

Document of
The World Bank

Report No: ICR 88352-VN

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(TF096470)
ON A
GRANT
IN THE AMOUNT OF US\$3.0 MILLION
TO THE
EAST MEETS WEST FOUNDATION
FOR AN
UPPER SECONDARY EDUCATION ENHANCEMENT PROJECT
FOR THE BENEFIT OF THE
SOCIALIST REPUBLIC OF VIETNAM

May 29, 2014

Human Development Department/Education
East Asia and Pacific Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective May 8, 2014)

Currency Unit = Viet Nam Dong (VND)

1.00 VND = US\$0.000047

US\$ 1.00 = VND 21276.60

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CBR	Cost Benefit Ratio
CPS	Country Partnership Strategy
DOET	Provincial Department of Education and Training
EMWF	East Meets West Foundation (the Recipient)
GOV	Government of Vietnam
GPA	Grade Point Average
GPOBA	Global Partnership on Output-Based Aid
IVA	Independent Verification Agent
MOET	Ministry of Education and Training
OBA	Output-Based Aid
PSS	Professional Secondary Schools
SPAs	Study Promotion Associations
USS	Upper Secondary Schools

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SOCIALIST REPUBLIC OF VIETNAM
Upper Secondary Education Enhancement Project

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A. Basic Information			
Country:	Vietnam	Project Name:	Vietnam Upper Secondary Education Enhancement Project
Project ID:	P118797	L/C/TF Number(s):	TF096470
ICR Date:	May 28, 2014	ICR Type:	Core
Lending Instrument:	Specific Investment Loan	Borrower:	Socialist Republic of Vietnam
Original Total Commitment:	USD 3.0 million	Disbursed Amount:	USD 2,896,389.40
Revised Amount:	USD 3.0 million		
Environmental Category: C			
Implementing Agencies: East Meets West Foundation			
Cofinanciers and Other External Partners: None			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	16-Apr-2009	Effectiveness:	19 August 2010	19 August 2010
Appraisal:	16-Mar-2010	Grant Amendment:		10 August 2011
Approval:	21-May -2010	Mid-term Review:	7 August 2012	7 August 2012
		Closing:	30 September 2013	30 September 2013

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation	Indicators	QAG Assessments	Rating

Performance		(if any)	
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Secondary education	60	60
Vocational training	20	20
General education sector	20	20

Theme Code (as % of total Bank financing)		
Education for all	67	67
Other financial and private sector development	33	33

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Axel von Trotsenburg	James W. Adams
Country Director:	Victoria Kwakwa	Victoria Kwakwa
Sector Manager:	Luis Benveniste	Eduardo Velez Bustillo
Project Team Leader:	An Thi My Tran	Thanh Thi Mai
ICR Team Leader:	An Thi My Tran	
ICR Primary Author:	Suzana Nägele de Campos Abbott	

F. Results Framework Analysis

Project Development Objectives (from Grant Agreement)

The objective of the Project is to increase access of poor students to upper secondary education in non-public secondary and professional secondary schools in Project provinces.

Revised Project Development Objectives (as approved by original approving authority)

The Project's PDO was revised in an Amendment to the Grant Agreement dated August 10, 2011 to read: The objective of the Project is to increase access of poor students to upper secondary education in secondary and professional secondary schools in Project Provinces.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Enrolment of about 7,500 students in upper secondary schools and professional secondary school			
Value quantitative or Qualitative)	0	7,500	n/a	8,145
Date achieved	21/05/2010	30/09/2013		13/06/2013
Comments (incl. % achievement)	The target was exceeded by August 2012.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Attendance of enrolled students are at least 80% of classes			
Value quantitative or Qualitative)	0	80	n/a	98
Date achieved	21/05/2010	30/09/2013		13/06/2013
Comments (incl. % achievement)	The target was exceeded.			
Indicator 2:	Beneficiary students have passing grade (term or annual) GPA of at least 5.0 and GPA score of subjects at least 3.5 each			
Value quantitative or	0	7,500	n/a	7,672

Qualitative)				
Date achieved	21/05/2010	30/09/2013		13/06/2013
Comments (incl. % achievement)	The target was exceeded.			

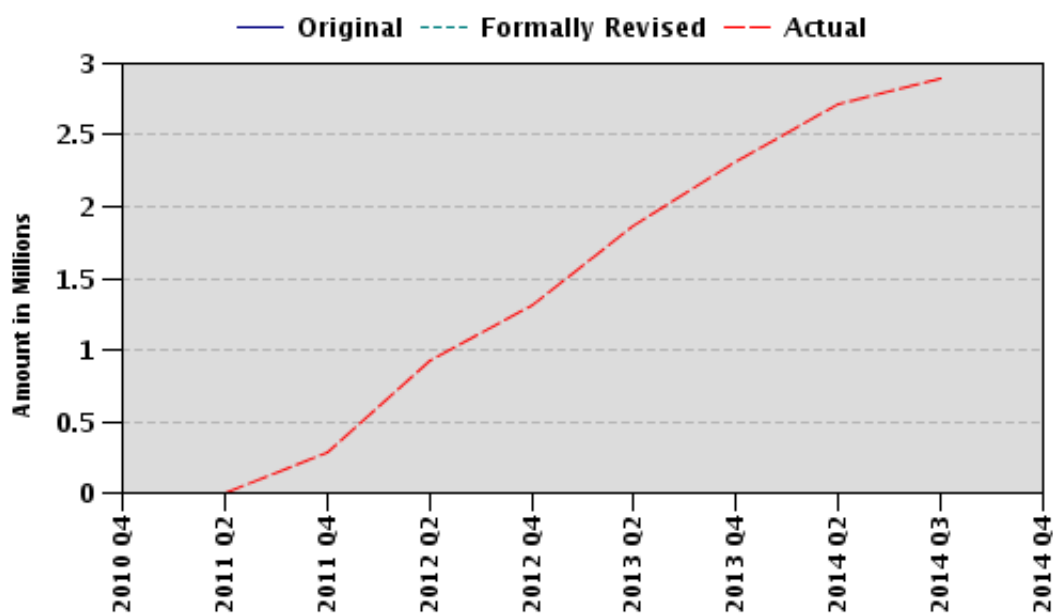
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	13/06/2013	Satisfactory	Satisfactory	2.26

H. Restructuring (if any)

The project was restructured on August 10, 2011 to include public secondary schools and a new province into the project.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal¹

1. Since the early 1990s, the Government of Vietnam (GOV) has successfully made sustained efforts which led to improvements in basic education outcomes. The percentage of the population aged 25-55 years without any level of educational attainment decreased from 23 percent in 1992 to less than one percent in 2008. Primary enrollment was nearly universal, and the expansion of secondary education since 1992 was considered notable. Similarly, attendance and completion rates had increased across all levels—primary, lower secondary and upper secondary. Completion rates in rural areas increased markedly at both the primary (Grades 1-5) and lower secondary (Grades 6-9) levels, and as a result, there were very large reductions in the differences between urban and rural completion rates. Finally, standardized tests of grade 5 students revealed substantial improvement in student achievement over the 2001-2007 period, in both reading and mathematics competence.

2. Despite this remarkable performance, the GOV still faced challenges, notably: (i) attainment inequities (including in attendance and completion rates), and (ii) insufficient learning outcomes, especially for disadvantaged groups. The Project was to pilot an innovative output-based aid program to address in part the persistent inequalities in grade attainment, attendance and completion, particularly along the income and ethnic dimensions, at the upper secondary level (Grades 10-12).

3. In Vietnam, at the upper secondary level, there are three different models of schools at the upper secondary level: public, semi-public and private schools. Public schools are entirely funded by state budgetary resources plus a nominal fee from students' families; semi-public schools (non-public classes that operate in school infrastructure that is publicly owned) and private schools are funded entirely through tuition fees. Typically, students apply to their local public school first, but if their entrance examination marks² are not high enough to gain admission, they will need to apply to the more costly semi-public and private schools to continue their studies. Upper secondary schools are split into two branches, traditional upper secondary schools (USS) and professional secondary schools (PSS). While USS education focuses on general academic skills, PSS education aims at preparing students for the job market in a specific profession.

4. Educational attainment increased for all income quintiles between 1992 and 2008; for the first, second and third quintiles most growth was in primary and secondary

¹ This section draws heavily on the Policy Report “Vietnam High Quality Education for All by 2020”, World Bank, 2011.

² Students are obligated to take entrance exams to enter Upper Secondary School. The cut off mark is different for each public USS and changes each year depending on the supply of spaces and the number of students taking the exam to enter a specific school. Those who are not successful for admission to public schools will either enter the semi-private and private schools or drop out of the school system.

attainment while for the upper income quintiles growth was concentrated at the vocational and undergraduate level. The lower income quintile had attendance rates below the national average at both lower and upper secondary schooling. Only one in every two poor children (46 percent) completed lower secondary education at the corresponding completion age, compared two in three (77 percent) middle-income children and four in five (89 percent) upper-income children. The gap between Kinh and Chinese, on one hand, and remaining ethnic minorities, on the other was present at all education levels and larger at upper education levels. In 2008, minorities had attendance rates of 89 percent in primary education, 85 percent in lower secondary education, and only 52 percent in upper secondary education. The trend was decreasing at the upper secondary level, with a 64 percent attendance rate in 2004 falling to 52 percent by 2008. Completion rates for upper secondary for minorities were one-third the rates for the Kinh and Chinese population, with slow improvement over time. Finally, national attendance averages still masked important differences across rural versus urban areas, which had upper secondary attendance rates of 65 percent and 79 percent, respectively.

5. The poorest sectors of society were falling behind, rather than catching up with their more advantaged neighbors. Between 1992 and 2006, upper secondary completion gaps more than doubled between income quintiles 1 and 5.

6. Several factors were seen as influencing these outcomes. Public upper secondary schools selected their students based on exam score or performance at the lower secondary level. If they opted to continue their education at the upper secondary level, mostly students from poor families or disadvantaged regions where learning conditions were not as good, had a choice of attending either semi-public or private upper secondary or professional secondary schools, where tuition fees were significantly higher than the nominal fees at public institutions. In addition to the direct cost of tuition, students and their families had to cover indirect expenses such as uniforms, transportation, tutoring, possibly boarding and meals away from home. These expenses, together with the higher cost of tuition in private upper secondary and professional secondary schools were seen as a main constraint to the educational achievement of the poor and disadvantaged groups, many of whom dropped out of school after the ninth grade. At the same time, school attendance, especially at the upper secondary level, involved an additional “opportunity cost”, in terms of foregone immediate income to the family. Increasing tuition fees in upper secondary education, especially in private schools, combined with other indirect and opportunity costs that affect school attendance played an important role in constraining the educational attainment of the poorest sectors of society.

7. The Project was the first GPOBA grant approved for an education project. The US\$3 million grant was designed to address the constraints affecting upper secondary completion by the poorest sectors in Vietnam by piloting a targeted program of output-based assistance that would reimburse tuition fees to beneficiaries that complied with three basic conditions including maintaining: (i) a minimum Grade Point Average (GPA); (ii) a minimal class attendance record; and (iii) acceptable behavior.

1.2 Original Project Development Objectives (PDO) and Key Indicators

8. The objective of the Project was to increase access of poor students to upper secondary education in non-public secondary and professional secondary schools in Project Provinces.

9. The Key Indicators by which the Project's progress would be monitored included:

- a) Enrollment of about 7,500 Beneficiaries in non-public upper secondary and professional secondary schools;
- b) Attendance of enrolled Beneficiaries in at least 80 percent of classes; and
- c) Beneficiaries have at least passing grade, i.e., term or annual GPA of at least 5.0, and scores of at least 3.5 for each subject GPA.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

10. The project's PDO was revised in an amendment to the Grant Agreement dated August 10, 2011 to read: The objective of the Project is to increase access of poor students to upper secondary education in secondary and professional secondary schools in Project Provinces. This amendment was processed to allow for poor students in semi-public schools to be considered as beneficiaries under the Project.

11. The first Key Indicator (Section 1.2) was modified to read: "Enrollment of about 7,500 Beneficiaries in upper secondary and professional secondary schools".

1.4 Main Beneficiaries

12. The Project's main beneficiaries were about 7,500 non-public, USSstudents and PSS students in eleven Project Provinces that would receive a tuition subsidy provided they met specified output conditions (Section 1.1).The selection process for students involved first selecting provinces, then selecting schools within those provinces, and finally selecting students within those schools. The selection criteria for each of these are described below.

13. Project provinces (Annex 11), three in the Northern mountainous area and eight others located along the Central Coast and Truong Son Mountain Range, comprised many disadvantaged districts populated with a high concentration of poor households and ethnic minority groups³. These Provinces also had a tradition of strong community involvement in education, especially through active Study Promotion Associations that would have an important role in the Project's implementation. Finally, East Meets West Foundation, the Grantee⁴ and Project Implementing Agency, had experience in

³The initial eleven Project Provinces were *Bac Kan, Bac Giang, Phu Tho, Quang Binh, Quang Tri, Thua Thien-Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh, and Phu Yen*.

⁴GPOBA's grant was formalized in a Grant Agreement dated May 21, 2010 between the International Development Association, Acting as Administrator of the Global Partnership on Output-Based Aid and East Meets West Foundation as the Recipient and Implementing Agency of the Grant.

implementing education projects under its Scholarship Program to Enhance Literacy and Learning (SPELL) in seven of those eleven Provinces.⁵

14. The 63 schools participating under the Project were selected on the basis of the following four criteria:

- a. Non-public upper secondary or professional intermediate schools (private and semi-public);
- b. Good infrastructure facilities, including sufficient classrooms, a school library with textbooks and reference materials, laboratory and experiment equipment or workshops and information technology rooms;
- c. The faculty was enthusiastic and responsible for learning, with a high awareness of innovative teaching methods based on learner-centered principles; and
- d. School managers had strong commitment to the Project, including for selecting students to participate, providing extra support to them if needed, accepting to delay the collection of tuition from students participating under the Project until the end of the school term/year, facilitating students accommodation at the school if necessary and sharing risks with other project stakeholders, such as the Study Promotion Associations (SPAs) and the private and semi-public schools.

15. Students within those schools were identified and selected for participation under the Project by schools and the provincial Study Promotion Associations. They were selected from among poor lower secondary graduates in academic year 2010-2011 that were not admitted to public upper secondary schools or professional intermediate schools due to poor performance at school or economic problems. Beneficiary students were selected from poor households,⁶ had graduated from lower secondary schools with at least average passing results, had good behavior and demonstrated their commitment to overcome their personal economic difficulties to study and learn. Priority was given to poor students from ethnic minority groups.

16. On a broader level, **project beneficiaries** included local education partners (SPAs and private and semi-public schools that would participate under the Project) in 12 Provinces whose capacity to monitor and evaluate students' performance, and reach out to at-risk students was strengthened. Finally, GPOBA, EMWF, the GOV and the World

⁵ SPELL is a large-scale and long-term program with firm strategies to assist in the education of 4,600 poor Vietnamese students from seven of the poorest provinces in Vietnam, through the provision of scholarships that covered school fees, uniforms, books, school supplies and bicycles. It was run in seven provinces Quang Binh, Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh and Phu Yen.

⁶ First priority was given to students living in poor families as stipulated by the Government, that counted on the appropriate certificate of the poor, a proxy means-testing mechanism, issued by local authorities; second priority was given to students that were disabled, agent orange victims, orphans, subject to confirmation from local authorities and schools; third priority was given to students from poor families with confirmation of their situation issued by local peoples' committees, subject to confirmation by the schools through the local authorities.

Bank benefited from lessons learned under this first GPOBA Grant linking output-based aid to educational achievements.

1.5 Original Components

17. The Project consisted of the following Parts⁷:

Part 1: Subsidies for Student Enrollment (estimated cost US\$2,340,218 equivalent)

Provision of output-based subsidies to schools to subsidize the enrollment of around 7,500 students for three years in non-public upper secondary and professional secondary schools.

Part 2: Project Management Support (estimated cost US\$659,782 equivalent)

Provision of financial support to cover the operating costs of EMWFF for effective project administration and implementation including financial management, technical supervision audits, and monitoring and evaluation.

1.6 Revised Components

18. On August 10, 2011, through an amendment to the Grant Agreement (Section 1.3), the definition of Part 1 of the Project was changed to:

Provision of output-based subsidies to schools to subsidize the enrollment of around 7,500 students for three years in upper secondary and professional secondary schools.

The amendment ensured that the eligible students studying in public schools could benefit from the project.

1.7 Other significant changes

19. The following changes to the Grant Agreement were introduced as part of the August 10, 2011 amendment:

- The requirement that EMWF enter into a Memorandum of Understanding (MOU) with the MoET was changed to EMWF entering into a MOU with the SPA in each Project Province;⁸
- Changes in the wording of the audit of EMWF's account;
- To allow US\$300,000 in retroactive financing in respect of payments for Project Management Support under Category 2 (Operating Costs under Part 2 of the project) for expenditures incurred between March 1, 2010 and May 21, 2010;

⁷ The Grant Agreement referred to "Parts" as opposed to "Components"

⁸ The modification was only to rectify an inadvertent error in the original documents.

- To render eligible incremental overhead costs and salaries among the definition of the Recipients Operating Costs that are eligible for financing, and
- The province of *Thai Binh* was added to the list of participating provinces.⁹

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

20. The Project was prepared by East Meets West Foundation, which was also the institution responsible for project implementation¹⁰. It was reviewed by GPOBA and the World Bank (as administrator of GPOBA) and approved by GPOBA on March 16, 2010. The Grant Agreement was signed on May 21, 2010, and the Grant became effective on August 19, 2010.

21. Project preparation was financed by a US\$140,000 technical assistance funding from GPOBA. The Project Feasibility Study Report presented a broad analysis of Vietnam’s education sector, in general, and a detailed analysis of enrollment in upper secondary education, by region in the country with repetition, dropout and completions rates, as well as data regarding reasons that students drop out of the education system. Those students reporting “unable to pay tuition fee” represented the majority (44.1 percent), followed by “having to work to support their families”, hence the justification for the Project. Preparation took into account lessons from other conditional cash transfer (CCT) programs that increase the demand for schooling both directly by providing additional resources to poor individuals and indirectly by compensating individuals for the income foregone from working Mexico *Oportunidades*, and Indonesia and Cambodia scholarship programs. It also considered several alternatives that were put forth in two regional workshops with two provinces and a final workshop with all of the original eleven provinces that would participate.

22. The Rationale for Involvement was strong. GPOBA’s mandate is to design and fund output-based service delivery programs for the poor. It aims to facilitate learning on the potential contribution of Output-Based Aid (OBA) approaches to the delivery of basic

⁹ The province of Thai Binh was added to the list of participating provinces as twelve semi-public USS in Quang Binh and Quang Ngai provinces were converted to public schools and, therefore, were no longer eligible to participate under the Project.

¹⁰ East Meets West Foundation (EMWF) is a non-governmental organization headquartered in the United States. For over twenty-six years, EMWF has implemented a portfolio of projects in Vietnam addressing poverty reduction, public health, assistance to children with disabilities and promotion of general education. Its programs cover poor provinces across Vietnam, with the majority of these in the central region of the country. In education, EMWF has been implementing the Scholarship Program to Enhance Literacy and Learning (SPELL), a large-scale and long-term program to assist in the education of around 4,600 poor Vietnamese students from seven of the poorest provinces in Vietnam through the provision of scholarships that covered school fees, uniforms, books, school supplies and bicycles. In November 2007, EMWF had secured a GPOBA Grant for rural water supply development in the central areas of Vietnam that was under implementation at the time the Project was approved.

services by supporting the design, implementation and evaluation of a pilot OBA schemes, facilitating the identification and dissemination of knowledge on issues relating to the role and application of OBA, and contributing to the financing of output-based payments for services under OBA schemes. The Project was also aligned with the GOV's Education Development Strategy 2011-2020, still under discussion at the time of approval that unequivocally affirmed the Government's priority to education in general, and highlighted the specific objective of increasing completion of secondary education to 80 percent of the population by 2020 (from 50 percent in 2010). It aimed to do this, *inter alia*, "to meet the demand for human resources, especially high-quality ones, for national industrialization and modernization and formation of a knowledge-based economy" and "to assure social equity in education and lifelong learning opportunity for everyone, to step by step form a learning society". The Ministry of Education and Training (MOET) confirmed in a letter dated June 10, 2009 to GPOBA, the World Bank, EMWF, and the SPA that it supported the Project's objectives and would coordinate closely with them, including through the provincial Departments of Education and Training (DOETs) to support and monitor the Project's implementation.

23. The Project was also aligned with the World Bank's FY07-11 Country Partnership Strategy, especially its second pillar, Strengthening Social Inclusion that aimed to promote better access to affordable quality education and health services; and empowering ethnic minorities in the development processes for the poor and near poor.¹¹ The World Bank had a significant program of assistance to Vietnam's education sector, mostly basic education, so that the project would complement that assistance by expanding support to the upper secondary level. Furthermore, the Asian Development Bank had played an active role in supporting improvements of school facilities, curriculum materials and teacher quality, especially in poor and remote areas, at the upper secondary level, and was discussing, at the time of the Concept Review, a Secondary Education Sector Development Program to address key policy reforms [that could include implementation of a Conditional Cash Transfer scheme for disadvantaged groups].

24. **Project Preparation and Operations Manual.** Project preparation was comprehensive, not only in terms of the amount of detail that went into each and every criterion for eligibility and identifying responsibilities and monitoring and reporting requirements, but also in terms of identifying demand from USS and PSS schools and potential beneficiaries in the original eleven provinces. This extensive preparation effort was reflected in an extremely comprehensive Operations Manual that supported implementation. The Operations Manual presented details on institutional arrangements, (including roles and responsibilities of the various entities involved), expected outputs, funding, beneficiaries (including geographic targeting, poverty targeting criteria, and

¹¹ World Bank, FY07-11 Country Partnership Strategy for the Socialist Republic of Vietnam, Report No. 38236-VN, dated February 1, 2007.

procedures for replacing students that dropped out of the project), participating schools (including selection criteria, training, and reasons for exclusion from the project), an implementation schedule, requirements for monitoring students' compliance with attendance and GPA conditions, regulations for assessing students' attendance and performance, requirements for the independent verification, funds flow, disbursement processing and financial management requirements, and reporting requirements (including responsibilities of the various entities, the formats of the Term Progress Reports and IFRs). USS received a US\$90 tuition subsidy per student per year, and PSS received a US\$160 tuition subsidy per student per year (as tuition costs are higher at PSS). The implementing agency requested an increase in the amount of tuition subsidy to existing participating student to cover increased tuition costs due to high inflation, however, it did not receive endorsement from the GPOBA unit, therefore, there was no requirement to change the Operations Manual.

25. The very fact that the project's preparation contemplated, and the Operations Manual reflected, procedures for replacing both students that dropped out of the project either for failing to comply with its requirements or other personal reasons (moving, health, etc.) and schools that became ineligible (status changed to public, failure to comply with reporting or other requirements), was influential to its success. From the start, the project was prepared with the assumption that not all eligible students or schools would be able to comply with required eligibility criteria, and planned procedures for substituting students or schools that became ineligible in order to complete implementation on schedule and impact the intended number of beneficiary students. In fact, the number of planned students, enrolled students, students complying with eligibility criteria, and the number of schools, in both USS and PSS varied throughout the three years of implementation, highlighting the importance of having built in this flexibility beforehand.

26. **Project Design and Institutional Arrangements.** The project's design was simple, straightforward, and the institutional responsibilities and processes that would be required during implementation well thought through and clearly defined during preparation. The selection of the limited number of provinces to participate under the project was based on criteria that addressed not only the needs (of disadvantaged students), but also showed that these provinces had strong SPAs, which are institutions that were fundamental in ensuring the project's success.

27. The Project's institutional arrangements were streamlined, and well-tailored to Vietnam's institutional reality, as follows. EMWF was responsible for project preparation and implementation, including fiduciary management, monitoring, reporting and evaluation. The local, provincial level branches of the SPA, a not-for-profit organization formed by the GOV that supports the MOET's mission of improving education in Vietnam, were responsible for providing training to schools and supporting enrollment of the students at the provincial level. The SPAs also were to provide individual support to students to ensure that they had the conditions to succeed. Participating schools were responsible for enrolling eligible students and providing adequate education so that students could meet the Project's output criteria. An Independent Verification Agent

(IVA) team, selected by the World Bank, was contracted to implement output verification. Students and their families were responsible for maintaining attendance, behavior and grades required to maintain eligibility under the Project. Specifically, responsibilities were as follows:

28. EMWF's tasks included training activities (to disseminate the Project to SPAs and schools) and actual implementation activities. For training activities, EMWF was responsible for developing training manuals and materials for SPA and schools, and providing training sessions for SPA and school representatives to launch the Project. Its actual responsibilities for implementation activities included: (a) supervising the Project and ensure that it is implemented in accordance with the Operational Manual; (b) providing ongoing training and support to SPAs in implementing and monitoring the Project's performance; (c) informing government authorities of the output-based aid approach, project objectives and implementation activities throughout implementation; (d) working with SPAs to ensure the quality of education in schools, and compensate SPA members performing services under the Project; (e) ensuring that students are selected according to the eligibility criteria (Annex 10); (f) randomly checking and verifying attendance and exam records; (g) reporting regularly to the World Bank and GPOBA on the Project's progress, and (h) disbursing GPOBA subsidies to schools based on the findings of the IVA and World Bank Task Team Leader Clearance.

29. The SPAs' main tasks were to: (a) provide training to schools on behalf of EMWF; (b) work with primary/lower secondary schools to raise awareness about the Project and to produce registers of possible beneficiaries to be proposed to beneficiary schools; (c) support schools and parents to ensure that participating students are able to meet output criteria; (d) work with schools, EMWF and IVA to verify students eligibility criteria, and (e) support students who are studying in a province other than their own.¹²

30. Participating schools main tasks were to: (a) provide evidence that school eligibility criteria were met; (b) enroll eligible students in cooperation with EMWF and SPAs; (c) pre-finance the tuition of participating students; (d) ensure that students met output criteria; (e) provide EMWF and the IVA with information required to confirm compliance with output criteria (attendance and exam records); (f) provide a list of eligible replacement students to replace those that dropped out or failed the program; and (g) submit term reports on every beneficiary student under the Project verifying their attendance and performance.

31. The IVA's main tasks were to: (a) review admission records and perform random verification to ensure that only eligible students were enrolled; (b) perform random visits to verify that attendance records were kept correctly; (c) verify that testing was done correctly, following the relevant regulations, and that agreed testing was carried out using

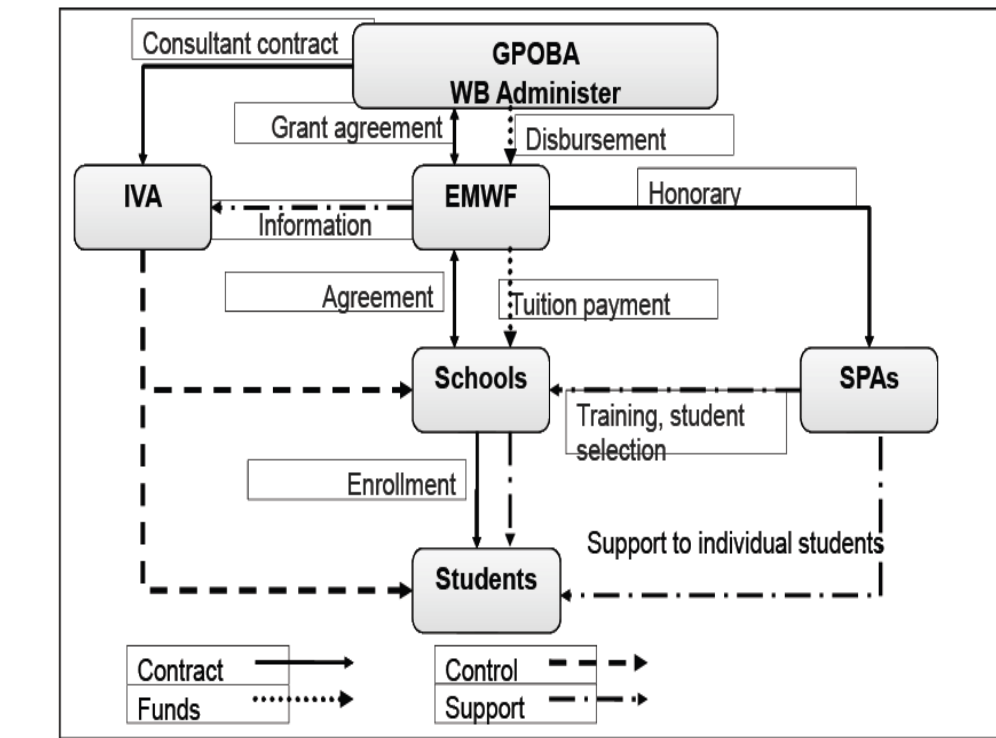
¹² Students were permitted to attend a school in a province different than their home province provided the school they attended was a beneficiary school under the Project. The home province was required to certify the student's poverty status, and the funding subsidy was provided to the school the student attended.

anonymity; (d) confirm the number of students, by school, that achieved passing grades and met attendance requirements; (e) review the reasons for student drop out [to validate the percentage of force-majeure drop outs]; and (f) share the IVA report findings with the EMWF for their report consolidation and reconciliation, and with the World Bank task team leader for disbursement decisions.

32. The World Bank’s main tasks were to: (a) provide implementation support throughout the project cycle including technical and fiduciary advice to ensure smooth operation of the project and its compliance with the grant agreement; (b) select and contract the IVA team to perform the verification of project outputs; (c) review the IVA reports and progress reports submitted by EMWF and approved the re-imbbursement for the implementing agency; and (d) administer the grant on behalf of the GPOBA program and prepared periodical monitoring ISR reports and the completion ICR report.

33. To coordinate project activities at the provincial level, a Project Steering Committee (PSC) was to be established by the Provincial People’s Committee in each province, including representatives of the Provincial People’s Committee, the provincial SPA, the provincial DOET (that reports to the MOET), and selected schools in the province. This too was an appropriate set-up to ensure the project reached the intended number and types of beneficiaries.

34. The project institutional arrangements are displayed in the chart below:



35. **Risks and Mitigation Measures.** The Project’s Feasibility Study Report presented an extensive set of risks, mitigation measures and a proposal for sharing responsibilities for risk mitigation. The main risk was that students would fail to meet the

requirements at the end of each or any semester, and to eventually complete their upper secondary education, which was the main project goal. To a lesser extent, there were risks related to inappropriate selection of students (no poverty certification, poor quality, lack of support by parents, etc.). Preparation underestimated the risks of participating schools pre-financing tuition for eligible students, the fact that many of these came from lower secondary schools with low standards and hence did not have the background to excel, and the issue that the per-student subsidies were “flat”, i.e., there were no pre-determined mechanism to automatically adjust the subsidy. However, the project’s institutional arrangements and responsibilities were designed to encourage mitigation of these risks, especially by promoting greater parental, school and provincial SPA involvement in monitoring and supporting students in their education. The project also included enough flexibility to allow schools to get reimbursed even if they did not meet disbursement criteria at 100 percent (i.e. disbursement on a pro-rated basis – see Table 1 below). These mitigation measures proved effective as evidenced by the fact that all targets were exceeded and IVA reports confirmed that the intended target population benefited from project interventions.

Table 1: Subsidy adjustment based on percent of students passing

Percent of students meeting disbursement criteria (%)	GPOBA (Disbursement)
98-100	100
97	99
96	98
95	97
94	96
93	95
92	94
91	93
90	92
50-90	Project would be suspended to assess its feasibility and find a way to restructure
<50	Project would be terminated

2.2 Implementation

36. Project implementation was smooth and efficient, due in no small measure to the project’s streamlined and transparent design and implementation arrangements and to the tremendous amount of detail that went into its preparation which resulted in its being completed successfully and on schedule. The strong collaboration between various stakeholders of the project: EMWF, SPAs, DOETs, and schools contributed significantly to the project’s smooth operation. The overall supervision and implementation support from the World Bank’s task team ensured that the project was implemented effectively and still comply with fiduciary requirements of donors.

37. **Readiness for Implementation.** The Project was ready for implementation after its approval in May 2010. Starting even before approval, EMWF had prepared training materials and delivered training presentations to program partners from the Provincial

SPAs in the eleven original Provinces. It was important to have this conducted early since the Project followed a train-the-trainers approach whereby the Provincial SPAs then worked directly with participating schools to train them on eligibility conditions and reporting requirements, and to reach out to potential beneficiary students. The enrollment of students into the Project began in early September 2010, with most schools starting the school year between August 14 and October 1. To enroll into the program, students and their families needed to complete a Student Household Form, provide a certified letter of poverty status, and sign a letter of commitment to the program. For its first academic year, less than six months after the Grant's approval, 64 schools (56 USS and 8 PSS) and 7,330 students (6,370 USS and 960 PSS) were enrolled as beneficiaries under the Project. (Annex 2 presents student enrollments and approvals, by USS and PSS classification, for each of the Project's three years of implementation).

Project Restructuring.

38. After one year of operation, there emerged a number of issues that required the adjustment of the terms in the grant agreement. East Meets West Foundation, as the implementing agency, and the World Bank teams worked together to come to an agreement on revised terms of the grant agreement, with endorsement from the GPOBA program unit.

39. One of the main issues was that all of the participating semi-public schools were converted into public schools in 2011 in response to a government policy on promoting social participation into education sector and closing semi-public schools (Decree 05/2005/NQ-CP and Decision 1166-TTg/2008). These schools left the program and the project students in these schools were no longer eligible to continue receiving tuition subsidies from the project.

40. Thus, the implementing agency proposed to: (a) revise the GA to include public schools into the project; and (b) invite a new province, Thai Binh, to join the project. In addition, the GA was also amended on August 10, 2011 to allow: (a) project staff salaries be included in the operating costs; (b) retroactive claims of eligible expenses incurred on or after March 1, 2010 (two months before the project starting date); and (c) the MOUs of selected provinces be entered between the implementing agency with specific provincial SPAs instead of the generic term "Government of Vietnam".

41. The revision of the GA had allowed the project to include new schools and recruit extra students to replace dropout students or students who left the project when their schools were converted into public schools and received local government funding. The direct MOU signing with participating provincial SPAs also encouraged stronger project ownership and increased closer monitoring and accountability of these associations to the students in their jurisdiction.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

42. **M&E Design.** As an OBA project, monitoring was very much at the center of the Project's implementation and disbursements. The indicators selected for monitoring progress towards the PDO (Section 1.2) were appropriate, and even more comprehensive as they measured progress both in terms of increasing access (number of students) and presented a proxy for quality (attendance and grade point average). The indicators counted on information that was readily available, and were relatively simple to compile as per the detailed monitoring requirements provided in both the Feasibility Study Report and in the Project's Operations Manual. Progress was monitored on the basis of the following reports: (a) School Term Reports; (b) Term Progress Reports for USS and PSS; (c) IVA Term Reports; (d) Project Completion Report, and (e) Post-Project Report.

43. At the end of each term and academic year, each participating USS and PSS was to prepare and submit to the provincial SPA and EMWF a **School Term Report** including students' learning progress (GPA and attendance), summarizing implementation progress including challenges and benefits, and proposing the disbursement plan for the school (number of students eligible for subsidies). The report was to provide a list of replacement students for those that dropped out of the Project. EMWF was to submit the participating school reports to the IVA for review. In addition, participating schools were to submit an additional report to EMWF, if necessary, providing the results of students that had to re-sit exams to continue to be eligible. EMWF was to submit a **Term Progress Report** to GPOBA by March 1 and July 1 of each year for USS and April 1 and September 1 of each year for PSS.¹³ The Term Progress Reports were to include a summary of progress, including progress towards the Project's Key Outcome Indicators, and other information regarding lessons, design, or fiduciary management. Term Progress Reports also were to include an Interim Financial Report (IFR) used for purposes of requesting grant disbursements from GPOBA. Independently, the IVA contracted by the World Bank (as administrator of GPOBA) was to submit **IVA Term Reports** to the World Bank to submit to GPOBA before the EMWF Term Progress Report was finalized.

44. **M&E Implementation and Utilization.** M&E implementation followed the agreed reporting design, especially since disbursements were tied to the receipt and verification of results. EMWF submitted timely and comprehensive Term Progress Reports, compiling reports received from participating USS and PSS, together with the IFRs that provided the basis for Grant disbursements. In addition, EMWF submitted Annual Reports for each of the School Years that summarized information about the Project and its supervision activities throughout the year and which were adequate for tracking project progress and PDO achievement. These included: (a) school visits to disseminate the Project; (b) student household visits; (c) meetings with the provincial SPA; (d) compliance with reporting requirements, project results; (e) student drop outs and causes; (f) challenges and recommendations; (g) requests for revisions to the project and its Operations Manual; (h) analysis of students enrolled under the Project; and (i)

¹³ The dates for submission of Term Reports from USS and PSS varied, based on the required calendar term schedule of each of these types of schools.

student results by participating school. The IVA visited each of the participating Provinces and all of the schools within the visited Province at least once per year. It reviewed the reporting of 69, 67 and 67 USS and PSS schools in the first, second and third year of the Project, respectively. The IVA worked with EMWF, the provincial SPA, schools, teachers, and at each school performed a random in-depth check of at least five percent of all student records (including a check of GPAs for Mathematics and Literature, cross check with school results reports, teacher mark records, student test papers) and an eligibility check of 100 percent of student records (including Student Household Form, Commitment Paper and Certificate of Poverty) kept at the EMWF's offices in Hanoi and Da Nang. This five percent in-depth student records check (or equivalent to about 375 records per year) were stipulated in the IVA terms of reference, based on estimate of time needed for the IVA team to perform the task, and the availability of funds to cover the verification tasks. The IVA also visited about three percent of student households, based on a randomly selected, computer-generated sample. If during their review, an incorrect data entry in the records of one of the participating schools was spotted, the IVA would then perform a detailed review of all student records at that school and work with the school authorities to provide technical assistance to improve recording. In this manner, the IVA not only performed a detailed review of compliance with eligibility criteria, but also provided an incentive to and assistance for improving record-keeping and monitoring of project data. The IVA Term Reports, by participating Province visited, provided a detailed account of the verification procedures followed, recommendations and conclusions after the verification, results obtained, output verification of schools (detailed information regarding students reviewed in-depth), households visited, and a recommendation to proceed with disbursement of the tuition subsidy for eligible beneficiaries. Verified (and rectified, if deemed necessary) project reports were used as a basis for disbursements in respect of tuition subsidies under the Grant.

45. At the start of the second year of implementation, EMWF requested that each Provincial SPA also prepare a term report for each period, describing and summarizing the activities performed by the entity, as well as reporting on the types of issues schools and beneficiaries in the respective Province faced and how they were addressed.

46. In parallel to this process, the World Bank Task Team Leaders had to exert quality control by carefully reviewing of the progress reports submitted by EMWF and IVA reports submitted by the IVA consultants as the basis for disbursement approvals. In addition, the World Bank task team also joined the IVA team in some of the field visits to schools and students' homes as an additional quality control measure to ensure good understanding of project implementation issues. The task team attended annual project review meetings and other ad-hoc meetings to hear feedback from project stakeholders and their suggestions related to project implementation issues.

47. Finally, after completion, EMWF commissioned an external, independent evaluation of the Project, and its results over the implementation period.¹⁴ The findings of the evaluation are incorporated in this Implementation Completion and Results Report.

2.4 Safeguard and Fiduciary Compliance

48. The Project did not trigger any **safeguard** policies.

49. EMWF was responsible for **fiduciary** compliance, including financial management of the Project's accounts and procurement of small supplies and equipment. EMWF's accounting and record keeping were considered acceptable to comply with the World Bank's financial management requirements. Disbursements were claimed (and made) after each school term, on the basis of IFRs submitted together with EMWF's Term Progress Reports. The project disbursed 96.55 percent of the funding, totaling US\$2,896,389.40. An uncommitted amount of US\$103,610.60 was cancelled after the disbursement date. Interim unaudited financial reports, and Project annual financial statements audited by independent auditors were received routinely, timely, and without qualifications. A Financial Management Specialist performed annual Financial Management Reviews of the Project, in May 2011, June 2012 and June 2013. The Financial Management Specialist met with EMWF staff, including its financial management specialists and visited schools in selected provinces where samples of project records and reports were reviewed. Samples of beneficiary students were also visited randomly to ensure the eligibility in use of grant funds. The review found that the financial management of the Project, including accounts and record keeping, by EMWF continued to be handled in a satisfactory manner. Although a small sample of schools visits revealed an overpayment of tuition subsidies have been made to them during two terms, the issue was promptly rectified and a refund was made by the schools to EMWF to adjust the overpaid amount.

2.5 Post-completion Operation/Next Phase

50. There is no formal agreement for a post-completion operation or next phase of the Project. By definition, the Project was limited to the tuition subsidies that could be provided to student beneficiaries over a three-year period. The GOV has expressed its satisfaction with the Project's results, but at this time has no specific plans to fund a continuation of the Project with budgetary resources. However, thanks to the project's pilot success, capacity of participating stakeholders have been improved and the government now has concrete evidence about what works and how to improve such a model if it has intention to adopt the OBA operational model in future lending operations or grant preparation by line ministries. The government can consider replicate the OBA model in their poverty reduction programs, particularly for those related to education assistance for the poor and ethnic minorities.

¹⁴ EMWF, GPOBA Education Program 2010-2013, An Assessment of Output-Based Aid on the Educational Outcomes of Disadvantaged Students.

51. The Provincial SPAs, schools and parents have expressed extreme satisfaction with the Project, and have requested a continuation. EMWF and the IVA have routinely collected lessons learned, and EMWF is conducting an ex-post student opinion survey and school data that will feed into a more detailed evaluation which in turn could be used to further refine the model piloted under the Project. Some SPAs have already applied the OBA approached in their provincial scholarship programs.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Overall rating: High

52. The Project's relevance was and continues to be high.

53. **Relevance of Objectives.** The Project objective was, and continues to be, fully relevant to its various stakeholders. It is relevant to the GOV's Education Development Strategy 2011-2020 that was approved by the Prime Minister and issued on June 13, 2012 and the GOV's five-year Socio-Economic Development Plan (SEDP 2011-2015) approved by the National Assembly in November 2011 that emphasizes human resources/skills development and social equity. The Project objective is relevant to GPOBA's objective of facilitating learning on the contribution of OBA approaches to the delivery of basic services. It is extremely relevant to GPOBA since this was the first education project supported by the program. The Project objective also continues to be highly relevant to the World Bank's FY12-16 Country Partnership Strategy for Vietnam in its first (Competitiveness) and third (Opportunity) pillars.¹⁵ A central element of Vietnam's innovation agenda, supported under the CPS "Competitiveness" pillar, is strengthening labor market skills by reforming how the education and training system is managed. The CPS program under the "Opportunity" pillar is aligned with the strategic development agenda laid out in the SEDP, including efforts to create equal opportunities for access to resources for development, basic services, and social welfare in rural and urban areas, to continue with policies for sustainable poverty reduction (especially in the poorest districts and among ethnic minorities), and to improve the quality of social services. Recognizing the importance of skills to finding productive and stable employment, Government has made improving the quality of human resources one of the three break-through priorities of its SEDP. A key outcome under this pillar is "Increased opportunities for the poor and household resilience to shocks", for which the World Bank aims to support the GOV during the CPS period in its efforts to further strengthen poverty reduction and social protection policies, and to improve the livelihood and earning opportunities for the remaining poor and vulnerable, many of whom are ethnic minorities.

¹⁵ World Bank, FY12-16 Country Partnership Strategy for the Socialist Republic of Vietnam, Report No. 65200-VN, dated November 7, 2011.

54. **Relevance of Design and Implementation.** The relevance of the Project’s design and implementation was **high**. The flexibility built into its design allowed it to provide continuing support to new eligible schools and students, even in cases where the original participating schools or enrolled beneficiaries did not meet with criteria for participation. The implementing agency’s roles were well defined and conducive to efficient implementation and support to enrolled students. Relevance of implementation is also rated **high** based on the fact that all project activities were successfully implemented and in a timely manner. Implementation support ensured that the Project relevance was maintained throughout.

55. The OBA instrument used contributed to the smooth operation of the project, particularly since the project implementation was only three years. The OBA approach helped reduce transaction times and costs of a regular traditional specific investment lending operations, particularly when it comes to adopting both the government’s and the donor’s fiduciary management regulations.

3.2 Achievement of Project Development Objectives

Overall rating: Satisfactory

56. The Project was successful in meeting its objective of increasing access of poor students to upper secondary education, and hence the achievement of Project Development Objectives is rated **satisfactory**. It improved the access to upper secondary schools for poor and disadvantaged students, as follows:¹⁶

Table 2: Number of Beneficiary Students and Participating Schools

Year	Number of Beneficiary Students	No. of Students Passing Criteria	Average Annual GPA ¹⁷ /Student	Average Absent Days/Student/Year	% Students Passing Criteria	Number of Participating Schools
2010-2011	7,338	6,935	5.95	3.64	95.27	64
2011-2012	8,040	7,511	6.06	3.70	92.87	67
2012-2013	8,145	7,672	6.33	3.33	94.19	67

57. Of the students enrolled, 16 percent were from poor families, 37 percent were from nearly poor families, 41 percent were from families facing “economic hardship”,¹⁸

¹⁶ A more detailed presentation of planned and actual numbers of beneficiary students, as well as the number of participating schools for both USS and PSS, by academic year, is provided in Annex 2.

¹⁷ Grade Point Average is measured on a scale of 0-10, with 10 being the highest score.

¹⁸ Following government regulations issued by the Ministry of Labor, Invalids and Social Affairs (MOLISA), it is ultimately the responsibility of the Commune People’s Committees to establish a comprehensive list of the poor and extreme poor in their areas on an annual basis. For the period 2006-2010, the extreme poverty level was defined as VND 2,400,000 per capita/year in rural areas (about US\$150), and VND 3,120,000 per capita/ year for the poor in urban areas (about US\$197).

three percent were ethnic minorities, 2 percent were orphans and less than one percent either affected by agent orange or disabilities.

58. The Project was also successful in reducing the dropout rate in most participating schools. In academic year 2010-2011 the dropout rate at participating schools was 8.1 percent and for Project beneficiaries 4.3 percent; in 2011-2012 the rates were 7.1 percent and 4.4 percent and in 2012-2013 the rates were 7.1 percent and 5.0 percent respectively. While the dropout rate for all students in those schools declined from a high of 9.7 percent in academic year 2009-2010, the dropout rate for Project beneficiaries declined even more.

59. More importantly, the Project resulted in improved education outcomes for poor, disadvantaged students. Project beneficiary students' average GPA increased annually from 5.95 in 2010-2011, to 6.06 in 2011-2012, to 6.33 in 2012-2013. Similarly, the average days beneficiary students were absent per year decreased annually from 3.7 to 3.6 to 3.3 days over each of the academic years during which the Project was implemented. The percentage of beneficiary students passing the Project's criteria for eligibility (GPA and attendance) was 95.27 percent, 92.87 percent and 94.19 percent in each of the three academic years. The average graduation rate (among participating schools) in 2012-2013 was 94.67 percent, higher than the overall average graduation rate (including students that were not beneficiaries under the Project) in the same schools over the same period (94.36 percent). The Project also raised awareness of students and parents regarding responsibilities for study habits and behavior.

60. The findings of the Project evaluation shows that it had significant impact in increasing access to upper secondary schooling for poor and disadvantaged youth, and improving their educational outcomes.¹⁹ The analysis was performed using data collected from eight schools (from among data collected from fifteen randomly selected schools), and stratifying results among three groups of students in Grades 10, 11 and 12: Group 1-a treatment group of beneficiary students under the Project, Group 2-a control group of students that would be eligible for benefits under the Project but did not receive them, and Group 3-students that would be ineligible. Preliminary findings show that across the

¹⁹ The external evaluation used a mean-difference estimator that measures the expected effect of the Project as the observed difference in outcomes between a treatment group and a control group after the Project was implemented. The direct estimate of the Project's impact was derived by comparing the treatment group with the classes before and after each GPOBA cohort within a given school. Primary data concerning the academic performance of both GPOBA and control cohorts was collected through the circulation of a data input form among 15 randomly selected schools. The form requested that schools provide data on all their students over the course of four academic years (2009-2013). Data quality was confirmed by crosschecking figures supplied by schools with those of the Project databases. Of the 15 schools, only eight were able to provide data of sufficient quality for both Project and non-Project cohorts. On average, from these eight schools the evaluator was able to collect information on slightly under 6,500 students for each of the four years. In effect, the data provided the evaluation with two control groups: (1) disadvantaged students from non-Project cohorts who would have satisfied the program's eligibility criteria; and (2) non-disadvantaged students. The evaluation also counted on qualitative inputs based on visits to seven schools in four different provinces. Further details on the methodology are available in the evaluation report.

whole sample, the Project increased the percentage of enrollment of disadvantaged students by 17.6 percent; when the two largest schools in the sample are excluded, the Project increased enrollment by 32.9 percent.²⁰

61. Similarly, the Project had an impact on reducing the dropout rate of disadvantaged students, as follows:

Table 3: Dropout rates of project beneficiaries, non-project disadvantaged students and ineligible students

	Grade 10	Grade 11	Grade 12	Average
Group 1	11.0%	6.4%	2.2%	6.5%
Group 2	14.3%	9.9%	2.3%	8.8%
Group 3	8.2%	4.5%	2.2%	5.0%

62. As expected, the highest dropout rates took place in the first year of upper secondary, across all groups. The project beneficiaries had an average dropout rate 2.3 percent below that of non-Project disadvantaged students, but only 1.5 percent higher than the non-disadvantaged counterparts. Approximately 81.5 percent of project beneficiaries that started in Grade 10 completed their upper secondary studies; this was 6.1 percent higher than non-Project disadvantaged students but 4.3 percent lower than non-disadvantaged students. Several factors may have come to play in influencing this positive outcome. First, schools are more focused on student performance, ensuring they attend tutoring, tracking their grades and performance, and encouraging them to study to continue participating in the Project. Second, as they progressed through upper secondary, students became more familiar with the education program and devoted greater efforts to studying. Finally, schools selected promising and motivated students to participate under the Project, since they bore the risk of pre-financing tuition until they were reimbursed with Grant funds, and would only receive reimbursement for students that met the Project’s criteria for participation. Still, qualitative inputs suggested that project beneficiaries were still affected by the realities of their economic situation, especially when the compared to their non-disadvantaged counterparts. According to the qualitative findings of the evaluation, teachers report that project beneficiaries that drop out of school do so because they could not continue to attend despite the tuition subsidy. Dropouts that were interviewed during the evaluator’s field visits reported that they dropped out to work to support their families, despite their parents’ complaints.

63. In terms of GPA, the project beneficiaries performed slightly better than students in both of the other control groups, as follows:

²⁰ The implication is that the larger and presumably more successful schools are less responsive to the output-based aid incentive mechanism for two reasons: 1) they are often located in advantaged locations and have less trouble attracting students to fill their classrooms, and 2) pre-financing the education of the Project cohort entails less of a risk in relative terms when compared with smaller schools.

Table 4: GPA of project beneficiaries, non-project disadvantaged students and ineligible students

	Grade 10	Grade 11	Grade 12	Average
Group 1	6.09	5.92	6.12	6.04
Group 2	5.75	5.78	5.89	5.81
Group 3	5.88	6.00	5.93	5.94

64. In summary, comparing project beneficiaries with a control group of non-beneficiary disadvantaged students (that would be eligible to participate) shows the follow outcomes:

Table 5: Upper Secondary Education Results of Project vs. Non-Project Disadvantaged Students

Indicator	Project	Non-Project	Difference
Enrollment ²¹	54.6% (84.9%)	37.0% (45.3%)	17.6% (39.6%)
Dropout	6.5%	8.8%	2.3%
Continuation	81.5%	75.4%	6.1%
GPA	6.04	5.81	-

65. EMWF conducted a tracer study of students enrolled in the 67 schools that participated in year three of the Project. Of those, 51 schools responded with results. Of the total 6,067 students for which data was obtained, 3,111 (35.5 percent) have continued their education after graduation from secondary. Of these, 2,153 have continued their education in universities/colleges and 958 have continued their education in professional/vocations training schools.

66. Project management expenditures, under Component 2, financed EMWF’s costs for project administration and implementation including financial management, technical supervision audits, and monitoring and evaluation. EMWF performed this function well, although the costs of project management and implementation were relatively high in comparison to the amount disbursed for tuition subsidies (Section 3.3). However, these costs were necessary for project start-up and would have been the same had the project been a US\$20 million operation.

3.3 Efficiency

Overall rating: Substantial

67. The project’s efficiency was significant as the project accomplished its objectives and is expected to result in overall efficiency gains, based on the assumptions at the time it was appraised. The Project’s Feasibility Study Report prepared before approval, quantified the economic benefits that were expected to include high social returns from

²¹ The numbers in parenthesis reflect data that excludes the two largest schools in the sample that skew the results.

the investment through: (a) increased number of US and PS students, improving human resources in both quantity and quality; and (b) improved productivity of graduates. Improved capacity of enrollment and scholarship/incentive schemes were expected to contribute to help poor and low-income students access upper secondary education, and hence ensure dropout rates were low. The Project was expected to contribute to the national effort to increase the number of secondary school graduates and directly improve the quality of outcomes and performance of graduates in the labor market, thereby increasing the earning capacity and spending ability of low-income groups, which in turn would help reduce poverty. Benefits expected from cost savings were the yearly savings of school fees that students' parents would have had to finance. In addition, the Project was expected to improve cost-effectiveness by increasing capacity utilization of non-public secondary education schools.

68. The Feasibility Study Report estimated the productivity differentials-benefits from increased earnings resulting from improved productivity of graduates. Benefits were expected to come from increased earnings because students would be directed into subjects for which demand is greater and also because reduced financial burdens and student-centered approaches would improve student performance and thus improve the quality of graduates and the workforce. The total expected benefits from productivity differential were expected to be US\$644,000 per year.

69. The Project met and even exceeded its planned outcomes (Section 3.2). Therefore, it is reasonable to assume, based on the ex-ante analysis, that there is a positive net benefit, not only to the students and their families, but also at a broader level, to the efficiency of the education system.

70. From a different angle, it is interesting to note the "cost" of delivering the Project's results. Of the US\$3.0 million Grant, US\$2.236 million financed tuition subsidies over three years and the remainder financed "overhead costs", costs by EMWF and the Provincial SPAs to roll out and implement the Project. The overhead costs amounted to 34 percent of the amount of tuition subsidies financed (over the total three year period), or a cost of US\$81 per student. While the annual subsidy per student head was US\$90, this operating cost level is high and may raise the questions of affordability and sustainability of similar future programs. Admittedly, this was a pilot operation, under a new OBA approach, and there were significant up-front, start-up costs for activities, in particular, the setting up of a strong and reliable monitoring and reporting system including reporting templates and reporting training across various project implementation levels and stakeholders. It is assumed that these costs would likely not be required for an eventual roll out of the Project to other Provinces and schools and would be much smaller if the project is to be replicated on a larger scale for more student beneficiaries.

3.4 Justification of Overall Outcome Rating

Rating: **Satisfactory**

71. The Project Overall Outcome Rating is **Satisfactory**. The evaluation prepared upon completion revealed that the Project had a marked impact on the performance in terms of enrollment, academic performance and dropout rates of project beneficiaries. It is unquestionable that the economic benefits, based on original assumptions, will materialize over time. The one remaining uncertainty is whether the overhead cost per student graduating would be sustainable, should the Government or other agencies decide to arrange funding for a roll-out to other Provinces and schools. However, since the objective of the Project was succinct and contained, this should not weigh heavily in its Overall Outcome Rating, especially since this was a pilot designed, *inter alia*, to test and put in place an effective model of OBA.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

72. Education and training development is a critical ingredient for a country's sustainable socioeconomic development and poverty eradication. As one of the most powerful instrument for poverty reduction, education can be a guarantee for development in every society and to every family. Its centrality is not only for poverty reduction but it can also contribute in reducing inequality (World Bank, 2004) and contributes to break the intergenerational poverty circle. Several international research studies show that education increases labor productivity in both urban and rural sectors, and that the economic returns to such investment are typically high. Research also established that education has a consistently favorable impact on women's wellbeing and empowerment, particularly for women's health, position in family and society, economic opportunities and returns, and political participation.

73. The Project was targeted at students from families living in poverty or near poverty to access and complete upper secondary education. The Project was implemented in twelve Provinces, including four Provinces in the Northern mountainous areas and eight others located along the Central Coast and Truong Son Mountain Range. These Provinces comprise many disadvantaged districts, with high rates of poverty. Beneficiaries were selected from among the poor lower secondary school graduates that could not be admitted to public USS or professional intermediate schools because they did not meet the stringent entry criteria and/or had economic problems. Although there were no specific gender biased criteria in targeting beneficiaries, the rate of female students among the beneficiaries (including the dropouts) was rather balanced, accounting for 44.49 percent (4081/9172 students) by the final year of the project.

74. Beneficiaries were to meet the following poverty targeting criteria described in Section 1.4, with the family "certificate of the poor" issued by the national or local government, or an equivalent written document. In the event of a tie between several students for selection, preference was to be given to students from ethnic minority communities. In the event the family could not obtain a "certificate of the poor", even though it faced economic hardship, the Project could accept potential students that met all

other eligibility conditions if the local people's committee certified the beneficiary family as "economic hardship".²²

75. The Project monitoring reports required certification of eligibility, including economic situation of the family, as a matter of routine. The IVA also performed an annual verification of compliance with eligibility requirements, including whether the students' families were classified as "poor", "non-poor" or "economic hardship" on all participating students' record. Both EMWF and the IVA performed some selected household visits to confirm the data reported.

(b) Institutional Change/Strengthening

76. The Project did not have specific institutional strengthening objectives. However, as this was the first OBA education project financed by GPOBA, it will serve to provide important lessons for future OBA education projects. Similarly, EMWF, the provincial SPAs and schools have strengthened their systems for monitoring student attendance and performance, and SPAs, schools and parents/students in putting in place support systems that can help students progress. In fact, both EMWF and the IVA noted an improvement in the quality of schools' data and monitoring systems over time, especially in terms of timeliness and accuracy, in large part, through the hands-on technical assistance they provided during implementation.

(c) Other Unintended Outcomes and Impacts (positive or negative)

77. One unintended impact of the Project that was reported by a DOET to the ICR mission was that authorities had noticed reduced rates of delinquency in areas where students that would otherwise be on the streets were enrolled in school. While this could be expected to be a reasonable effect of the Project, and shared through anecdotal examples, there are no concrete data to back this up. A more detailed analysis would be required to claim that the Project had a measurable impact on reducing youth delinquency.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

78. Although a formal Beneficiary Survey, *per se*, was not carried out, EMWF devoted a significant effort, with other implementing partners, to obtain feedback from participating schools and beneficiary students. Student Opinion Surveys were used to collect students' opinion results from 8,000 students at the beginning of the Project, and from 7,000 students after completion. Their opinions were sought through 14 questions regarding: (a) the continuation of education to upper secondary school level (without the Project); (b) the Project's impact on student awareness and study performance; (c) the appreciation of and expectation to education, and (d) expectations for future careers. The most interesting findings were that significantly fewer students were concerned about

²² As per the Project Operations Manual, in some provinces there was a reluctance by the local people's committee to certify too many households as "poor" or "nearly poor" even though those households did meet the criteria.

school fees (66 percent at beginning vs. 90 percent upon completion), more students thought that education was the best way to improve their opportunity for and choices of future jobs (94 percent vs. 80.0 percent), more students thought that education was necessary (90 percent vs. 79.3 percent), and more USS students wished to go on to higher education after graduation (70 percent vs. 74.2 percent).

79. The ex-post evaluation of the project included qualitative information through interviews with project stakeholders in project Provinces, to learn about the project model and its implementation, provide context to the quantitative analyses and gather direct feedback. The team visited seven schools in four Provinces, and met with DOET Representatives, school headmasters, teachers of beneficiary students, representatives of Provincial SPAs and students to learn about challenges, teaching methods, and recommendations for improving the implementation model that the project operationalized. The major challenges mentioned were: (a) difficulties that participating schools faced in pre-financing tuition for beneficiary students until they received reimbursement from EMWF; (b) learning project operational procedures and requirements, e.g., verification, reporting; (c) the additional workload the project required, especially for the project manager at each participating school, and (d) the low standards of lower secondary school education, that affected beneficiary students' ability to perform well at the upper secondary level (especially for PSS). Teachers expressed that the project provided an opportunity for increased parent-teacher contact and a better awareness on their part of student situations. Some schools provided free tutoring classes to beneficiary students. The main recommendations they put forth were that: (a) EMWF or GPOBA should finance the first term (on a rolling basis) to lessen the financial burden on schools; (b) there should be an incentive payment for the Project Manager in each school, and (c) the Project model should be expanded to include all students in public schools,²³ since subsidized tuition still implies costs to students and their families.

80. Finally, EMWF Term and Annual Reports presented follow-up information on beneficiary students that dropped out of school based on information provided by participating schools. In year 3, there were 405 students that dropped out (5.02 percent). The main reasons were economic hardship/needing to find work (41.8 percent) and the poor performance/attitude of the student at school (44.7 percent). The dropout rate of PSS students is much higher than USS students. The main reason that PSS students dropped out was economic hardship and choosing to work instead, high tuition fees and distance to school. The main reason that USS students dropped out was poor student performance, notably difficulty with coursework caused by the poor quality of education they received at the lower secondary level. The percentage of students that expressed intent to continue their education following graduation was significantly higher among USS students.

4. Assessment of Risk to Development Outcome

Rating: **High**

²³ SPAs, DoET wished that the Project could be expanded to public schools as there are semi-public students in public schools in Project, not public students

81. Risk to Development Outcome is rated **high** since it should be seen from two perspectives: first, the risk to the 7,348 students that graduated from USS or PSS as a result of the project, and, second, the risk, or opportunity foregone, that a successful Project does not in the future count on sufficient funding to replicate the experience gained by EMWF, the provincial SPAs, and schools to benefit other student beneficiaries in other schools and in other provinces that are faced with similar realities. As to the former risk, and that which is used for purposes of evaluating Risk to Development Outcome in view of the project's limited, contained objective, the risk is **negligible**. A total of 7,348 students, many of which would likely have dropped out of school at the lower secondary level, have graduated. Of these, approximate 2,000 have entered the workforce, 958 have enrolled in Technical Vocational Schools, and 2,153 have enrolled in higher-level education institutions a few months after high school or professional secondary school graduation. Those that have opted to continue their education (about 42 percent, both technical vocational or higher education) will, likely, continue to face the same economic constraints they faced in pursuing their upper secondary education, but that goes beyond the project specific objective to increase access of poor students to upper secondary education in non-public secondary and professional secondary schools in Project Provinces. The risk that a successful project does not in the future count on sufficient funding to replicate the experience gained by EMW, the provincial SPAs, and school to benefit other student beneficiaries in other schools and in other provinces that are faced with their same realities is much greater and is rated substantial or high. However, the lessons learnt and evidence gathered from the project's success will reduce that risk as the government acknowledged the usefulness of the data. The feedback from participating DOETs and schools also acknowledged that the monitoring and reporting by schools improved over time, as they became familiarized with Project requirements and absorbed the hands-on assistance provided by both EMWF and the IVA in the course of their periodic supervision and verification functions, respectively.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: **Satisfactory**

82. The World Bank's Performance in Ensuring Quality at Entry is rated **Satisfactory**. The Project was jointly prepared by EMWF and the World Bank, and reviewed by GPOBA and the World Bank, and approved by the World Bank, acting as Administrator of GPOBA. The Project was well prepared, consistent the GOV's and the World Bank's identified strategies. It is also compliant with the six GPOBA's core principles, in particular: (i) it received government endorsement and supported education sector priorities; (ii) it had an effective monitoring and verifications consisting of both SPAs and IVA to ensure the delivery of agreed outputs prior to reimbursements; (iii) EMWF as the implementer had the capacity for handling technical, financial and managerial requirements for the project implementation; (iv) the sector system had sufficient financial sustainability to share operating and financial expenses; (v) the subsidies were meeting the criteria set out to be acceptable, explicit, targeted and performance-based;

and finally (vi) the service providers (both EMWF and participating schools) had the capacity for pre-financing.

(b) Quality of Supervision

Rating: **Satisfactory**

83. The Quality of Supervision is rated **Satisfactory**. The Project was supervised by the World Bank and the IVA contracted by the World Bank. The Bank's role in supervision involved mostly contracting the IVA to carry out detailed, independent verification of the Project outputs, issues and results, supervising the Project based on findings of the IVA, handling Grant disbursements, and supervising the Project fiduciary aspects. The IVA selected by the World Bank for verification purposes was efficient, effective and timely. All provinces, and all schools within those Provinces, were visited at least once a year. The reports submitted to the World Bank were detailed, with full reporting by Province of the schools visited, of data verified, issues, suggestions and lessons learned, and contained information on households visited to confirm eligibility. For example, the IVA team provided feedback to school management to help improve reporting and management. The IVA team also suggested speeding up the disbursement process to help participating schools with cash flow problems as schools did not collect tuition fees of student beneficiaries. These comments were well-taken by the participating schools, the implementing agency and the World Bank task team. The World Bank task team also attended annual project review meetings or other ad-hoc meetings to hear feedback from project stakeholders and suggestions related to project implementation.

84. The World Bank carried out its fiduciary supervision efficiently and effectively, performing periodic Financial Management Reviews to confirm that they complied with its requirements.

(c) Justification of Rating for Overall Bank Performance

Rating: **Satisfactory**

85. Overall Bank Performance is rated **Satisfactory**, based on similar ratings for Quality at Entry and Quality of Supervision.

5.2 Borrower Performance

(a) Government Performance

Rating: **Satisfactory**

86. Government Performance is rated Satisfactory, although its role in the implementation of the Project was limited since the Project was not implemented by nor was the Grant awarded to a Government agency. The GOV expressed its support to the Project through a letter dated June 10, 2009, and was periodically informed of progress. The Provincial DOETs, reporting to the MOET, had a more prominent involvement, and worked closely with the Provincial SPAs and schools in support of Project objectives.

(b) Implementing Agency or Agencies Performance

Rating: **Satisfactory**

87. The Implementing Agency Performance is rated **Satisfactory**. The Implementing Agency was EMWF in collaboration with the Provincial SPAs, and the participating schools. EMWF performance was satisfactory, both during preparation and implementation and had a close cooperation with the World Bank task team. EMWF took on an additional pre-financing risk by taking on a bridge loan to help schools overcome cash flow problems resulting from the lag in receiving tuition fees from eligible students. The Project was very well prepared, entailed effective institutional arrangements, contemplated risks that could affect its implementation and identified measures to address those risks should they materialize (which they did), and counted upon a very comprehensive and detailed Operations Manual to guide implementation. From the start of implementation, EMWF was working with Provincial SPAs, DOETs and schools to disseminate the Project and its requirements, to help enroll students by conducting an intensive outreach effort. To ensure program quality, 66 out of 67 participating schools were visited in the first school term between October 2011 and December 2011. The purpose of the school visits was to give a presentation to parents and students about the requirements for students, requirements for parents, promote a discussion on benefits of education and why students should finish school, how to study well and excel at school, how to encourage students in study and require parents to pay more attention to their child's study. EMWF conducted Annual Review Conferences, including a final conference in September 2013, where the focus was mainly on monitoring and reporting program results and identifying best practices, challenges and lessons learned.

88. The Provincial SPAs also performed well, although there was considerable variation in terms of capacity and involvement. A somewhat "unique" organization that operates nationally at the Provincial level, the SPAs, played a pivotal role in providing training to participating schools (after receiving training from EMWF), working with lower secondary schools to raise awareness of the Project, and supporting schools, parents and student beneficiaries to ensure that students had the support needed to meet output criteria. They also worked closely with DOETs to ensure coordination with Government education policies and priorities.

89. Participating schools also had an important role in terms of monitoring enrolled students, providing documentation required by EMWF and the IVA, submitting term reports to the Provincial SPAs and EMWF, and providing support to students such as tutoring, lodging (if necessary) and other assistance to ensure that beneficiary students could meet output criteria. In general, the schools performed these functions well, with support from EMWF, the Provincial SPAs and the IVA. It is interesting to note that monitoring and reporting by schools improved over time, as they became familiarized with Project requirements and absorbed the hands-on assistance provided by both EMWF and the IVA in the course of their periodic supervision and verification functions, respectively.

(c) Justification of Rating for Overall Borrower Performance

Rating: **Satisfactory**

90. Overall Borrower Performance is rated **Satisfactory**, based on similar ratings for Government Performance and Implementing Agencies Performance.

6. Lessons Learned

91. As an initial, pilot, output-based aid approach for education financed by GPOBA, the Project offers several lessons for similar projects, regardless of source of financing.

On Output-Based Aid (OBA)

92. First and foremost, **OBA is an effective approach** for producing significant results in terms of school completion, drop out, attendance and GPA. Although some refinements to the model followed under this Project may be warranted, it nonetheless produced important results in a short period of time. Basing tuition subsidies on outputs and results enhances the responsibility of students, parents, schools—persons become responsible for what they are doing—and enhances the roles and responsibilities of all stakeholders.

93. OBA can produce results, **but it requires detailed preparation, committed institutions and strong monitoring and reporting systems**. It requires up-front involvement of all involved in implementation, monitoring that can immediately identify issues such as non-compliance, agreement upon the “rules of the game” that will ensure transparency, and buy-in and accountability of all involved. The Project’s institutional arrangements were important to results, as they not only ensured the operation of the OBA model but also served to provide a supportive environment to beneficiary students with teachers, schools and Provincial SPAs working together to ensure their success. Grassroots support was important—the role of the Provincial SPAs in particular was noteworthy, in that they wanted to help students be successful, although it is not clear that other countries count on similar institutions.

94. The overhead cost per student head was US\$81 and was considered quite high. However, the up-front detailed preparations, strong monitoring and reporting systems and streamlined design resulted in high readiness for implementation of the project, therefore, enhanced the project efficiency. In addition, the project’s objective was to increase access of poor students to upper secondary education and no technical assistance was included in the project design, therefore, the OBA approach is most relevant and efficient arrangement to achieve the objective. As the project’s coverage is regional (covering twelve (12) provinces) therefore, no single school or provincial organization was more fit to handle the project implementation than an NGO (national or international).

On the Tuition Subsidy

95. Even with a tuition subsidy, **students still required strong support** from their schools and the community. They still had other expenses to contend with such as uniforms, bicycles (or other transportation), meals, and for some that lived far from their schools, hostels or other accommodation.

96. **Tuition subsidies should have an automatic adjustment.** The Project defined the subsidies as a flat amount up-front. Although the initial tuition subsidies were higher than the national average at the time of preparation, this initial amount did not keep pace with the increase in tuition costs over even a short, three-year period.

97. **Schools should receive an up-front advance** of at least a part of the first term tuitions subsidies. As the Project was structured, schools only received reimbursement for students complying with output criteria after the end of the respective school term. Private schools depend on tuition to pay for operation and other costs, and the lack of income for one term posed a hardship for some schools.

98. The **number of beneficiary students per school should be limited** to reduce the risk to the school. If a school starts with most students enrolled under the tuition subsidy and one or more students drop out or do not comply with conditions, the school would have limited flexibility in terms of substituting those students, since there would be fewer other students to replace those enrolled in the program.

On Project Design

99. **USS and PSS students face very different challenges.** The issues facing PSS students are apparently very different than those enrolled in USS, and for OBA programs in attracting and retaining PSS students; further work is needed to identify mechanism to ensure that PSS students can comply with the requirements. PSS students generally live in industrial zones close to their homes, are contacted by industries/companies, are offered work in air-conditioned offices, and work therefore appears more attractive to them. One PSS school reported reasons for students drop out as: (a) family poverty—economic hardship; (b) a difficult curriculum, and (c) nearby industrial zones that promoted/offered employment to students

100. **Schools should be provided with some compensation** for the additional requirements with which they must comply---monitoring, reporting, verification, etc.

101. **Procedures for replacing both students that dropped out of the Project either for failing to comply with requirements or other personal reasons (moving, health, etc.) and schools that became ineligible (status changed to public, failure to comply with reporting or other requirements), were fundamental to Project success.** The Project was prepared with the assumption that not all eligible students or schools would be able to comply with required eligibility criteria, and planned procedures for substituting students or schools that became ineligible in order to complete

implementation on schedule and impact the intended number of beneficiary students. In fact, the number of planned students, enrolled students, students complying with eligibility criteria, and the number of schools, in both USS and PSS varied throughout the three years of implementation, highlighting the importance of having built in this flexibility beforehand.

102. The Project should have aimed for **closer cooperation with MOET**. The Project was successful and offers an interesting model for future efforts aimed at increasing upper secondary enrollment and completion. More importantly, the Project also offers lessons with respect to the need to improve the quality of lower secondary education which impacted beneficiary students' performance. A stronger engagement with MOET will increase the possibility that these lessons will be used as evidence for informing their policies and be shared and replicated in relevant programs or projects.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

Comments received from East Meets West Foundation are included in Annex 7.

(b) Cofinanciers

The Project has no cofinanciers.

(c) Other partners and stakeholders

None.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
(1) Subsidies to Participating Schools under Part 1 of the Project	2,340,218	2,236,608.20	95.57
(2) Operating Costs under Part 2 of the Project	659,782	659,781.20	100.00
Total Baseline Cost	3,000,000	2,896,389.40	96.55
Physical Contingencies		0.00	0.00
Price Contingencies		0.00	0.00
Total Project Costs	3,000,000	2,236,608.20	96.55
Total Financing Required	3,000,000	2,236,608.20	96.55

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower			0.00	0.00
International Bank for Reconstruction and Development			0.00	0.00
Global Partnership on Output-based Aid		3.00	2.24	96.55

Annex 2. Outputs by Component

Year			2011		2012		2013	
			Term 1	Term 2	Term 1	Term 2	Term 1	Term 2
Students	USS	Planned	6,142	6,142	6,827	6,827	7,027	7,027
		Enrolled	6,370	6,378	6,894	6,840	7,081	7,081
		Meeting Output Criteria	5,248	6,080	5,787	6,276	6,072	6,745
	PSS	Planned	1,420	1,420	1,016	1,016	1,070	1,070
		Enrolled	960	960	1,146	1,146	1,064	1,064
		Meeting Output Criteria	902	855	1,013	188	889	392
	Total	Enrolled	7,330	7,338	8,040	7,986	8,145	8,145
		Meeting Output Criteria	6,150	6,935	6,787	6,477	6,961	7,137
	Disbursement Request	USS	Planned	\$286,650	\$287,010	\$307,215	\$307,215	\$318,645
Actual			\$240,715	\$315,477	\$259,922	\$320,638.5	\$273,240	\$353,587.5
PSS		Planned	\$76,800	\$76,800	\$81,280	\$81,280	\$85,120	\$85,120
		Actual	\$74,371	\$69,051	\$81,040	\$16,329.6	\$71,680	\$71,043.2
Total		Planned	\$363,450	\$363,810	\$388,495	\$388,495	\$403,765	\$403,765
		Actual	\$315,086	\$384,528	\$340,962	\$336,968.1	\$344,920	\$424,630.7
*Out of 9 PSS schools, only 4 completed Term 2. Other 5 PSS will be reported in the next Report								

		Unit	2011		2012		2013	
			Term 1	Term 2	Term 1	Term 2	Term 1	Term 2
Service quality indicators (average GPA per beneficiaries)		GPA	5.81	5.95	6.00	6.06	5.99	6.33
Average absenteeism (max. 45days/school year)		%	1.6		1.6		1.73	3.33
Average annual HH expenditure on service (tuition fees)	USS	VND			2,019,103		2,290,914	
	PSS		1,750,377	1,772,802	2,511,111		4,151,111	
Average annual HH expenditure on general service (total school fees)	USS	VND			3,142,552		3,249,450	
	PSS		2,775,500	2,775,500	3,290,040		5,097,329	
Schools participating in the project		No.	64	64	67	66	67	67

Annex 3. Economic and Financial Analysis

103. Before appraisal, the Project Feasibility Study Report quantified the economic benefits that were expected to include high social returns from the investment through: (a) increased number of USS and PSS students, improving human resources in both quantity and quality; and (b) improved productivity of graduates. Improved capacity of enrollment and scholarship/incentive schemes were expected to contribute to help poor and low-income student's access upper secondary education, and hence ensure dropout rates were low. The Project was expected to contribute to the national effort to increase the number of secondary school graduates and directly improve the quality of outcomes and performance of graduates in the labor market, thereby increasing the earning capacity and spending ability of low-income groups, which in turn would help reduce poverty. Benefits expected from cost savings were the yearly savings of school fees that students' parents would have had to finance. In addition, the Project was expected to improve cost-effectiveness by increasing capacity utilization of non-public secondary education schools.

104. The Feasibility Study Report estimated the productivity differentials-benefits from increased earnings resulting from improved productivity of graduates. Benefits were expected to come from increased earnings because students would be directed into subjects for which demand is greater and also because reduced financial burdens and student-centered approaches would improve student performance and thus improve the quality of graduates and the workforce. The total expected benefits from productivity differential were expected to be US\$644,000 per year.

105. A regression calculus using data from Vietnam Household Living Standards Survey 2012 shows that monthly wages of a laborer holding an upper secondary education diploma are around VND 2.077 million higher than those holding only a lower-secondary education diploma. Monthly wages of a laborer holding a college/university degree are around VND 7.850 million higher than those holding only a lower-secondary degree. Compared with holding a lower-secondary diploma, holding an upper-secondary diploma and a college/university degree can increase yearly wages by VND 24.9 and VND 94.2 million, respectively.

106. From a financial perspective, the project was designed to subsidize around 7,500 students to enroll into non-public upper secondary or professional secondary schools. After three years implementation, 8,145 students benefited from the project and 7,358 graduated USS and PSS education. With the assumption that without the project the beneficiaries were unlikely to complete an upper-secondary education and later a college/university qualification, the total economic impact would be the returns to education qualifications multiplied by the number of beneficiaries. It should be noted that this calculation did not take into account the foregone opportunity cost of attending upper-secondary schools and college/universities. This opportunity cost can be regarded as the income that beneficiaries would earn during the education period if they had not attended upper-secondary schools and college/university. However, this opportunity cost

is minimal given the lower and unstable income of lower-secondary education graduates normally receive.

Table 6: Estimated returns of the project

	Number of students	Return to education per year (million VND)	Total returns (million VND/year)
Completed upper-secondary	4,237	24.9	105,618.9
Completed college/university	3,111	94.2	293,061.6
Total	7,348		398,680.5

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Thanh Thi Mai	Senior Operation Officer	EASHE	Team Leader (former)
Cung Van Pham	Senior Financial Management Specialist	EASFM	
Nguyet Minh Nguyen	Program Assistant	EACVF	
Leslie Villegas	Infrastructure Specialist	GPOBA	
Lars Johannes	Infrastructure Specialist	GPOBA	
Supervision/ICR			
Thanh Thi Mai	Senior Operation Officer	EASHE	Team Leader (former)
An Thi My Tran	Education Specialist	EASHE	Team Leader
Cung Van Pham	Senior Financial Management Specialist	EASFM	
Hoang Xuan Nguyen	Procurement Specialist	EASPR	
Nguyet Minh Nguyen	Program Assistant	EACVF	
Leslie Villegas	Infrastructure Specialist	GPOBA	
Dao Thai Lai	Consultant		
Pham Thi Thanh Tam	Consultant		
Mac Thi Viet Ha	Consultant		
Suzana Nägele de Campos Abbott	Consultant		

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY10	6.64	24,881.33
Total:	6.64	24,881.33
Supervision/ICR		
FY11	7.35	47,141.87
FY12	7.80	59,461.64
FY13	7.18	63,024.90
FY14	10.59	77,176.01
Total:	32.92	246,804.42

Annex 5. Beneficiary Survey Results

107. A final evaluation of the project was carried out one month before the project was formally closed. The evaluation aimed to address the following research objectives:

- Review project's progress and accomplishments over the past 3 years;
- Evaluate the relevance, effectiveness and sustainability of the project model;
- Gather feedback from students and other stakeholders on project activities, and;
- Develop clear recommendations for future OBA and/or education initiatives targeting disadvantaged students.

108. The evaluation was conducted during September-October of 2013, after the targeted cohort had completed its secondary school studies. Through a review of relevant literature and secondary sources, the evaluation provided some perspectives on how the model used for the project relates to the current education system in Vietnam. A mixed methods approach, combining both quantitative and qualitative methodologies for primary data collection and analysis was deployed.

109. Primary data concerning the academic performance of both GPOBA and control cohorts was collected from 6,500 students in 8 randomly selected schools. In-depth interviews were conducted in four provinces (Bac Giang, Binh Dinh, Quang Nam, and Thua thien Hue) and seven schools in these four provinces. Representatives of the Departments of Education and Training (DoET), provincial SPA leaders, headmasters, teachers of the GPOBA cohort, and student beneficiaries were interviewed during field visits to gather anecdotal evidence, providing context to the quantitative analysis through direct feedback from stakeholders on GPOBA Education's program model and impacts.

110. The main findings from the evaluation are summarized below.

- **Enrollment:** GPOBA Education was successful in increasing access to upper-secondary schooling for disadvantaged students by 32.9 percent.
- **Drop-out:** On average, the GPOBA dropout rate is 2.3 percent points lower than that of disadvantaged non-GPOBA students. Although this difference is seemingly very low, in relative terms this means that the program was successful in reducing the dropout rate of GPOBA students by more than 26.2% when compared with the disadvantaged non-GPOBA control group.
- **Continuation:** The continuation rate for GPOBA students 81.5 percent, indicating that just over 4 out of 5 GPOBA students who entered the program in grade 10 will successfully complete their studies.

Annex 6. Stakeholder Workshop Report and Results

111. A Stakeholder Workshop was organized in September 2013 with participants from Government side (MOET, 12 DOETs), SPAs, EMWF, donors (the WB task team, GPOBA, IVA team) and other NGOs working in the education sector. Vice President of the National SPA, Dr Hoang Xuan Nhi, a former Vice Minister of Education and Training, chaired the workshop. Key notes from the workshop are as follows:

Achievements:

- This GPOBA education project has demonstrated to stakeholders a new effective model of improving the equity and quality of education particularly at the secondary level where universal education has not been achieved. The subsidies are performance-based, and results could be measured and could be verified at an affordable cost.
- The GPOBA education project has had immense social impact in terms of preventing at least 50 percent of the 8,000 students from dropping out of school and its consequences.
- With performance-based incentives, private schools could provide students who did not get admitted to a public high school with good educational outcomes.
- Some SPAs already applied the performance-based OBA approach in their scholarship programs

Lessons learnt:

- Closer coordination with MOET and provincial DOETs is needed to mobilize greater support for SPAs and schools.
- Limit the number of student beneficiaries in each school to ensure student eligibility (poor/nearly poor + % of Economic hardship)
- Financial management, monitoring and reporting should be provided to schools and SPAs at the beginning of the project, and regular monitoring and support should be provided during project implementation.
- Participating schools should be reimbursed for their additional efforts in monitoring, reporting and other tasks related to the project.
- Students tend to drop out more when they do not receive good quality education. Therefore, schools and their teachers need to improve their teaching quality, and providing performance-based incentives is a good solution to both teachers and students.
- Families and community engagement in the education of their children are essential to keep students in school and learn. Therefore, closer connection between schools and families and communities is necessary.

Recommendations:

- There should be stronger cooperation with and involvement of the central government (MOET) to advocate and increase the sustainability of the GPOBA model.

- The project should provide an advance to participating schools to reduce their financial burden.
- The central government and local government should replicate the GPOBA model using funds raised locally.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

112. EMWF prepared a project completion evaluation report and shared the following key points:

113. The most impressive finding is the impact that GPOBA Education had on the enrollment of disadvantaged students at targeted schools. Through the OBA incentive mechanism and the project's recruitment and promotional activities, the project managed to increase the percentage of disadvantaged student enrollment by an average of 17.6 percent. However, when the two largest schools are excluded from the sample, this average is nearly doubled to an increase of 39.6%. The implication is that because the larger and presumably more successful schools are less responsive to the OBA incentive mechanism for two reasons: (a) they have less trouble attracting students to fill their classrooms; and (b) pre-financing the education of the GPOBA cohort entails less of a risk in relative terms when compared with smaller schools. This notion is also supported by the fact that during our field trips, the poorest (and smallest) schools tended to be more enthusiastic about the program.

114. There were also positive results for the dropout and continuation rates, as well as marginal improvement in terms of the GPOBA cohort's grade point average when comparing the GPOBA treatment and eligible non-GPOBA control groups. Here it is worth noting that although it is useful to look at targeted students' academic performance, it is crucial to remember that many of the GPOBA students would not have attended upper secondary school at all if not for the program—in the words of one provincial SPA: any GPA is better than no GPA.”

115. Although the evaluation manages to provide some interesting perspectives on the effectiveness of the program (and particularly the OBA mechanism itself), it is strongly recommended that a follow-up to this evaluation be conducted once the GPOBA Program Database is fully updated with year three figures to see if the program aggregate data support the conclusions drawn here.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

The Project has no cofinanciers.

Annex 9. List of Supporting Documents

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13. Vietnam Household Living Standards Survey, 2012
14. World Bank, FY07-11 Country Partnership Strategy for the Socialist Republic of Vietnam, Report No. 38236-VN, February 1, 2007.
15. World Bank, FY12-16 Country Partnership Strategy for the Socialist Republic of Vietnam, Report No. 65200-VN, November 7, 2011.

Annex 10. Monitoring Students' Performance

Students that did not comply with attendance, behavior or minimum GPA criteria, as verified in the term reports submitted by participating schools to EMWF, could be replaced by other students that met the selection criteria. Annex 10 presents a detailed description of assessment criteria for students' continued participation as beneficiaries of tuition subsidies under the Project.

Schools were required to provide a term report on every beneficiary student certifying that the student continued to be eligible for subsidies under the Project. The certification addressed that:

- Student attendance met program requirements
- Student GPA results met the passing criteria
- Student met poverty targeting and selection criteria.

Student Attendance

Schools recorded student attendance on a daily basis. USS students were required to have an attendance of greater than or equal to 80 percent at the end of the school year—the average of Term 1 and Term 2 attendances or students needed to meet the MOET standard for attendance (not miss more than 45 days of school per year). USS students with an attendance below 60 percent for Term 1 were disqualified from the Project (since they would be unable to finish the school year with an attendance greater than 80 percent) and replaced by another student at the end of the school year. MOET regulations require that any student missing more than 25 percent of a subject's classes must repeat the subject. Repeating of subjects was not permitted under the Project (since students would require more than three years to complete secondary school), and students affected were disqualified and replaced by another student at the beginning of the following school year. PSS students were required to have an attendance of greater than or equal to 80 percent per subject for each Term. If students did not meet the minimum attendance of 80 percent, the school would not allow them to sit for the final exam. Instead, the school could offer tutoring until the student was considered able to set for the exam, and this additional tutoring could be considered as a proxy for school attendance.

Assessment of Students' Performance

Student learning results in USS and PSS were assessed according to MOET Regulations on Assessment and Classification of Lower and Upper Secondary School Students, on Assessment and Classification of MOET for Professional Intermediate School Students (including two categories, academic and vocational skills), and on Formal Professional Intermediate Training. To avoid fraud and bias on exams, student answer sheets were anonymous (with a number as opposed to a name). Student performance, for both USS and PSS, were assessed based on Subject GPA, Term GPA (arithmetic mean of all subject GPAs) and Annual GPA (arithmetic mean of Term 1 GPA and Term 2 GPA, with Term 2 GPA weighted double). USS students were required to achieve a Term/Annual GPA of at least 5.0 (on a scale of 10), and scores of at least 3.5 for each Subject GPA. PSS students were required to achieve Subject, Term and Annual GPAs of at least 5.0. All students are required to have a mathematics and literature Annual Subject GPA of at

least 5 to progress to the following grade, as per MOET requirements. Possible performance outcomes and eligibility to continue to participate as a beneficiary of the Project are presented in the table below:

Scenario	Term 1 GPA	Disbursement upon completion of Term 1	Term 2 GPA (final, after re-sit of exams, if required)	Disbursement upon completion of Term 2	Comments
Student passes both Terms	Pass USS: Term GPA \geq 5 & Subject GPA \geq 3.5 PSS: Term GPA \geq 5 & Subject GPA \geq 5	Subsidy for Term 1	Pass USS: Annual GPA \geq 5 & Subject GPA \geq 3.5 PSS: Annual GPA \geq 5 & Subject GPA \geq 5	Subsidy for Term 2	Student passes
Student passes Term 2, but not Term 1	Fail USS: Term GPA $<$ 5 or Subject GPA $<$ 3.5 PSS: Term GPA $<$ 5 or Subject GPA $<$ 5	Nil	Pass USS: Annual GPA \geq 5 & Subject GPA \geq 3.5 PSS: Annual GPA \geq 5 & Subject GPA \geq 5	Subsidy for Term 1 and Term 2	With condition that no subject GPA $<$ 3.5 for USS and GPA $<$ 5 for PSS after re-sit exams of Term 1 & Term 2 at end of Term 2
Student passes neither Term 1 nor Term 2	Fail USS: Term GPA $<$ 5 or Subject GPA $<$ 3.5 PSS: Term GPA $<$ 5 or Subject GPA $<$ 5	Nil	Fail USS: Annual GPA $<$ 5 or Subject GPA $<$ 3.5 PSS: Annual GPA $<$ 5 or Subject GPA $<$ 5	Nil	Student drops out, replacement student required
Student passes Term 1 but not Term 2	Pass USS: Term GPA \geq 5 & Subject GPA \geq 3.5 PSS: Term GPA \geq 5 & Subject GPA \geq 5	Subsidy for Term 1	Fail USS: Annual GPA $<$ 5 or Subject GPA $<$ 3.5 PSS: Annual GPA $<$ 5 or Subject GPA $<$ 5	Nil	Student drops out, replacement student required

Beneficiary students not meeting output criteria

Students that did not meet passing criteria above, that had not violated school rules, were eligible to re-sit exams at the end of the school year, as follows:

If a student had any Subject GPA below 3.5 (USS) or below 5 (PSS), that student would be required to re-sit the exam for the failed subject (even if the Annual GPA was above 5);

If at the end of the school year (end of Term 2), a student had an Annual GPA below 5, that student could elect to re-sit exams in subjects that they had scored poorly, and the grades on those new exams would be recalculated for the Subject and Term GPAs, and used to recalculate the Annual GPA to reassess student results.

If the revised GPAs based on the re-sitting of exams met the requirements for participation under the Project described in the Table above, the student would pass to the next grade and be eligible for the subsidy for the year.

At the end of the 12th grade, USS students were not permitted to re-sit exams. The national exam taken at the end of the USS would be considered instead: if the student passed the national exam, that student would be considered as having met the criteria for participation under the Project.

Annex 11. Project Province Map

