# Project Information Document (PID)

## Appraisal Stage

### Report No.: AB4393

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<th>Project Name</th>
<th>Vietnam: School Education Quality Assurance</th>
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<td>Borrower(s)</td>
<td>GOVT OF SOCIALIST REPUBLIC OF VIETNAM</td>
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<tr>
<td>Implementing Agency</td>
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<td>Environment Category</td>
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<td>Date PID Prepared</td>
<td>February 18, 2009</td>
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<td>Date of Board Approval</td>
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### 1) Country and Sector Background

#### General Context

Vietnam has been one of the fastest-growing economies in the world, achieving an average growth rate of over **7.5% for the past decade**. In 2007, GDP accounted for US$70 billion and the per capita income reached nearly $700. If the country manages to maintain the current growth rate, GDP per capita could cross the US$1,000 benchmark in three years. It is expected that Vietnam will be qualified as a middle-income country by 2010. Vietnam’s growing economy is attributed to its transitional path towards a market-oriented and globalized economy. Since a gradual economic reform “doi moi” was launched in 1986, the country has increasingly relied on market mechanisms and instruments to manage its economy and to implement its professed strategy of global integration. In January 2007, Vietnam joined the World Trade Organization.

The country is currently facing a new challenge in macroeconomic management. There is a considerable uncertainty in the financial markets and a rise in the world prices of commodities. In the first half of 2008, Vietnam experienced massive capital inflows, resulting in accelerating inflation, a ballooning trade deficit, a real estate bubble and a surge in investments of dubious quality. In the second half of 2008, the subprime mortgage crisis in the United States led to a global financial crisis, which in turn has affected the growth of Vietnamese exports and foreign direct investment. In response to the
former challenge, the Government has swiftly reacted since March 2008 by switching its priority from rapid growth to stabilization with a tight monetary policy and some measure of fiscal restrain, including the announcement of a stabilization package. The government also adjusted the GDP growth target for 2008 downwards, from 8.5-9% to 7%. The stabilization package has been functioning favorably to achieve economic stability although GDP growth for the first nine months of 2008 recorded merely 6.5%.

The rapid economic transformation and expansion for the past two decades have also had a great influence on poverty reduction in Vietnam. Household survey data from 2006 indicate that the percentage of households living below the poverty line has fallen dramatically from 58% in 1993 to 16% in 2006, or about 34 million people have escaped poverty.

However, in spite of such positive trends, Vietnam development is still not inclusive. Despite considerable progress in alleviating poverty, inequality still exists. Poverty remains much higher among the ethnic minorities than among the ethnic majorities, such as the Kinh and Chinese ethnic groups, as well as in rural areas where 92% of the poor live. The mountainous areas tend to be much poorer than the lowlands. For example, poverty rate of 2006 in Northwestern mountainous area accounted for 49.0%, compared to 5.8% in the Southeast lowland. Additionally, progress in poverty reduction has been much slower for Vietnam’s ethnic minorities, although it is encouraging that rural poverty continues to decline.

Diagnostic of the Education Sector

In this evolving context, Vietnam is experiencing increasing pressures on its education system. These pressures come from:
(a) the strong social demand for education and training from Vietnamese households;
(b) the aspirations of the Vietnamese population to accede to a significantly higher income level, partly through improved educational status;
(c) the knowledge and skill needs of a knowledge-based economy that is growing under the influence of globalization in general and the accession to WTO in particular; and
(d) the risk of increasing disparities between different groups within the population, as the result of a rapidly expanding economy.

The country already made great strides to address some of these increasing pressures. Vietnam has expressed strong commitment to achieving universal basic education as a foundational stone to social development and economic growth and to reflect this commitment there have been exceptional improvements in education attainment since the 1990s. According to VHLSS data, between 1992 and 2006, the percentage of the population aged 25-55 without any education level completed has decreased from 23% to less than 1%. Primary educational attainment increased from 28% to around 34% of the population, lower secondary attainment from 30 to 34% only, and upper secondary education from 7 to 12%. Also access to university increased with about 5% of the 25-55 population reaching the undergraduate stage in 2006. Additionally, rural and lower income populations have benefited the most from the increase in primary and lower secondary attainment.

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1 The poverty line is defined as the cost of a basket allowing a daily intake of 2,100 calories per person a day.
3 Vietnam is a multiethnic society and is home to about 53 distinct ethnic groups, which fall into one of three main language families (the Austro-Asian family, the Austronesian family and the Sino-Tibetan family) and eight language groups, which comprise the Viet-Muong, Tay-Thai, Hmong-Dao, Kadai, Mon-Khmer, Malay-Polynesian, Han and the Tibeto-Burman language groups. About 86.5% of the country consists of the Kinh/Ethnic Chinese ethnic group, who are the ethnic majority. The remaining 53 groups make up 13.5% of the total population and the ethnic minority groups.
At the same time, according to 2007 MOET and 2006 VHLSS data on the current school age population, primary enrollments are near universal, and the gross enrollment rate in lower and overall secondary reached, respectively, about 87 and 73% in 2004 (with a net overall secondary enrollment rate of 65% the same year), positioning Vietnam in a very favorable position vis-à-vis countries with similar income per-capita.

As also indicated by the increased completion rates, the Government put renewed emphasis on the quality of primary education by introducing new curricula and textbooks; implementing a program of teacher professional development, to support the use of the new curriculum and improve teacher quality; introducing teacher standards; and introducing key minimum quality standards for schools, in terms of teaching staff, teaching materials, infrastructure and school management (Fundamental School Quality Levels, or FSQL).

2) Objectives

The School Education Quality Assurance Program (SEQAP) aims to improve learning outcomes and completion, and decrease inequity in learning outcomes and completion, for primary education students, by supporting the government’s transition to Full Day Schooling (FDS) overall and for disadvantaged groups.

3) Rationale for Bank Involvement

Given the urgent challenges in providing primary education quality, more particularly for disadvantaged children, the Government of Vietnam and the World Bank are advancing a proposed education program to support quality of primary education, with focus on increased instructional time within an improved school and teaching environment.

**Relevance to client’s development framework:** The program is squarely in line with the Government 2006-2010 Socio-Economic Development Plan Education Sector Plan (SEDP), 2001-2010 Education Development Strategic Plan (2001-2010 EDSP) and 2008-2020 Education Development Strategic Plan (2008-2020 EDSP).

**Relation with Government policy on Full Day Schooling (FDS):** SEQAP comes at a very timely moment to support the development of the Government’s policy framework for Full Day Schooling, while ensuring that the gap between advantaged and disadvantaged groups starts to be addressed.

The Government has renewed its support to move to FDS in its 2008-2020 Vietnam Education Development Strategic Plan with plans to achieve full transition to at least 30 instructional periods per week by 2020 and 35 instructional periods per week by 2025. However, while support on all sides (including principals, teachers and parents) is strong, as well as awareness that changes need to be made in the current setting to ensure a more efficient and equitable reform, the policy framework, roadmap and financial implications of the reform have still not been fully developed. In the meantime, the transition to FDS continues to be led by the wealthy areas leaving the poorer ones behind. In this context, the new operation will be very timely to help bridge the gap between advantaged and disadvantaged groups in access to FDS by supporting this transition in poor provinces, districts and schools; and, while investing up-front in these groups, help the Government finalize its policy framework and roadmap for full transition to FDS by 2020/25.
Links to World Bank lending operations: This new operation will also build on three main existing or now closed education projects, consolidating and expanding some of the innovations that they have introduced. The three projects are the Primary Teacher Development Project (PDTP), whose objective was to lay the foundation for a nationwide program to upgrade the quality of the primary teaching service, the Primary Education for Disadvantaged Children (PEDC) Project, whose objective is to improve access to primary school and the quality of education for disadvantaged children, and the Targeted Budget Support for Education For All Program (TBS-EFA), whose objective is to enhance the quality of basic education through the support of the Education National Targeted Program (ENTP).

Appropriateness and relevance in the context of the CAS: The new project is also squarely in line with the CAS. The objectives of the new project are squarely in line with the second pillar of the 2006-2010 CAS: “Strengthen Social Inclusion, by enhancing human resources, assets and opportunities for the poor and vulnerable”. SEQAP will help reach the key education outcome mentioned in the CAS of “better access to and use of affordable quality basic education for all children”.

4) Description

This education investment program is organized around three focal areas with the last component for project management, monitoring and evaluation:

Component 1: Improved Policy Framework for Transition to FDS: Aiming at completing the requirements for the transition to FDS in the 2009-2015 period but also at building a more efficient and equitable framework for scaling-up the reform in the 2015-2025 time period.

Component 2: Improved Human Resources for Transition to FDS: Aiming at supporting the training and professional development of teachers, school leaders and education managers to successfully move to FDS in the provinces which are beneficiary of the program, with focus on teaching methods, teacher standards and school management.

Component 3: Improved Physical and Other Recurrent Resources for Transition to FDS: Aiming at supporting the upgrade of infrastructure and facilities and support recurrent expenditures as needed in about 1,600 schools (4,800 sites) to successfully move to FDS.

Component 4: Program Management: Aiming at supporting the management, monitoring and evaluation of SEQAP to ensure smooth implementation and results on the ground.

5) Financing

Source: ($m.)
BORROWER/RECIPIENT 36
International Development Association (IDA) 100
UK: British Department for International Development (DFID) 35
Belgium Development Corporation 3
Total 174

6) Implementation

A. Partnership arrangements
**Existing partnership arrangements:** SEQAP is an IDA/multi-donor grant funded program. It builds upon existing ODA-supported GVN initiatives targeting primary and basic education – notably PTDP, PEDC and TBS-EFA (all supported by World Bank, DFID and other development partners) – and will utilize outputs of other existing ODA programs, including SREM (Support to the Renovation of Education Management -EC funded) and BCEP (World Bank/CIDA).

**SEQAP partnership structure:** SEQAP partnership arrangement will further build upon the policy dialogue arrangements of TBS-EFA. GVN (Office of Government, MOET, MOF (including State Treasury), MPI, MOHA) and SEQAP Partners will nominate SEQAP focal points. The MOET focal point will coordinate SEQAP GVN focal points. Focal points will operate on an ad-hoc basis, working closely together to monitor on-going activities, lead policy dialogue (based upon the SEQAP Policy Matrix) and address any obstacles to implementation. At the technical and policy level, working groups will be formed with appropriate participation from respective line-ministries. These working groups will provide joint advice to GVN Executive related to policy and technical initiatives in support of SEQAP implementation.

**B. Institutional and implementation arrangements**

At the central level, SEQAP will be managed by a MOET Program Management Committee (standing office) led and coordinated by the Department of Planning and Finance, with the technical lead of the Primary Education Department. There is considerable policy development which will be managed at this level, requiring participation of and collaboration with other central agencies (MOHA, MOF, etc.). Component 1 will be managed at this level as well as national activities of component 4.

**Responsibility for the technical implementation and execution of program interventions will rest with MOET, with BOET as focal point of the program.** The BOET, responsible for decentralized education administration and management for primary education, will lead the Program Management Committee at that level and be the main investment decision-maker (upon delegation of DPC), as well as investment-owner for training and goods; and the School, Parents’ Association (community representative) and Commune the investment owner (where possible) for operation and maintenance, pupil welfare activities and civil works. The DOET will be responsible for consolidating results and the monitoring of education activities across the respective provinces.

7) **Sustainability**

SEQAP emphasis on the policy framework for FDS increases the leverage of the targeted intervention. Focus on the gradual development of a policy framework which will be instrumental to the scaling-up of the reform will provide sustainability to the current investment effort. It is expected that the lessons learnt from the targeted investment combined with the technical assistance on broader curriculum, human resource and financing aspects of the reform will prepare the ground for 100% FDS by 2020-2025.

SEQAP institutional set-up builds upon the existing government system. The program will be managed within the existing MOET structure strengthened through capacity building. There will be no separate PCU. Additionally, the program will strive to fit within the country legal and financial framework. This objective will be fully realized if SEQAP is integrated within the State Budget through a new ring fenced decentralized country education program, at least in a second phase. Integration within the State Budget should help ensure Government financial support. Otherwise, SEQAP will in any case strive to support current FM practices and decentralization by relying on the State Treasury system and transferring resources directly to the commune and school accounts.
SEQAP will balance equity and quality concerns with efficiency and affordability. It will do that by striving to focus on poor schools with however minimum human resource and physical conditions to move on, financing realistic school packages from the infrastructure perspective, and promoting reforms towards more efficient deployment and use of teachers in the system. These measures should help make the FDS reform financially sustainable.

8) Lessons Learned from Past Operations in the Country/Sector

Both the design and implementation arrangements for SEQAP build upon the knowledge and lessons-learned during current/previous design and implementation of complex education projects in Vietnam and international evidence on what works to improve education quality.

a) Focus on learning outcomes, particularly among disadvantaged children, is central to realizing the poverty reduction benefits of investing in primary education. SEQAP’s key objective is to improve learning outcomes.

b) SEQAP will support a broad quality package combining more and better used instructional time with improved schooling inputs.

c) Teacher interventions consider both training and performance and evaluation in an effort to maximize the impact of the project on teacher quality.

d) The program will support changes in teaching methods through combining theory and practice, and greater flexibility in teacher training.

e) Schools will be empowered in the transition to FDS.

f) SEQAP will combine elements of both a project and sector-wide/program approach to take advantage of both a limited project context and a wider sector perspective.

g) Proposed institutional arrangements also take into account the need for location of the program at the decentralized level and empowering the People Committees while granting focal point in execution to the MOET provincial and district bureaus.

h) Proposed financial management mechanisms take into account lessons from both traditional project modalities and budget support.

9) Safeguard Policies (including public consultation)

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10) List of Factual Technical Documents


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* Other projects/programs include TBS-EFA, PEDC, PTDP, P-135, etc

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas


d) MOET (2008): “Study in Grade 5 student achievement in math and Vietnamese in the 2006-2007 school year”


h) The World Bank (2004): “Vietnam: Reading and Mathematics Assessment Study” – Volume 1, 2, 3


k) Vietnam – Transition towards FDS (school survey; model; procedures for transition; costing and implementation) – by Telos Group (study commissioned on SEQAP PHRD grant)

l) Vietnam – Teacher quality (school survey; teacher standards; teacher training; teacher autonomy) – by University of Melbourne (study commissioned on SEQAP PHRD grant)

m) Vietnam – Access, Progression and Attainment in Vietnamese schools – by Milagros Nores (for AAA on High Quality Education for All in Vietnam)

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