

## **SUMMARY SECTOR ASSESSMENT: TECHNICAL EDUCATION AND VOCATIONAL SKILLS TRAINING**

### **A. Sector Performance, Problems, and Opportunities**

#### **1. Overview of the Education Sector**

1. There has been steady progress in the performance of the overall education sector. Several key education indicators, such as primary enrollment and literacy rates, demonstrate progress toward the government's priority interim sector goals and the Millennium Development Goals. Progress has also been made in technical and vocational education and training (TVET) with respect to developing a national qualification framework (NQF) and adopting regulatory processes for vocational training providers. The progress has been the result of the leadership provided by the government and the considerable infrastructure and capacity development support provided by development partners.

2. Progress has, nonetheless, been slower than expected in some areas such as (i) improving cohort survival rates through Grade 9; (ii) improving transition rates from basic to secondary education; and (iii) improving the transition from school to work, and from school to post-school education and training. Gaps in provision remain, the most obvious being the lack of a formal TVET system delivering the “work-ready” graduates required by the labor market. A shortage of Timorese skilled workers—as reflected by the presence of large numbers of foreign skilled workers across a range of industry sectors—indicates the importance of developing a TVET system that is responsive to the changing needs of the economy.

#### **2. Technical and Vocational Education in Secondary Schools**

3. Secondary education under the Ministry of Education (MOE) is divided into two categories: general and technical secondary schools. The former prepares students for entry into higher education, while the latter is intended to prepare students for the world of work. There are currently 91 secondary schools, consisting of 74 general schools and 17 technical schools. In 2010, 40,780 students were enrolled in secondary schools overall, but only 14% of them (5,700) were attending technical schools. Many students from technical schools desire to attend higher education institutions and often avoid entering the skilled workforce.

4. Quality and relevance are challenges in both types of secondary education. The national curriculum contains too many subjects, leaving insufficient time for in-depth coverage in key subjects such as mathematics. In the case of technical secondary education, there is inadequate coverage of practical skills training. A large number of high school completers do not advance to higher education, and the curriculum fails to adequately prepare students to be “work ready.” The lack of work readiness among high school graduates is a frequently and strongly voiced complaint among employers seeking to recruit at this level. Many vocational training providers outside the formal education system fill this gap by retraining secondary school graduates with work readiness skills, as well as more practical skills training.

#### **3. The Technical and Vocational Education and Training System**

5. In Timor-Leste's Strategic Development Plan (SDP) 2011–2030, the government recognizes that developing a skilled workforce is essential, both in terms of economic growth and for the successful implementation of a diverse range of development initiatives. A training system that addresses the mid-level skill formation requirements of the formal economy is

especially central to the overall human resource development strategy. Mid-level technical and vocational skills are in short supply, and the demand is often met by skilled foreign labor. Vocational training output is quite limited, with the majority of training providers (whether in the public or private sectors) geared more to addressing the need for livelihood skills in the informal sector. This is largely the result of a lack of funds to invest in training infrastructure, and lack of associated capacity and system development to respond to the skill needs of the formal labor market. It has also been due to the previous absence of clearly defined skills standards in vocational training, which limits confidence among employers and trainees alike about vocational training.

6. Timor-Leste is currently transforming vocational training from a predominantly community-based to a regulated TVET system. Under current regulations, the Secretariat of State for Vocational Training and Employment (SEFOPE) is responsible for both non-formal and formal vocational training for levels 1–4, which is below the level of polytechnics or higher education institutions. Timor-Leste has recently adopted a best-practice model for TVET, emphasizing a market-oriented specification of standards and competency-based programming and assessment.<sup>1</sup> Specific recent achievements include (i) the establishment of the National Labor Force Development Institute (INDMO) under the auspices of SEFOPE, as the agency responsible for developing and regulating vocational standards; (ii) the establishment of the National Agency for Academic Assessment and Accreditation under the MOE to regulate academic standards in higher education; (iii) the approval of the NQF in April 2011; and (iv) the establishment of industry subcommissions to advise on defining and developing competency standards and qualifications within their particular industry.

7. While much remains to be done, 10 qualifications and three certificates have so far been registered for levels 1–2 within the NQF. INDMO is also certifying training providers and approving the competency of individual technical trainers. These steps are aimed at increasing the relevance of and confidence in the overall TVET system. The development of a TVET framework also enables further implementation with the preparation of curricula and learning materials, which are essential for technical teachers to deliver skills training at the appropriate level. It will be important to support training providers and technical trainers to implement competency-based training and ensure that they have adequate facilities and equipment to deliver training at approved standards.

8. It is estimated that there are more than 100 skills development programs throughout the country, including those supported by international donors. Of these, 39 vocational training providers and 12 technical secondary schools were identified in 2007 as training providers registered under the National Directorate for Vocational Training (DNFP).<sup>2</sup> These include two public and a number of private institutions, including those operated by church-based or nongovernment organizations (NGOs). The NGO training providers and church institutions accounted for nearly three-quarters of the vocational training providers. The programs offered by these training institutions included: language, information technology (IT), and office administration; livelihoods; agriculture; technical trades; tourism and hospitality; industrial sewing; health; and arts and culture. More than half of trainees were enrolled in language, IT, or office administration courses; 17% in livelihood and agriculture, and 17% in technical trades.

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<sup>1</sup> The initiatives on regulation and quality assurance in vocational training has been supported through the Youth Employment Promotion Program, which is being funded by the Australian Agency for International Development and implemented by the International Labor Organization.

<sup>2</sup> Secretariat of State for Vocational Training and Employment (SEFOPE). 2007. *Vocational Training in Timor-Leste*. Dili.

Each training provider sets its own recruitment and selection process, which is usually determined by the type of course and the location of the training center.

9. Because of poor quality of graduates coming out of the formal education system, vocational training institutions often offer foundation courses such as literacy, numeracy, basic math, and life skills. To address this problem, SEFOPE has taken steps in 2011 to create formal foundation courses that will be especially valuable for out-of-school youth and marginalized groups. Foundation courses will be designed to facilitate the transition from the non-formal to formal TVET sector. This pathway will ensure that students from different socioeconomic and academic backgrounds can gain the skills and knowledge to prepare not only for immediate entry into gainful employment, but also for entry into more advanced levels of formal skills training.

10. With the operational NQF and the availability of a range of skills standards, SEFOPE is classifying which training providers are capable of delivering skills at qualification levels 1–4. The most recent review of TVET training outcomes in 2009 conducted four skills areas—administration and finance; tourism and hospitality; construction and mechanics; and agriculture—indicate that only 15–18 providers are capable of delivering quality training across these industry areas, but mostly at basic qualification levels.<sup>3</sup> And there is an oversupply of training providers delivering the same courses, for example, general administration and finance training. While there is increasing demand for mid-level technical workers (levels 2–4), particularly in construction and automotive trades,<sup>4</sup> only a few training providers are considered to have the potential capacity to deliver training above basic levels.

11. According to the 2009 review, approximately 1,900 trainees completed training across the above four technical areas. About 40% of trainees were female who were mostly concentrated in administration, finance, tourism, and hospitality. About 32% of trainees were trained in construction and mechanical trades. Graduation rates tend to be relatively high, ranging 75%–95%, with the highest rate shown by church-based institutions. Employment rates for graduates average 48% across different training providers. Anecdotal evidence indicates that those in technical trades usually find a job after graduation but have difficulty maintaining the job due to lack of sufficient technical skills. This suggests the importance of providing targeted support for capacity building of training providers to deliver qualification training at higher than basic levels, which can fill the gap in mid-level skills training for technical workers.

## **B. Government Sector Strategy**

12. SEFOPE is preparing a TVET strategic plan for 2011–2015 that addresses the development and requirements of a formal system of post-school vocational training. Based on skills standards (levels 1–4) being developed with inputs from specifically appointed industry committees and approved within the NQF, the aim is to provide all out-of-school youth and workers an opportunity to move up through the occupational pathway by acquiring relevant skills training and by obtaining nationally recognized certification at each step. SEFOPE plans to introduce a series of foundation programs to help students who lack acceptable levels of functional literacy and numeracy. The TVET strategic plan will also offer guidance to development partners regarding major funding gaps in the TVET system and facilitate coordinated support for TVET system development.

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<sup>3</sup> SEFOPE. 2011. *Review of 2009 TVET Training Outcomes*. Dili.

<sup>4</sup> Census data from 2004 and 2010 show that an average of 900 new jobs were added annually in the construction sector between 2004 and 2010 (see linked document on the Economic Analysis in Appendix 2).

13. As outlined in the SDP, the government recognizes the critical importance of developing a skilled workforce for continuous economic growth driven by accelerated infrastructure investments. A quality TVET system that helps to produce skilled workers for the formal economy is central to the country's overall human resource development strategy. Given the emphasis on quality infrastructure development, the availability and quality of mid-level skills is a key factor that will determine the pace and the extent of economic development in the coming decade.

14. SEFOPE has a small recurrent budget, an annual budget of approximately \$2.5 million. This is supplemented by the Human Capital Development Fund which provided another \$2.5 million in 2010.<sup>5</sup> In large part, several projects supported by development partners have provided reform initiatives and resources for the TVET sector, including the Youth Employment Promotion Program (YEP) which is funding about \$12 million for TVET activities between 2008 and 2012. The Fund for Vocational Training and Employment (FEFOP)—established by the YEP but now administered by SEFOPE—has channeled significant financial resources directly to training providers. Although the strategic focus of the Human Capital Development Fund is not yet clear, other than its scholarship support for overseas training, the fund will become an important financing mechanism for strengthening the TVET sector.

### **C. ADB Sector Experience and Assistance Program**

15. ADB has engaged in TVET with SEFOPE and MOE through regional technical assistance (TA) on designing demand-based TVET frameworks.<sup>6</sup> Timor-Leste is one of four participating countries in the regional TA, which concludes in 2011. Key lessons are emerging from this engagement. Generally, the more successful initiatives operate in a framework with clear government leadership and commitment, and where initiatives are linked to national development priorities.

16. The Australian Agency for International Development and the International Labor Organization are the major development partners involved in the TVET subsector, through their support to the YEP since 2008. This program focuses on demand-driven training programs for disadvantaged youth. The program also supported the establishment of the INDMO and a labor market information system (LMIS), together with the Government of Ireland and the European Commission. Other development partners in the TVET subsector include the Japan International Cooperation Agency, German Agency for International Cooperation, Spanish International Cooperation, and the United States Agency for International Development.

17. In cooperation with development partners, ADB will help fill the gap in TVET with mid-level skills training (levels 2–4 of the national qualifications framework). ADB will facilitate the role of private sector employers in TVET and strengthen the LMIS to build demand-driven skills training that is relevant and responsive to the needs of the expanding economy. Support will also be provided for the ongoing development of competency-based training standards for mid-level qualifications. This will take skills development to the next level on the qualifications pathway, facilitating the movement of trainees through the education and formal training system. It will also be important to promote technical and vocational training by raising awareness among young people of the existing training opportunities and their associated career options.

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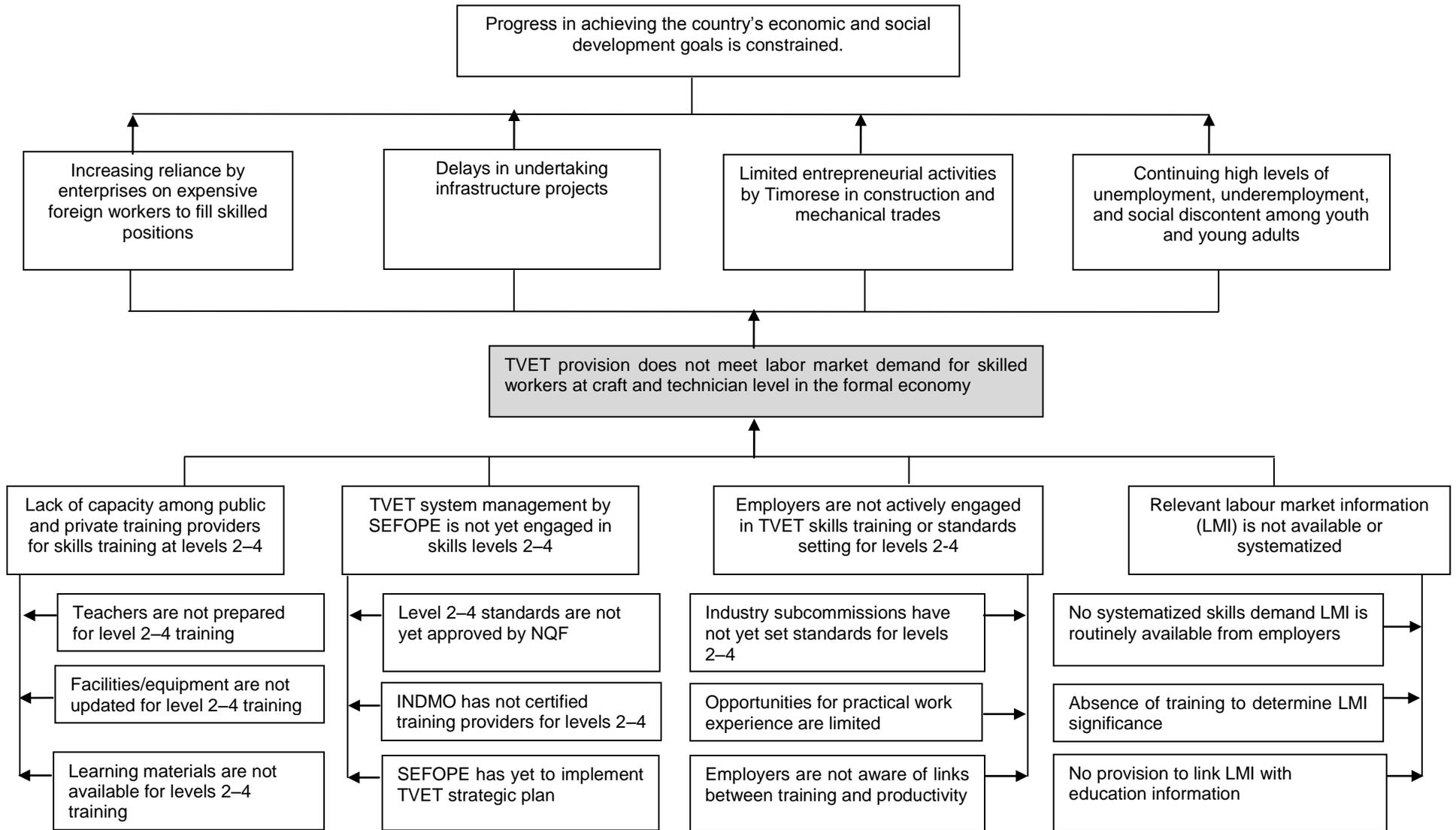
<sup>5</sup> For details, please see the Financial Analysis (a linked document in Appendix 2).

<sup>6</sup> ADB. 2009. *Technical Assistance for Designing Demand-Based Technical and Vocational Education and Training Frameworks for the Pacific*. Manila (TA 7458-REG).

Special attention needs to be given to encouraging female enrollment in nontraditional technical training areas.

18. There are a number of private and NGO training providers in TVET, but their training is still confined to basic qualification levels. ADB will help provide resources and capacity development support that will enable successful providers to upgrade their facilities, equipment, and human resources for the delivery of mid-level skills training.

## PROBLEM TREE



INDMO = National Labor Force Development Institute, LMI = labor market information, NQF = national qualification framework, SEFOPE = Secretariat of State for Vocational Training and Employment, TVET = technical and vocational education and training.