Upper Secondary Education Enhancement Project

SECTOR CONTEXT AT PROJECT PREPARATION

Since the early 1990s, the Government of Vietnam (Gov) has made sustained and successful efforts to improve 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 became nearly universal, and attendance and completion rates increased across all educational levels, particularly in rural areas. Despite these remarkable achievements, the Gov still faced challenges. Large disparities remained in secondary enrollment levels between advantaged and disadvantaged regions, and the upper secondary school (USS) completion gap more than doubled between income quintiles 1 and 5. Much of this disparity relates to tuition fees. Students take entrance exams to enter USS. Those who don’t qualify for public schools will enter the semi-private and private schools, for which they must pay, or drop out of the school system. Well-to-do students tend to go to public USS, while a large number of disadvantaged students attend non-public USS.

According to a national survey conducted in Vietnam in 2004, the most common reason for student drop-out was an inability to pay tuition, followed by needing to work to support family.

THE PROJECT AND ITS PARTNERS

In 2010, the Global Partnership on Output-Based Aid (GPOBA) signed its first grant agreement in the education sector. The $3 million project aimed to address persistent inequalities in learning outcomes, attendance, and completion rates by increasing access of poor students to upper secondary education (grades 10–12) in non-public secondary and professional secondary schools (PSS) in 11 provinces in Vietnam. The project was designed to provide output-based subsidies to schools through reimbursed tuition fees, subsidizing enrollment of 7,500 students for three years. USSs received a $90 tuition subsidy per student per year, PSSs received $160 per student per year. The subsidy covered 55 to 84 percent of schooling-related costs (mainly tuition), with the tuition balance paid by the school and East Meets West Foundation (EMWF), the grant recipient and implementing partner. User contribution covered transport, accommodation, school supplies, and textbooks. Schools bore the operational risk by pre-financing tuition, which was reimbursed by GPOBA upon independent verification of student attendance (at least 80 percent) and achievement of a minimum 5.0 grade point average (GPA), on a scale of 1 to 10, at the end of term.

Students were chosen for participation by the schools and provincial Study Promotion Associations (SPAs), nonprofits formed by the Gov that support the Ministry of Education and Training (MOET). Selected students were poor lower secondary graduates who could not be admitted to public USSs due to poor academic performance or economic difficulties. To protect schools from unreasonable risks, only students with a GPA of 5.0 or above were selected.

During project implementation, a change in Gov policy resulted in semi-public schools being converted to public schools, leaving students in those schools no longer eligible for tuition subsidies. Project objectives were therefore revised in 2011 to include public schools with private placements, and a new province was added to the project.

1 In Vietnam, public schools at the upper secondary level are entirely funded by the state, with a nominal fee from students, while semi-public schools (non-public classes that operate in a publicly owned school infrastructure) and private schools are funded through tuition fees.
1. **Solid and detailed preparation during project design, including built-in flexibility and procedures for replacing students or schools that dropped out of the project or became ineligible, were key to meeting project objectives.** The Project Feasibility Study Report, financed by GPOBA technical assistance funding, presented risks, mitigation measures, and proposals for sharing responsibilities for risk mitigation, particularly by promoting greater parental, school, and SPA involvement in monitoring and supporting students. The project was prepared with the assumption that not all selected students or schools would be able to comply with eligibility criteria over the entire project period, and procedures for substituting students or schools that became ineligible were contained in the project’s comprehensive Operations Manual. In fact, the number of planned students, enrolled students, students complying with eligibility criteria, and schools, varied over the three years, underscoring the importance of flexibility in enabling the project to be completed on schedule and to impact the intended number of students. The project also included flexibility to allow disbursement to schools on a pro-rated basis according to intermediary milestones.

2. **The project’s institutional arrangements, which were straightforward, transparent, and well tailored to Vietnam’s institutional reality, supported project success.** The project’s design ensured that institutional responsibilities and processes were clearly defined, easy to follow, and utilized existing local institutions. The selection of provinces for participation was determined by criteria based not only on the needs of disadvantaged students, but also on the fact that these provinces had strong SPAs. SPAs played key roles, such as providing training to participating schools and working with lower secondary schools to raise awareness of the project.

3. **Tuition subsidies and other financing components should be structured in a way that avoids placing undue financial burden on schools.** Schools received tuition reimbursement at the end of the school term. As private schools depend on tuition for operational and other costs, the lack of income for one term sometimes posed a hardship. A partial advance of first-term tuition subsidies would have eased this burden. This issue was addressed during project implementation by EMWF securing a loan and providing advances to schools. The project also hired more independent verification agents (IVAs); verification then took place bi-monthly or quarterly instead of every six months, enabling the re-imbursement process to be speeded up. A second issue was that the project defined the subsidies as a flat amount. Although this amount was higher than the national average at project preparation, it did not keep pace with increasing tuition costs over three years, leaving students to pay a greater share of school fees in years two and three. A built-in adjustment mechanism for tuition subsidies could have been considered. Finally, it may be possible to spread and lessen risk for schools by limiting the number of subsidized students per school. Then, if one or more students enrolled under the subsidy dropped out/became ineligible, the school would still have a sufficient pool to draw on for replacement students.

4. **Strong and early collaboration between project stakeholders supported the project’s smooth operation. However, this preparation involved significant cost.** Starting even before approval, EMWF prepared training materials and delivered presentations to SPAs in the 11 original provinces. SPAs could then work directly with schools totrain them on eligibility criteria, reporting requirements, and outreach to potential students. Of the project’s $3 million grant, $2.2 million financed tuition subsidies; the remainder financed project management and operational costs of EMWF and SPAs, representing 25 percent of the total project cost over three years. Although total project cost was within range of similar education programs, it raises questions of affordability and sustainability of future programs. As this was a pilot project using the OBA approach, some of its significant start-up costs—such as the setting up of a strong, reliable monitoring and reporting system—may not need to be replicated in the event of a project roll-out.

5. **Closer cooperation between the project and the MOET and provincial Departments of Education and Training (DOETs) would have made it more likely that lessons learned would inform future government policies and programs.** The project offers an interesting model for programs aimed at increasing upper secondary enrollment and completion, and derived lessons with respect to, among other things, the importance of improving the quality of lower secondary education, which impacted USS student performance. Stronger engagement with the MOET and DOETs would increase the possibility that government stakeholders would make use of such lessons.

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