II. Sectoral and Institutional Context

There is a consensus in Vietnam on the importance of education as a key driver for personal advancement and for overcoming poverty, but education and learning outcomes remain significantly poorer for children from disadvantaged background and in particular EM children. Vietnam has made impressive progress towards achieving the Education For All (EFA) goals. Significant expansion of primary education expenditures has been accompanied by large increases in gross enrolment rates for both the majority population and ethnic minorities. While there is evidence for a narrowing of the gap between rich and poor, and majority population and ethnic minorities, a wide gap remains: First, whilst Vietnam’s overall primary enrolment rate is now near universal overall, the rate for EM children is just 80 percent. Second, while primary completion rates in 2008 were 92 percent for Kinh, they remained at 78.2 percent for children from EM groups. Gaps are even wider at lower secondary level. Third, Grade 5 learning assessments in 2001 and 2007 provide evidence for wide and growing gaps in learning outcomes between Kinh and non-Kinh. In summary, promoting EFA in Vietnam today means promoting learning for a relatively small group of highly disadvantaged children, in particular EM children.

Experience suggests that poor education outcomes may be due to unequal starting conditions of children entering primary school, pointing to the need for interventions at pre-primary level to correct for this. International evidence suggests that investments into Early Childhood Development (ECD) have a significant impact on subsequent educational outcomes. Recent analysis confirms this for Vietnam as well, showing that access to preschool improves primary completion rates for rural and EM children and that an early childhood education (ECE) intervention for disadvantaged children that focuses on teacher training in child-centered teaching methods and good parenting promotion in conjunction with nutrition interventions had beneficial effects on test scores. ECD interventions that aim at developing the cognitive, motor, behavioral and language skills help to promote greater equality of starting conditions when children enter primary education. And, whilst these benefits are felt across the population, evidence suggests that focused ECE programs particularly benefit the most disadvantaged children.

While enrolment in some form of preschool for children aged 5 appears relatively high in Vietnam, the poor and ethnic minorities make less use of preschool services. ECE in Vietnam is provided primarily through over 12,000 creches and kindergartens. According to administrative data, the enrolment rate in preschool for 5-year-olds stood at more than 98 percent in 2008, with 90 percent attending full year preschool programs. Analysis from two rounds of the Vietnam Young Lives survey in four provinces confirms this relatively high preschool enrolment rate, but indicates that EM children are significantly less likely to go to school even when controlling for household resources. Differences also remain between poor and non-poor households, though less by urban and rural location and not by gender. Overall, the evidence suggests that EM children and children from poor households face challenges very early in primary education which could be addressed through more and higher quality preschool programs. However, it is precisely those children that need high quality preschool education the most who appear not to be getting it sufficiently.

The Government of Vietnam recognizes the importance of ECE and has made it a core element of its education sector development agenda. Over the last ten years, there has been a significant increase in the Government’s focus on the quality and availability of ECE in Vietnam, culminating in the approval of a program on “Universal Early Childhood Education for 5-year-old Children 2010-2015” (Prime Minister Decision 239/2010/Qd-Ttg). Decision 239 aims to expand school readiness through a focus on expansion of coverage, in particular among disadvantaged
children, and improvements in quality. Its general objective is to ensure “that almost all children of 5 years of age in all areas can go to school on full day, full school year, so that they are well prepared both physically and mentally, with adequate language ability to enter the 1st grade”. It focuses on four themes: (i) promoting supply through construction of standard classrooms, functional rooms and kindergartens; (ii) provisioning of play sets and teaching aids; (iii) promoting quality through an expansion of teacher training; and (iv) promoting demand through sponsoring of lunch subsidies of disadvantaged children aged 5. Decision 60/2011/Qd-Ttg on ECE development policies for 2011-2015 augments Decision 239 by expanding funding to lunch sponsorship for disadvantaged children aged 3 and 4 and the employment of contract teachers and principals.

The principal targets of Decision 239 for 2015 is to ensure enrolment in full day, full year preschool of 5-year-olds of 95 percent and 70 percent in preschool among 3 to 4-year-olds.

The indicative financing target for Decision 239 at its inception was VND 14,660 billion or about US$700 million over a 6-year period beginning in 2010. Investment and recurrent funding was to be made available from state, provincial, and community budgets (including Official Development Assistance), as well as the Education National Target Program (ENTP) 2011-2015, which provides annual investment financing to provinces to address educational disadvantage. The Government's actual financial commitment to achieving Decision 239’s ECE goals has almost exceeded initial plans during the program’s first 2 years already. During the period 2010-2011, Government reports VND 11,743 billion in state and local spending on ECE activities and an additional VND 1,678 billion in ECE spending by ENTP. This financial commitment represents annualized spending of about VND 6,710 billion or US$320 million on achievement of the Government's ECE goals.

III. Project Development Objectives

The objective of the Vietnam School Readiness Promotion Project (SRPP) is to raise school readiness for 5 year old children, in particular for those most vulnerable to not succeeding in a school environment, through supporting selected elements of Vietnam’s ECE program.

IV. Project Description

Component Name

Component 1: Promoting School Readiness for Disadvantaged Children

Component 2: National Early Childhood Education Policy Development and Capacity Building

V. Financing (in USD Million)

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VI. Implementation

The Vietnam SRPP is a results-based Specific Investment Loan (SIL) in the amount of US$100 million, which is expected to be implemented over a period of 4 years. It co-finances the Government’s universal ECE for 5-year-old children program through the provincial Departments of Education and Training (DOET) and district BOET. Project funding represents approximately 10 percent of the Government’s overall annual spending on ECE activities under Program 239 and Decision 60. The project will make annual disbursements into the Government budget against achievements of disbursement-linked indicators across three intermediate results areas: (i) Expanded Full Day Preschool Enrolments: Enrolment of children aged 3, 4, and 5 in preschool will increase, with near universal participation in full-day preschool being achieved for 5-year-olds by 2016; (ii) Improved Preschool Quality: Preschools will be accredited through self-assessment and targeted external assessment according to the newly adopted “Regulations on Standards for Assessing the Education Quality of Preschools”; and (iii) Strengthened Preschool Teacher and Manager Professional Expertise: Teachers and preschool education managers will complete newly developed ECE professional development program modules.

VII. Safeguard Policies (including public consultation)

<table>
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<tr>
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<td>Projects in Disputed Areas OP/BP 7.60</td>
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VIII. Contact point

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