

OUTLINE DETAILS
INVESTMENT PROJECTS USING FOREIGN
NON-GOVERNMENTAL AID FUNDS

PROJECT NAME:

**DEVELOP TRAINING CENTER FOR PROFESSIONAL
GROWTH OF ELEVATOR AND ESCALATOR
TECHNICIANS**

**PROJECT LEADER: LY TU TRONG TECHNICAL
COLLEGE OF HO CHI MINH CITY**

**ADDRESS: 390 HOANG VAN THU, WARD 4, TAN BINH
DISTRICT, HO CHI MINH CITY**

OUTLINE DETAILS

INVESTMENT PROJECTS USING FOREIGN NON-GOVERNMENTAL AID FUNDS

**DEVELOP TRAINING CENTER FOR PROFESSIONAL GROWTH OF ELEVATOR
AND ESCALATOR TECHNICIANS (PROMPT)**

PROJECT BACKGROUND INFORMATION

1. **Project name:** Develop Training Center For Professional Growth Of Elevator And Escalator Technicians (Prompt)
2. **Donor name:** KONE Vietnam LLC
3. **Approving Authority:** Ho Chi Minh City People's Committee
 - a) Address: 86 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City
 - b) Phone: (08) 38296052, (08) 38295026. Fax: (08) 38295675
4. **Managing Authority:** Ho Chi Minh City Department of Education and Training
 - a) Address: 66 – 68 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City
 - b) Phone: (08) 38 229 360 Fax: (08) 38 222 136
5. **Proposing Organization:** Ly Tu Trong Technical College Ho Chi Minh City
 - a) Address: 390 Hoang Van Thu, Ward 4, Tan Binh District, Ho Chi Minh City
Phone: (08) 54490589 Fax: (08) 3811 8676
6. **Project Leader:** Ly Tu Trong Technical College Ho Chi Minh City
 - a) Address: 390 Hoang Van Thu, Ward 4, Tan Binh District, Ho Chi Minh City
 - b) Phone: (08) 54490589 Fax: (08) 3811 8676
7. **Estimated duration of the project:** 11 years (from 2016 to 2027)
8. **Location of project implementation:** Ly Tu Trong Technical College Ho Chi Minh City
 - **The total budget of the project:** 424,826 EUR (approximately 448,675 USD and approximately 10,375,100,572 VND)

Among them:

- Foreign Non-Governmental non-refundable aid: 424,826 EUR (approximately to 448,675 USD and approximately 10,375,100,572 VND)
- Reciprocal capital: None.

Project Lead representative's signature and stamp

Date:.....

Donor representative's signature and stamp

Date:.....

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INVESTMENT PROJECTS USING FOREIGN NON-GOVERNMENTAL AID FUNDS OUTLINE DETAILS

I. Background and Project Necessity

- 1. Brief description of Beneficiary's planning, their development plans related to project implementation and the need, role and the location of the project.*

Ly Tu Trong Technical College Ho Chi Minh City (LTTC), a public institution, was established in 1986 and is located at 390 Hoang Van Thu Street, Ward 4, Tan Binh District, Ho Chi Minh City. The school has 29 majors with over 10,000 students enrolled. By 2020, LTTC will become a leading school in vocational education in order to meet the needs of high quality human resources in the context of ASEAN integration, contributing to national industrialization and modernization.

With an area of more than 5 hectares, the college provides its students with a learning environment which is civilized, disciplined and friendly. Currently, the school has developed a master plan to reorganize and improve the training structure according to the standards of advanced educational accreditation.

In cooperation with KONE Vietnam LLC, the project aims to implement the policy of socialization of education, as well as attracting businesses to invest in building infrastructure. The project also targets the development of training programs, offering funding for students and creating a healthy educational environment. After graduation, students have the opportunity to be employed. (Article 53, chapter VI regarding the relationships between colleges, families and society as referenced by the College Charter together with Circular No. 01 / 2015 / TT-BGDĐT declared by the Minister of Education and Training on 15 January 2015).

In summary, the project "Develop Training Center For Professional Growth Of Elevator And Escalator Technicians (Prompt)" is suitable for the college's developing strategic plans and vision till 2020. The building of a training center for elevators and escalator technicians is essential in strengthening LTTC's facilities, implementing a dual education model and contributing to improving the quality of education of the college.

- 2. Overview of programs and projects by proposing organization which have been implemented or are being implemented by different funds, who's projects aim at resolving relevant issues.*

Project PROMPT is the first project that KONE Vietnam will co-implement using external funds to develop a model of sustainable education for the industry and the country itself.

- 3. Overview of the issues to be addressed within the scope of the proposed project.*

The project will construct a training center for elevators and escalators technicians at the Ly Tu Trong Technical College Ho Chi Minh City.

KONE Vietnam LLC will be responsible for the construction of the training center, which consists of 4 floors, decorations as well as providing tables, chairs and whiteboards for practical and theoretical training; KONE provides 2 elevators, 1 elevator simulation system, 1 escalator, machinery, training equipment, practical materials needed for training. KONE will also train and transfer the technology of elevator and escalator to trainers.

LTTC will provide an area to KONE to build the above mentioned training center which allows for mutual cooperation in training for 11 years (from 2016-2027). The school will organize vocational training courses in the field of elevator and escalator studies from 2017-onwards.

4. Specify the direct beneficiaries of the proposed project.

Ly Tu Trong Technical College Ho Chi Minh City is direct beneficiary of the project.

II. Donor Proposal Relevance

1. The project target's suitability with the strategic policies and priorities of the donors.

With a leading position in terms of resources and global capacity professionalism, KONE Vietnam LLC was established in 2009, and has quickly earned a reputation in providing solutions in the field of professional vertical movement and is poised for strong growth in Vietnam through its' accumulated list of outstanding projects. KONE Vietnam LLC, which is located in Ho Chi Minh City and Hanoi, provides easy accessibility and is attentive of the opinions of its' customers in order to provide the best service.

Based on the current situation in Vietnam, there is a critical shortage of skilled human resources who are knowledgeable in international safety and labor standards in the field of elevators and escalators. The shortage of skilled human resources is infringing on Vietnam's ability to meet demands and to successfully integrate internationally. As such, this is the main concern for employers like KONE, who are focused on maintaining a level of trust and quality of service for its customers.

Thus, through this project, donors wish to contribute and support the college in training the skilled human resources in the field of elevator technology, thereby narrowing the gap between recruitment and training, as well as providing jobs for the students of the college, to resolve the problem of human resources for the job market in the context of international integration.

2. Analysis of reasons for the selection and the donor's advantage in technology, experienced management and policy consultancy in the funded fields.

Innovative solutions such as elevators with best-in-class energy efficiency have made KONE an industry forerunner for several decades. KONE People Flow Intelligence

solutions like the destination operating panel aid in the development of smarter cities and buildings by providing convenient and effortless user experience and enhancing security. Several major real estate developments in the Vietnam feature KONE solutions, including MGM HoTram, Le Meridien Hotel, JW Marriott Hotel, Crowne Plaza, Pandora Entertainment Center and Center Point.

With a large number of projects which have been and are about to be implemented, KONE is in need of skilled manpower that are knowledgeable about the operational mechanism of KONE equipment as well as the necessity for labor safety in the installation assembly and maintenance of equipment. However, in recent years, KONE has yet to find the right partner to implement the project. After meeting and learning about the training capacity of the Ly Tu Trong Technical College Ho Chi Minh City, plus the advantage of the industry pioneers of KONE, KONE decided to cooperate with the college to train the human resources to meet international standards for the upcoming high demand.

3. *The binding conditions as stipulated by the donors (if any) and the ability to meet these conditions from Vietnam's side.*

To ensure the safety during training and operations, KONE will support to safely operate the elevators and escalators for the Ly Tu Trong Technical College Ho Chi Minh City during the time in which the college is using the equipment.

III. Project objectives

Overall objective: Strengthening the capacity of training, upscale and improve the quality of training for Ly Tu Trong Technical College Ho Chi Minh City, contribute to turn the college into a leading school in vocational education in the context of ASEAN integration, serving the cause of industrialization and modernization of the country.

Specific objective: Construction implementation including 4 floors in Ly Tu Trong Technical College Ho Chi Minh City into a training center of modern standards, ensuring that the college meets the requirements of teaching programs and research in the field of elevators and escalators on the same level with other countries in the region.

IV. Project main results

1. Establish a Training Center for elevator and escalator technicians;
2. Support and train for teachers to participate in training under the dual education model
3. Develop cooperative training programs for elevator and escalator technicians.

V. Components, items, and major activities planned allocation of project resources

Establish a Training Center for elevator and escalator technicians			
Estimate Timeline	Content	Expected allocation of human resources projects	Expected Cost
1/2017 - 12/2017	- Construction of the training center building - Install elevators and escalator; - Decorate, provide tables, chairs and whiteboards; - Provide training equipment	- Project Management Board of KONE Vietnam LLC - Consultants, designers, contractors, equipment suppliers chosen and monitored by the Management Board of Project Management Team of KONE Vietnam LLC	243,366 EUR (approximately 5,943,484,452 VND)
Support and train for trainers who will participate in training under the dual education model			
Estimate Timeline	Content	Expected allocation of human resources projects	Expected Cost
1/2017 - 6/2017	- Create plans for deploying cooperation training project: - Discuss between stakeholders with Ly Tu Trong Technical College Ho Chi Minh City -Working with experts in the field of elevators and escalators	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC	60,487 EUR (approximately 1,477,213,514 VND)
	-Collect feedback on the training requirements from the stakeholders. -Develop the training technicians Program	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC	

	-Develop practical training for trainers under the dual education model.	
	- Create training materials for students - And training materials for the Trainers	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
12/2017	-Technology transferring, equipment guidance, labor safety	- KONE Vietnam LLC
	- Support and train the Trainers At least for 10 trainers	- KONE Vietnam LLC
	-Review and learn from experience	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC

Develop training programs for elevator and escalator technicians.

Estimate Timeline	Content	Expected allocation of human resources projects	Expected Cost
1/2018 - 10/2018	-Implement the training program for the 1 st batch of selected students	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City	120,973 EUR (approximately 2,954,402,606 VND)
	- Conduct supervision, quality inspection regularly	Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City	
	-Evaluation after each training course -Provide certificates to	Ly Tu Trong Technical College Ho Chi Minh City	

	students who completed the training course	
11/2018	-Organize career fair for the students -Conduct employers conference -Scientific Workshop about dual education model -Activities support for entrepreneurship of students	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
	- Review and learn from experience - Completing the cooperation program	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
11/2018	-Continue enrolling students for the training	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
	-Implement the training program for the 1 st batch of selected students	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City
12/2018 - 10/2019	- Conduct supervision, quality inspection regularly	Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City
	-Evaluation after each training course -Provide certificates to students who completed the training course	Ly Tu Trong Technical College Ho Chi Minh City

10/2019 - 12/2019	-Organize career fair for the students -Conduct employers conference -Scientific Workshop about dual education model -Activities support for entrepreneurship of students	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
	- Review and learn from experience - Completing the cooperation program	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC
The rest 8 years of project 01/2020 - 12/2027	- Carry on implementing the activities of recruitment, management, evaluation, issuing certification to student annually. - The activities serve for entrepreneurship of the students. - Training to update the new KONE technology to employees and students.	- Project Management Board of Ly Tu Trong Technical College Ho Chi Minh City - KONE Vietnam LLC

VI. Domestic financial agreement for project

1. FNG non-refundable aid: 424,826 EUR (approximately 448,675 USD and approximately 10,375,100,572 VND)
2. Reciprocal capital: None.

VII. Organization of project implementation and management

1. Method of organizing project implementation and management

Pursuant to Articles 5 and 6 of Chapter III: Managing the implementation of foreign non-governmental fund based upon Circular No. 07/2010 / TT-BKH of the Ministry of Planning and Investment on March 30, 2010 regarding the guidelines to

conduct Decree No. 93/2009 / ND-CP of October 22, 2009 the government declared management regulation and utilization of funds from foreign NGOs;

Project lead is the Ly Tu Trong Technical College Ho Chi Minh City, established the "Project Management Board" and combined with KONE Vietnam LLC to perform the duties specified under management regulation and utilization of funds from foreign NGOs (Circular No. 07/2010 / TT-BKH of the Ministry of Planning and Investment).

"Project Management Board" ensures the full implementation of the guidelines and requirements of the Ho Chi Minh City People's Committee, the Department of Education and Training, Department of Planning - Investment, Department of Finance and the other relevant authorities to implement the management and reporting requirements under Chapter IV "Reporting requirements on use of foreign non-governmental funds" as declared by management regulation and utilization of funds from foreign NGOs; (Circular No. 07/2010 / TT-BKH of the Ministry of Planning and Investment).

2. Overview of the organization structure, partner relations

Approving Authority: Ho Chi Minh City People's Committee

Managing Authority: Ho Chi Minh City Department of Education and Training

Proposing Organization: Ly Tu Trong Technical College Ho Chi Minh City

Project Lead: Ly Tu Trong Technical College Ho Chi Minh City

The project is co-financed by the German bank DEG and KONE Vietnam LLC. Whereby, KONE will be the donor cooperating with the Ly Tu Trong Technical College Ho Chi Minh City to implement the project.

3. Capabilities to organize and manage the implementation of the proposed project lead, including financial capability.

"Project Management Board" Ly Tu Trong Technical College Ho Chi Minh City will ensure the appropriate structure, sufficient experienced personnel, appropriate professional capabilities including managing board, representative from Science Management - International Cooperation office, Planning – Finance Office, Personnel – Administration – General office, Equipment – Supplies Office, Administration – Service Office, Faculty of Mechanical Technology, Faculty of Electrical Technology - Electronics.

"Project Management Board" along with KONE Vietnam LLC ensures to incorporate in the preparation, planning, development, implementation and acceptance of the project and periodic reports under the current regulations and the provisions of the related management authorities.

VIII. Planning of construction and specific technology to implement the project

Classroom buildings: reinforced concrete foundations, load bearing walls, corrugated iron roof against heat joint venture, cement floor with reinforcing coating,

doors, glass and aluminum window; lighting systems, water supply, septic tanks and other accessories.

IX. Preliminary analysis of the project's feasibility

The construction of a elevator and escalators technician training center for the school is a feasible project if early investment from Kone Ltd. is received. Construction method and technology used for the project are appropriate and safe compared to the scale of the construction itself. HCM People's Committee has the experiences in the management and implementation of similar projects; therefore when the investment is enforced, Technical College Ly Tu Trong HCMC will ensure the project to be carried out effectively.

X. Preliminary analysis of the project's impact:

1. *Direct impact to the implementing partner*

The project is implemented to meet the urgent demands on the issue of infrastructure of the school, solve the shortage of classrooms and practice rooms for training elevators and escalators technicians; it also ensures to help create the best educational environment, gradually implement effective basic innovation education and training within the strategy of ASEAN international integration in the current and next period.

Technical College Ly Tu Trong Ho Chi Minh City will improve the capacity of the trainers, and enhance the quality of training and its status through the school's business model.

2. *Assessment of economic, social and environmental impacts on the industry, field and localities*

Technical Colleges Ly Tu Trong Ho Chi Minh City will have a training and research center in the field of elevators and escalators on par with other countries in the region. Due to that, there will be further development in scale and the quality of training to meet the demand for high-quality human resources in the context of ASEAN integration and contribute to national industrialization and modernization.

3. *Assessment of sustainability of the project after it ends*

To ensure safety during the training and operations, KONE will support to safely operate of elevators and escalators for Technical Colleges Ly Tu Trong Ho Chi Minh City during the time the college using these equipment.

After 3 years of collaboration, KONE will transfer the Training Center, training curriculum and office equipment to LTTC (excluding elevators and escalators) in order for LTTC to deploy specialized technical training on elevators and escalators in accordance with actual needs. During the next 8 years of cooperation, KONE will join LTTC in the utilization of elevators and escalators in training with both parties contributing fifty percent.

Every year, the school will have specific plans in admitting students for the technician training program. The school's project management board continues to support and ensure regular maintenance of the equipment in order to ensure the sustainability of the project.

Attachment: an appendix of tables, chairs and sponsored training equipment in project

**APPENDIX: LIST OF TABLES, CHAIRS AND TRAINING EQUIPMENT
SPONSORED IN PROMPT PROJECT**

DESCRIPTION	QUANTITY	UNIT
<i>Practical Training Area</i>		
Escalator	1	Pcs
Elevator with a machine room	1	Pcs
Elevator without a machine room	1	Pcs
Simulation system of elevator in buildings	1	Pcs
Chair	10	Pcs
<i>Training area (2 rooms for theoretical learning)</i>		
Chair and table (2 students/ table)	24	Set
Trainer's table	2	Set
Projector/Monitor LCD	2	Pcs
Whiteboard	2	Pcs
<i>Office Area</i>		
Laptop	2	Pcs
Document cabinet	2	Pcs
Printer/scanner	1	Pcs
Chair and table for office	2	Set
Chair and table for meeting room	1	Set
<i>Lobby</i>		
Chair and table	2	Set
Central air-conditioner	1	Pcs