



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
VIETNAM NEW MODEL UNIVERSITY PROJECT
APPROVED ON JUNE 24, 2010
TO
SOCIALIST REPUBLIC OF VIETNAM

EDUCATION GLOBAL PRACTICE

EAST ASIA AND PACIFIC REGION

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ABBREVIATIONS AND ACRONYMS

FSR	Financial Special Regime
FSP	Financial Sustainability Plan
IP	Implementation Progress
IR	Intermediate Result
ISM	Implementation Support Mission
MOET	Ministry of Education and Training
M&E	Monitoring and Evaluation
NMUP	New Model University Project
PB	Presidential Board
PDO	Project Development Objective
RF	Results Framework
RTA	Research and Teaching Assistant
T&L	Teaching and Learning
VGU	Vietnamese German University



BASIC DATA

Product Information

Project ID P110693	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 24-Jun-2010	Current Closing Date 30-Nov-2020

Organizations

Borrower Socialist Republic of Vietnam	Responsible Agency Ministry of Education and Training
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Project Development Objective (PDO)

Original PDO

The project aims to develop an autonomous research-based university to demonstrate a new policy framework on governance, financing, and quality in Vietnam's higher education system.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
IDA-47860	24-Jun-2010	13-Aug-2010	27-Dec-2010	30-Nov-2020	180.40	136.82	30.47

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. PROJECT STATUS

1. This paper seeks approval to restructure the Vietnam New Model University Project (P110693) ("the project"), primarily by extending the project closing date from November 30, 2020 to May 31, 2021. This is the fourth proposed restructuring. *The first restructuring in May 2016* was part of a portfolio-wide restructuring affecting 13 projects to remove the result framework (RF) from the financing agreement. *The second restructuring in November 2017* extended the project for an additional 36 months to November 30, 2020, revised the Result Framework (RF) and revised categories of expenditures and changed component cost, changed institutional implementation arrangements, updated the procurement procedures, and changed the frequency and due date of interim unaudited financial reports. *The third restructuring in August 2019* revised the RF to better reflect Vietnam German University VGU research development trend, better align with the Government of Vietnam's prevailing regulations on Student Employability Survey, and VGU strategic development. The revised RF also provides clearer and more consistent interpretation and description of the indicators. No changes to the credit amount were made during these restructurings.
2. The project was approved with an International Development Association (IDA) credit of \$180.4m. equivalent, on June 24, 2010 and became effective on December 27, 2010. The Project Development Objective (PDO) is to develop an autonomous research-based university to demonstrate a new policy framework on governance, financing, and quality in Vietnam 's higher education system. The first 30 months of project implementation encountered a delay because the preparatory work for civil work and university development was more complex than anticipated during project design. A 2-year action plan was put in place to remedy the situation. Accordingly, the project was upgraded in June 2015 following remarkable progress since February 2015 and until June 2017 could maintain Moderately Satisfactory ratings for both progress towards achievement of the PDO and overall implementation progress. After the 36-month extension in 2017, however, the project had a downward trajectory during June 2018-June 2019, mainly due to the lack of agreement with the German government over financing and academic program development, inadequate and ineffective staffing in the Project Management Unit (PMU), unavailability of counterpart funding, and slow procurement. By June 2019, given the continuous efforts by all stakeholders, the project made a turn-around with signing of a Joint Declaration of Intent on Vietnam German University (VGU) development and expansion in April 2019, between the Ministry of Education and Training (MOET) and Federal Ministry of Education and Research of the Federal Republic of Germany and the State Ministry of Higher Education, Research, and the Arts of the Land Hessen. In April 2020, the Government of Vietnam by Resolution 52 approved the Tripartite Partnership Agreement (the Agreement) and delegated MOET to sign. This was a major step forward that led to the signing of the Agreement on September 23, 2020, increasing the likelihood of the project fully achieving its development objectives by the project closure.
3. By September 2020, the project has made significant progress toward the achievement of the project development objective (PDO). Achievement of the PDO and overall implementation progress (IP) have both been rated moderately satisfactory since June 2019. Other project ratings¹ are either satisfactory or moderately satisfactory, including implementing agency performance. Out of four PDO indicators, PDO indicators 1 and 4 have been fully achieved, and PDO indicators 2 and 3 are partially achieved. For intermediate result (IR) indicators, the

¹ Only the procurement rating for the June 2019 Implementation Supervision Report (ISR) was rated Moderately Unsatisfactory, but subsequently upgraded to Moderately Satisfactory in December 2019 and June 2020 ISRs.



targets of six out of ten IR indicators have been fully met, and four IR indicators are partially met². In terms of project management, disbursements have reached 78 percent³ of the IDA credit, demonstrating a steady increase since the project's turn-around in 2019.

4. The project has no unresolved legal, safeguard or fiduciary issues. Safeguard have been rated Moderately Satisfactory or Satisfactory since the beginning of project implementation . There are no overdue audits. All legal covenants are complied with. Procurement was rated Moderately Unsatisfactory or Unsatisfactory between June 2018 and December 2019, mainly triggered by (i) the slow progress of procurement by the VGU Project Management Unit due to their limited capacity in handling procurement issues, and (ii) the unfavorable institutional arrangement in which the VGU was not delegated with relevant appraisal/approval authority which led to implementation delays. These procurement issues have now been resolved.
5. Notable project achievement to date includes the formation of a modern university governance model, fostered by high level **autonomy** granted by the Prime Minister through the University Charter. There are three decision making bodies inside the university: (i) The University Council as the highest decision-making body guiding and controlling the presidential board (PB); (ii) the Senate⁴ as the highest inner decision-making body of the university and (iii) the Faculty Council as the decision making body at the faculty level. It consists of the dean and vice deans of the faculty and elected representatives of each group of lecturers, administrative employees, technical employees, Research and Teaching Assistants (RTAs) and students. This governance structure enables collection of knowledge, experience and opinions of a big organisation like a university and make it part of the decision-making process. This helps VGU to make better, well-founded decisions and to create a maximum of transparency in the decision-making process. Such participative leadership will promote ownership for the decisions and a broad sense of responsibility among all staff members.
6. VGU has become a popular choice for students for its truly internationalized teaching and learning (T&L) setting. All academic programs are accredited by German quality assurance agencies coupled with well-equipped labs, guaranteeing high **quality** and **relevance** of the teaching and learning at VGU. A Centre for Excellent Teaching and Learning has been initiated to experiment with new curricular and pedagogical approaches and to reward excellence and innovation in T&L through an annual T&L awards scheme. This scheme, under well-designed VGU policy guidelines, would build capacity for faculty members and motivate them to move away from traditional pedagogical practices and adopt new and innovative practices. VGU is among a few Vietnamese universities that have a graduate employability rate as high as 95 percent six months after graduation.
7. As a **research-based** university, half of the academic programs are offered at the graduate level. Research policies have been put in place to foster research by academic staff and students. The Publication/Teacher ratio maintains as high as 0.75, the same as other tier-1 universities like the Vietnam National Universities or the Hanoi University of Science and Technology. The university has published 157 publications in the Web of Science (formerly known as ISI Web of Science) compared to the project end target of 132 publications, and 69 collaborative research projects with national and international partners compared to. the project end target of 65.
8. A **financial sustainability plan** (FSP) with diversified sources of income with increased partnership with industry, has put VGU gradually on track to sustainability. The signed agreement with substantial commitment made by the

² Fully met IR indicators 1, 5 6, 7, 8, 10. Partially met: IR indicators 2, 3, 4, 9.

³ Operation Portal data on November 4, 2020.

⁴ It is an assembly of the PB members, deans of the faculties and elected representatives of the groups of lecturers, technical employees, RTAs and students.



Vietnamese and German authorities has further strengthened the foundation for VGU to thrive as an autonomous research-based university for Vietnam's higher education system.

9. A **future-proof campus** is nearing completion. By September 30, 2020, the project has completed 96.7 percent of the campus construction volume. Overall project disbursement is expected to reach 83 percent by the current closing date of November 30, 2020.

B. RATIONALE FOR RESTRUCTURING

10. This restructuring package proposes extension of the project closing date for another six months (to May 31, 2021) to:
 - a. **Complete all the civil works and contracts and put the campus into full operation. Implementation delays occurred in 2020 due to the COVID 19 pandemic:** The first COVID-19 cases in Vietnam were detected in January 2020. Social distancing and movement restrictions were progressively implemented. Strict social distancing in April, foreigner entry suspension, and cessation of international flights have been adopted since then as part of the efforts to control the epidemic. As a result, the project has encountered challenges, including: (i) limited mobility of consultants/researchers and temporary halt to laboratory equipment contracts with suppliers from COVID-19 affected countries; and (ii) a reduced number of workers on construction sites and delayed delivery of construction materials resulting in limited progress of construction and equipment installation. Although concerned project implementing agencies have exercised due efforts to minimize the adverse impacts and to complete all civil work and goods contracts, the campus will not be fully commissioned and equipped to be put into full use by the project's current closing date.
 - b. **Finalize the Financial Sustainability Plan based on the Tripartite Agreement signed in October 2020.** The Agreement has endorsed the VGU Financial Sustainability Plan (FSP)⁵, which was revised and submitted to MOET in 2019. The Agreement also triggered the need for the Special Financial Regime (SFR) to be further updated and approved by the Prime Minister to operationalize the FSP so that PDO indicator 2 on the FSP shall be fully achieved once the SFR is approved. Following the approval process of the Government of Vietnam, the SFR shall not receive the Prime Minister's approval until May 2021.
11. A time-bound action plan was agreed with the Ministry of Education in October 2020, to ensure the Prime Minister's approval of the revised SFR and the campus handover is achieved before the project closure, including regular project implementation supervision by a designated vice minister. Implementation progress will be actively monitored via monthly meetings with the Ministry and two Bank implementation support missions (ISMs) held prior to the proposed extended closing date.
12. **The restructuring, which provides for a six-month extension of the project, is initiated to allow sufficient time for full achievement of** (i) PDO Indicator 2 on the adoption of VGU Financial Sustainability Plan; and (ii) IR indicator 9 on floor area built and fully equipped campus meeting all users' functions. The Bank has informed the Borrower, during the ISM of May-June 2020, that a six-month extension would be conditional upon (i) signing of the Agreement before the project closing date, and (ii) completion of 95 percent of the campus construction volume by October 2020 at the latest. By September 30, these two conditions were fulfilled.

⁵ The FSP is a document that outlines long-term financial goals, strategies, and action plans that will enable it to sustain unforeseen times of financial hardship

**II. DESCRIPTION OF PROPOSED CHANGES**

1. An extension of the closing date from November 30, 2020 to May 31, 2021, with related adjustments to the disbursement and implementation schedules.
2. Target dates in the Result Framework also extended to May 31, 2021 to reflect the new project closing date.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓



Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-47860	Effective	30-Nov-2017	30-Nov-2020	31-May-2021	30-Sep-2021

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
0000	0.00	0.00
2010	0.00	0.00
2011	2,706,902.00	850,000.00
2012	6,166,072.00	500,000.00
2013	6,665,599.60	1,823,388.00
2014	7,968,628.80	2,662,723.00
2015	11,817,102.00	3,529,984.00
2016	14,727,314.80	3,649,919.00
2017	22,207,420.40	12,306,311.00
2018	25,502,606.80	4,891,568.00
2019	29,669,846.80	29,850,493.00
2020	35,444,631.20	52,374,311.00
2021	17,523,875.60	54,521,304.00



Results framework

COUNTRY: Vietnam

Vietnam New Model University Project

Project Development Objectives(s)

The project aims to develop an autonomous research-based university to demonstrate a new policy framework on governance, financing, and quality in Vietnam's higher education system.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Develop an autonomous research-based university to demonstrate a new policy framework						
PDO 1: Updated charter and governance structure ensuring autonomy for VGU (Text)		First Charter was Approved by the Prime Minister	Updated Charter if any	Updated Charter if any	Updated Charter if any	Updated Charter is implemented
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.					
PDO 2: Development of a financial sustainability plan for VGU (Text)		A sustainable plan is developed	The sustainable financial plan is approved by MOET and adopted	The sustainable financial plan is adopted	The sustainable financial plan is adopted.	The sustainable financial plan is adopted.
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.					



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
PDO 3: Development of internationally accredited academic programs in VGU (Number)		11.00	11.00	15.00	19.00	21.00
Action: This indicator has been Revised	Rationale: <i>The end target date has been changed to May 31, 2021.</i>					
PDO 4: Number of ISI publications by VGU (Number)		18.00	38.00	66.00	98.00	132.00
Action: This indicator has been Revised	Rationale: <i>The end target date has been changed to May 31, 2021.</i>					

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Policy and governance development							
IR1: Establishment and implementation of VGU governance and administrative framework (Text)		None	Annual updates on governance and administrative framework, if any	Annual updates on governance and administrative framework, if any	Annual updates on governance and administrative framework, if any	Annual updates on governance and administrative framework, if any	VGU Governance and Administrative framework established and implemented
Action: This indicator has been Revised	Rationale: <i>The end target date has been changed to May 31, 2021.</i>						



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
IR2: Revenue-to-Expenditure ratio is greater than one (Number)		0.99	1.02	1.11	1.11		1.11
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
IR5: Number of scholarships provided to female students and students from disadvantaged groups (Number)		117.00	120.00	120.00	151.00		190.00
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
Academic and Research development							
IR3: Number of enrolled students (disaggregated by gender) (Text)		1,209 (302 female students)	1,282 (288 female students)	1,454 (369 female students)	1,944 (486 female students)		2,516 (629 female students)
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
IR4: Number of academic staff disaggregated by gender (Text)		74 (9 female staff)	138 (23 female staff)	178 (39 female staff)	208 (56 female staff)		253 (81 female staff)
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
IR6: Percentage of graduate of bachelor degrees acquiring jobs related to their field of study plus percentage of graduate of bachelor degree enrolling on graduate programs after 12 months of graduation (Percentage)		74.00	75.00	76.00	78.00	80.00	80.00
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
IR7: Percentage of Lecturers with PhD (Percentage)		100.00	100.00	100.00	100.00		100.00
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
IR8: Number of collaborative research projects with national and international partners launched (Text)		2 (0 project with international partners, 2 projects with national partners)	11 projects (4 with international partners, 7 with national partners)	25 projects (10 with international partners, 15 with national partners)	42 projects (17 with international partners, 25 with national partners)	65 projects (25 with international partners, 40 with national partners)	65 projects (25 with international partners, 40 with national partners)
Action: This indicator has been Revised	Rationale: The end target date has been changed to May 31, 2021.						
Campus and facilities development							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
IR9: Percentage of campus construction completed (Percentage)		0.00	0.00	0.00	19.33		100.00
Action: This indicator has been Revised	Rationale: <i>The end target date has been changed to May 31, 2021.</i>						
Project management, monitoring and evaluation							
IR10: Number of people from MOET and other higher education institutions being consulted on VGU's new policy framework on governance, finance and quality (Number)		44.00	44.00	80.00	124.00	204.00	204.00
Action: This indicator has been Revised	Rationale: <i>The end target date has been changed to May 31, 2021.</i>						

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The World Bank

Vietnam New Model University Project (P110693)
