



# Program Information Document (PID)

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Concept Stage | Date Prepared/Updated: 14-Oct-2021 | Report No: PIDC32492



**BASIC INFORMATION**

**A. Basic Project Data**

Country Vietnam	Project ID P177338	Project Name Vietnam - Last Mile in Human Development (P177338)	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Board Date May 11, 2022	Practice Area (Lead) Education	Financing Instrument Development Policy Financing
Borrower(s) Ministry of Finance	Implementing Agency Committee on Ethnic Minority Affairs (CEMA)		

**Proposed Development Objective(s)**

The Project will improve education and nutritional outcomes of Ethnic Minority groups, and will strengthen governance and management of National Targeted Programs of the Recipient’s territory.

**Financing (in US\$, Millions)**

**SUMMARY**

<b>Total Financing</b>	167.50
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**DETAILS**

<b>Total World Bank Group Financing</b>	150.00
World Bank Lending	150.00
<b>Total Non-World Bank Group Financing</b>	17.50
Trust Funds	17.50

**Decision**

The review did authorize the preparation to continue

**B. Introduction and Context**

Country Context



- 1. The proposed Last Miles Development Policy Operation (DPO) will support the Government of Vietnam’s effort to reduce socio-economic inequities faced by Ethnic Minorities (EMs), especially regarding human development outcomes.** Firmly anchored in the National Targeted Program for Ethnic Minorities and Mountainous Areas (NTP-SEDEMA) 2021-2030, the operation is supporting the Government of Vietnam (GoV) in implementing priority reform measures to lay the institutional foundation for human development in the lagging EM and mountainous regions, including education and training, jobs, healthcare, and gender, as well as for systemic changes in the way NTPs and sustainable poverty reduction in Vietnam are conceived and implemented in the coming 10 years.
- 2. Despite Vietnam’s equitable growth, pockets of poverty and human capital disparities remain and are concentrated in ethnic minority populations.** On the monetary dimension, ethnic minorities account for only 14.7 percent of the population but represent more than 86 percent of the poor in 2018, based on the General Statistics Office-World Bank monetary poverty line. In other words, about 5 million out of the remaining 6 million poor are ethnic minorities. While the proportion of poor households among ethnic groups has declined significantly from 60 percent to 40 percent between 2014 and 2018, the pace of poverty reduction has not been as fast as in the majority of population but also highly uneven across minority groups. Moreover, poverty among ethnic minority groups has a strong geographic dimension. The poor are concentrated in the Northern Mountains and Central Highlands, where the density of ethnic population is also highest. With just 1 percent of the Kinh and Hoa classified as poor, completing the “last mile” in socio-economic development requires continued progress among ethnic minorities and accelerated growth in the lagging EM and mountainous regions.
- 3. Ethnic minorities and those living in poor, remote, and mountainous provinces have substantially worse outcomes in human development, driven by low access to quality education, skill development opportunities and health services, as well as gender disparities.** While the national under-five stunting prevalence was 19.6 percent in 2020, it reached over 31 percent for ethnic minority population and 38 percent in the EM and mountainous regions. On education, while there is little gap in enrollment by ethnic group at the pre-primary and primary levels, the access gaps appear in lower secondary, 8.2 percentage points on average, and substantially widen in upper secondary to 24.9 percentage points, on average, and 70-90 percentage points between Kinh and the most lagging EM populations. The access gaps are also strongly mirrored in learning outcomes with EM students persistently perform worse than their Kinh peers at all levels. Only 10 percent of working-age ethnic minorities have some vocational training which further decreases to less than 2 percent for the most disadvantaged 15 ethnic groups. Being located in remote communities, having low skill levels and language barriers severely hamper their ability to access to emerging job opportunities, with ethnic minority women bearing the triple brunt of human capital, gender and ethnic discrimination. Looking ahead, to promote inclusive growth, Vietnam needs to pursue a more targeted approach to address the disparities along ethnicity, income, geography with special care to gender dimensions.
- 4. Against this backdrop, NTP SEDEMA is currently positioned as the most comprehensive designated policy tool for addressing socio-economic development gaps for ethnic minority population and the lagging EM and mountainous regions.** The 2021-2030 Socio-Economic Development Strategy (SEDS) outlines an ambitious reform agenda to become an upper-middle income country by 2030 and include priority implementation of three NTPs. Targeted poverty reduction programs have played an increasingly important role in addressing the last-mile challenges of poverty. Given the determination of having a new NTP targeting EM population and EM regions, the Program 135 (P-135), a component of NTP Sustainable Poverty Reduction 2012-2020 (SPR 2012-2020), was restructured into a backbone of the current NTP SEDEMA. Equipped with a multi-sectoral, spatially targeted approach to poverty reduction, NTP SEDEMA has put a strong emphasis on policy reform measures in alignment with investments and one third of its total funding allocated to human development for the extreme poor EM communities.



5. **The DPO is closely aligned with the Country Partnership Framework (CPF) 2018–22, as it directly contributes to two of its three focus areas, namely “investing in people and knowledge” and “enabling inclusive growth”.** In relation to the former, the proposed DPO is focusing on education and health. And in relation to the latter, the DPO is supporting the sub-objective of “broadening economic participation of ethnic minorities, women, and vulnerable groups”, through its exclusive focus on EMs and its prior actions on gender and labor participation.

### C. Proposed Development Objective(s)

The Project will improve educational and nutritional outcomes, and skills, among Ethnic Minority groups in selected areas of the Recipient’s territory

#### Key Results

6. **This DPO is designed to consolidate and reinforce critical reforms addressing the most pressing and complex challenges in human development for ethnic minorities in the lagging regions.** The first pillar of the proposed reform agenda focuses on improving human development outcomes among EM groups, including equitable access to quality education, quality and relevant vocational training and career services, enhancing child health and nutrition, and female agency and representation. Although the financing of the Last Mile DPO would amount to less than 3% of the approved total cost of the NTP SEDEMA, the policy and institutional actions supported by this operation would apply to ethnic minority population and the EM and mountainous areas in general, thereby achieving substantially greater impact beyond the NTP SEDEMA.

### D. Concept Description

7. **The main focus on the proposed operation concerns with a reform agenda aiming at improving equitable access to quality education for EM students and students living in EM areas.** Policy and institutional actions are grouped into three areas of intended impact, namely, learning outcomes, equity, and efficiency.

**(a) Learning outcomes**, including: (a) improving school readiness for EM students at the general education level through mainstreaming and scaling-up teaching and learning of EM languages and continuing education and the scheme on improving Vietnamese language proficiency for EM students; (b) enhancing learning environment through renovation of the organization and operation model of boarding and semi-boarding schools in EM areas; (c) improving quality of secondary-university bridge programs for EM students.

**(b) Equity**, including: (a) expanding financial supports and progressive tuition fee policies for EM students and disadvantaged students on the extensive margin (expanded coverage to include vulnerable groups of near poor students) and the intensive margin (adoption of multidimensional poverty targeting, increasing study stipends for more disadvantaged students); (b) adopting progressive admission policies for entrance of EM students into universities and pedagogical colleges.

**(c) Internal efficiency**, including: (a) strengthening school management through systemic review and renovation of the organizational and operational model of the network of boarding and semi-boarding schools (serving mainly EM students), (b) improving qualification and incentives of the teaching workforce in the most disadvantaged areas; (c) consolidating the regulatory framework for the education sector through implementation of the education reforms proposed in this operation.



8. The proposed operation will complement these policy changes in (i) boosting job placement for TVET students and (ii) strengthen the network of village health workers, who play a major role in nutrition.

9. To ensure maximum impact of these policy changes, the proposed operation will also include improvements in NTP management, including (i) a joint management framework for the 3 NTPS, (ii) an NTP budget allocation mechanism prioritizing the poorest areas and (iii) a result-oriented M&E system.

## E. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

### Poverty and Social Impacts

10. **None of the prior actions nor their expected outcomes supported by the DPO are expected to have significant negative impacts on poverty and shared prosperity.** On the contrary, several reform measures are expected to directly benefit the poorest and most vulnerable groups given the exclusive focus on EMs and the emphasis on key drivers of poverty (education, skills and nutrition). Large volumes of analysis have shown that compared to the Kinh, ethnic minorities have slower advancement in education completion rates, are more reliant on low profitable agriculture, and have lower nutrition, and are less engaged in high skill occupations etc. Moreover, these gaps are persisting among younger cohorts, motivating targeted education interventions.

11. **The placement of programs is also located in areas where the highest concentrations of ethnic minorities live.** Ethnic minorities outnumber the Kinh in the Midlands and Northern Mountains regions, which is traditionally also one of the highest poverty regions alongside the Central Highlands. While the Central Highlands have a small number of EMs, the proportion of EMs as a share of the total population is high.

### Environmental, Forests, and Other Natural Resource Aspects

12. **The prior actions and their expected outcomes supported by the proposed DPO are envisaged not to cause significant effects on the environment, forests and natural resources.** Prior actions under Pillar 1 will benefit ethnic minority students through improving accessibility to the quality education, vocational training and career services. Where the livelihood of ethnic minorities remains heavily reliant upon agriculture, which is highly vulnerable to climate change effects, improved accessibility to quality education, vocational training and career services will create opportunities for ethnic minority students to acquire scientific knowledge and apply it to sustainable agricultural production as well as find new jobs to help eradicate hunger and reduce poverty sustainably. At the same time, it is expected to raise ethnic minority student's awareness of the importance and their obligation to protect and conserve the environment, forests and natural resources for future generations as a result of mainstreaming environmental education in the school curriculum at all education levels.<sup>1</sup>

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<sup>1</sup> Prime Minister's Decision No. 1363/QĐ-TTĐ on integration of environmental education into national education system; Ministry of Education and Training's Directive No. 02/2005/CT-BGD&ĐT on strengthening environmental education; Article 155 of Law on Environmental Protection No.55/2014/QH13 stipulates environmental education and training on human resources for environmental protection.



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**APPROVAL**

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**Approved By**

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