Challenge

The Government of the People’s Republic of China (PRC) emphasizes the value of a highly skilled human capital, and is implementing the National Long-Term Strategy on Education Reform and Development, 2010–2020. The strategy identifies technical vocational education and training (TVET) as a means to help develop a skilled workforce, and to make the TVET system more responsive to economic growth.

However, the PRC faces a mismatch between the supply and demand of workers and appropriate education and skills. It is therefore committed to strengthening the links between TVET and industry, as this is needed to supply the skills needed for the structural economic transformation of the country.

In the southwestern region of the PRC is Guizhou, a landlocked province. Home to about 35 million residents, Guizhou has high levels of poverty. However, the province is modernizing and diversifying its economy to close the gap in economic output compared with richer provinces. This has resulted in rapid economic growth and emergence of new occupations. The demand for skilled graduates has increased as Guizhou’s economy continues to diversify and grow with new occupations. Currently, Guizhou is facing a severe shortage of highly skilled workers in priority sectors such as construction, logistics, light industry equipment manufacturing, information technology, agricultural engineering, and tourism.

IMPACT

The impact of the Guizhou Vocational Education Development Program (GVEDP) will be a trained human resource base that meets Guizhou’s long-term economic development needs and maintains social harmony by uplifting the status of the poor and ethnic minority communities.

The program will:

• **Strengthen the quality of teaching in technical and TVET institutions.** The GVEDP will increase the number of practical training facilities in demonstration TVET institutions. Teachers across the province will be trained to strengthen their pedagogical skills and subject knowledge, including knowledge of relevant industry occupational standards. Teachers will learn student-centered teaching strategies and use information and communication technology for teaching.

• **Improve the responsiveness of TVET institutions.** The project will develop an updated competency-based curriculum, with learning materials and teachers’ guides that meet the needs of occupations in priority industries.

• **Strengthen TVET management.** The GVEDP will train school and college managers to implement institutional TVET reforms. It will help establish and strengthen a provincial TVET management and monitoring system, and an integrated management information system platform to improve program planning and coordination.
Solution

The province launched the Guizhou Modern TVET System Establishment Plan 2013–2020. It is backed by increases in financing since 2010 to expand student enrollment and improve the quality of demonstration TVET secondary schools and tertiary colleges.

To support Guizhou’s $1.6-billion program, the Asian Development Bank (ADB) approved the Guizhou Vocational Education Development Program (GVEDP) in December 2015—supported by a $150 million results-based loan. The GVEDP will help develop human resources and will become a model for other provinces in the western region. The long-term strategy of the program aims to increase investment in education and set TVET targets, including transforming some schools and colleges into model or demonstration institutions to promote sharing of quality resources.

The GVEDP will help reduce poverty and promote inclusive growth in Guizhou Province by improving skills and employment outcomes.

ADB’s financial assistance uses a results-based lending approach to achieve outcomes more effectively and efficiently. The approach links disbursements to results rather than expenditure, and uses country systems to achieve program results.

This is the first time that the results-based lending modality has been applied in the PRC, an approach that ADB has been piloting in six other countries since March 2013.

The first results-based loan in the PRC will help Guizhou Province upgrade modern training facilities, develop a curriculum aligned with the needs of industry, train teachers and school managers, and strengthen TVET management.

The program is already having an impact, with another results-based lending program for TVET reforms being designed by a neighboring province.

The project is in line with the ADB Education Sector Group’s strategic priorities. The Education Sector Group, anchored in the Sustainable Development and Climate Change Department, provides operational support to the regional departments, plans and monitors ADB support to education, conducts analytical studies on education issues, and promotes interagency coordination for education.

Cost and Financing:
Ordinary capital resources and Technical Assistance Special Fund, $150.60 million; Government, $1.46 billion; Others, $120 million.

Program approval date: 8 December 2015
Status: Ongoing.
Modality: Results-based loan
Executing agency: Guizhou Provincial Government

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Guizhou Vocation Education Development Program