

# Public-Private Partnerships in Technical and Vocational Education and Training

Public-Private Partnerships in Urbanization: High Level  
Workshop

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# Types of Education PPPs

- Three main types of education PPPs to be discussed today:
  - Service delivery PPPs:
    - Government contracts with private operators to deliver teaching services
    - Government contracts with private operators to manage public schools and TVET institutes
  - Contracting with the private sector for the provision of school/TVET institute infrastructure
  - Voucher/subsidy programs
- Focus on technical and vocational education and training (TVET) sector

# Examples of Education and Training PPPs

Type	Examples	
	Basic/Secondary Education	TVET
Service Delivery PPPs: <ul style="list-style-type: none"> <li>Contracting for the Delivery of Education Services</li> </ul>	<ul style="list-style-type: none"> <li>Education Service Contracting, Philippines</li> <li>Foundation Assisted Schools, Pakistan</li> <li>Gyanodaya Senior Secondary Schools, India</li> <li>Promoting Private Schooling in Rural Sindh, Pakistan (World Bank Project)</li> </ul>	<ul style="list-style-type: none"> <li>Skills Contracting Program, Lao PDR (ADB Project)</li> <li>Reform of Technical and Vocational Training, KSA</li> <li>Specialist Skills Contracting Program, Lao PDR (ADB Project)</li> <li>Basic/mid-level Skills Training Program, Nepal (ADB Project)</li> <li>Mid-Level Skills Training Project, Timor-Leste (ADB Project)</li> </ul>
<ul style="list-style-type: none"> <li>Private Management of Public Schools/Institutes</li> </ul>	<ul style="list-style-type: none"> <li>Concession Schools, Colombia</li> <li>Independent Schools, Qatar</li> <li>Charter/Contract schools, USA</li> <li>Khazanah Trust Schools, Malaysia</li> <li>Partnership Schools, NZ</li> <li>Free Schools, UK</li> </ul>	<ul style="list-style-type: none"> <li>Penang Skills Development Center, Malaysia (Hybrid)</li> </ul>

# Examples of Education and Training PPPs

Partnership	Examples	
	Basic/Secondary Education	TVET
Infrastructure PPPs	<ul style="list-style-type: none"> <li>• Private Finance Initiative, UK</li> <li>• PPPs for new school property, NZ</li> <li>• Alberta Schools Alternative Procurement/New Schools Project, Alberta, Canada</li> <li>• New Schools PPP, NSW, Australia</li> <li>• PPP for School Infrastructure Project, Philippines</li> </ul>	<ul style="list-style-type: none"> <li>• Southbank Institute of Technology, Queensland, Australia</li> <li>• ITE College West, Singapore</li> <li>• Build-Transfer-Lease Program, South Korea</li> <li>• Lao National Institute of Hospitality and Tourism, Lao PDR (Proposed)</li> </ul>
Voucher/Subsidy Programs	<ul style="list-style-type: none"> <li>• PACES voucher program, Colombia</li> <li>• Voucher scheme, Chile</li> <li>• Voucher Scheme, Qatar</li> <li>• Senior High School Voucher Program, Philippines (Proposed)</li> </ul>	<ul style="list-style-type: none"> <li>• Training Assistance Voucher Program, Lao PDR (ADB Project)</li> </ul>

# Strengthening Technical and Vocational Education and Training Project, Lao PDR

- ADB project (approved 2010)
- Significant use of PPPs:
  - Training assistance voucher program for public and private institutes
  - Strengthened industry involvement in development of skill standards/curriculum
  - Contracting with private firms to deliver training in high cost skill areas
  - Direct contracting with private TVET institutes for course/program delivery



# Basic/Mid-level Skills Training Program, Nepal

- ADB project (approved 2013)
- Objective - close skills gap by providing basic or mid-level skills for people with low formal educational attainment and limited work experience
- Training and employment services provided by private and public providers
- Pay for performance – 50% of contract payment made based on verification of employment outcomes
- About 36,000 seats will be delivered by private training providers during life of project

# Reform of Technical and Vocational Training, Kingdom of Saudi Arabia

- Expansion of TVET system from 100,000+ to 450,000+ students by 2020
- Improved quality of training
- Transition to PPP model:
  - Government will oversee and regulate training provision
  - Training institutes will be operated by private sector
  - Significant involvement of private sector in curriculum/standards development
  - Approximately 10 new PPP colleges with capacity of 25,000 students to be set up in 2013, with further ones established later

# Penang Skills Development Center, Malaysia

- Established 1989
- Industry-led training center
- Located within the Free Industrial Zones
- Tripartite model - industry, academia, government
- Provides training and educational programs, advice on technological progress
- Courses from Certificate to Masters level
- 150,000+ trainees to date





# Penang Skills Development Center, Malaysia

- Private and public finance
- Registered as an Institution of Higher Learning and Private Higher Education Institution in Malaysia
- Pool resources of 4 Free Trade Zones and 4 Industrial Estates in Penang (775 factories, 170,000+ workers)
- Private sector managed
- Not-for-profit entity



# Build-Transfer-Lease System, Korea

- Build-Transfer-Lease (BTL) system introduced in school sector in 2005 – modelled on UK and Australian models
- Governed by The Act on PPPs in Infrastructure
- Key features:
  - Private contractors finance, design, build and operate schools for a period of 20 or more years
  - Government makes lease payments to private sector
  - Facilities transferred to the public sector upon completion of the contract
  - Core services provided by the Government
- Covers all levels of education – 3 BTL projects completed at technical college level

# Proposed Lao National Institute of Tourism and Hospitality PPP, Vientiane, Lao PDR

- Not-for-profit training institute
- Curriculum benchmarked on ASEAN good practice and competency standards
- Key elements:
  - Government of Lao provides free land to LuxDevelopment
  - LuxDevelopment constructs and operates training institute on ½ of land
  - Private company operates commercial hotel on other ½ of land under concession from Government – no lease payment
  - Payment in lieu of lease payment made by hotel operator directly to training institute to finance its operation
  - Training institute financed by tuition fees, hotel payment and other revenues



# Potential Benefits of PPPs in TVET

- Potential benefits from PPPs including:
  - Increased financial resources for TVET sector
  - Increased access to TVET
  - Overcome public service operating restrictions - eg. obsolete salary scales, restrictive civil service work rules
  - Increased relevance of TVET programs
  - Bring new skills to the TVET sector
  - Good instrument for targeting assistance – eg. girls/women
  - Sustainability of outcomes
- Need well-designed policy framework and institutional governance to implement effectively

# Conclusions

- Variety of policy objectives – improved quality, greater relevance to labor market needs, increased efficiency, better sector management, etc
- Many potential PPP models – suit different country and developmental contexts
- Context important PPP common characteristics:
  - Government as funder/regulator, Per-student funding
  - Autonomous management, Accountability, Outcomes focused
- PPPs do not mean government shirking its responsibilities
- Good regulation is critical:
  - Promote innovation
  - Incentivize private sector
  - Avoid unintended consequences

# ADB Education Website

[www.adb.org/education](http://www.adb.org/education)

