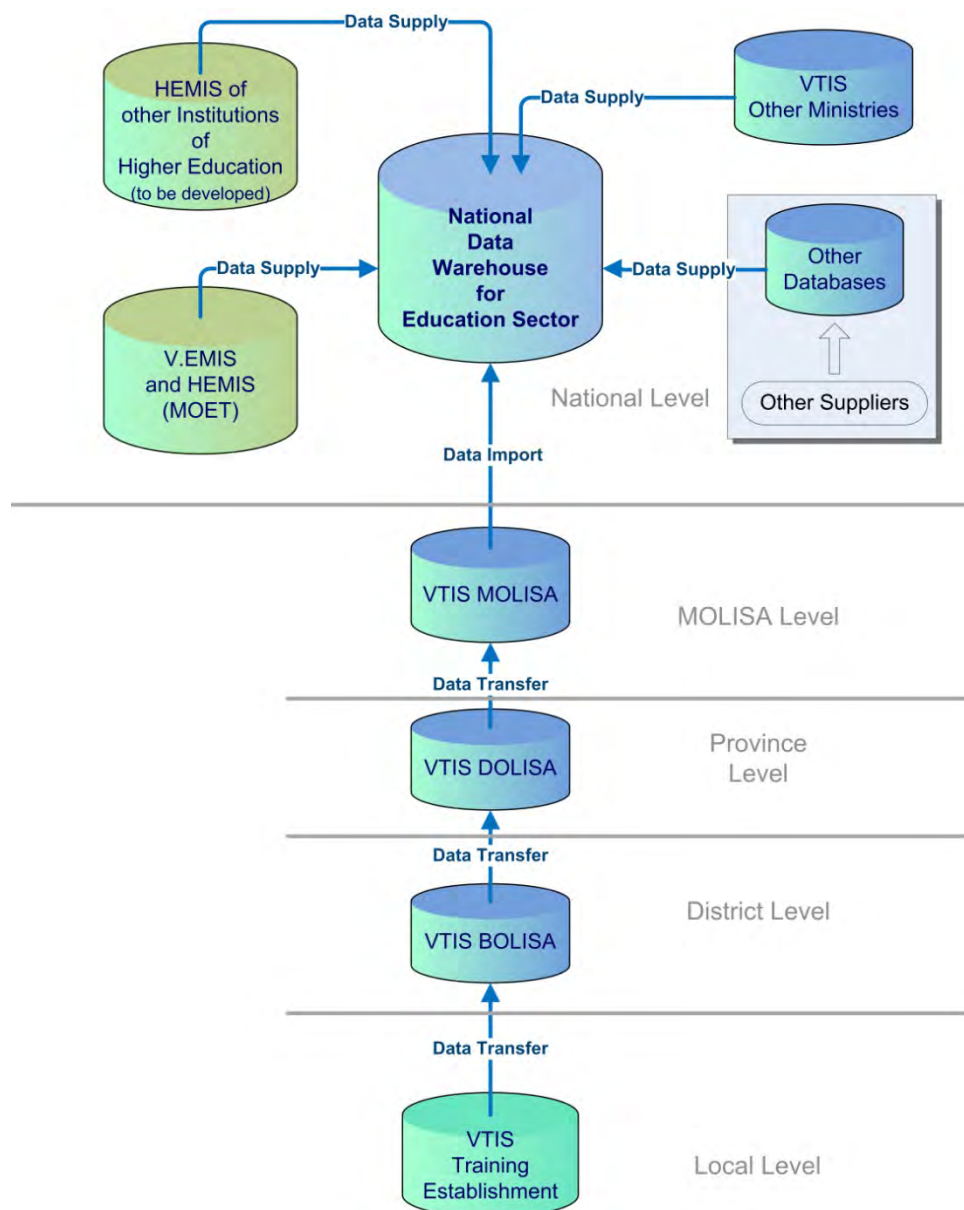
11. The information system for the VET sector should become part of the concept of a National Data warehouse for the entire education sector by using the same standards and standard codes and feeding its data into the shared data warehouse.

12. The following diagram shows the existing EMIS for the basic education sub-sector and the location of the planned VTIS / VETMIS.



13. A National Data Warehouse will be used by all ministries and organizations who are interested in educational issues or whose activities have an impact on the education sector. Therefore, the National Data Warehouse for the entire education sector will not only contain data from the education sector but also data from other sectors that is relevant for the education sector such as financial data from MOF or personnel information from MOHA or labour market information from MOLISA.

14. Translated into the VTIS environment, the diagram above will be as follows:



15. The diagram above depicts a concept of VTIS that transfers data from VET institutions via BOLISA and DOLISA to MOLISA and then feeds the National Data Warehouse for the entire education sector with all data relevant for education in the country. One important condition for this to become reality is the use of standards in data structures and in data elements.

II. LEGAL AND POLICY FRAMEWORK

A. Specific Legal and Policy Documents for ICT in the VET Sector

- (i) The Vocational Law: Item 5 of Clause 83 on State management on Vocational Training states as a responsibility of the VET management “to perform statistics work, information collection on organization and vocational training activities”
- (ii) Vietnam’s Education Strategic Plan 2001 – 2010, which covers the entire education sector and not only the VET sector, specifies to “Establish an

- education management information system and to explore the international information on education to help with the evaluation and decision making”.
- (iii) The Draft proposal to renovate and develop vocational training during 2009-2020 specifies “to establish a vocational training information system and a system for forecasting VET, to computerize vocational training in the whole country and improve statistics and data analysis”.
 - (iv) The Aide Memoire of the Final Review Mission⁵ for the Loan 1655-VIE (SF) between VTEP and ADB proposed that “EMIS should be better reviewed and adopted in GDVT and all vocational schools and DOLISAs to create key data for VET management and planning. Data for BME (Benefit Management Education) should be collected since the beginning of the project and will be used to compare with the data collected at the end of the project. BME should not be considered as a separate work but a primary and continuous process through which EMIS data will be analysed systematically”.

B. Legal Framework for ICT Projects in General

16. The GoV and some ministries, including MOET, have issued legal documents regulating ICT projects. These documents include standards and standard codes to be used. Some examples are:

Number and date of Legal Document	Content
Decision 246/2005/QĐ-TTg of 06 May 2005	National Strategy on Information, Communication and Technology Development towards 2010 and Orientations for 2020
Law 67/2006/QH11 of 29 June 2006	Law on Information Technology
Directive 27/2007/CT-TTg of 29 November 2007	Timely and Appropriate Reporting by State Agencies
Decision 43/2008/QĐ-TTg of 24 March 2008	Action Plan on Application of Information Technology in Activities of State Agencies in 2008
Decisions 19/2008/QĐ-BTTTT and 20/2008/QĐ-BTTTT ⁶ of 09 April 2008	Standards on Application of Information Technology in Activities of State Agencies

17. The Development of VTIS will have to take into consideration the standards and policies issued in legal documents. In addition, the VTIS project will also cooperate with the operators of other IT projects, particularly with MOET’s EMIS and V.EMIS in order to make the respective systems compatible and capable of exchanging and synthesizing data as stipulated in Vietnam’s Education Strategic Plan 2001 – 2010.

18. Compatibility with GSO standards and standard codes is also a very important consideration to be given during the development of VTIS.

⁵ from 02 to 09 September, 2008.

⁶ Decision 20 contains sets of compulsory and optional standards on (i) connectivity (transfer protocols), (ii) data integration, (iii) on access to information, on information safety and on metadata.

C. Background

19. An EMIS for the VET sub-sector was developed under VTEP. An EMIS for the basic education sub-sector, which shares many features of VTIS, was developed with assistance from the EU by MOET and is now being implemented in 2,500 schools in 28 provinces.

20. The EMIS for the VET sub-sector was planned to be piloted in 15 schools but was installed in only 8 of them. However, the 8 pilot schools had not captured any data at the time when the project ended. This system needs to be reviewed in the light of its limited achievements and in the light of standards to be used for compliance with national standards and for compatibility with the concept of a National Data Warehouse. It also needs to be reviewed for its user friendliness and for the practical benefits it provides for day-to-day VET management.

III. COOPERATION AND SYNERGIES WITH OTHER PROJECTS

A. Project related to EMIS

21. The EU funded project “Support for the Renovation of Education Management” (SREM) started in 2006 and will end in 2010. It enhanced and implemented nation-wide EMIS that was previously developed by the SMOET project. SREM added an operational IT system, which is called V.EMIS and which is not only a data collection tool like EMIS.

22. V.EMIS is a system for the management of institutions of basic education providing management functions in the areas of student and staff management, financial management, teaching management, infrastructure management and office management. In addition to providing management functions, V.EMIS collects all data about schools that BOETs, DOETs and MOET need for monitoring, planning and formulation of policies. When V.EMIS is fully implemented in all schools in 685 districts and 63 provinces in 2015, it will replace EMIS and will provide much more detailed data than EMIS.

23. V.EMIS focuses on the basic education sub-sector. But in the interest of conformity of information about education, the VTIS should closely cooperate with SREM and with the MOET department that will be in charge of managing V.EMIS after SREM's lifetime.

B. Projects related to an Accreditation System

24. GTZ, ILO, and industry associations are currently planning to assist GoV to implement an accreditation system for training programs, for training providers and for VET assessors. It will, therefore, be important to closely cooperate with these projects with the goal to achieve compatibility and consistency between VTIS and a future accreditation system.

C. Projects related to a Labour Market Information System

25. The ILO Labour Market Project, which supports the LMIS Units, should be linked in a most efficient way with the development of VTIS. In its initial phase, the Project will analyse data that VTIS will be able to provide to LMIS and, vice-versa, which data VTIS needs from LMIS, thus avoiding overlaps in data collection and data processing.

26. It is very probable that the LMIS in Vietnam will be WEB-based, which gives VET managers full access to LMIS and avoids the technical challenge to update VTIS with labour market data on all four levels of VET management.

IV. FUNCTIONS OF VTIS

27. VTIS will have two main purposes. It will firstly be a management tool for VET institutions. It will keep statutory records and will assist with the production of reports and other documents like certificates and inventories of equipment and of training material.

28. VTIS is secondly a tool by which reliable and timely data will be collected so that DGVT can produce national reports and statistics. VTIS will also allow monitoring, evaluating and ranking the performance of individual VET institutions and will assist in measuring the performance of VET provision in provinces and in the country.

29. By providing detailed and correct data and information, VTIS will assist in decision-making and in the formulation of VET policies. This function, however, requires that the capacity of analysing, interpreting VTIS data is strengthened at all levels and at the Vocational Training Science Research Institute.

30. Finally, selected VTIS data will flow into the labour market information system and contribute to its informative value.

A. Main Modules of VTIS

31. VTIS will be developed using a modular and phased approach. This strategy allows training of its users to be spread over a longer period of time. The speed of its implementation can in this way be adjusted to the capacity of its users to absorb the system.

32. The modules of VTIS will be developed and deployed in the sequence shown below:

- (i) The module about public and non-public VET institutions will capture basic information such as name, location, type and infrastructure; including equipment available at the institution. Some details are presented in annex 1 "Scope of VTIS Data Collection" (page 101).
- (ii) In this module, a provision will be made to allow processing the registration or accreditation of non-public VET providers including the minimum quality standards that they must meet.
- (iii) The Financial Module will capture basic data about moneys flowing through public VET institutions.
- (iv) The module about courses will capture details about courses that are being offered by VET institutions including the skills standards or competencies that are being targeted and the occupations for which the courses provide the necessary skills or competencies.
- (v) Selected information about courses can be published on the LMIS WEB site, thus adding value to LMIS.
- (vi) Another module will capture details about course completions and course participation, including certificates issued and dropouts.
- (vii) A module about teaching and non-teaching staff will capture details about staff.
- (viii) Similarly, a module about students will keep details about course participants and results of training.

- (ix) The module about Employment of Graduates will capture basic and standardized details about tracer studies that the VET institutions will conduct. Staff of VET institutions will be trained in techniques and skills to conduct such surveys. A sample of a questionnaire to be used in the tracer studies is shown in Annex 2 (page 106).
- (x) The module about Surveys of Skills Needs by VET institutions will provide information about skills needs in their catchments areas. Training will be provided for staff at VET institutions for training needs assessments of which the results will be captured into VTIS in a standard format.

B. Skills Standards and Standard Classifications of Occupations

33. A standard set of occupational codes with meaningful descriptions is essential for reporting and for statistics about VET activities. If skills levels or competencies are not clearly defined, the goal of identifying the need for higher level skills and shortages in key skills cannot be achieved.

34. If reports from VET institutions about courses don't use standard titles for standard contents of the courses, the reports are not comparable one with the other and national statistics will not be reliable. For example, if VET institutions report completions of "Computer Courses" indiscriminately without reference to standards, it remains unclear whether the courses focused on hardware maintenance, software development or simply on the use of Microsoft 'Word'.

35. Use of standards is also important for job seekers and for the compilation of job opportunity indices that should be published on the website of LMIS.

36. VTIS will be sufficiently flexible to classify courses according to standards. While these standards are being developed and not yet available, the Project will use temporary standards that will follow international models such as the skills levels in ILO's current version of ISCO-08 (International Standard Classification of Occupations)⁷. The classification system in VTIS can then easily be amended as the National Qualifications Framework is growing into a 'localized' system of standards.

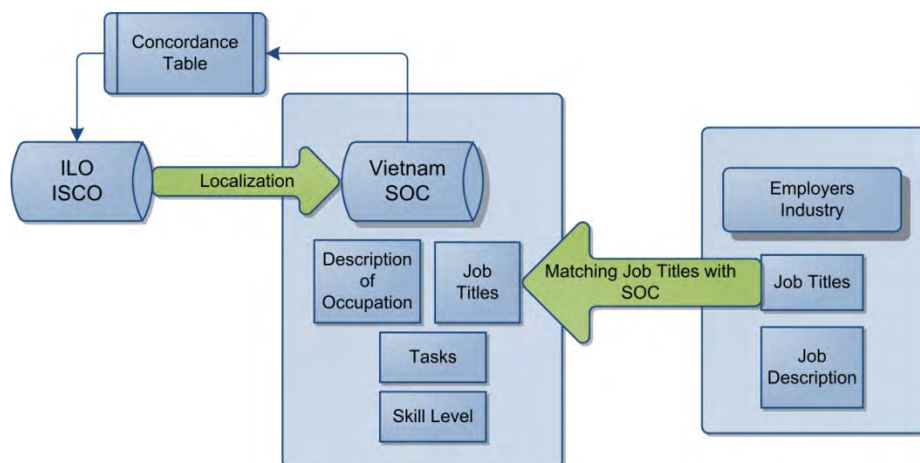
37. Localization of classification codes is normal international practice. Almost all countries with a national classification system for occupations use ILO's codes as a basis.

38. The localization involves four steps:

- (i) Remove from ILO ISCO all occupations that are not relevant for Vietnam.
- (ii) Translate revised ISCO into Vietnamese language
- (iii) Collect job titles and job descriptions from employers, including numbers of employees employed in each job.
- (iv) Match job titles with occupations as defined by ISCO-08.

39. The diagram below depicts the process of localization of ILO SOC into a user friendly system of SOC codes for Vietnam. Job profiles associated with each occupation are included in such a system as part of a career guidance in the website of LMIS.

⁷ <http://www.ilo.org/public/english/bureau/stat/isco/index.htm>. ISCO 08 is an update of ISCO-88



40. The result of the four steps above will be a table with the following columns:

- (i) Code for Occupational Codes in Vietnam, which will be compatible with ILO code via a concordance table.
- (ii) Original English description of occupations.
- (iii) Description of occupation in Vietnamese language
- (iv) Job title used for the occupation in the labour market in Vietnam
- (v) Tasks involved in the occupation / job.
- (vi) Qualifications or competencies needed for the job, including level of skills.

41. In the above diagram, the job titles used in the labour market are linked with occupation codes of a localized classification system, which itself can be traced back to ISCO. These cross-references are particularly important for LMIS whose users are generally only familiar with job titles used in the labour market. Standards are also important to keep statistics and information about Vietnam compatible with international reports and publications.

42. The establishment of skills standards, classifications of occupations and standards for assessments is not in the power of VET establishments. It is the responsibility of MOLISA to create or to supervise the creation of national standards for skills and competencies in clearly defined trades and occupations.

43. The database for skills standards and occupational classifications, which will be maintained nationally, must be available as reference tables in the VTIS on establishment level. They are needed to properly classify courses and their outcomes and to assess the skills or competencies of course participants. These reference tables are therefore part of VTIS but they can be edited and changed only on MOLISA level in the version of VTIS that will be designed specifically for MOLISA.

44. VTIS will be designed to easily re-distribute to users of VTIS on local levels all reference tables as they are updated on the national level. The VTIS will have a mechanism to import updates of the reference tables via downloads from the Internet.

C. Registration and Accreditation of VET Providers

45. Statistics about VET providers can only be produced reliably if VET providers officially register their establishment as a VET institution or if they must be accredited. The process of

registration or accreditation will allow collecting at MOLISA or DOLISA levels, for example, the following data about VET providers and to keep the information up-to-date by statutory and regular reporting requirements:

- (i) Name
- (ii) Address, phone, fax, email, website
- (iii) Contact details of person in charge
- (iv) Association or link with international VET provider
- (v) Details of business registration
- (vi) Details about bank account
- (vii) List of permanent staff with job descriptions, qualifications and experience
- (viii) Details about any other business then VET
- (ix) Previous training provided (date, length, location and trainee numbers)
- (x) Competencies for which the VET provider is able to train
- (xi) Details of inclusion of self-employment in training courses
- (xii) Financial statement for last year
- (xiii) Details of staff who have received trainers' training
- (xiv) Readiness to accept monitoring visits by DGVT or other monitoring staff

V. VTIS IMPLEMENTATION STRATEGY

A. Advocacy and Change Management

46. VTIS will become successful only if users and stakeholders take ownership. In order to achieve this, VTIS must be developed in an environment of dialogue and consultations. Users and stakeholders must be made aware of the purposes and benefits of VTIS right from the beginning. An advocacy campaign will be planned for that purpose.

47. The dialogue with users and stakeholders will also reveal risks and challenges for the implementation of VTIS. The findings will then be used to develop a change management strategy to mitigate the risk of apathy or even resistance of VET staff to the new system.

B. Design of VTIS

48. Initially, the Project will review the EMIS developed under VTEP, including an assessment of its strengths and weaknesses and the data and information needs of its users on all four levels of VET management.

49. The review will also focus on EMIS and V.EMIS that MOET will finalize in 2010. Of specific interest for VTIS is the so called school profile that describes in all details which data should be captured from education establishments and which reports the systems should produce. The school profile was authenticated by MOET decision 4056/QD-BGDDT of 10 June 2009 and can serve as a model for standardized and harmonized data definitions.

50. MOET decision 5268/QD-BGDDT of 19 August 2009 gave guidelines for the piloting of the system in 2,500 establishments of the basic education sub-sector in 28 provinces. A review of MOET's methods of the deployment of its systems will provide valuable insights in 'lessons learnt' by MOET in the implementation of a similar system.

Based on the review of EMIS developed under VTEP and the review of MOET's EMIS and V.EMIS, a design document for an amended VTIS will be circulated to stakeholders for

comments and feedbacks. In a national workshop the design of the amended VTIS will be finalized.

C. Production of VTIS

51. The contractor for the production and deployment of VTIS will use a modular and phased approach instead of producing the entire system 'at home' and deploying it in the targeted VET institutions in one final action. By producing and testing VTIS module by module, errors or inconveniences in the first module will not be inherited in subsequent modules and can be corrected at an early stage. Not more than 4 representative test locations should be selected at that stage of the development of VTIS.

52. The contract with the software developer will contain provisions for tools that ensure the quality of the software. Independently, the project will employ an expert to check the technical and functional quality of VTIS before it is widely deployed.

D. Provision of ICT Equipment

53. The need for ICT equipment will be assessed for all participating VET institutions and for provincial offices of DGVt to support the implementation of VTIS. The VET institutions and provincial offices that have the most urgent need for IT equipment and that are not able to mobilize financial resources will be considered with priority within the Project's budget.

E. Deployment and Implementation of VTIS

54. Once a module of VTIS is successfully tested in approximately four test locations, an implementation plan for the deployment of the module to approximately 100 participating institutions will be prepared. The plan includes budgets, appointments of VTIS officers in each VTIS location and a clear schedule of activities. The contributions by the Project and by the beneficiaries and their responsibilities will be clearly defined and documented in a memorandum of understanding (MoU) to be signed by every participating institution and by the Project.

55. An important part of the deployment plan will be a training component, which will be designed in cooperation with the participating institutions. The details of the training activities will form a part of the MoU to ensure that persons to be trained, training venues and other facilities are available at the agreed time.

56. The training component for VTIS will separately also target decision makers in the VET system and approximately 5 staff of the Vocational Training Science Research Institute with the goal to create awareness of available VTIS data and to improve their capacity to analyse and interpret VTIS data.

F. Establishment of a Support System for VTIS

57. It will not be expedient if training and assistance are only provided during the deployment phase of VTIS. Provisions will be made for refresher training for existing users and for training for those users who join the VET institutions after retirement or transfer of trained staff.

58. One or two VTIS officers at each BOLISA and at least three VTIS officers at DGVT will have to be appointed to trouble-shoot technical problems and to provide ongoing support for users. The Project will ensure that technical training is provided for the VTIS officers.

59. The developer of the VTIS software will produce user manuals and technical documentation for VTIS in printed and in digital formats for reference and self-learning and will also assist with the initial training of VTIS officers.

60. The documentation for VTIS, users' manuals and help material will also be made available on MOLISA's website.

G. Institutionalization of VTIS

61. VTIS, in order to become sustainable, does not only need a strong system of regular training and support for its users. It has also to be made sustainable by a legal framework that ensures its consistent and regular use.

62. The project will analyse all tasks and responsibilities on four levels of VET management and will produce a procedures manual for all tasks and responsibilities that are involved in operating VTIS on all four levels of the VET sector. The manual shows for each task the timing when they have to be completed, how they have to be completed and by whom.

63. Recommendations will be made for the full integration of VTIS operations into the GDVT's organisational structure and for human resources needed for a smooth operation of VTIS on all four levels.

64. Recommendations will also be made for a legal framework that will institutionalize VTIS and will make adherence to VTIS procedures mandatory with sanctions for non-adherence.

65. Recommendations regarding the organizational structures and the legal framework will finally cover the flow of data and cooperation between the Employment Department, where LMIS will be located, and the GDVT where the top level of VTIS will be located.

66. In its initial phase, the Project provides for the roll-out of VTIS to 100 participating VET institutions. If VTIS is to become a national system for data and information about the entire VET sector and if it is to play its future role in the National Data Warehouse for the entire education sector, VTIS must be expanded to all VET institutions, including VET establishments that are operated by other ministries. If VTIS is to monitor private sector participation in the VET system, VTIS must also be expanded to private VET institutions.

67. The recommendations about the necessary legal framework will include provisions of the roll-out of VTIS to all VET institutions in the entire country, including its roll-out to private institutions. The recommendations will include a detailed action plan, budget and time table to achieve the goal of a full coverage of the entire VET sub-sector by VTIS.

68. Finally, the sustainability of VTIS will depend on the development of a sound and realistic policy to generate funding for the ongoing operation of VTIS. The necessary funds, for which the Project will propose a budget, might be secured from the National Target Program on vocational training, from other ODA projects and from financial resources that are available from MOLISA and from provinces. Planning of budgets will be assisted by the Project.

H. Monitoring and Evaluating

i. Performance of VET Management

69. Regular monitoring and evaluation reports are necessary to assess the performance and cost effectiveness of training programs offered by VCs under VTEP and SEP. The reports will use performance indicators of which most can be computed with data from VTIS. The Project will develop the necessary performance indicators for inclusion in VTIS.

70. Since employability of graduates is one of the most important indicators for the quality of VET, detailed results of the tracer studies conducted by VET institutions (see annex 2, page 106) will be captured in VTIS and will be electronically transferred to MOLISA for aggregation and analysis.

71. Additional tracer studies that provincial or central authorities might conduct can complement the results of tracer studies made by VET institutions. But this is only possible if compatible data structures and standards are being used.

ii. Impact of VTIS on the VET Sector

72. One important objective of the Skills Enhancement Project is to improve the quality of VET in Vietnam. By providing time-line data, VTIS will allow the assessment not only of improvements of VET management in the participating institutions in terms of efficiency over the years. Timeline reports will also assist in measuring improvements of the entire VET sector in terms of relevance of skills that it provides and employability of its graduates.

VI. PROJECT TRACKING SYSTEM

73. VTIS is a system for the management of VET institutions and – at the same time – a system for the regular collection of VET data from and for VET institutions and for higher levels of VET management. All stakeholders in the entire education sector will also benefit from VTIS data and information.

74. VTIS is not per se a tool for monitoring and evaluating the progress of the development of VTIS or for the progress that the SEP will make during its life time. An M&E framework for the Project might use some VTIS data when such data becomes available, but M&E for the Project will basically be independent from VTIS and will provide different answers to quite different issues.

Annex 1: Scope Of VTIS Data Collection

a. Reference Tables

The VTIS database will be normalized, which means that redundant data will be eliminated by not storing the same data in more than one table and by storing only related data in a table. One important element of normalization is the use of reference tables, in which predefined set of values are stored such as the state of repair of equipment (e.g. 'good', 'medium', 'bad') or the skill level of a training course.

This technique is not only a standard IT feature of a database, it is also a means of error control by giving the VTIS user a choice of correct values.

The following are examples of some reference tables that will be used in VTIS and which should be compatible with similar tables used in MOET's IT systems:

Table	Description / Example
Classifications for industries and occupations	Simple, localized classification system to be developed
Type of certification	Diploma, certificate level 1, certificate level 2 etc
Municipalities, villages, districts, provinces	Table to be used from General Statistics Office (GSO)
Types of socio-economic conditions	Values (e.g. very poor, poor, and not poor) to be developed
Types of VET institutions	Public, regional, private etc ⁸
Types of courses	Long, short, enterprise based etc
Types of buildings and rooms	Classroom, workshop, dormitory etc
Types of equipment	Computer, sewing machine etc
State of repair	Good, bad, outdated etc.
Type of employment	Self-employed, part time etc
Socio-economic status of a person	Orphan, married, dropout etc
Ethnic minority	List of GSO or from V.EMIS to be used
Qualifications of trainers and VET managers	Bachelor, PhD etc
Skill levels	To be used from ISCO-08 or from a (temporary) Qualifications framework until a National Qualifications Framework is established.
Competencies	Examples might be: (i) "Apply basic safety procedures", (ii) "Select correct tooling and equipment", (iii) "Estimate Material requirement for electrical installations"
Types of TVET Certificates	Diploma Technician, Bachelor of applied Technology etc.

Most reference tables will have one entry like 'other' or 'not applicable' in the event that a characteristic is not included in the table or is not applicable.

If, for example not all ethnic minorities are listed in a reference table 'other ethnicity' can be selected. Similarly, if a course is not accredited or is not competency based, an item 'n/a' should be available for selection.

The content of reference tables might change from time to time. If this happens, the tables must remain backward compatible so that references to outdated items remain valid. For example,

⁸ In many cases of reference tables, an item (like training institutions) can have multiple characteristics of a reference table. For example, an institution can be private and regional.

during a certain period of time, VTIS might use a temporary Qualifications Framework. If the final National Qualifications Framework is introduced the new NQF levels will be added to the temporary qualifications in the reference table.

b. Data Tables

To make information about the national VET sector consistent and meaningful, the following scope of standardized data are proposed to be included in VTIS:

1: Basic Information about VET institution	
Example	Comments
<ul style="list-style-type: none"> o Name o Address (municipality, village, district) o Phone, fax, email o Year of establishment o Catchment area o Socio-economic conditions in catchment area o Registration number o Ministry where VET establishment is registered 	<ul style="list-style-type: none"> o Catchment area to be defined by communes from where students come using location codes from GSO / V.EMIS. This will be a calculated field when data in groups 8 (students) and 10 (Courses completed) are available. o Types of socio-economic conditions will be standardized and presented in the user interface of VTIS as multiple choices (e.g. very poor, poor, and not poor). o Details must be clarified about which additional information related to the registration should be included.

2: Type of Institution	
Example	Comments
<ul style="list-style-type: none"> o Public / private / NGO etc o Regional / provincial o Specialization of institution o Short courses / long courses / both o Full boarding / day boarding (incl. number of places) 	<ul style="list-style-type: none"> o Multiple classifications are required. o The classification as public, private, NGO etc is significant when VTIS is used for data collection from non-public institutions. o Clear criteria are needed to classify VET establishments as 'provincial' or 'regional' training centres (e.g. by features such as size, available infrastructure, courses offered etc.) o Some data fields will be calculated fields. For example, VTIS can automatically classify an institution as short-course institution by looking at the courses that are being offered.

3: VET Providers in Catchment Area	
Example	Comments
<ul style="list-style-type: none"> o Details about non-public VET providers, including industry establishments providing formal training. o Information about registration of VET providers o Details about training that is conducted, including numbers of trainees 	<p>Information to be collected by surveys until registration / accreditation of VET providers with MOLISA/DOLISA is made a legal requirement.</p>

4: Infrastructure	
Examples	Comments
<ul style="list-style-type: none"> o Buildings o Classrooms o Laboratories o Sanitary Installations etc 	To be reported by quantity, age, type, state of repair, value etc.

5: Equipment	
Examples	Comments
<ul style="list-style-type: none"> o Copy machine o Computers o Sewing machines etc 	To be reported by quantity, age, type, state of repair, value etc.

6: Material	
Examples	Comments
<ul style="list-style-type: none"> o Paint o Fuel o Books etc 	To be reported by quantity, value and courses for which they are needed

7: Capacity of Course Delivery (Courses Offered)	
Examples	Comments
<ul style="list-style-type: none"> o Course name o Details of Accreditation o Type of certificate issued o Industry to which the course belongs o Occupation to which the course belongs o Competencies targeted by the course o Duration o Full –time / part-time o Skill level (entry level and exit level) o Funding source o Equipment / Material needed for the course o Details about training provider o Number of trainees that the VET establishment can train per year 	<ul style="list-style-type: none"> o Industries should be referred to by a localized, basic set of selected international standard industry classifications (ISIC)⁹ o Occupations should be referred to by a localized, basic set of standard classifications of occupations (ISCO)¹⁰ o Skill levels refer to the temporary or final National Qualifications Framework o Competencies refer to a data table with details of competencies. o Certificates refer to a data table with details of certificates (see page 101) o Accreditation details (if course is accredited) will be the accreditation number and date, organization that accredited the course etc.

8: Students	
Examples	Comments
<ul style="list-style-type: none"> o Name o Bio data o Residence (incl. Distance from training facility, method of transport) o Current employment situation o Boarding (if not boarding at VET institution) o Widow(er)/Divorced/single o Orphans o Handicapped (broken down by type of handicap) o School dropouts 	<ul style="list-style-type: none"> o Data to be taken from a standardized application form for enrolment in a course o Type of student should be multiple. o Current employment situation to be referred to by occupational and industry codes

⁹ <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>

¹⁰ <http://www.ilo.org/public/english/bureau/stat/isco/index.htm>

8: Students	
Examples	Comments
<ul style="list-style-type: none"> ○ Poor households ○ Minority ethnic group. 	

9: Trainers / Teachers and non-teaching Staff	
Examples	Comments
<ul style="list-style-type: none"> ○ Name ○ Bio data ○ Qualifications ○ Type of employment (permanent, contracted etc) ○ Experience ○ Course(s) for which trainer is employed ○ Working hours (teaching and non-teaching) 	Most bio data to be taken from the documentation that is used when a trainer is appointed to a public training institution.

10: Courses Completed	
Examples	Comments
<ul style="list-style-type: none"> ○ Name of course ○ Start and end date ○ Location of course ○ Name of Trainer ○ Name of Participants ○ Number and type of certificates issued ○ Drop-outs ○ Result of tests or examinations ○ Enterprise based 	<ul style="list-style-type: none"> ○ Location of course could be more than one ○ Summaries of the evaluation by participants should be added to the records about the course ○ If enterprise-based the name, location and type of enterprise (size, industry) should be mentioned ○ One course could be partly based in the VET institution and partly be enterprise based

11: Employment of Graduates after Graduation	
Examples	Comments
<ul style="list-style-type: none"> ○ Employment type (Employed, self-employed, family business, part-time, full-time etc.) ○ Data of employment ○ Trade or industry ○ Occupation for which graduate was employed ○ Salary / income ○ Relevance of training for employment (particularly if the graduate was employed by the same employer when the course started) 	Data to be collected by surveying the graduates with a standardized format of survey that uses localized standard occupation and industry classifications. An example is shown in Annex 13 (page 106)

12: Assessment of Skills Needs	
Examples	Comments
<ul style="list-style-type: none"> ○ Survey Type (which standard format is being used) ○ Location(s) of survey ○ Number of respondents ○ Skills needs identified etc. 	<ul style="list-style-type: none"> ○ Data to be collected by surveying the employers and business establishments with a standardized format of survey. ○ Skills needs to be identified using standards for skills, qualifications and industries

13: Financial Data and Information	
Examples	Comments
<ul style="list-style-type: none"> ○ Receipts and date of receipts ○ Source of receipts ○ Expenditure ○ Purpose of expenditure 	The official chart of accounts will be used

14: Issues of Management and Governance	
Examples	Comments
<ul style="list-style-type: none"> ○ Numbers and purposes of visits by provincial officers from DGVt or from other officers in higher levels of VET management. ○ Existence of short-term, mid-term and long term development plans ○ Existence of a procedures manual for the VET institution 	The existence of development plans and of documented procedures can be recorded as Yes/No items or some basic features of these plans and procedures can be recorded.

Annex 2: Survey of Employment after Graduation

The following gives an example of a survey of graduates by VET institutions inquiring about employment of their graduates after graduation.

Name of PTC	
Date of Survey	
Form completed by (include position and contact details)	
Data entered into VTIS by (include position and contact details)	

Student:

Name			
Address			
Highest Education Level			
Age		Gender	
Phone		Alternate Phone	
Special status (ethnic minority, orphan etc)			

Last Job (including self-employment):

Job Title	
Classification of occupation (list of occupations is attached)	
Industry Sector (list of industries attached)	
Location	
Monthly Salary/Income	
Length of job / self-employment (months)	
Reason for job loss	

Course:

Title			
Industry Sector			
Targeted Occupation			
Length (days)			
Cost of Course			
Based in VET institution or Enterprise – based/Mixed?			
Skills acquired			
How recruited? (newspaper, radio etc)			
Did the course achieve its targets	Yes		No
Length of Course	Too Long	Adequate	Too short
Was the course interesting?	Very much	Interesting	Not too interesting
Is follow-up training required?	Yes (explain below)		No
What kind of follow-up is required?			

Situation after the completion of the Course:

Did you find employment?	Yes (go to table 1 below)	No (answer next question)
Did you start self-employment?	Yes (go to table 2 below)	No (go to next question)
Are you unemployed after the course?	Yes ((go to table 3 below)	No (answer questions above)

Table 1: Employment subsequent to Course (skip if self-employed or not employed)

Name of Employer		
Location		
Industry		
Job title		
Classification of occupation (list of occupations is attached)		
Brief description of tasks		
Monthly Salary/Income		
Start of Employment (months after course)		
Are the skills learnt in the course relevant for the new employment	Yes	No

Table 2: Self Employment subsequent to Course (skip if employed or unemployed)

Name of Business		
Industry sector (list of industries is attached)		
Main skills needed the business		
Are the skills learnt in the course relevant for the business	Yes	No
Product / services offered		
Initial capital invested (VND)		
Primary Source of Capital		
Secondary Source of Capital		
Average Monthly business turnover (VND)		
Average net profit (VND)		

Table 3: Unemployment subsequent to Course (if not employed and not self-employed)

Did you try to find a job?	Yes (go to table 3a)	No (go to table 3b)
----------------------------	----------------------	---------------------

Table 3a: Why were you unsuccessful seeking a job?

Not qualified for the job that were available	Yes	No
No sufficient salary was offered	Yes	No
No response from employer	Yes	No
Other reasons (please explain below)		

Table 3b: Why did you not try to find a job?

Family Reasons	Yes	No
Health	Yes	No
No opportunities	Yes	No
Other reasons (please explain below)		

LOAN COVENANTS

GENDER ANALYSIS AND ACTION PLAN

1. The Skills Enhancement Project (SEP or the Project) supports the Government of Viet Nam implement their *Law on Vocational Training (2006)* and their efforts to address and reduce skills shortages in key occupations. The Project is expected to provide higher skills training in key occupations in vocational colleges, including electrical-electronics manufacturing, mechanical manufacturing, information, technology (IT), hospitality (e.g., culinary skills, hotel management and restaurant services), transport, and navigation and shipping. A gender action plan (GAP) has been prepared to ensure women have equal opportunities to access vocational and technical training in the 20 vocational colleges (15 public and 5 private) supported by the Project. The GAP is based on a social analysis that was prepared during project preparation. It is developed in accordance with the Asian Development Bank (ADB) *Policy on Gender and Development (1998)*, and the Government of Viet Nam's *Social and Economic Development Plan (2005-2010)*, its *Law on Gender Equality (2006)* and subsequent decrees and regulations.

A. Legal Framework

2. The legal framework for promoting gender equality in vocational and technical training (VET) includes a series of laws and regulations. The *Social and Economic Development Plan (2005-2010)* includes a policy measure to develop vocational and job centers for women, and offer training to 75 million people, of which 20-30% will have received long term training. The *National Target Program on Poverty Reduction (Phase 2: 2006-2010)* further includes 12 programs and policies, including a vocational training component that aims to provide training for 150,000 poor people at free or reduced fees. By 2009, only 2% out of the 75% households which identified needs in training had benefited from vocational training. *Decision 2590/1997/QĐ-BGD* and *Circular 16/1997/TT-BGD* both aim to prepare ethnic minority students for university and vocational training, and to develop cadres of ethnic minority teachers. *Decision 267/2005/QĐ-TTg* gives priority to ethnic minority vocational training students in boarding schools.

3. **VET Framework.** The *Law on Vocational Training (76 /2006/QH11)* was passed in 2006. The General Department for Vocational Training (GDVT) established a proposal for *Vocational Training Innovation and Development (2008-2015)*, which stipulates: (i) training 1 million rural laborers per year, especially ethnic minorities and the disabled, resulting in a 35-42% increase in the rural labor force with vocational training and 60-65% increase in the general labor force by 2015; and (ii) rapid expansion and quality improvement of vocational training institutions, teachers and curriculum. The Government has announced plans to set aside about 23.1 trillion VND (nearly \$1.3 billion) to achieve its targets.

4. **Gender and VET.** The *National Strategy for the Advancement of Women in Vietnam to 2010 (2001)* aims to increase the proportion of trained women workers to 40%, of which 26% would have access to vocational training by 2010. The *Law on Gender Equality (2006)* provides for women's and men's equality in education and training. It stipulates provisions for: (i) gender equality in accessing and benefiting from the policies on education, training and fostering professional skills; (ii) the establishment of proportions for men and women in training; (iii) assisting female laborers in rural areas in vocational training; (iv) supporting female public servants with children under 3 years old to participate in training and priority to be given to women in the case of equal qualifications between women and men; and (v) it states it is a violation of the law to conduct career-oriented education and compile and disseminate textbooks that contain gender bias. A number of implementation decrees and regulations were

passed in 2008 and 2009.¹ For instance, Resolution 57 (2009) includes a time-bound action plan with assigned responsibilities for the development of a *National Strategy for Gender Equality (2011-2020)* and a *National Target Program on Gender Equality (2011-2015)* by 2010.

5. **Gender, TVET and the Private Sector.** A number of Government incentives exist to the private sector for increasing the number of female laborers. *Decree 23/CP (18 April 1996) Providing Details, and Guidance for the Implementation of a Number of Articles of the Labor Code on Women Laborers* outlines a number of preferential treatments for female workers and specifies two key incentives for enterprises that employ a large number of women:² (i) access to low interest loans from the National Fund for Employment (Article 6); and (ii) reduced tax considerations (Article 7). In 2009, the Viet Nam Trade Union conducted a review of the Labor Code (1994). It revealed that working conditions for female laborers were not improving, as 76% of women employed had to work overtime. It also found that enterprises employing large number of women did not have access to low interest rate loans or tax reductions.

6. **Gender and Institutional Responsibility.** The Department of Gender Equality (DGE) was established in MOLISA in December 2007, and is responsible for implementing and monitoring progress of the Law for Gender Equality. In 2008, the National Commission for Women's Advancement (NCWA) also moved to MOLISA, where both entities coordinate effectively with one another: (i) the Director for DGE and Director for the Committee for the Advancement of Women in MOLISA is the same, (ii) the Minister for MOLISA is the Chairperson for NCWA, (iii) the President for VWU is the chairperson for NCWA, and (iv) members of the NCWA are the Deputy Ministers from all the line ministries, and equivalent central sector agencies. The DGE reports directly to the Prime Minister and coordinates with the Viet Nam Women's Union at the central and provincial levels.

B. Gender and the Labor Force

7. Viet Nam has one of the highest labor force participation rates in the region, where women represent half of those employed. However, women and men do not participate equally in the labor market. Gender disparities exist in the sectors of work, economic activities, occupations, job positions and salaries. A majority of women are employed in the foreign investment sector (61.1%), which relatively employs a low percentage of Vietnamese at 2.0%. About 50% of Vietnamese people work in agriculture, forestry and fishing, of which about 52% are women. Women are also employed in manufacturing, wholesale and retail trade, and repair of vehicles (General Statistical Office [GSO] 2008). Beyond these sectors, employed women and men tend to cluster. A majority of women work in hotels and restaurants (72%), education and training (69%) and health and social work (60%). A majority of men work in transport and storage (92%), construction (91%), electricity, gas steam, water and air conditioning (83%), and mining (69%). In industries where women predominate (e.g., garment, textile and shoe manufacturing), they tend to work in unskilled positions that are lower in rank and do not require

¹ Decrees and regulations include: (i) Decree No. 70/2008/ND-CP (4 June 2008) *Providing Details for the Enforcement of Relevant Stipulations of the Gender Equality Law*; (ii) Decree No. 48/2009/ND-CP (19 May 2009) *Stipulating for Measures to Ensure Gender Equality*; (iii) Decree No. 55/2009/ND-CP (10 June 2009) *Stipulating for Penalizing Administrative Violations on Gender Equality*; and (iv) Resolution No. 57/NG-CP (1 December 2009) *Issuing the Governmental Programme of Action for the Period to 2020 on Implementation of the Resolution No. 11/NQ/TW (27 April 2007) of the Political Bureau on the Work for Women in the Period of Accelerating Industrialization and Modernization of the Country*.

² An enterprise which meets one of the following 2 conditions is regarded as having a high proportion of women in its work force: (i) regularly employs 10-100 women laborers and has women laborers accounting for 50% or more of its total regular workforce; and (ii) regularly employs over 100 women laborers and has women laborers accounting for 30% or more of its regular workforce.

physical strength or technical ability; as a result, they work longer hours, are paid lower salaries, and have less access to training and promotions.

8. Women are also underrepresented in some sectors (e.g., information and communication technology [ICT]). A majority of the few women working in ICT are employed as programmers and few are hardware specialists. Men tend to work as designers. Reasons for low female participation rates are multifaceted; women not only face discrimination and stereotypes about their technical competencies and abilities to work long hours, but they also tend to believe that there is a negative impact of computers on their reproductive health.

9. Inequities are also represented in women's and men's salaries, even when education level and qualifications are taken into account. On average, men earn about 34% more than women (GSO 2008). This gap varies with the level of education completed. Men earn up to 44% more than women with short-term vocational training. The income gap is less with those who have attended secondary vocational school. Income disparities are partly due to differences in skill levels attained between men and women, and are most pronounced in the private sector compared to state-owned enterprises.

10. In general, the workforce in Viet Nam has low skills, with 85-90% of the Vietnamese workforce found in the informal economy (e.g., domestic enterprise, informal and formal household businesses and agriculture). Women comprise a greater proportion of this sector due to household responsibilities that limit mobility and opportunities to be away from the house for long hours. The Department of Statistics estimates that 81% of the female workforce works in the informal economic sector, comprising about 60% of the informal sector (2004). While informal employment offers flexibility and critical incomes for women, it also leaves them vulnerable and at risk to labor exploitation due to lack of regulation and access to social protection.

11. A greater proportion of women also are employed as unskilled workers (about 68% compared to 57% for men). On average, about 22% of the economically active population has completed vocational training or graduated from university. Men tend to be more educated or skilled—about 20% of economically active men have completed vocational training and nearly 6% have graduated from university compared to about 15% and 4.0%, respectively for women.

12. Differences are also represented in the highest certificate attainment by women and men in the labor force. According to the 2006 VHLSS: (i) about 5% of men have a technical worker certificate compared to 2% for women; (ii) about 5% of men have vocational training compared to 3-4% for women (GSO 2006). Although the proportion of women and men who attained a technical or vocational training certification increased since the 2002 VHLSS, this increase was greater for men in both qualifications (about 612% increase for men with technical certification compared to about 6% increase for women, and about 85% for men with vocational training certification compared to about 69% increase for women). Employment data suggests that university graduates experience greater unemployment (21%) than those with a college certificate or short-term vocational training (14%). Those with vocational secondary experience the highest unemployment at about 32%, with female graduates experiencing the greatest unemployment.

C. Gender and VET

13. **Student analysis.** To enter into a VC, one must have completed secondary vocational school or general upper secondary school. While participation in vocational training is low overall, it is even lower for women. The proportion of females ranges from 19% to 24%.³ A

³ Based on 2007 MOLISA data of 1.4 million students.

survey of Vietnamese youth found that about 19% of respondents had or were participating in some form of job training. Urban youth had more access to vocational training than their rural counterparts (about 27% compared to 16%), while young men had more access than young women in both urban and rural areas (about 51% for urban men compared with 38% urban women, and about 30% for rural men compared to 25% for rural women). Ethnic minority youth had less access to training than their Kinh counterparts (about 5% compared to 21%). All respondents indicated that the lack of training opportunities and cost of training were the main barriers to access. Moreover, there was a positive correlation between vocational training participation and household income, especially for women.

14. Gender disparities also exist in terms of subject and type of vocational training. Women tend to be clustered in “traditional” female areas. Based on the occupations surveyed in the 15 vocational institutions in the Project area, a majority of female students were enrolled in occupations related to business and accounting, tourism services and hospitality, sewing and fashion, and network administration. Female students are few, or not present, in occupations related to shipping, welding, metal cutting, automobile technology and industrial electrics. Based on the previous VTEP, about 15% of 1,332 graduates from 2001 and 2002 were women. A majority of women were found in 6 out of 31 occupations—accounting, chemistry, computers, secretary and office affairs, food production and beverages and textile. These plus four other occupations (computers, electrical and electronic technique and informative application), have the greatest proportion of female students. In the remaining 23 occupations, female students are few in proportion. However, this does not imply that women are absent from “non traditional” occupations. Teacher support is particularly important when female students take more time to acquire skills in “non traditional” occupations. One strategy employed by female students to gain employment in “non traditional” areas is to seek jobs in related areas (e.g., sales and marketing) that require in-depth knowledge of the industry.

15. The highest proportion of female students is found in vocational secondary programs (27%) while the lowest is in technical worker programs (11%). Female students comprised about 26% of all vocational college graduates. Of 204 female graduates, about 54% enrolled in technical worker programs, 39% in vocational secondary and 7% in college level programs. Women are concentrated in technical worker programs, which reflect a general tendency for women to be enrolled in short-term courses. For young women, shorter-term or less time intensive vocational training programs allow them to balance educational interests with responsibilities at home. Sex-disaggregated 2008 enrollment data for the 15 public and 5 private institutions, eligible for support under the Project, is in Table A12.1.

Table A13.1: Percent of Students in SEP Public and Private Institutions, by Sex and Ethnic Minority

SEP VCs	College Level Enrollments (2008)			Secondary Level Enrollments (2008)		
	Total	Female (%)	Ethnic Minority (%)	Total	Female (%)	Ethnic Minority (%)
15 Public	16,482	29.01	5.07	15,130	32.8	18.00
5 Private	4,303	22.19	0.67	8,077	0.53	0.53
Total	20,785	27.60	4.16	23,207	21.6	11.92

Source: Based on completed SEP institution questionnaires, ADB and EA estimates, February 2010.

16. **VET Teacher analysis.** Accurate sex-disaggregated data of vocational teachers is currently unavailable. Data collected for each public and private VC illustrates that about 36% of all teachers and about 23% of all management staff is female (Table A12.2).

Table A13.2: Percent of Teachers in the SEP Public and Private Institutions, by Sex and Ethnic Minority

SEP VCs	Total Teachers			Total Management Staff		
	Total	Female (%)	EM (%)	Total	Female (%)	EM (%)
15 Public	1,529	35.4	1.77	330	23.0	1.21
5 Private	467	37.7	0.21	95	24.2	0.00
Total	1,996	35.9	1.40	425	23.3	0.94

Source: Based on completed SEP institution questionnaires, ADB and EA estimates, February 2010.

17. According to GDVT, about 24% of the 20,195 vocational teachers are female and 1.1% are ethnic minorities. Across vocational institutions, the proportion of women in vocational training centers is greater than in vocational colleges and vocational secondary schools (about 28%, 23% and 22%, respectively). Most female teachers are found in tourism and culture, information programs, and some in industrial programs. This is reinforced by the VTEP experience where most female vocational teachers were in hospitality (hotel and tourism) and culture and information programs. Some were also found teaching in industrial programs, such as design and garment. Vocational teachers from ethnic minority groups work mostly in vocational training centers, with a few who also teach in ethnic minority languages.

D. Implementation Arrangements

18. Implementation arrangements and estimated costs of the GAP have been integrated into the overall arrangements and total project budget. Additional costs have been allocated for gender awareness training programs, social marketing initiatives, and corporate social responsibility interventions. A project management unit is established in GDVT for all external-assisted projects. Subproject implementation units will be established in each of the 15 vocational institutions. The PIUs, with guidance from the GDVT and consultant team, will be responsible for implementing GAP. The DGE will be responsible for monitoring the implementation of the GAP. An international gender specialist (4 person-months) and national gender expert (12 person-months), together with other consultants, will support (i) DGE prepare and deliver 2 gender awareness training modules for (a) management staff from PMU/DGVT, DOLISA and management staff from SEP VCs; and (b) training of trainer modules for mid-level SEP VC and DOLISA staff; (ii) PMU for the establishment of sex-disaggregated indicators for project performance monitoring and evaluation, vocational training information system (VTIS), and labor market information system (LMIS); and (iii) DGE and PMU/DGVT promote gender equality and corporate social responsibility aspects in SEP public-private partnerships. GDVT and PIUs will incorporate GAP monitoring in their progress reports to the Government and ADB.

E. Gender Action Plan

Table A13.3: Gender Action Plan

Project Output	Actions Proposed
Overall	<ul style="list-style-type: none"> • Two industry sectors with high female participation are selected for the development of high skill training programs. • 8 out of the 15 VCs selected for Project support will include training programs for females. • At least 35% of enrolment in public VCs is female by project end. • At least 20% of enrolment in male dominated training programs in public VCs is female by project end.
Output 1: Quality and Management of Vocational Training Improved	<ul style="list-style-type: none"> • At least 30% of MOLISA, DOLISA and SEP VC staff trained in management and leadership skills will be female. • Develop and circulate a code of conduct on prevention of sexual harassment and protection of women in the SEP institutions. • Ensure that the professional development training program for GDVT managerial staff and officials has a module on gender issues, including sensitivity training and promotion of girls in nontraditional occupations • VTIS reports will include sex-disaggregated information on enrollment, drop-out, graduates and other VET indicators. • Ensure the test results for skills certification testing are disaggregated by sex. • Include a social/gender equity indicator in the newly developed self assessment procedures for accreditation, and monitor progress against it. • Develop gender-responsive professional standards for teachers • Implement a gender responsive social marketing plan to increase female enrollment in VET programs. Ensure the social marketing plan includes specific actions to attract women into nontraditional areas. • Ensure a gender balance in training for operation and data management of VTIS • Ensure that females constitute at least 40% of participants in all management training and other capacity development programs (accreditation). • Ensure that the gender targets in the HRD Plan are met.
Output 2: 15 Vocational Colleges Upgraded to Deliver High Skill Occupational Training Programs	<ul style="list-style-type: none"> • Civil works should include improvements to include separate women toilets in separate locations, accessibility to toilet and dormitory facilities, and better on-campus safety. • Pilot new initiatives aimed at increasing female enrollment in nontraditional areas within SEP VCs (e.g., all female classrooms, extra support/study sessions for females, or day care facility with trained attendant) • Incorporate social/equity issues into the design pilot vocational trainer development program. • At least 40% of participants in all teacher development programs should be female. 1) • Ensure equal gender balance in upgrading technical skills of vocational technical teachers with industry experts and work placement assignments • Incorporate social/gender equity issues into the development of training for vocational teachers through more sensitive training materials such as specific modules • At least 30% of teachers selected for development of training programs are female (i.e., 30% female in each group).

Project Output	Actions Proposed
Output 3: Partnerships with the Private Sector Strengthened	<ul style="list-style-type: none"> • Private VCs will be required to develop a gender strategy, establish and report against key sex-disaggregated indicators, and report regularly on progress made against the gender strategy. • Tracer studies of SEP vocational training graduates should incorporate a gender analysis into the study and report on the results. • Ensure equal gender balance of participants trained in tracer study methodology • Incorporate social/gender equity issues into the training course developed for ERU on strengthening links with employers. By project-end, aim to achieve gender balance in each ERU. • Incorporate social/gender equity issues into the training for developing a integrated planning and marketing strategy. • Include a discussion on gender strategies and actions, which can be used by ERU and other senior staff to help promote gender equality in their partnerships with industry and enterprises • Incorporate gender and VET awareness training as part of the training on CSR. Invite the DGE to help deliver this training. At least 30% of participants shall be female. • Encourage SEP VCs to partner with annually with at least one enterprise that employs a majority of women. • Ensure separate toilet facilities are constructed (or improved) for women. • Prepare a social marketing strategy for VET, specifically a module for increasing CSR/gender awareness and action among industry partners • Establish a CSR/gender recognition award to those top performing industry partners who have successfully taken steps to reduce gender inequalities in their businesses. • Publicize regulations that provide incentives to employers/businesses that employ female laborers. Review and amend current regulations, as needed.
Implementation arrangements	<ul style="list-style-type: none"> • Each SEP VC will prepare an institution-specific action plan, with targets and strategies aimed at reducing gender disparities and inequalities. • Gender targets are included into the human resource development plan (PAM, Appendix 5). • Gender specialists will work with other consultants, to support the PMU/GDVT and DGE in MOLISA. • Support DGE to develop and deliver 2 training modules for: (i) DGVT, DOLISA and management staff from SEP VCs; (ii) middle level staff from SEP VCs as master trainers to deliver training to other staff. • DGE will be responsible for monitoring the implementation of the GAP. • PMU will establish sex-disaggregated indicators for project performance M&E, in and the VTIS • PMU and PIUs will maintain all training records disaggregated by sex. • DGE and PMU will promote gender equality and CSR. • PMU/GDVT and PIUs will incorporate GAP monitoring in their progress reports to the Government and ADB.

CSR=corporate social responsibility, DGE=Department of Gender Equality, DOLISA=Department of Labor, Invalids and Social Affairs, FMIS=financial management information system, GDVT=General Directorate of Vocational Training, ICT=information and communication technology, system, M&E=monitoring and evaluation, MOLISA=Ministry of Labor, Invalids and Social Affairs, pm=person-months, SEP=skills enhancement project, VET=vocational training, VC=vocational college, VTIS=vocational training information system.