



1. Project Data

Project ID P117393	Project Name VN-School Readiness Promotion Project	
Country Vietnam	Practice Area(Lead) Education	
L/C/TF Number(s) IDA-52070	Closing Date (Original) 30-Jun-2017	Total Project Cost (USD) 100,000,000.00
Bank Approval Date 28-Feb-2013	Closing Date (Actual) 30-Jun-2017	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	100,000,000.00	0.00
Revised Commitment	99,944,415.14	0.00
Actual	95,191,136.98	0.00

Prepared by Katharina Ferl	Reviewed by Judyth L. Twigg	ICR Review Coordinator Joy Behrens	Group IEGHC (Unit 2)
--------------------------------------	---------------------------------------	--	--------------------------------

2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p. 4), the objective of the project was "to raise school readiness for five-year-old children, in particular for those most vulnerable to not succeeding in a school environment, through supporting selected elements of Vietnam's Early Childhood Education (ECE) program."

b. Were the project objectives/key associated outcome targets revised during implementation?

No



c. Will a split evaluation be undertaken?

No

d. Components

The project included two components:

Component 1: Promoting School Readiness for Disadvantaged Children (appraisal estimate US\$95 million, actual US\$95 million): This component was to finance the implementation of key elements of the government's ECE program. In particular, this component was to reimburse the government for the following activities: (i) lunch subsidies for disadvantaged children between the ages of three and five years old; and (ii) salaries, including social and health insurance contributions, for contract preschool teachers to ease the shortage of teaching staff. The Project Appraisal Document (PAD, p. 7) stated that the project was to focus its resources and attention on preschools with low capacity to deliver quality services for the most vulnerable children in line with the new ECE curriculum. These low-capacity preschools were in disadvantaged areas with high shares of ethnic minority children, children with less educated parents, and poorer households whose children were most likely to be vulnerable in terms of school readiness. The PAD (p.33) defined "vulnerable children" as: "(i) children whose parents are residents in frontier or mountainous areas, island villages, or designated disadvantaged districts and villages; (ii) children from registered poor families; (iii) orphans, and (iv) disabled children with economic difficulties." On-budget funding under this component was to be released annually against the achievement of a series of disbursement-linked indicators (DLIs) and evidence of eligible expenditure under a defined Eligible Expenditure Program (EEP).

Component 2: National Early Childhood Education Policy Development and Capacity Building (appraisal estimate US\$5 million, actual US\$4.95 million): This component was to finance technical assistance (TA), training expenditures, and operating costs to support capacity building and the further development of ECE policy. Specifically, this component was to include: (a) strengthening planning and reporting systems for ECE; (b) strengthening professional development for ECE personnel, including the preparation of a new professional development program, (c) development of ECE policy and regulation, including the development and piloting in selected locations of a new community-based Early Childhood Development service model for children age 0 to 3 years old, (d) independent verification and performance audits of DLI reporting, (e) financial management capacity-building for the purposes of the results-based financing, and (f) project management, monitoring, and evaluation.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Estimated cost at appraisal was US\$100 million. Actual cost was US\$99.95 million. The project was financed by a US\$100 million credit from the International Development Association. No contributions were expected or made by the Borrower. There were no project restructurings, and the project closed on the originally planned date of June 30, 2017.



3. Relevance of Objectives

Rationale

Despite Vietnam's rapid and consistent economic growth since launching its transition towards a market system in 1986, and its impressive progress towards achieving Education For All goals, at appraisal there were still significant gaps between the majority Kinh and ethnic minority groups in terms of income, school enrollment, and school completion rates. While overall primary school enrollment was almost universal, only 80% of children from ethnic minority groups were enrolled in 2008. Primary completion rates were 92% for Kinh but only 78.2% for children from ethnic minority groups. The project's objective was therefore highly responsive to country conditions at the time of appraisal.

The objective of the project was also highly relevant to government and Bank strategy at appraisal and at closing. It is in line with the government's current Socioeconomic Development Strategy (2011-2020), which identifies human resources development, including the expansion of ECE, as one of three critical strategic areas. The government's Education Development Strategy for 2011-2020 also supports universal ECE for four- and five-year-old children by 2020. The objective is aligned with the "opportunity" pillar of the Bank's Country Partnership Strategy for 2012-2016 and the Bank's Education 2020 Strategy "Learning for All." The Bank's most recent Country Partnership Strategy (FY2018-22) includes a component on early childhood care and education under its objective to improve human endowments.

Rating

High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To raise school readiness for five-year-old children, in particular for those most vulnerable to not succeeding in a school environment, through supporting selected elements of Vietnam's Early Childhood Education (ECE) program.

Rationale

The project's theory of change linked the provision at the ECE level of educational materials, support for teachers who speak ethnic minority languages, training of teachers and education managers, effective teacher professional development, strengthening of pre-school and district level planning and reporting of ECE, and providing school lunches to raising pre-school attendance and therefore school readiness for five-year-old children. The theory of change held that developing guiding regulations for preschool quality, self-assessment, and external accreditation would improve the capacity to delivery quality preschool education and ultimately contribute to improving education outcomes for the entire population. The project



targeted disadvantaged children between the ages of three and five in preschools situated in areas with high shares of ethnic minority children, children of less educated parents, and poorer households.

First Results Area: Expanded full-day enrollment

Outputs:

- The provision of school lunches was supported and targeted at disadvantaged three- to five-year-olds, with the aim of encouraging participation and full-day preschool attendance.

Intermediate Outcomes:

- The preschool enrollment rate for five-year-old children increased from 96.4% in 2012 to 98.85% in 2017, surpassing the target of 97.5%. The enrollment rate for three- to five-year-old children increased from a relatively flat 82-84% in 2010 through 2014 (prior to the project), to 92% in 2016/2017 (this was a DLI).
- The share of five-year-old children enrolled in preschool benefiting from full-day provision increased from 73.7% in 2012 to 87.6% in 2017, surpassing the target of 80%.
- The number of provinces that achieved universal preschool for five-year old children increased from 10 provinces in 2013 to 63 provinces and municipalities in 2017, surpassing the target of 50 provinces. The government defined “universal preschool” as: (i) 95% enrollment, with 85% in full-day preschool; (ii) 90% attendance; (iii) underweight malnutrition (weight for age) not greater than 10%; and (iv) physical infrastructure, material supplies, and teacher qualifications in line with established standards.

Second Results Area: Improved capacity for quality assurance

Outputs:

- Pre-school and district planning and reporting was strengthened through capacity building, particularly in administrative reporting to ensure consistency and accuracy of data.
- Guiding regulations for preschool quality self-assessment and external accreditation were developed (this was a DLI).
- Self-assessments of preschools were undertaken. However, the ICR does not state whether the DLI “90 percent of preschools have undertaken self-assessment” was achieved.

Intermediate Outcomes:



- 41% of preschools were accredited at least for level 1 quality by the end of the project, surpassing the target of 40% (this was a DLI).

Third Results Area: Strengthened teacher and manager professional expertise

Outputs:

- Child-centered ECE professional development modules were developed and institutionalized in annual compulsory development programs for teachers and managers. The modules aimed at improving teaching practice for ethnic minority and highly disadvantaged children.
- An online learning management system for delivering interactive e-learning modules for preschool teachers and managers was developed and was in use at the time of the ICR. The ICR (p. 18) cited a study finding that the new online Learning Management System was particularly useful due to its flexibility in access to each of its ten modules. The modules required active engagement with instructors and other participants, and immediate feedback was provided. The ICR (p. 18) also stated that progress could be tracked in provinces, districts, and individual schools in real time.

Intermediate Outcomes:

- 95.32% of preschool teachers successfully completed the priority modules of the new professional development program, surpassing the target of 90% (this was a DLI).

Outcomes:

- Between 2012 and 2016, the rate of vulnerability (defined as being in the bottom 10%) along at least one of the five standard developmental domains of the Early Development Instrument (EDI: physical health and well-being, social competence, emotional maturity, language and critical thinking skills, and communication skills and general knowledge) in ethnic minority children dropped from 45.4% to 22.4%. This was a sharper decline than the rate for non-ethnic minority children (19.4% to 9.1%) over the same time period. The share of all five-year-old children who were vulnerable according to the EDI instrument decreased from 24% in 2013 to 12.3% in 2016, surpassing the target of 22%. The EDI was a school-based rating, conducted by teachers, of each child's readiness to attend school. The ICR did not provide specific data for disadvantaged groups other than ethnic minorities.



Rating
Substantial

Rationale

The decrease in the number of five-year-old children who are vulnerable, as measured by the EDI, and the increase in the number of provinces and municipalities achieving universal preschool for five-year-old children were indicative of Substantial improvement in the school readiness of five-year-old children. Sharper declines in vulnerability among ethnic minority children than among non-minority children suggested that vulnerable children had been effectively reached. The project's support for capacity development and teacher training, particularly through training modules that focused on work with ethnic minority children, contributed to increased capacity for instruction of disadvantaged children and for quality assessment through accreditation processes. Although it is unlikely that the project's support for school lunches was solely responsible for increased enrollment outcomes, it is likely to have played a significant role, and attribution of this achievement specifically to the project's interventions was strengthened by the timing of improvements in pre-school enrollment, which were tightly tied to the project's implementation period. All of these factors lead to the conclusion that the project's objective was Substantially achieved, with plausible attribution of observed outcomes to the project's interventions.

Overall Efficacy Rating

Substantial

5. Efficiency

The PAD (p. 58) conducted a cost benefit analysis. The identified benefits were the improvement of children's cognitive ability and the number of years of school attained, both of which would likely raise economic output. The PAD cites several studies that estimated these benefits. The costs of the investment were estimated at US\$400.3 million over a four-year period. The analysis estimated a benefit-cost ratio of US\$27.6 per dollar spent and an internal rate of return of 15%, using a 5% discount rate (the PAD did not explain the choice of a 5% discount rate).

The ICR (p. 16) conducted a cost-effectiveness analysis and a cost-benefit analysis. The estimated impacts of pre-primary education and specific learning outcomes attributable to the project were based on existing research and evidence from similar education interventions in Vietnam and globally. The cost-effectiveness analysis estimated an effect size of 0.06 to 0.47 standard deviations per US\$100, but speculated that the actual effect may be higher due to synergies among this project's specific activities. The cost-benefit analysis compared increased private earnings as a result of increased learning outcomes with project costs. The



analysis estimated an internal rate of return of 9% and a Net Present Value of US\$216 million. The estimation used a discount rate of 5%, stating that this is a standard rate used by the Bank and the International Monetary Fund.

The project experienced some implementation delays due to procurement issues; however, the project closed on its original closing date. According to the ICR (pp. 19-20), smooth functional relationships between implementing entities and effective communication between the Ministry of Finance and the Ministry of Education and Training (MOET) had a positive impact on implementation efficiency.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	15.00	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	9.00	100.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The objectives were Highly relevant to country conditions, government strategy, and Bank strategy at appraisal and closing. The objective to raise school readiness for five-year-old children was Substantially achieved, with project interventions convincingly leading to increases in preschool enrollments and reductions in vulnerability among all children, including disproportionately large decreases in vulnerability among ethnic minority children. Efficiency was Substantial, with a reasonable rate of return on project investments and evidence of implementation efficiencies. Outcome is rated Satisfactory, consistent with only minor shortcomings in project preparation and implementation.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome



The government continues to be committed to ECE, with continual budget increases in this area. It recently issued a decision to continue subsidizing school lunches for disadvantaged pre-school children (ethnic minorities, children from poor households, and others). Capacity built in the areas of ECE policy development and project management is likely to be sustained. The on-line learning system has been solidly institutionalized. It will be important to sustain support for other activities introduced by the project, including monitoring and on-site support to provinces, teacher training, and newly established ECE centers.

8. Assessment of Bank Performance

a. Quality-at-Entry

The ICR (p. 19) stated that project design was built on global best practices in ECE. According to the ICR (p. 23), the project design incorporated recommendations from a Quality Enhancement Review, peer reviewers, and lessons learned from other Bank projects in Vietnam. Lessons learned from previous experience included: the importance of training teachers specifically to work with disadvantaged children, especially ethnic minority children; the key role of teacher professional development that focuses on effective classroom practices; the benefits of maximizing parent involvement in child learning; and the essential contribution of regular assessment of school readiness and child development outcomes (PAD, p. 12). The project's results chain adequately linked project activities to desired outcomes, incorporating DLIs that were a well balanced mix of activities, outputs, and outcomes. The Bank identified relevant substantial risk factors, including MOET's weak capacity in monitoring and reporting on DLIs, monitoring and evaluation, and financial management related to results-based financing. Mitigation efforts included activities implemented under component 2 to strengthen capacity, particularly in the areas of administrative reporting and planning/reporting under the government's program. Mitigation efforts were mostly adequate, although the project did experience some implementation delays due to financial management and procurement-related challenges. The project's M&E arrangements were appropriate (see Section 9a).

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The ICR (p. 23) stated that the Bank team conducted nine supervision missions during project implementation. The Bank supported the project from headquarters as well as the country office. A strong, collaborative relationship was sustained between the Bank team and the MOET, and the two entities worked together to address implementation bottlenecks. According to the ICR (p. 23), the Bank provided key support to the Project Management Unit (PMU) to build capacity in financial management and procurement. Technical assistance that was provided under component 2, such as capacity building in strengthening preschool and district-level planning and reporting in ECE, played a key role in supporting activities related to the DLIs.



Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Project M&E was embedded into country systems and operated by MOET. The results framework included two PDO indicators and eight intermediate outcome indicators. The objective of the project was clearly specified and well reflected in the selected indicators. All indicators included in the PAD were specific, measurable, achievable, relevant, and time-bound. The theory of change developed in the ICR reflected the results framework in the PAD adequately. Furthermore, a series of DLIs was identified, corresponding to the three intermediate results areas (expanded full day preschool enrollments, improved capacity for preschool quality assurance, and strengthened preschool teacher and manager professional expertise). On-budget funding under the first component was released annually against the achievement of these indicators and evidence of eligible expenditure under the defined EEP. Each indicator was linked with a disbursement amount.

The project's M&E served as a model for a new DLI approach in the sector, including the use of independent monitoring and verification. Proposed data collection timing included the reporting of annual intermediate results indicators (DLIs) per the results-based financing arrangement, and school readiness monitoring at baseline, mid-term, and closing. The EDI was used to measure school readiness.

b. M&E Implementation

At the beginning of project implementation, the PMU and MOET faced some challenges in familiarizing themselves with the new results-based financing modality. The Bank addressed this challenge by increasing its monitoring and support. All DLIs were assessed, met, and disbursed on time. Prior to project implementation, the project conducted a baseline survey of school readiness, measured along with the EDI vulnerability assessment. The planned mid-line survey was conducted in 2014, and an end-line survey was conducted in 2016. These assessments were conducted by a team including MOET ECE officers, experts from the Vietnam National Institute of Education Sciences, and local consultants, also involving officials and teachers at the school level.

Activities under the project's second component included strengthening monitoring and reporting in the MOET, provinces, and districts. Technical assistance supported the school readiness assessments. The indicators included in the results framework were consistently measured and reported in the Bank's Implementation Status and Results Reports. M&E data were found to be of reliable quality. M&E functions and processes were continued after project closing.



c. M&E Utilization

M&E data were used to inform decision making and demonstrate progress to stakeholders. In particular, M&E results supported the government's decision to increase financial commitments to ECE, to better target program resources, and to prioritize spending on improving ECE quality.

M&E Quality Rating

High

10. Other Issues

a. Safeguards

The project was classified as environmental category C. It triggered the Bank's safeguard policy OP/BP 4.10 (Indigenous People). A Social Assessment was conducted during project preparation. The project did not require an Ethnic Minority Development Plan or Planning Framework, as the project aimed to deliver educational services to students and teachers of ethnic minorities in poor, remotely located, and low performing areas. The ICR (p. 22) stated that, throughout project implementation, safeguard compliance was rated Satisfactory.

b. Fiduciary Compliance

Financial Management

The project complied with the Bank's financial covenants. However, the project faced several financial management-related challenges throughout project implementation, including delays in the submission of financial audits and weak financial accounting at preschools. There were adverse opinions resulting from frequent use of incorrect budget codes, and District State Treasuries were not able to identify accounting errors made by preschools. Project financial statements were initially submitted with delays, but their quality and timeliness improved over time. The Bank provided the Project Implementation Unit with financial management training. In the last audited financial statements (for the year ending December 31, 2016), the audit opinion was unqualified. At project closing, financial management was rated satisfactory.

Procurement

The project followed the Bank's procurement rules; however, there were implementation delays due to procurement-related challenges. The signing of some packages was delayed due to the MOET's complex internal review processes. As a result, there were delays in the construction of some ECE centers. The Bank addressed procurement issues by providing training and support to project management staff, and by conducting procurement post reviews



c. Unintended impacts (Positive or Negative)

None reported.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Bank Performance	Satisfactory	Satisfactory	---
Quality of M&E	High	High	---
Quality of ICR		Substantial	---

12. Lessons

The ICR (pp. 24-25) provides several useful lessons learned:

- **Integrating project activities into the daily work of the responsible ministry and collaborating with different departments within the ministry is conducive to successful implementation.** In this project, the PMU was established within the MOET’s Department of Early Childhood and Education and coordinated by the ministry’s Department of Planning and Finance. The ministry’s systems, staff, and functional departments were used to implement the project’s activities, allowing for the project to be integrated into the ministry’s daily work rather than being a separate work stream.
- **Supporting already existing government programs increases efficiency and sustainability of project activities.** This project provided budget support and used ongoing budget lines without creating additional transaction costs. This allowed for a smooth transition after project closing.
- **Providing technical assistance activities in addition to budget support is important to improving a system’s overall quality.** In this project, while only five percent of project funding was used for technical assistance activities, this activity was critically important for strengthening the professional development of ECE staff, developing ECE policies and regulations, and building capacity for financial management, project management, and monitoring and evaluation.
- **Combining different types of M&E activities while also providing technical assistance to build capacity can contribute to high M&E quality.** This project combined various assessments, the use of DLIs, and regular project indicator monitoring while also providing technical assistance in various areas such as strengthening planning and reporting systems for ECE, and supporting independent verification and performance audits for DLIs. Combining all these different activities resulted in high quality M&E.



13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided a solid overview of project preparation and implementation. Its economic analysis was comprehensive. It was concise, internally consistent, and outcome-driven by providing relevant data on key indicators. The implementation of results-based financing was well explained through provision of detailed information about the different DLIs. The quality of analysis and evidence was substantial. For example, the ICR provided a clear exposition of the project's theory of change and linkages between outputs, intermediate outcomes, and outcomes. Also, the ICR included useful evidence on the increase in share of three to five-year-old children enrolled in ECE before and during project implementation. More information could have been provided on procurement-related challenges encountered during implementation.

a. Quality of ICR Rating

Substantial