

**Opening Remarks**  
**Consultation Workshop on PRC-ADB Cooperation in Vocational**  
**Education**  
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Respected Mr. Robert Wihtol, Country Director of PRCM,

Respected Representatives,

Ladies and Gentleman,

Good morning.

I am pleased to attend this consultation workshop on PRC-ADB cooperation in vocational education to learn from and exchange ideas with all of you. On behalf of the International Department, Ministry of Finance, I would like to take this opportunity to extend our congratulations to the opening of this workshop, and extend our sincere thanks to ADB's Resident Mission in PRC (PRCM) for your enormous preparation efforts. I would also like to express a warm welcome to all of you for your presence here today.

Since its entry into ADB in 1986, China has maintained a good partnership with ADB. Up to the end of last year, China had borrowed a total of US\$ 20.433 billion loan from ADB to support 146 projects, ranking the second among ADB's borrowers. China also received a total amount of US\$ 0.31 billion TA grants. The loan and TA grant were used to support a number of sectors including transport, energy, urban construction and environment protection, and natural resources. These projects have played a positive role in stimulating social and economic development, strengthening infrastructure development, promoting mechanism and institutional innovations, and enhancing institutional and staff capacity.

Building on ADB's loan and TA projects, PRC-ADB cooperation has been always focusing on knowledge cooperation, learning and exchanging international experience and promoting institutional and mechanism innovations. In recent years, China and ADB have actively conducted analysis on education policies through TA, involving formal education, vocational education and training, and labor and employment, and provided many valuable recommendations for the development of education. ADB has actively cooperated with such pilot provinces as Guangdong, Hunan and Shanxi, conducted a thorough analysis on the level and challenges of local vocational education and training, shared international experience, provided a package of innovative recommendations, and actively stimulated the development of vocational education and training in pilot provinces.

Today's workshop is for reviewing and exchanging ADB's experience in implementing TA projects of vocational education and training, discussing new issues and challenges that ADB's TA is facing, introducing ADB's successes and best practices in TA projects and providing advice for ADB's future TA, while having further discussions on how to improve our cooperation and innovation in the education sector. Here I would like to talk about how to promote our cooperation in loan and TA projects.

**First, cooperation on loan projects is still the important approach of PRC-ADB cooperation in the new period and new stage.** We need to cooperate in more sectors, not only maintaining cooperation in infrastructure but also proactively explore potential cooperation opportunities in social development sectors such as education and health. It is also important to pay more attention to innovative and demonstrative effects of loan projects and increase the "added-value" of loan proceeds. It is necessary to strengthen the management on the entire process of borrow-utilize-repay, constantly improve

management and operational efficiency, and spare no efforts to operate every single loan.

**Second, under the context of stable loan scale and relatively narrow room for expansion, knowledge cooperation will remain as the expansion and extension of PRC-ADB cooperation in the years to come.**

Related provinces and administrations should make full use of ADB's advantages as an intellectual resource and platform, strengthen targeted knowledge cooperation with ADB, including TA cooperation, providing useful reference for domestic development and reform. It is also important to implement outcome-oriented management and improve the effectiveness of knowledge cooperation and TA projects in cooperation.

**Third, several comments on better implementing ADB loan projects and technical assistance projects are presented as follows:**

At the macro-level, we still need to adhere to 3 principles:

1. Continue to adhere to the principle of "building on China and for for China". Practices have proven that the success of ADB loan and TA projects is based on respecting borrowers' rights of independent development and the awareness of serving the actual needs of borrowers' development. This principle is well recognized among international financial organizations including ADB. When managing projects, we still need to stick to this principle and continue to enable "the sense of ownership".

2. Continue to stick to the principle of "building on China's national conditions and local characteristics and learning from international experience". Cooperating with ADB and promoting institutional and mechanism innovations through implementing projects, we must build on China's national conditions

and local realities and integrate international experience and prevailing practices with China's national conditions and local realities so as to avoid irrational project objectives and requirements that are beyond the current development stage and incompatible with local realities.

3. Adhere to the principle of "pioneering and achieving outcomes". It is an explorative task to promote domestic institutional innovation through project implementation, during which there might be more challenges and obstacles. However, as long as it is good for reform and development, we need to proactively work on promotion, coordination, management and have the pioneer and initiative spirit and work towards outcomes.

At the micro-level, we need to focus on the following 3 aspects:

1. Accurate project topics should be selected and clear project objectives should be identified based on realities and these topics and objectives should be doable.

2. It is important to control quality, monitor project progress and review outcomes during project implementation and management.

3. During the later stage of project, it is necessary to further improve the mechanism of disseminating TA outcomes, strengthen outcome sharing and exchange of experience between projects, provinces, local and central governments. We need to ensure that study findings are truly applied in practice and demonstrative effects of projects are fully enabled.

The above are several observations on improving loan and TA project management and strengthening PRC-ADB knowledge, which are only for your reference. Many of you have worked on ADB loans for many years, accumulated extensive project management experience and contributed

enormously for effective PRC-ADB cooperation. I hope you actively participate in this workshop, exchange ideas, provide advice, discuss with ADB officials and specialists on measures to improve the effectiveness of loan and TA projects, further promote domestic mechanism and institutional innovations and contribute to more positive outcomes of PRC-ADB cooperation and the development of China's economy and education.

Finally, I wish this workshop a success.