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**SESSION 2**

**ASIAN DEVELOPMENT BANK REGIONAL SKILLS DEVELOPMENT  
TECHNICAL ASSISTANCE STUDY: PROGRESS REPORT**

This paper was prepared by the Team Leader of the ADB Study in consultation with the Forum Secretariat.

## **ASIAN DEVELOPMENT BANK REGIONAL SKILLS DEVELOPMENT TECHNICAL ASSISTANCE PROJECT: PROGRESS REPORT**

### **Purpose**

The purpose of this paper is to provide an update on progress of the regional study of skills development in the Pacific.

### **Background and objectives of the study**

2. In 2005 the Asian Development Bank (ADB) agreed to finance technical assistance for a comprehensive study of technical-vocational skills development in the Pacific Region in collaboration with the Pacific Islands Forum Secretariat (PIFS). PIFS is the executing agency for the project.

3. The Regional Study seeks to improve the output and absorption of skills in the Region through the development of better policies, strategies and investments in technical-vocational education and training (TVET). The Pacific TVET Study is designed to do three things: (i) analyse issues of supply and demand for vocational skills, (ii) develop responsive and effective country and regional strategies for skills development, and (iii) identify investments necessary to implement the strategies.

4. More specifically, the Study seeks to achieve the following:

- i. An assessment of the relationship between skills development and economic development, labour market demand and outward migration within the sample countries
- ii. Policy options for skill development that governments of Pacific Developing Member Countries (PMDCs)<sup>1</sup> may wish to consider based on an in-depth analysis of issues and alternatives.
- iii. National level recommendations on pre-employment training, skills upgrading, adult re-training and income generation.
- iv. An integrated, prioritized and initially costed project design for regional skills development

5. The Regional Study was endorsed by Ministers of Education of the Pacific Islands Forum during a meeting from 23-24 May 2005, in Apia, Samoa. The newly created Pacific Islands Private Sector Organization (PIPSO) has agreed to support the proposed survey of employers through its national members, mainly chambers of commerce and industry.

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<sup>1</sup> Pacific Member Developing Countries of the ADB that are also members of the Pacific Islands Forum are participating in the study: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

## **Study Design**

6. The Pacific TVET Study is being implemented through initial consultations with stakeholders, a literature search, employer and employee surveys, 13 country studies including in-depth country analysis in six of those countries, synthesis of the findings and final consultations.

## **Current Status**

7. A regional workshop was held in Suva in May 2006 to agree on a common agenda of issues to be addressed, questions to be answered and the scope of the study. Two orientation workshops were held in Suva in June 2006 for domestic consultants to train them on the review methodology and analysis of TVET. The heart of the analysis is the country TVET reviews. Thirteen country studies are being prepared, followed by studies in greater depth in six representative countries (Papua New Guinea, Vanuatu and Fiji in Melanesia; Marshall Islands and Kiribati in Micronesia; and Tuvalu in Polynesia). A sample survey of employers and employees is being undertaken in all 13 PDMCs. This analytical work will be synthesized in a report<sup>2</sup> on issues and options for skills development, including national and regional project proposals.

8. The study is about one third complete. Thus far (early September 2006), four international and 12 domestic consultants have been hired to do the study. Six country studies have been drafted by domestic consultants (Samoa, Fiji, Vanuatu, Solomon Islands, Tuvalu and Kiribati). In-depth field work has been completed in two countries (Fiji and Vanuatu) and is underway in two other countries (Kiribati and Tuvalu). The employer and employee surveys have been designed and the survey instruments are being distributed through chambers of commerce and industry.

## **Schedule**

9. All the country studies are scheduled for completion by the end of 2006 along with the employer/employee surveys and the literature review. The synthesis report will be completed by April 2007 in preparation for a regional workshop that will review the findings in May 2007 with the final report produced by July 2007. Dissemination of results will include a website at PIFS and ADB incorporating all country and thematic studies.

## **Initial findings**

10. The findings from two countries reviews (Fiji and Vanuatu) point to skill shortages in Fiji owing in part to substantial emigration of skilled workers, and roughly an even balance of supply and demand of workers in Vanuatu. The TVET systems in both countries are relatively small and consume few public resources (under 1 per cent of the Ministry of Education budgets). However, the TVET systems enjoy strong non-public financing through tuition fees and, in Fiji, a payroll levy. Institutes of technology play the dominant role in both countries. The Fiji Institute of

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<sup>2</sup> It was agreed at the informal donors meeting in Suva in April 2006 that the synthesis study would also take into account the results of the World Bank-NZAID skills development plan in the Solomon Islands.

Technology (FIT) “franchises” trade courses for delivery in secondary schools. The Training and Productivity Authority of Fiji (TPAF) provides skills training well linked to industry requirements. Vanuatu features a key central training organization, the Vanuatu National Training Council for coordination and quality control, and excellent plans for development of the TVET system.

11. The principal challenges appear to be (1) quality improvement, (2) addressing training needs in rural areas, (3) institutional reform in Fiji, and (4) expanding output efficiently to respond to market demand (Fiji). Quality issues dominate in both countries – in secondary schools and FIT in Fiji, and in variable quality of rural training in Vanuatu. Weak teaching programs, inadequately trained instructors and insufficient equipment contribute to inadequate skills acquisition. A key to improving the quality will be effective implementation of national qualifications frameworks (QF) based on employer occupational standards. A QF has been adopted recently in Vanuatu and one is in the development stage for Fiji.

12. Another issue applies to both countries: the neglect and lack of provision of training for the rural informal economy where many school leavers are destined and where most people reside. In addition, Fiji may wish to consider the establishment of a central coordination and quality assurance agency and the development of a strategy for servicing both the burgeoning skills demands of the modern economy and the informal sector.

13. It is premature to think seriously about possible investments to support the key challenges. However, a regional project could be considered eventually - something akin to the PRIDE model - to support national initiatives in terms of planning, qualifications frameworks, organizational strengthening, infrastructure upgrading and training delivery in key areas.