

B. Vietnam

Chapter 10

Education Reform Context and Process in Vietnam

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10.1 Introduction

This chapter explores the developments of Vietnam's basic education policy since 1990, and the roles of foreign donors. The priority of basic education was agreed in an international consensus at the World Conference on Education for All (EFA) in Jomtien, Thailand, sponsored by the World Bank (WB), UNESCO, and other agencies in 1990. The Vietnamese government participated in the conference way before the lifting of American economic sanctions and the official resumption of Western aid in 1994, which gave the government an impetus for basic education development. The year 2000 marked the assessment of the EFA movement in the past decade at the World Education Forum in Dakar. As a Forum participant, Vietnam gave itself a satisfying rating; however, it did not reduce the speed of basic education development. It added lower secondary education as a fourth area in its EFA targets, and aimed at not only expanding educational quantities but improvement of quality of education under EFA as a central framework.

In the meantime, the EFA Plan of Action up to 2000 served as a framework to start virtual aid coordination in Vietnam's education sector. This was in line with the international trends of the increasing emphasis on partnership and aid coordination. Further, the new EFA Plan of Action in 2003 facilitated the start of a new phase of aid coordination in education.

Further, as symbolized by its accession into the World Trade Organization (WTO) in 2007, Vietnam is now increasingly integrating itself in globalization. The country is now targeting to simultaneously achieve double goals of expanding basic education and post-basic education (upper secondary, technical and vocational, and higher education).

In this context, the author collected data mainly through interviews with those involved in aid to Vietnam and education aid (both donor and recipient sides) in Vietnam, Cambodia, Japan, and the USA from 2003 to 2004.

This chapter first gives an overview on the position of Vietnam in the world trend of aid coordination, and on the definitions of aid coordination and transaction cost, followed by a review of aid coordination in general in Vietnam. It then explores the developments of basic education policy and donors' roles and aid coordination

during the two periods of 1990/2000 and 2003 and beyond. Research questions are: (1) under what context basic education policy formed and developed, and how stakeholders interacted; (2) what roles bilateral and multilateral donors played; (3) what were the donors' intentions and interests behind those roles; and (4) how the differences of views between Vietnam and donors or among donors were mitigated in the aid coordination process. With these questions in mind, the chapter reconstructs chronological transformation of basic education policymaking since 1990.

10.2 Vietnam and Aid Coordination

Recent trends in the international development community include the quest for aid coordination with the purposes of increasing aid effectiveness and decreasing transaction costs associated with aid. The terms "coordination" or "harmonization" of aid are frequently mentioned in policymaking arenas in international development and aid such as Organization for Economic Cooperation and Development (OECD), United Nations, or the WB or in developing countries as the destination of development aid. These arenas produce numerous new development initiatives which promote or require aid coordination, giving rise to a situation as if development aid will not occur without aid coordination. These actions stem from reflections that aid practice in the past were under the convenience and logic of donors,¹ and that such aid actually imposed unnecessary burdens on recipients, thus disturbing recipients' development efforts. In this process, recipient countries and donor countries/agencies attempt to adjust their interests and policies so that aid activities would be conducted within mutually agreed frameworks and with less transaction costs.

Aid coordination is not a new thing. Its importance has long been recognized and actually put into practice. The orientation for aid coordination became firm when OECD's Development Assistance Committee (DAC) announced the New Development Strategy in 1996, and the trend was consolidated when WB President James Wolfensohn proposed the Comprehensive Development Framework (CDF) in January 1999. CDF indicates the importance of partnership within the aid community (both donors and recipients) under the ownership of recipient governments. Later, following this trend, the Poverty Reduction Strategy Paper (PRSP) as a means to realize CDF principles was introduced at an IMF and WB meeting in 1999. In addition, the Monterrey Consensus, adopted at the International Conference on Financing for Development in March 2002, stressed the importance of harmonization. The Rome Declaration on Harmonization in February 2003 followed suit.²

¹For example, overwhelming numbers and redundancy of aid projects, hosting numerous missions, writing numerous and many kinds of reports, conforming to donors' fiscal years different from recipient countries.

²Club du Sahel (2000); Eriksson (2001); OECD (1996, 2003); World Bank (2004).

Vietnam was selected as a pilot country for both CDF and PRSP in Asia in 1999. Because both CDF and PRSP require aid coordination, it became one of the important guiding principles in the aid to Vietnam. The government held a number of consultations with national stakeholders and donors, and completed the Comprehensive Poverty Reduction and Growth Strategy Paper (CPRGS) in May 2002, which was a growth-oriented development strategy. Vietnam was also chosen as a pilot country to realize the Rome Declaration on Harmonization. Thus, Vietnam is on the forefront of worldwide aid coordination efforts and development “experiments.”

10.3 Aid Coordination and Transaction Cost

Central concepts for analysis in this chapter are aid coordination and transaction cost. First, aid coordination is defined as mutual adjustment in terms of aid contents (aid policies and practice) and harmonization of aid procedures among donors or between donors and recipients. Donor coordination is used interchangeably with aid coordination. It is argued that coordination facilitates the improvement of aid effectiveness, and harmonization leads to aid efficiency.³ In particular, where aid policy is concerned, it is often described as “to align aid to strategies, plans, policies, or procedures of recipient countries.”⁴ The repeated mention of “alignment” suggests how donor-centered aid has been.

Transaction cost is considered as “costs arising from the preparation, negotiation, implementation, monitoring, and enforcement of agreements in the delivery of overseas development aid.”⁵ Transaction cost takes three forms: (1) administrative cost (e.g., staff’s work time), (2) indirect cost (e.g., weak ownership of recipient countries, delay of aid disbursement), and (3) opportunity cost (high-ranking officials trade off their time between aid work and policy development).⁶ However, this classification focuses on the reduction of transaction cost of recipient countries, not the reduction of transaction cost of both donors and recipients. Therefore, others expand the concept of transaction cost by including costs associated with aid coordination itself. Here, they contend that the reduction of transaction cost with donors be an issue from the viewpoint of “partnership”.⁷

Concerning the relationship between aid coordination and transaction cost, on the one hand, there is a means–end description that reducing transaction cost will enhance the effectiveness of development aid; on the other hand, there is a dual-ends description enhancing aid effectiveness and reducing transaction cost at the same time.⁸

³For instance, Bartholomew and Lister (2002); Club du Sahel (2000); Harold et al. (1995); JICA (2003).

⁴For instance, Eriksson (2001).

⁵Bartholomew and Lister (2002, p. 5).

⁶Bartholomew and Lister (2002).

⁷Eriksson (2001).

⁸For example, Bartholomew and Lister (2002); Harold et al. (1995); JICA (2003).

Figure 10.1 illustrates the concepts and terms discussed so far.

There are various levels and contents of aid coordination. In terms of level, it is done through consultation among donor agency staff or between donor agency staff and recipient government officials, either at the unofficial individual level, or official organizational level (Fig. 10.2). Content of coordination refers to the sector or subsector the aid should target, or specific geographical target areas the project should cover. Advanced forms include cofinancing, common procedures, common basket, and ultimately budget support, that is, which donors provide their pooled fund into the national treasury of the recipient government. The analyses in this chapter will focus on official and organized aid coordination; however, unofficial or unorganized (ad hoc) ones will be included as much as possible.

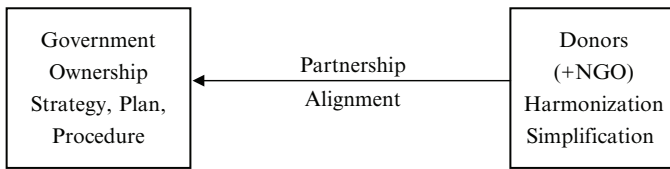


Fig. 10.1 Relationships between aid coordination and associated concepts (Bartholomew and Lister 2002; Eriksson 2001)

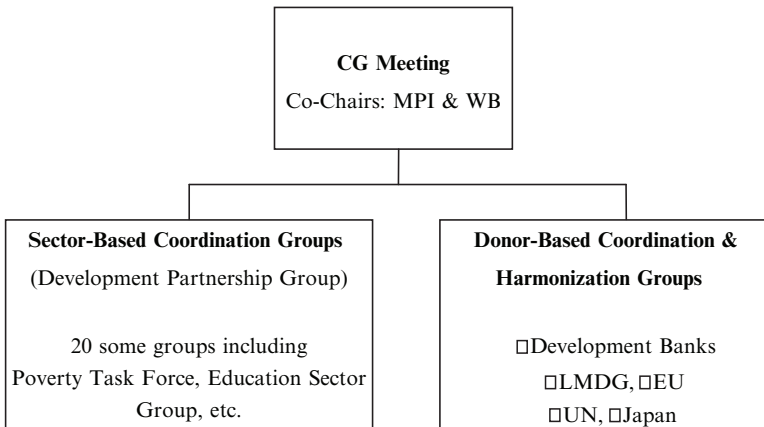


Fig. 10.2 Official and organized aid coordination mechanism in Vietnam (MPI 2004)

10.4 Official and Organized Aid Coordination in Vietnam

Aid coordination takes several forms. Official and organized aid in Vietnam is led by the Consultative Group (CG) Meeting. The CG Meeting supervises Development Partnership Groups as sector-based coordination mechanism and five donor-based coordination & harmonization groups which are formed based on donors' development philosophies and orientations.⁹

The CG Meeting was established in 1994 after the UNDP-initiated International Conference on Aid Coordination to Vietnam was held in November 1993 preceding the lifting of US economic sanctions on Vietnam. Since inception, the CG Meeting has been cochaired by the Ministry of Planning and Investment (MPI) and WB. The government and major donors meet to review the development of the economy and society, set future directions of aid, and determine concrete aid programs. The mid-year meeting is held in June and the annual meeting in December.

Development Partnership Groups include about 20 groups or fora on poverty, business, gender, environment, civil society, national enterprise, small and medium-sized enterprises, banking, trade, education, health, HIV/AIDS, forestry, poorest communes, natural disaster, water, agriculture & rural development ministries, transport, Ho Chi Minh City development, urban areas, governance, legal system, and fiscal management. Donors participate in groups or fora based on their interests. The frequency and contents of their activities vary.

On the other hand, donor-based coordination and harmonization consist mainly of five groups: (1) five development banks which provide loans (WB, Asian Development Bank [ADB], Japan Bank for International Cooperation [JBIC], AFD [France], and KfW [Germany]); (2) Like-Minded Donor Group (LMDG), which essentially relies on grants; (3) EU (European Union); (4) UN group; and (5) Japan.

The members of the above five groups overlap each other as shown in Fig. 10.3.

The five development banks have an overwhelming presence in Vietnam as they represent more than two thirds of ODA to the country. This group sets high priority on project preparation tasks and processes, procurement procedures, accounting, environmental and social safeguard standards, and portfolio management. This group pursues standardization and simplification by aligning themselves to policies and procedures of the government. Banks find standardization and harmonization relatively easy because their loan procedures are similar.

The second group – LMDG – is an unofficial group of bilateral donors with similar development orientation. The group was established by the ministers in charge of international development from Norway, the Netherlands, and Finland. LMDG membership differs from country to country, but in case of Vietnam LMDG includes eight countries, Canada, Denmark, Finland, the Netherlands, Norway, Sweden, Switzerland, and the UK. They maintain the group as an open forum, and seek to generate change through practice. Their budget is relatively small, but they have a big presence in innovating aid modalities. For example, they promote budget

⁹MPI (2004).

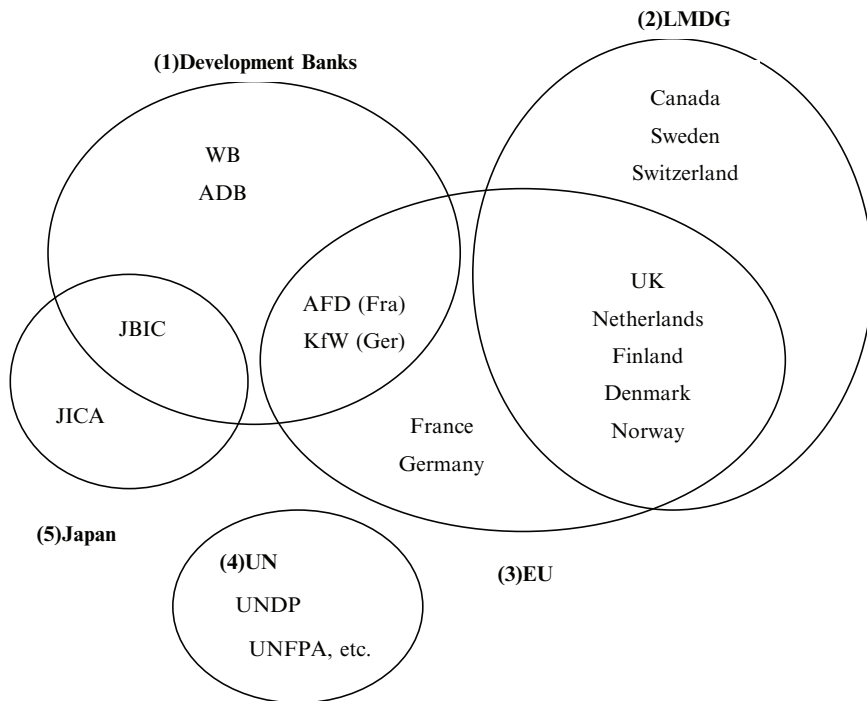


Fig. 10.3 Donor-based coordination and harmonization groups (MPI 2004)

support in five areas such as basic education and administrative reform, and support the introduction of sectorwide approaches (SWAp). LMDG considers CPRGS as an effective mechanism to plan and implement aid, and Poverty Reduction and Support Credit (PRSC) as an effective mechanism to reduce transaction costs associated with aid and to support CPRGS collectively. LMDG together with MPI produced the Harmonization Action Plan (HAP) as a Vietnamese version of the Rome Declaration on Harmonization in order to facilitate harmonization of procedures.¹⁰

The third group, the European Union (EU), is composed of 25 member states with the European Commission (EC) as its implementation arm. EU’s aid policy is very similar to, but distinct from, those of EU member states. EU aims at coordination and harmonization of aid, and it agreed to take concrete actions to increase aid effectiveness and reduce transaction costs in the Barcelona Conference in March 2002. Under its worldwide harmonization policy, EU designated four countries including Vietnam as pilot countries. In May 2003, 12 EU members which have offices in Hanoi and the EC Representative Office agreed on the Action Plan for Coordination and Harmonization. The Action Plan aims to promote coordination in each phase of the projects in health, education, trade, private sector development,

¹⁰ Bartholomew and Lister (2002); LMDG (2003).

governance, and central highlands. The harmonization is expected to lead to joint identification of cooperation opportunities or cofinancing with an eye toward the introduction of SWAp and budget support.¹¹

The UN group is led by UNDP, UNICEF, and UNFPA in case of Vietnam. The group observes UN’s Simplification and Harmonization (S&H) rule which was adopted at the UN General Assembly in 2001. The S&H aims to reduce transaction costs of both recipient governments and the UN, enhance aid effectiveness, increase collaborative work, and improve accountability. S&H is applied in (i) joint program planning, preparation, monitoring, and evaluation; (ii) program implementation; and (iii) standardization of services and integration of office facilities. So far, the UN group has integrated dialog channels with the government into one, developed joint programs and an efficient accounting system, and integrated the UN offices into one compound. On the other hand, UN does not enforce uniformity, but respects the diversity of donors, and government’s ownership and capacity-building principles.

Japan, the fifth group, has two agencies, JICA and JBIC, which together provide more than half the total aid to Vietnam. Loan-based JBIC also belongs to the development bank group. In the summer of 2003, JICA set up its own dialog window – Sit Down and Talk Initiative – with MPI’s Department of Foreign Economic Relations to enhance the effectiveness of JICA grants. This was a follow-up of a March 2003 research on grant and transaction costs. According to the study, not all aid activities would need to be streamlined, but the diversity of aid modalities should be respected. Technical cooperation projects should be implemented as long as they meet the country’s needs.¹²

Thus, various approaches to coordination reveal some configurations: (i) coordination efforts within development banks and within UN agencies with focus on procedures, (ii) Japan and the UN offices emphasize technical cooperation and the importance of the diversity of aid modalities, and (iii) LMDG and EU have similar goals due to the fact many countries belong to both, and promote SWAp and budget support. While there are differences among donor-based coordination & harmonization groups, there is also some common understanding on coordination approaches, as shown in Fig. 10.4.

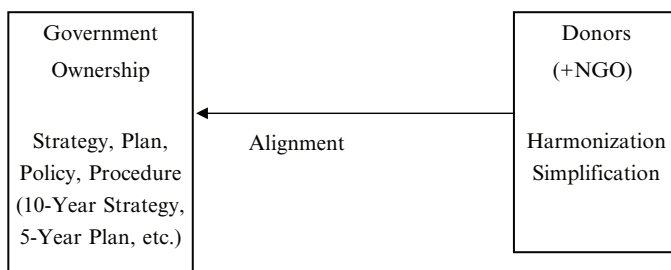


Fig. 10.4 Thinking on aid coordination in Vietnam (MPI 2004)

¹¹ EU (2002, 2004).

¹² World Bank (2003c, d).

10.5 Development of Basic Education Policy and Donors' Roles: 1990–2000

10.5.1 *Development of Basic Education Policy*

Vietnam had traditionally relied on aid from the communist bloc led by the USSR. However, in the post-Cold War era, the Eastern aid stopped, and the Western aid started to flow in after the US sanction was lifted in 1994. On educational development, the government used the 1990 World Declaration on EFA and Plan of Action at Jomtien as a framework and leverage for attracting education aid. The Plan of Action had six target areas; (a) early childhood care and education; (b) universalization of primary education; (c) basic education for youth and adults; (d) literacy, numeracy, and other life skills; (e) equitable access and achievement; and (f) quality and learning outcome. The government was quite swift in education policymaking. It signed the Plan of Action, enacted the Law on Universalization of Primary Education in 1991, and announced the National EFA Action Plan (EFA2000), which drew up goals and principles to realize the goals by 2000 at the National Conference on EFA held in October 1992.

EFA2000 targeted three subsectors: early childhood education, primary education, and nonformal education. Its goals to be achieved by 2000 were: (1) early childhood care and education (multiple care and education, reduction of malnutrition rate, preparation of children under five for primary school); (2) universalization of primary education for children in the 6–14 age group and completion rate to exceed 90% (increased access, quality improvement, dropout reduction); (3) curriculum development for literacy and post-literacy (eradication of illiteracy by 1995 for one million people in the age group 15–35 with focus on ethnic minorities and the disadvantaged, curriculum development for retaining literacy); and (4) setup of Center for Continuing Education in all provinces. EFA2000 served as a framework to coordinate national EFA policies and to formulate provincial EFA plans, and coordinate among donors in line with strategies and goals of the government.¹³

The Vietnamese government cites some examples as outstanding achievements of basic education by 2000: (1) expenditure for primary education doubled, (2) net enrollment rate of primary education increased from 86% in 1990 to 95%, (3) gender equality was achieved in enrollment rate of primary education, and (4) literacy rate in age group 15–40 exceeded 90%. It claims that Vietnam succeeded in expanding quantitatively smoothly relative to other developing countries with similar economic levels.¹⁴ As reasons for this outcome, they listed increases of the numbers of classrooms, teachers, governmental education expenditure,¹⁵ and

¹³National Committee for EFA Assessment (1999); Socialist Republic of Vietnam (1992).

¹⁴Net enrollment rate doubled in lower secondary education.

¹⁵From 8.9% in 1990 to 11.5% in 2000.

financial contributions from local residents. However, there still exist multilayer imbalances such as disparities among ethnic groups, among provinces, between nondisabled and the disabled, or gender disparity in secondary education. In addition, Vietnam has other challenges such as the shortage of instructional hours in Vietnam (two thirds of international standard), poor employment terms, low quality of teachers, or insufficiency of child-centered teaching techniques.¹⁶

10.5.2 Donors' Roles and Aid Coordination

Before 1990, other than communist bloc donors, a limited number of donors such as UNICEF or UNDP were active in aid delivery to Vietnam: e.g., UNICEF's child programs or early childhood programs. After 1994, there was a phenomenon of the influx of Western aid because the USA and Vietnam normalized their diplomatic relations. Table 10.1 shows a list of major education-related aid activities from 1990 to 2000.

Aid activities which began during this period included non-EFA subsectors such as secondary education, technical and vocational education, and higher education even after the completion of EFA2000 in 1992, thus all subsectors having been supported simultaneously. Looking at three EFA subsectors and non-EFA subsectors, there was a certain division of labor among donors reflecting their interests: early childhood education by UNICEF, primary education by JICA and WB, nonformal education by UNESCO and the National Federation of UNESCO Associations in Japan, lower secondary education by ADB and Belgium, technical and vocational education by ADB, and higher education by the WB. In particular, regarding the relationship between WB and ADB, it is pointed out that the WB started a primary education project in 1994 and ADB as a latecomer took up secondary education area which was not considered by the WB at that time.¹⁷ This could be one form of coordination. It is not an organized one but a division-of-labor-type coordination.

Table 10.1 Education aid which began during 1990–2000 (World Bank 2003b)

Preschool Education	UNICEF, Save the Children Alliance
Primary education	WB, JICA, Save the Children UK, AusAID, UNICEF, Oxfam GB, UNDP
Nonformal education	UNESCO, National Federation of UNESCO Associations in Japan
Secondary education	ADB, Belgium, DFID, NZAID
Technical & vocational education	ADB
Higher education	WB, SDC, Netherlands, SIDA, CIDA, Thailand, JICA, Scholarship Programs by Australia, Belgium, Japan, and the Netherlands, Inter-university cooperation
Other	CIDA

¹⁶National Committee for EFA Assessment (1999); Socialist Republic of Vietnam (2001, 2003).

¹⁷Interviews to multiple donors in Hanoi during 2004.

However, there was a first attempt to coordinate education aid during the period of 1990–2000 in an organized manner. Around 1990, UNICEF, Save the Children UK, and Oxfam GB, which were already active in Vietnam, created Education Forum (as part of the aforementioned Development Partnership Groups). This forum dealt with all education areas not limited to EFA, and aimed to: (1) provide an open setting for free exchange of views and experiences of teachers, policymakers, and education experts in and out of Vietnam, (2) facilitate deeper discussions on issues and problems in Vietnamese education system, and (3) explore ways in which high-quality education could be provided to disadvantaged children.¹⁸ Therefore, aid coordination was not an explicit but implicit purpose for the Forum. It was managed by donors, and the government was treated as a guest. In fact, the interviews for this study indicate that during this period both donors and the government had little idea as to what the relationship should be between them.¹⁹ Owing to this situation, the Forum ceased to work one and a half years after its inception. In 1999, CIDA provided a trust fund to reactivate the Forum through the WB. Since then, Oxfam GB, UNICEF, and Save the Children UK took turns to organize the Forum under a specific theme about every 3 months. The Forum was not for aid coordination, but actually for events to identify the country's educational needs. It attracted approximately 100 participants each time.²⁰

Coordination during this period had no specific rationale or organization, but rather it was on an ad hoc basis. In the meantime, it should be appreciated that the Education Forum marked an important step toward organized aid coordination.

10.6 Development of Basic Education Policy and Donors' Roles: 2000 and Beyond

10.6.1 Development of Basic Education Policy

In April 2000, the World Education Forum was held in Dakar to reactivate the EFA movement because developing countries failed to reach the goals set by the 1990 Jomtien Declaration and Plan of Action. One hundred and eighty countries participated and adopted the Dakar Framework of Action. The framework included universalization of primary school completion by 2015 as one of its major targets. Vietnam also participated in the Forum, and used the framework to craft a new EFA National Plan of Action (EFA 2015) for 2003–2015. Following the agreements reached at the CG meeting in December 2000, the Ministry of Education and Training (MOET) and UNESCO consulted with related ministries, all 61 provinces, donors, and other stakeholders under the financial support of CIDA and the WB.²¹

¹⁸ NGO Resource Centre (2003).

¹⁹ One interviewee said: "We don't want to impose...."

²⁰ CG Meeting (2003, 2004).

²¹ UNESCO (2000).

In December 2001, in the midst of producing EFA 2015, the prime minister approved the Education Development Strategic Plan 2001–2010 (EDSP 2010). CPRGS and EFA 2015 were also approved and finalized respectively in May 2002 and July 2003 by the prime minister. EDSP is a domestic education policy document which is produced every 10 years by the government. CPRGS is a document indicating the government's intention to donors that it would pursue both growth and poverty reduction at the same time as it was selected as a PRSP pilot country in 1999.

EFA 2000 defined basic education up to primary education for 5 years (school age 6–10); however, EFA 2015 expanded this definition to include lower secondary education for 4 years (age 11–14), stretching basic education to 9 years. Thus, EFA 2015 targets preschool education (age 0–5), primary education, non-formal education, and lower secondary education. It is, like EFA 2000, a guideline for central and local governments to achieve EFA, and for donors to provide support.²²

In short, CPRGS is a central guideline at least for donors to consider the whole development of Vietnam, while EDSP 2010 serves as a guideline for development and aid coordination in the whole education sector, and EFA 2015 serves as a guideline for basic education development. While CPRGS and EFA 2015 were made by donors' initiative, EDSP 2010 is essentially a routine domestic education policy document. The government indicates that EFA 2015 is aligned to, and consistent with, CPRGS.²³

At this time, Vietnam began pursuing double education goals of expanding basic education and postbasic education simultaneously. Both goals were pursued under the intertwined policy of decentralization and "socialization." In provinces where net primary enrollment rate is approaching 100%, the focus shifted from quantitative expansion to qualitative improvement. Among all, it became an urgent task to increase instructional hours, which is absolutely deficient. Vietnam has a long-standing tradition of educational cost sharing in that central government pays for teacher salary and stakeholders other than the central government (parents, local residents, local corporations, etc.) are responsible for the cost for school facilities and other items (so-called community contributions). The 1998 Law on Education stipulated "socialization of education activities." As one of its major policy goals, EFA 2015 planned to shift half-a-day schooling to full-day schooling in order to meet international standards. To do so, it was necessary to increase the number of classrooms and spending for teacher salary. However, due to the shortage of fund at the central government, there has been a strong trend to promote socialization ("society supports education") in the name of decentralization. In positive terms, it is diversifying funding sources, but in negative terms, it imposes a financial burden on the "community." These trends widen regional disparities in terms of the quality of facilities.²⁴

²² Socialist Republic of Vietnam (2003).

²³ Socialist Republic of Vietnam (2003).

²⁴ World Bank (2003b).

It has been observed that there is confusion in educational administration resulting from the parallel chain of command, namely people's committees under the Communist Party and departments of education & training under MOET at province and local levels.

10.6.2 Donors' Roles and Aid Coordination

10.6.2.1 2000 to mid-2003

Table 10.2 summarizes major education aid which began after 2000 when the Dakar Framework was formulated, and demonstrates how overwhelmingly aid was concentrated on primary education. On the other hand, preschool education was a target by UNICEF, secondary education by ADB and Belgium, and technical and vocational education by GTZ (Germany). Thus, the division of labor at a subsector level followed the trend of the 1990s. Now it became well established. The influx of aid to primary education seems to be because EFA 2000 and EFA 2015 functioned as effective aid coordination mechanism. Especially, aid activities which began after mid-2003 (when EFA 2015 was completed based on the Dakar Framework) are all on primary education. This indicates that EFA was strongly recognized as a top priority with the push by the Dakar Framework. This was a significant change compared with the aid activities which began before 2000. In fact, almost all donor interviewees explained their activities keeping EFA four areas in mind as a top priority. EFA was clearly and mutually recognized as a coordinating framework. While aid to primary education increased, it also diversified ranging from small-scale specific activities to large national level ones, to projects by NGOs, single donor, multiple donors, and to targeted budget support (TBS).

Thus, as the division of labor at subsector level was already there, the focus on aid coordination during this period was to coordinate within primary education subsector in which so many donors began their projects. For example, when Belgium, WB/DFID, and JICA started primary teacher-training projects almost at

Table 10.2 Education aid which began after 2000 (World Bank 2003b, 2004)

Pre-school (Primary) education	UNICEF
Primary education	WB, DFID, UNICEF, UNESCO, JICA, Oxfam, Save the Children Alliance, NORAD, EC, the Netherlands, CIDA, AusAID, Belgium
Nonformal education	UNESCO, National Federation of UNESCO Associations in Japan
Secondary education	ADB, Belgium
Technical & vocation education	GTZ
Special education	Spain
Higher education	The Netherlands, Scholarship Programs by the Netherlands, Australia, Belgium or Japan, Inter-university cooperation
Other	EC

the same time, it was found that there was overlap in terms of project provinces. It was later coordinated and the overlap was avoided. It is pointed out that this confusion stemmed from the lack of collaboration between the Department of Primary Education and the Department of Teachers within MOET.²⁵ This is an example of an ad hoc based coordination. Another example is the Primary Education Development Program (PEDP) project, in which JICA helped MOET formulate and update PEDP based on EDSP 2010.²⁶ This project aimed that aid in primary education would be coordinated through the project implementation, and that MOET would improve its capacity of coordination with donors. In this context, JICA held a coordination meeting with donors in primary education, and also sent Project Management Unit (PMU) staff members to other donors. In addition, JICA created Broad Areas of Possible Intervention (BAPI) and a data base on numerous aid activities in primary education field.

The EFA Fast-Track Initiative (EFA-FTI), with a focus on primary education, was not well received in Vietnam due to FTI's controversial background, politicization of formulation process, and slow disbursement. UNESCO, considering it important to have balanced aid distribution across EFA target areas, found FTI as a redundant program while primary education had already drawn too much attention. Now, as a result of coordination, primary education is everywhere, resulting in creating another need for "reverse" coordination due to the aid imbalances among subsectors.²⁷

On the other hand, as for coordination in each EFA subsector, donors formed a preschool education group (ADB, UNICEF, UNESCO, EC, Save the Children, etc.). But there was no coordination group in nonformal education due probably to the small number of donors. UNESCO, with an emphasis on nonformal, called for support in this subsector. However, the other donors showed weak interest and understanding.²⁸ In the meantime, the Education Forum as an "organized" coordination body has been periodically held with themes of capacity improvement of primary teachers, preschool education, EDSP 2010, cases of international initiatives, PRSP, and child-friendly learning environment in 2003. However, recently, the interest of MOET, a counterpart, has again been low. Some observers reflect that the Forum was on too large a scale without good focus for substantial coordination.²⁹

In short, the coordination from 2000 to mid-2003 was mainly mutual adjustments of target areas and regions on a need basis, and the need for coordination arose mainly from the sectionalism and the lack of interdepartmental coordination and liaison within MOET. This is an issue of aid coordination within the government. On the donor side, their coordination was also on an ad hoc basis owing to the lack of organized sector coordinating framework until mid-2003.

²⁵ JICA/PADECO (2004).

²⁶ Primary Education Sector Program (2001–2004).

²⁷ Interviews to multiple donors in Hanoi (2004).

²⁸ Interview to a donor in Hanoi (2004).

²⁹ Interviews to multiple donors in Hanoi (2004).

10.6.2.2 Mid-2003 and Beyond

In the process of EFA 2015 formulation, there were two important realizations: (1) that past coordination was limited, ad hoc, and passive to the extent that duplication of target areas and regions was merely avoided; and (2) it is essential to seriously coordinate aid to the education sector (increase aid effectiveness and reduce transaction costs) because of the influx of aid to EFA areas, primary education in particular, and because of increased diversification of aid modalities. With the prime minister's approval of EFA 2015 in July 2003 as an impetus, aid coordination in education sector in Vietnam accelerated.

As a result of a joint evaluation of EFA 2015 in September 2003 by the government and donors involved in the education sector, the donors issued a joint statement on their intentions to promote the alignment of donors' support to strategies and policies of the government. This statement was submitted to the minister, and CIDA, WB, and the Norwegian Aid Development (NORAD) agreed to establish the Education Sector Group (ESG). The purpose of ESG was to make sure the government has strong ownership and leadership to implement fully coordinated education activities, and to contribute to the country's economic development and poverty reduction. Since then, ESG continued to discuss the ways in which support to education sector development (including non-EFA areas) in Vietnam could be coordinated effectively and efficiently.³⁰

In the first meeting in December 2003, DFID and UNESCO served as cochairs because of their leading roles in Vietnam's education sector, and that it was essential to coordinate aid activities among donors, adjusting to government's policies. In the second meeting in January 2004, ESG's draft terms of reference (purpose, policy, and working arrangements) was agreed upon, which was to support the government's policies and strategies in order to develop the education sector in an equitable manner and to maximize the impact and efficiency of education aid. Then, at the meeting in March 2004, donors requested MOET, their counterpart, to send participants to ESG.³¹

The meeting in May 2004 was attended by three MOET in an unofficial capacity. Official appointment was obtained after the meeting. The meeting discussed ADB's Lower Secondary Education Project, WB's EFA & TBS, CIDA's Basic Education Trust Fund II, EC's support to the education sector, and how to promote ESG in the future (ESG's purposes, principles, working arrangements). The mechanism and issues of MOET's cooperation with donors are as follow³²:

- Upon receipt by the Department of International Cooperation of letters from donors, the request is sent to the vice minister in charge of the subsector/issue. The vice minister then assigns the project to a director of the relevant department. MOET representatives selected to work on foreign aid projects usually lack

³⁰ World Bank (2003a, 2004).

³¹ ESG (2004a).

³² ESG (2004a).

project management skills required to perform their duties. Therefore, they provide very little input from MOET. On the other hand, donors also lack understanding of MOET needs and requirements (e.g., MOET received many supports to build communication and information systems, but there was no single system that adequately addressed the sector's needs).

- MOET considers it necessary to set up a working group to work with different donors to avoid duplication of aid and move toward closer collaboration. MOET plans to appoint officials from Departments of International Cooperation, Finance and Planning, and Personnel as ESG representatives.

The DFID cochair proposed the following aims and working arrangements for ESG.

Purposes of ESG

- MOET involvement is essential in implementing aid activities in the education sector. Donors are pleased to see the strong ownership and leadership of MOET for education programs, and that MOET considers it important to be involved in ESG.
- It was agreed that ESG needs a clear focus and focused program activities.
- ESG is not only a forum for information exchange, but one to actively support the implementation of the strategies and policies of the government to develop the education sector and maximize the effectiveness and efficiency of aid delivery to the education sector. One example is for ESG to submit a report on education quality to the government.

Working arrangements

- To date, many tasks have been carried out by the two cochair agencies. But due to its heavy burdens, it is necessary to establish a small and efficient secretariat for ESG. This secretariat should act as a liaison mechanism between MOET and donors. Some donors indicated the possibility of supplying funds to support such a secretariat. MOET may wish to provide a full-time secretariat within the ministry, which will be served by MOE officials, or someone contracted or seconded to MOET.
- On the contrary, donors reiterated their desire to support existing structures in the government, without creating a new section. Ultimately, it is essential that MOET officials be actively involved in education sector coordination.
- MOET had already established Project Coordination Unit to be responsible for ODA education projects, but the Unit never fulfilled its roles due to all sorts of reasons. Therefore, the creation of a working group needs to be carefully examined by MOET, learning lessons from the past. However, circumstances changed; the prime minister approved the National EFA Action Plan, there are an increasing number of cofinanced operations in the education sector, and the harmonization

issue is a high priority for the government and donors. These situations suggest that the government take a leading role in the coordination efforts to improve the quality of education.

In this meeting, MOET agreed to send a proposal of setting up an ESG secretariat to donors after a review at MOET, and also to establish a task force within ESG to work on key issues such as review of educational quality, EFA and TBS, EMIS, and provincial education planning. It was decided that the MOET representative would report ESG discussions to the minister as well as inform ESG of MOET decisions. They also agreed with the idea of holding joint reviews on the work of ESG annually or biannually with the participation of the minister and/or vice ministers.

As a response to the DFID proposals, MOET informed ESG in its letter dated July 8, 2004, that the minister installed the ESG secretariat within the ministry to liaise with ESG activities, and he appointed four officials (deputy director and an official from the Department of International Cooperation, a senior officer from the Department of Finance and Planning, a senior officer from the Personnel Department) to serve the secretariat. At a meeting held on the following day, four MOET representatives attended again in an unofficial capacity, and reported on the letter and the establishment of an Education ODA Coordination Unit by restructuring the past ODA Steering Committee. According to MOET, the committee has been ineffective in monitoring and supporting implementation due to the manpower shortage and this restructuring aimed at improving the efficiency of ODA coordination. The Education ODA Coordination Unit would minimize donor-driven aid approach, overlapping among aid, and mobilize resources on the sectorial priorities. It would report directly to the minister and advise the minister in his decision-making. In a reply to these initiatives, donors requested MOET to share the proposed content of the Unit with them to ensure that bureaucracy would not be more complicated. The meeting on July 9 included other agenda items such as provincial education plan, Community Learning Center (CLC), early childhood care development, inclusive education, education quality, and the Education Forum. The following meeting on August 26 was held at MOET for the first time, and at the end of 2004 there was another meeting to make decisions on the tasks of the ESG secretariat.³³

Thus, there were various attempts to put ESG on track. Donors expected MOET, who was essentially a guest in the Education Forum, to show leadership and ownership in development efforts and aid coordination. Therefore, donors first requested MOET to send representatives to ESG with an eye toward better aid coordination which would lead to reducing transaction costs and aligning aid to government policies. As a reaction, MOET attended an ESG meeting in an unofficial capacity, and admitted surprisingly openly that MOET was not effective in responding to aid offers from donors, and that there were discrepancies between donors' offers and Vietnam's education needs set by MOET. After that, the minister met the donors' expectation by officially appointing ESG secretariat staff members, which cemented foundations for the cooperation between donors and MOET through

³³ ESG (2004b).

ESG. However, taking into account interview results at MOET, it appears that MOET long recognized the liaison and coordination within MOET had been insufficient, and therefore that MOET decided to make use of the establishment of ESG as a good opportunity to improve coordination within MOET (by restructuring ODA Steering Committee into ODA Coordination Unit). Yet, it is unclear if the Unit is different from the ESG secretariat proposed by MOET. Donors expressed a concern that seemingly parallel and redundant units would rather complicate the organization and increase transaction cost.

These interactions uncover that it is not easy for donors to motivate the government to take a leadership role in aid coordination. The issue here is that donors want the government to take a leading role, but donors cannot leave their work ethics and styles behind. Therefore, the question is who would be responsible for the balancing act between the government and donors. Perhaps, after MOET overcomes the problem of weak “intra-ministerial coordination” which arises from bureaucratic sectionalism and inadequacy of staff assignments, it would be able to take strong leadership and ownership for aid coordination with donors.

The interviews for this study also indicate the significance of the ESG establishment. The ESG was proposed by Canada, an LMDG member, Norway, an LMDG and EU member, and the WB. These three donors have a common development orientation that is to depart from the past “stand-alone” project aid, and promote aid by multiple donors (such as SWAp and TBS). This orientation is not limited to the education sector, but to all sectors. In fact, TBS has been strongly promoted as pre-SWAp since the setup of ESG in September 2003, and has been frequently on the agenda. Further, TBS was mentioned in EFA 2015 and Primary Education for Disadvantaged Children (PDC). Therefore, the real significance of ESG would not be aid coordination in the education sector, but rather the promotion of TBS and SWAp by LMDG and EU with the support of the WB. They explain the needs of TBS/SWAp using the terms such as the reduction of transaction cost, alignment to government policies, or procedure harmonization through the government’s ownership, and the government–donor partnership. It is actually convincing.

TBS is one of the aid modalities in which donors provide funds with the government under specific purposes. It is equivalent to a trust fund at international organizations contributed by donor countries; in case of the education sector, it is like a trust fund set up at MOET. MOET is required to report its fund management to donors. However, there exist some risks and issues: (1) Can the government with strong ownership show financial management capacity satisfactory to donors? (2) Does TBS require the government capacities different from the ones with which donors were often not satisfied during the period of stand-alone projects? (3) Can government staff downsized under administrative reform show necessary capacity? (4) Would TBS actually reduce transaction costs? In addition, some donors expressed a concern that TBS was a banker-oriented idea which presumes budget support leads to increased capacity and ownership.³⁴

³⁴Interviews to multiple donors in Hanoi during 2004. In 2007, UNESCO stepped down from the cochairmanship due to the conflict of views on TBS.

10.7 Conclusions

As discussed above, aid coordination in Vietnam's education sector since 1990 has trends such as: (1) from the coordination among donors leaving the government out, to the establishment of donor-government coordination system under the leadership "given" to the government through ESG arrangements; (2) from passive division-of-labor-type coordination to the collaboration among donors exemplified by PDC and TBS beyond the donor framework (departure from stand-alone projects); and (3) from the coordination in terms of subsector, target areas or regions, to the organized one at upstream policy level. Above all, in the primary education subsector with the influx of aid, there are shifts from a coordination for attracting aid to primary education, to a coordination of avoiding duplication on aid target areas and regions, further to the one of integrating support to primary education by the sequence of PDC, TBS, and SWAp. This is a significant evolution from passive to proactive coordination, which could be called second generation coordination.

Donors maintain their various peculiar traits: (i) many donors tend to overlook that there are other donors; (ii) donors tend to formulate a parochial project targeting a narrow area based on their specific interests, and therefore, donors tend to leave the coordination task to MOET; moreover (iii) while MOET officially requests donors to expand education aid including FTI because MOET knows that is what donors expect the government, it recognizes the influx of aid to primary education and the insufficient coordination as problems. Some MOET officials lamented that aid is essentially donor-driven and that MOET does not or cannot have overall strategy even donors expect them to take leadership and ownership³⁵ Thus, it is important to fully recognize the risks which arise from promoting a rational thinking of respecting the government's leadership and ownership.

Some interviewees pointed out that depending on how ESG would be managed, ESG might restrain the aid activities of some donors such as Japan and the UN that value the diversity of aid modalities. In particular, when strengthened ESG represents all donor through a single channel for dialog and negotiations with the government (this actually could be accelerated by the introduction of TBS), it is very likely that some powerful donors (e.g., LMDG/EU and WB) promoting budget support would overwhelm and subordinate other donors.³⁶

There is an issue on alignment. Norlund et al. (2003) contend that in the CPRGS process, there existed a sort of "coordination" (or needed but "vicious" coordination) between internal-oriented policy and external-oriented one by putting donor-driven "national" policy and government-led domestic policy in parallel in order for the government to ease the tensions with donors. After all, CPRGS was not renewed, and integrated into domestic policy. Looking at the education sector from this alignment

³⁵ SRV (2003).

³⁶ Interviews to multiple donors in Hanoi during 2004.

point of view, there emerge two issues: how to understand the gap in the definition of enrollment rate and educational standards between Vietnam and the world.

First, in terms of the gap in enrollment rate, Vietnam declared Universal Primary Education (UPE) when the primary education enrollment rates reached 90% in urban areas and 80% in rural areas. The government was able to save its face under a number of internal and external pressures; however, internationally UPE is achieved when the completion rate is 100%. It seems the government recognizes that this gap needs to be filled. They call this gap-filling as the “consolidation” of UPE, which observers argue could be a double-edged sword: Aid delivery could be stagnant, and children in the last 5% would be left behind. In the meantime, there is a growing demand for better secondary education in the increasing middle class in urban areas such as Hanoi. Therefore, some point out that UPE declaration might in fact lessen the needs for primary education in politically weak rural areas.³⁷

Regarding another gap in education standard, the Fundamental School Quality Level (FSQL) is a case in point. PDC project led by WB and DFID is a quite large-scale one with US\$244 million budget, which is considered as “pre-SWAp” along with TBS. The highlight of this project is the introduction of the FSQL, which is planned to be introduced to 4,272 main schools and 14,902 branch schools by 2009. Donors thought that Vietnam’s national standard in primary education was uniformly enforced in the country, but that this was unrealistically too high for rural and agricultural areas. Therefore, they expect FSQL to be adopted as a minimum standard by the project schools through the PDC implementation, hoping it would eventually become a national standard. FSQL indicates six minimum standards: school infrastructure, teachers, school organization & management, liaison between school and community, educational activities & quality, and expected outcomes, which means a sort of counterproposal to the government. In addition, UNICEF and ADB plan to create FSQL at preschool and secondary education levels respectively. This promotion of FSQL is an alignment of the government’s standard to donors’ activities, which is against the original aid coordination spirit and also a norm-setting activity to the government³⁸

Perfect harmonization or coordination is just ideals. There are tensions between the government’s ownership and the actual power of donors over the government. Then, the issue is where the ground for compromise is and where the balance should be to satisfy both sides. But, the reality is that ownership or leadership expected of the government by donors must be approved by donors at the end.

The issue here is ownership and capacity expected by donors. It is often pointed out that intra-coordination at MOET is below average among ministries and the sectionalism in the ministry is strong. We can understand this condition as a result of tradition or bureaucratic habit of its ten departments. However,

³⁷ Poverty Task Force (2002); Socialist Republic of Vietnam (2003); Interviews to multiple donors in Hanoi (2004).

³⁸ World Bank (2003b); Interviews to multiple donors in Hanoi (2004).

because each EFA subsector was handled by different departments at MOET and information was not often shared as an organization, many donors had to contact directly each department to move their projects forward. But, under these circumstances, is it a right thing for donors as outsiders, being impatient, to offer help for intra-coordination? Should donors take one step back by understanding that sectionalism is a worldwide culture and phenomenon peculiar to bureaucracy? It is against the principle of respecting ownership to offer coordination within MOET, but when ministry's coordination capacity goes below donors' minimum level necessary for work, should donors do something? Are they crossing a line? If they do, MOET would have to act according to the donors' standard. Can MOET develop capacities which donors desire? Who adjusts to whom? If both sides must come closer, where is the best point? Thus, this issue is where partnership and ownership crisscross. In this respect, some suggest that implementing TBS with the scope of SWAp would naturally facilitate intra-coordination.

Another issue pointed out is in relation to capacity. It is the flood of PMU setup and brain drain. It is a contradiction that the setup of PMU for the project on capacity development leads to the loss of capacity on the side of its counterpart. For instance, in the case of PDC, Director of the Department of Primary Education took the position of PMU head, but could not return to MOET afterward. Also, a certain age group of officials was massively hired by PMU at one time, resulting in age imbalance among staff. It is unclear that these problems would be solved by the introduction of TBS and SWAp.

This study also found out that DFID is an outstanding leader in aid coordination. This may be because WB voluntarily chose to be a "bench warmer" in ESG, under frequent criticism toward its overwhelming presence and too strong leadership. The UK is historically an earlycomer in development aid, and it went through a conundrum between project and budget support in their history of colonial management and development aid, which makes the UK a distinct donor country. The UK applies the Labor Party's policy against poverty education policy to foreign aid, thus linking well internal and external policies in poverty reduction.

Aid coordination is not a compulsory matter to donors, but it has ethical, cultural, spiritual, and political binding to donors. Since coordinated activities are in a sense both cooperation and competition, it requires the donor side capacities in areas such as ally-making, persuasion, negotiation, and proposal-making. If, in the name of coordination, someone attempts to coordinate different logics and conditions between the government and donors beyond necessity, transaction costs would rather increase, instead of decrease, because coordination itself would become a burden or a project. There is a dilemma.

This study coincided with the ESG establishment. It was found out that there is a trap or paradox that aid coordination or harmonization are indeed a means for the end of more effective aid, but becomes sometimes an end in itself.

Lastly, I would like to conclude by introducing a remark of a DFID education specialist: "We support the government, but we want to be their friends with critical thinking."

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