

Overview of Heilongjiang's Cooperation with IFIs on Vocational Education

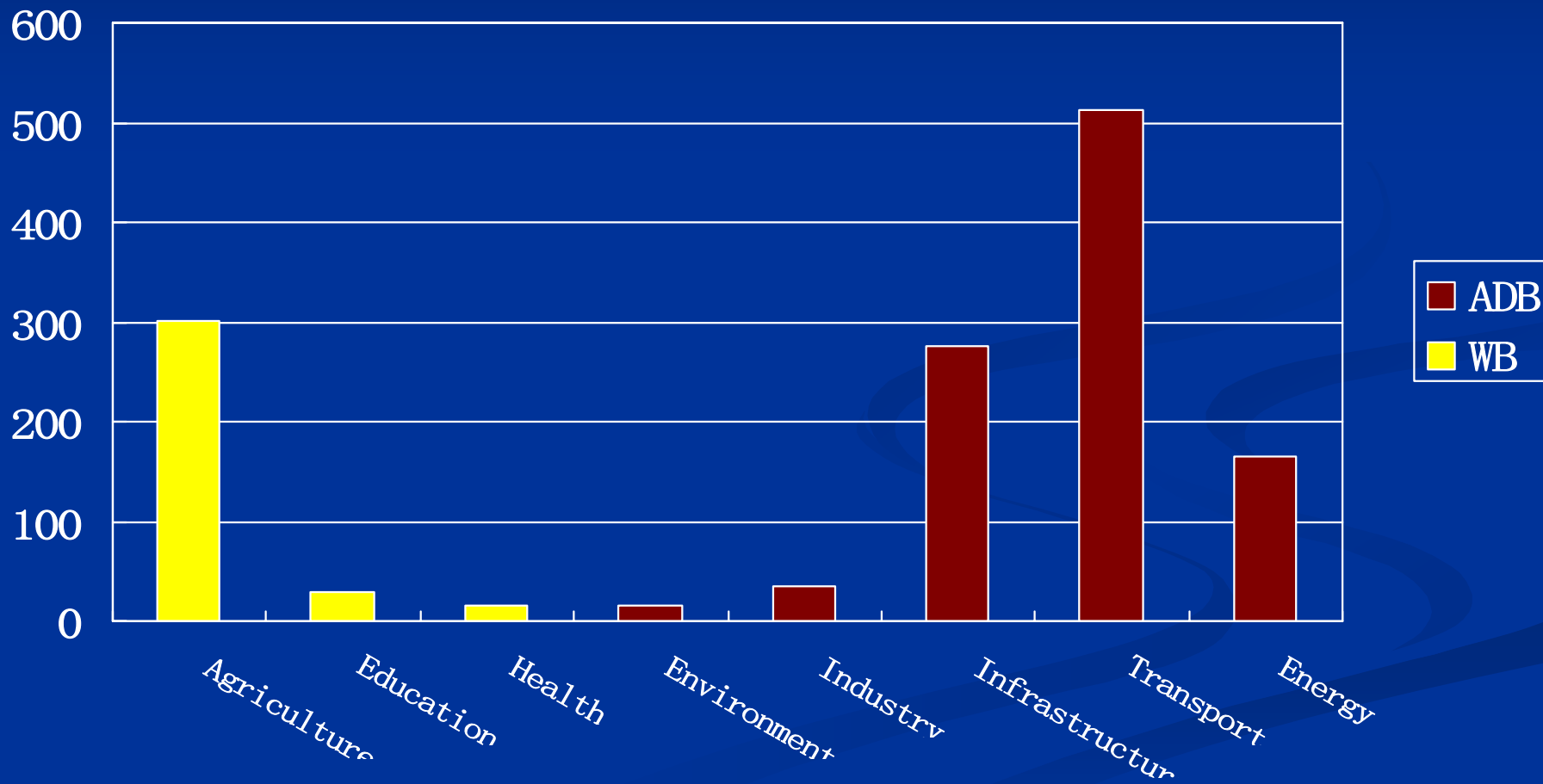
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Topics

- Structure and comparison of IFIs' investments in Heilongjiang
- Main Features of IDA's Participation in Education Projects in Heilongjiang
- Potential Demand on Vocational Education in Heilongjiang
- Suggestions on Improving Vocational Education through ADB Financing.

ADB vs WB, Investment Structure in Heilongjiang Province (in million USD)



ADB vs WB, Investment Structure in Heilongjiang Province

(in million USD)

- For ADB, priority has been given to the transport, infrastructural construction, environment protection, and for WB more to the agriculture, education and public health.
- In conclusion of above comparison, ADB financing projects have followed recipient-friendly and flexible manners in project identification, preparation, appraisal and implementation, and achieved better financial performance. It partly explained the widening project-based cooperation between ADB and Heilongjiang Province.

List of Projects in Heilongjiang Financed by IFIs

	Project Name	Resource	Effective Year	Onlending Amount (in thousand USD)
1	Provincial University Project	IDA	1986	5,260.00
2	Television University Project	IDA	1984	2,066.00
3	Textbook Development Project	IDA	1989	1,332.70
4	Fourth Basic Education Project	IDA	1997	9,000.00
5	Effective Teaching Service Project	IDA	1994	4,780.00
6	Teacher Training Project	IDA	1989	2,279.00
7	Agricultural Education Project	IDA	1984	3,960.00
	Total			28,677.70

Main Features of IDA's Participation in Education Projects in Heilongjiang

- 7 Projects financed by WB, with total lending equivalent to 28.68 million USD , accounting for 24% and 2% of total in terms of number and amount respectively.

Main Features of IDA's Participation in Education Projects in Heilongjiang

- All projects were financed in form of soft-loan, i.e. by IDA, with comparatively lower lending charges and longer term.

Main Features of IDA's Participation in Education Projects in Heilongjiang

- Emphasizing poverty reduction effects and social benefit instead of economic benefit, no or less income generated during project operation led to debt service's higher reliance on governmental budget.

Main Features of IDA's Participation in Education Projects in Heilongjiang

- Aiming for solving some specific issues in educational sector, the lack of integral consideration and connectivity among projects resulted in insufficient knowledge transferring and resource sharing. Shortage of IFI investment in vocational education.

Main Features of IDA's Participation in Education Projects in Heilongjiang

- Relatively longer duration for project preparation and implementation, complex approval procedures. Scattered investment led to increased operating cost.

Potential Demand on Vocational Education in Heilongjiang

- Heilongjiang has more than 5 million workers, including about 2.7 million technical workers, about 200,000 of whom or 7.4% are high-ranking technical workers. Like other old-industrial-base provinces, Heilongjiang also faces problems such as lower proportion of highly talented people, irrational specialization structure and serious brain drain. At present, Heilongjiang lacks skill-oriented talented people, especially highly skilled operators, making it hard to meet the needs for transformation of old industrial bases.
- Overall objective of Ministry of Human Resources and Social Security: high-ranking technical workers to take up 30% of all technical workers. Based on this criterion, Heilongjiang's high-ranking technical workers should reach 800,000 with the current gap is 600,000. However, the province can only train 30,000 high-ranking technical workers annually. If taking into consideration of old industrial base transformation, further development of enterprises and other factors, gap of high- and middle-ranking technical workers will be even larger.

Challenges Facing the Vocational Education in Heilongjiang

- Institutions engaging in technical and vocational education in Heilongjiang mainly include: human resources and social security authorities which organize technical worker education, social groups which conduct vocational training and secondary specialized schools, adult schools and technical and vocational colleges which provide diploma education under the leadership of education authorities.
- In recent years, with the launching of Northeastern Old Industrial Base Rejuvenation Project and increasing conflicts between Heilongjiang's economic development and lack of skilled people, vocational education has received close attention from the provincial Party Committee and Government. As a result, technical schools, secondary specialized schools and technical and vocational colleges have achieved some improvements in their conditions and size, number of enrolled students has been growing year by year, training scale and quality have demonstrated a momentum of improvement year after year. However, there still exist some non-negligible problems.

Challenges Facing the Vocational Education in Heilongjiang

- I. Uneven development of vocational education
- Compared to their larger number, existing technical schools in Heilongjiang have smaller scale, lower level and irrational layout, indicating weak functions of technical education.
- In recent years, Heilongjiang has increasingly upgraded a number of secondary specialized schools to technical and vocational colleges. Many universities have also established such colleges and many adults universities have become such colleges through mergers and consolidation. Nevertheless, many colleges have inherited theory-oriented teaching model of ordinary colleges and universities in terms of program setup and teaching arrangements and there lack necessary practice bases and testing equipment as well as teachers with practical experience. As a result, vocational education has become a formality and failed to achieve the target of fostering true talented people with operational skills.

Challenges Facing the Vocational Education in Heilongjiang

- II. Vocational education resources have not been replenished in a timely manner
- At present, software resources for vocational education in Heilongjiang need to be adjusted and replenished through great efforts. In terms of hardware, it is common that practical training bases and testing and practice equipment lag behind and are lacking, which cannot meet the needs for fostering skilled and talented people for transforming and rejuvenating the old industrial base. In terms of software, as various schools overemphasize the degree of teachers, many teachers in the vocational education sector lack practical skills and experience and are unable to transfer true skills and expertise to students.

Challenges Facing the Vocational Education in Heilongjiang

- III. Vocational training lacks comprehensiveness and forward-looking approach
- In terms of training talented people, a common phenomenon is that discipline setup and training programs of most training institutions lag behind or closely follow actual demand. As training of talented people follows a cycle and labor market demand is always changing, this practice has resulted in coexistence of talented people shortages and idleness and disarticulation between talented people training and social demand.

Suggestions on Improving Vocational Education through ADB Financing

- As a conjunctive channel between fundamental education and employment market, vocational education needs to be further fostered and developed.
- Importance of early-stage TA inputs: made adequate use of ADB's TA resources to conduct comprehensive and objective analysis of status quo, demand, issues, countermeasures and other aspects of vocational education.

Suggestions on Improving Vocational Education through ADB Financing

- Make full use of various resource channels to establish an inter-ministerial coordination mechanism for vocational education projects and promote resource sharing and collaboration.
- ADB work closely together with MOF, NDRC, MOE and HOHRSS to coordinate and plan loan investments in vocational education sector.

Suggestions on Improving Vocational Education through ADB Financing

- Maintain ADB's flexibility advantage accumulated in implementing previous projects. Simplify project appraisal and approval procedures and lending products need to adapt to differences in demand on vocational education in different provinces. For example, MFF modality shall be adopted to improve project approval efficiency and flexibility in project implementation.
- Give adequate consideration to the public-good nature and nature of beneficiaries of vocational education projects, adopting the approaches of blending with foreign grant resources, borrowing and repaying by Central Government or arranging part of repayment funds to indirectly soften OCR lending.

Suggestions on Improving Vocational Education through ADB Financing

- Make reference to ADB's rolling project development model introduced in recent years. Given shorter implementation period for vocational education projects, it is suggested to adopt the approaches of shortening principal repayment period for project agencies and rolling development during lending project implementation and on-lending to recover funds ahead of schedule for re-development of vocational education projects in other provinces, improve funds use efficiency and achieve snowball effect.

Suggestions on Improving Vocational Education through ADB Financing

- Focus on institutional innovations and increase project's added value. Make reference to "one system approach" to give full consideration to impacts on various stakeholders. Through implementing vocational education projects and based on improving physical infrastructure for vocational education, it is necessary to strengthen institutional building, improve market-oriented vocational education model, improve employment guidance and recommendation mechanisms, strengthen employment market feedback and "order form" education mechanisms, build and improve employment tracking system for vocational education graduates and discuss feasibilities in reforming the fee-charging mechanism for vocational education.

Thank you!