

FINAL EVALUATION

VIE/031

Strengthening of Human Resources in the
Hospitality and Tourism Industry in Vietnam

PROJECT SUMMARY DATA

Country	Vietnam
Long project title	Strengthening of Human Resources in the Hospitality and Tourism Industry in Vietnam
Short project title	Tourism HR Development
LuxDev Code	VIE/031
Version of the Report	December 2015

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	3 On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: 1 Effectiveness: 3 Efficiency: 2 Sustainability: 3

EXECUTIVE SUMMARY

1.1. Evaluation mission

This was a final evaluation of VIE/031 and followed earlier external evaluations by independent tourism and human resource development experts. The mission, at the closure of the project, was undertaken in August of 2015 (with two and a half weeks in-country) by: an international expert, Charles Blair – as Head of Mission – together with the national expert, Nguyen Duc Hoa Cuong. The project commenced in January 2010 and closure was in September 2015. The beneficiaries were nine tourism schools and the Ministry of Culture, Sports and Tourism.

As directed by LuxDev, the mission principally focused on two of the nine beneficiary institutions: Hue Tourism College and Danang Vocational Tourism College. This reflects the decision of the third project steering committee meeting of February 2013 to concentrate resources and activities for the remainder of the project on these two flagship schools, as exemplars for the management and delivery of practically-orientated vocational training and education. They were the two sites where major fitting-out work, supported by the project, had been taking place on the construction sites funded by the counterpart. The only other beneficiary school visited was the Hanoi Tourism College. The mission culminated with participation in the closing workshop and ceremony at Danang Vocational Tourism College by making a presentation on initial findings of the mission.

The project's specific objective was an increased quantity and improved quality of graduates from selected tourism schools/colleges in key tourist zones – designated by the Government of Vietnam in the 'Master Plan on Vietnam Tourism Development to 2020, Vision 2030' – through upgraded capacity of schools to deliver practice-oriented and demand-driven training.

The main emphasis of VIE/031 was essentially twofold; both are closely aligned with national policy regarding tourism strategic planning and human resource development for the sector and Government of Vietnam regulations, expressed in the following result:

- The management of the hotel and tourism schools and their capacities to operate practice hotels and restaurants are improved, as required by Government of Vietnam;
- The quality of training in nine key tourism schools is more practice-orientated and industry demand-driven, to be in line with the national policy/government regulation.

The mission's objectives can be summarised, as follows, to analyse the:

- Results and the specific objective reached at the time of the evaluation, compared to that anticipated in the project document and/or inception report;
- Results achieved in terms of capacity strengthening;
- Project's management and monitoring;
- Project using the standard evaluation criteria, taking into account the crosscutting aspects.

1.2. Results achieved at the time of evaluation

Taking the two schools separately, Hue and Danang, what was evident at the time of the final evaluation, in terms of results achieved, was the following.

Hue Tourism College

Hue Tourism College and the Villa Hue has benefited from LuxDev/Luxembourg support for institutional development and strengthening in this and earlier phases. The construction (by the counterpart) and fitting-out works by the project had just been complete prior to closure, with the new wing (an additional 21 bedrooms, giving 32 in total) fitted-out to a high specification (approximately four-star) and becoming operational. Similarly, refurbishment of the training restaurant – The Hue Purple Restaurant – and installation of equipment of its kitchen.

A manager of Villa Hue and a marketing manager had been appointed by Hue Tourism College, despite their lack of experience in their respective roles. Both were staff members who had received post-graduate level education and practical training in Europe (one through the Project, the other independently).

In parallel, there had been a process of capacity building of the management and staff at Hue Tourism College, many of whom get rostered to work alongside the students when training in the Villa Hue.

Management and teaching staff are committed to the delivery of practically-orientated. The capacity of the school to deliver high quality, practically-orientated training was expanded with the additional and upgraded facilities. This has significantly increased the scope for generating supplementary income from bedroom and restaurant sales and ancillary activities. The dual approach combines training and education with the commercial side of the operation. Generating revenue for the institution will contribute to its viability after support from VIE/031 finishes, despite the difficult trading conditions experienced while construction and fit-out of Villa Hue was taking place. This was not anticipated in formulation or inception, where it was thought that minimum disruption would occur, but the works were of such a major nature that it was impossible to continue operations on any significant level. Naturally, revenue fell sharply as a consequence, a position from which it now has to recover.

Danang Vocational Tourism College

The school had relocated from a small, temporary, city centre site onto a completely fresh and large, purpose-built campus on an entirely new site. This has had major implications for the inputs from the project for Phase 1 of the campus. At the time of the evaluation, the practical block had been designed, constructed by the counterpart and fitted-out with project support. It was operational and ready for the provision of training and generating income for the school. The chief technical adviser had been based in the satellite project office at Danang Vocational Tourism College. With his advice and technical support the training restaurant – the Spice Garden (interior lay-out designed by the project) – and its kitchen had just been fitted out and was operational. A manager of the Spice Garden (a non-teaching, member of staff) had been assigned by Danang Vocational Tourism College's senior management and to work with the marketing department to operate and market the new facility. He was also inexperienced in the role.

In parallel, capacity building of senior management and selected teachers had been taking place to enable them to plan and deliver more practically-orientated training. Staff and students – male and female – had been selected for extended training in Luxembourg, two of whom (both students) were about to leave for the *Lycée technique hotelier Alexis-Heck* (in Luxembourg).

1.3. Evaluation scores

Relevance (Score: 2)

Given the expansion of the sector that Vietnam has been experiencing in recent years, the need for skilled workers has sharply increased. Demand for skilled staff significantly exceeds supply and if allowed to continue, will limit the growth of the tourism sector as a whole. The choice of sector was clearly appropriate in supporting Vietnam's socio-economic development and the project achieved a high degree of relevance on a number of inter-related levels. These principally included: a) institutional strengthening and capacity building of the beneficiaries; b) increasing the supply of trained and qualified staff for the industry (especially at entry level in the seven tourism zones designated by Government of Vietnam); and, c) supporting and aligning with Government of Vietnam sectoral strategies and policies for the tourism sector. Furthermore, it expands access to high quality and practical training, particularly for young women and those from poor backgrounds and hence advances their employment and career prospects.

Effectiveness (Score: 3)

As noted by previous evaluations referred to above, delays in implementation – particularly in its earlier stages - ultimately had a negative impact on the project's overall effectiveness. Despite two extensions (of 12 and six months) and increased budget of 1 000 000 EUR (additional to the initial allocation of 3 384 000 EUR) meant that the project never fully caught-up with itself. Closure came at a crucial time in the institutional development of Hue Tourism College and Danang Vocational Tourism College, when the new facilities were just becoming operation, but management had not yet been able demonstrate their capability in more fully managing them.

At the time of the evaluation, it was not possible to conclude that the results achieved by the project led to the planned specific objectives with regard to how effectively they will be managed in future. Nevertheless, based on what was evident it is anticipated – with some caveats – they can, and will, lead to the project's specific objectives in the near future, once more fully operational. Similarly, impacts on the different social groups, the environment and from a gender perspective are yet to be demonstrated.

Efficiency (Score: 3)

As noted above, delays in implementation served at times to hamper efficient and timely disbursement and the execution of planned activities. This was principally due to: a) very slow level of implementation prior to the mid-term evaluation in 2012; and, b) personnel changes (especially of the CTAs), gaps in replacing them, appointing or on occasion assigning people without the right background or experience; c) the widely dispersed locations of the beneficiaries; and, d) over-estimated absorption capacity of beneficiaries.

The above impacted on financial efficiency, with a resulting under-spend of 114 390 EUR. Some planned activities did not happen and budget had to be reallocated, as in the case of the text books (the 15 titles), from the budget for English language software (300 000 EUR for T5A1). However, nearly all other activities had been executed by the time of closure in contributing to meeting the project's specific objective.

Sustainability (Score: 4)

Both Hue Tourism College and Danang Vocational Tourism College were in a period of transition at the time of closure, having to adjust to their new and expanded circumstances. The works had just been completed and clearly the pressure had been mounting over previous months to get things to that point. It served as a great support to the management of Danang Vocational Tourism College to have had the chief technical adviser there on campus ensuring the deliverables had been achieved prior to closure. The Project, however, had no influence over the appointment of staff in the case of Hue Tourism College /Villa Hue or the Spice Garden.

However, the main concern relates to the capacity of school management to effectively manage and fund expanded facilities, which incur higher overheads and related operating costs and require different management and marketing skills. This is particularly relevant, in the light of the low level of funding received from Government of Vietnam per enrolled student. The capability may be limited of the senior management and assigned staff members by Danang Vocational Tourism College to successfully generate additional revenue streams from training and education and ancillary commercial activities to finance any deficit incurred. This puts continuation of the achievements of the Project at risk in the context of becoming self-funding on a cost-recovery basis.

1.4. Conclusions

Extending the coverage of the previous phases to include five new schools was an ambitious undertaking. Perhaps the risks and challenges of doing so, over such widely dispersed areas (in a country with a 3 500 km coastline), with beneficiaries at different stages of institutional development, were under-estimated in formulation. Hence, the implication of these differences was not fully anticipated at the time of formulation or inception.

Key personnel, long-term experts and those providing technical assistance were not always of the appropriate calibre and should have been replaced more promptly, as necessary. Nonetheless, capacity building was clearly at the heart of VIE/031 and the project moved in the right direction. Focusing on Hue and Danang however, deflected resources from the other beneficiaries and concentrated project management time and energy on completing the works prior to closure.

1.5. Lessons learnt and recommendations

A number of lessons can be taken from VIE/031 and recommendations made, as summarised below. Some are specific to VIE/031, while others are more general and can be applied to most other projects and sectors.

General

Multiple beneficiaries – a relatively large number of beneficiary institutions (nine in VIE/031), widely dispersed geographically and at different stages of their institutional development necessitate a different project management approach. More than a single project implementation unit, closer to the beneficiaries, is needed to efficiently manage administer and implement at project level.

Industry engagement – to ensure relevance in the design and delivery of vocational education mechanisms need to be devised to encourage the flow of information, ideas and support from industry actors through their representative bodies. This could have been done through trade association representation on the PSC. Donors should insist on this, as a precondition.

Construction and capacity building – where major construction is being carried out by the counterpart, delays can be anticipated that will impact on fit-out and capacity building of senior management and teaching staff. This results in frustration on the part of the donor, counterparts and beneficiaries. Where possible, as was the case with VIE/031, is it better to avoid getting enmeshed in anything more ambitious than refurbishment or fit-out of facilities, as necessary.

Donor coordination – platforms need to be initiated and supported by the Counterpart through appropriate departments and agencies. The Vietnam National Administration of Tourism in the case of the tourism sector, to exchange information, minimise duplication and combine and share resources, as appropriate. Development partners have themselves to be proactive in advancing this process, while also coordinating on an informal basis.

Project personnel – whether in the project office or providing technical assistance in the field, the most appropriately experienced and qualified personnel – international and national – should be recruited and appointed. The temptation to reassign staff to fill a gap should be resisted. Prompt and decisive action has to be taken at a higher level to replace staff members, when becoming necessary, with the right people. Appointing personnel above their level of experience or competence only hinders effective and efficient implementation.

Project extensions and budgets – where a project is extended, and a no-cost extension is recommended in the mid-term evaluation and implemented, later increasing the budget where an under-spend (as was at the time with VIE/031) is evident is counter-productive. This clearly indicates problems with disbursement, which need to be rectified first.

Regional professional development resources – there is a lot of excellent tourism and hospitality management development and training resource available within Association of Southeast Asian Nations. It can be more cost-effective to utilise (by outsourcing) regional professional and institutional development capacities through other training and vocational education institutions and/or individual enterprises, as LAO/020 has done with the Rembrandt Hotel in Bangkok to enable staff and students gain valuable industry experience.

Specific to VIE/031

Income generation – after closure of VIE/031, both Hue Tourism College and Danang Vocational Tourism College need to capitalise on their new facilities to generate supplementary income (self-funding) to contribute to their financial sustainability. For Hue Tourism College, this means effectively marketing and managing an expanded Villa Hue and find ways to achieve that by implementing its Business and Operating Plan. Senior management face a number of strategic options: a) maintain the status quo; or, b) recruit and ex-patriate general manager; or, c) outsource management through a management contract with an external (branded) operator. Each carries risks and proper guidance should be sought from Villa Hue's Executive Board, resulting from the Business and Operating Plan. Senior management of Hue Tourism College should then act accordingly to ensure Villa Hue's future commercial viability.

For Danang Vocational Tourism College, the main and immediate challenge in this regard is to effectively market and manage the Spice Garden restaurant through installing prominent roadside signage, developing linkages with tour operators and hotels, marketing to surrounding enterprises. Further capacity building of staff tasked with managing, operating and marketing the Spice Garden and other college facilities is required if sustainability is to be achieved. Establish a special unit for the design, marketing and delivery of contract training for hotels within a 20 km radius, on an outreach basis and on campus.

The school can also consider supplying commercial services, such as laundry, and products made in the practical training blocks. No similar Business and Operating Plan was prepared for, or with, Danang Vocational Tourism College and developing this could become an option as a guide for taking forward its commercial operation.

Shortage of teachers – one of the main constraining factors, especially for the new beneficiary institutions, is the difficulty in recruiting teachers. Few have any significant tourism and hospitality experience. Government of Vietnam's requirement of a Bachelor level degree to become a teacher in a Technical, Vocational Education and Training institution is a major contributory factor. This was outside the scope of the project however, and would necessitate a higher level dialogue with the relevant ministries. By stipulating an upper age limit of 26 years for sending teachers to Luxembourg for training, the project may have exacerbated the situation; a higher limit (perhaps 32) could have been adopted.

English language training – one of the project's shortcomings was its inability to deliver the necessary software package to accompany the hardware provided through VIE/031 support. Despite all the time and effort expended, no decision was ultimately made at a higher level. Finding teachers with a proficiency in English and other foreign languages is also a limiting factor, partly addressed by the project, in line with mid-term evaluation recommendations, training of teachers by contracting the British Council.

Network development for tourism and hospitality Technical, Vocational Education and Trainings – the two significant tourism Official Development Assistance projects, supported by Luxembourg and the European Union, will conclude by November 2015. The legacy of both projects in terms of institutional development of the nine schools in the case of Luxembourg and the five by the European union, would be best served if they were to form an association of tourism *Technical, Vocational Education and Trainings* as a platform for sharing experience and resources, attracting future support from other sources. It would also be a vehicle for developing institutional linkages with regional counterparts, in view of Association of Southeast Asian Nations integration. The basis already exists for this through the Project Working Group (of Directors of the beneficiary institutions) established early in the implementation of VIE/031.

1.6. Crosscutting aspects

From the point of view of the crosscutting aspects, the following observations were made by the Evaluation Team:

Governance for development

The project demonstrated a participatory approach engaging stakeholders through the mechanisms of the Project Management Unit and the Project Working Group. Senior management were exposed to examples of best practice with regard to the planning and management of school activities, thereby contributing to the good governance of their own beneficiary institutions.

Gender equality

While there was an evident gender imbalance at different levels of stakeholders within the beneficiaries, this does not necessarily infer gender inequality in terms equal opportunity. This imbalance manifested itself in several ways: a) few women in senior management positions in the schools; b) relatively few male teachers were evident; and, c) predominance of female students. None of these were specifically influenced by the project and no particular actions were undertaken to effect a change in gender balance. Nor were any specific measures made to empower under-represented (autonomous) groups.

Environment and climate change

Although Vietnam is recognised to be one of the most risk countries from a climate change perspective, little positive impact was made by the project. The design, construction and operation of the new facilities at the Villa Hue and Danang Vocational Tourism College did not incorporate energy and water saving materials, devices and procedures, despite being described in the project document and recommended in the mid-term evaluation. Aside from the landscaping at Villa Hue and on the barren site at the frontage of the new Danang campus (see Appendix I: Pictures), no specific opportunities for green procurement and green internal project operations are apparent as yet.