

## PROGRAMME DOCUMENT

### 1 BACKGROUND

The rapid growth and structural change of China's economy, coupled with reform of its State-Owned Enterprises (SOEs), are placing major new demands on the skills and capabilities of its labour force and, hence, on the country's educational and training system. Chinese industrial and manufacturing outputs are increasingly geared to the export market, requiring higher quality and more technologically advanced products. The previously underdeveloped services sector, now expanding with particular speed, includes an **increasing** number of enterprises offering scientific, research and technological services.

The above has created significant demand for well-trained technical workers, which have acquired their skills through pre-service and in-service training. At the same time, the industrial restructuring accompanying SOE (State Owned Enterprises) reform, with the aim of creating more efficient and competitive enterprises, has major implications for worker training. As SOEs are shedding the 15 percent of their labour force (some 17 million people), that are redundant, those workers will need retraining to improve or acquire skills sought by the emerging market economy.

Development of China's labour market, structural change in the economy, and reform of its uncompetitive and loss-making SOEs are therefore partly dependent on having an efficient, market-responsive skills training system.

### 2 CHINA'S SYSTEM OF VOCATIONAL AND TECHNICAL EDUCATION

According to statistics (Table 1), about half of all senior secondary school students attend vocational and technical (VTE) schools making this a highly important part of China's educational system. The prominence given to VTE results from educational system reforms first articulated in 1985 and introduced in 1987 and successively updated in the 1990's. These reforms were aimed at equipping about half of all secondary school graduates with practical job skills, and the remaining half, who attend general secondary schools, for general employment and for higher education. In addition to enrolments in full-time courses of two, three and four years' duration, the VTE

secondary schools have substantial enrolment in short courses for in-service training and for specialist pre-employment training.

**TABLE 1: Profile of senior secondary education in China**

General Data (1999)	STS	SVS	SWS	Secondary	Total
Number of Schools	3,147	9,636	4,430	14,127	31,340
Student Intake	1,343,000	1,941,000	714,000	3,963,000	7,961,000
Enrolment	4,250,000	5,339,000	1,871,000	10,497,000	21,957,000
Graduates	1,093,000	1,678,000	496,500	2,629,000	5,896,500

Source: China Education Statistic Yearbook 2000.

VTE is provided by both the State Education Commission (SEdC), that is in charge of Secondary Technical and Vocational Schools (STSs and SVSs) that provide mainly pre-service training, and the Ministry of Labour (MOL), which oversees Skilled Workers Schools (SWS) providing training at secondary level.

### **3 PROGRAMME DESCRIPTION**

#### **3.1 Analysis and selection of the Programme strategy**

The Programme fits into the Sector Wide Approach (SWAP) strategy, which has more capacity of developing and supporting ownership and partnership, more impact, more flexibility than single unlinked projects.

The Programme, and the projects financed within it, shall satisfy the main criteria described in the following chapters.

##### **3.1.1 Target group/Direct Beneficiaries**

The target group is made up by the student, older than 15, or unemployed population, of both genders, living in the Provinces of interest, needing specialised vocational and technical education or management training in order to enter the labour market. To a limited extent, the target group includes already employed people needing to improve their managerial capabilities in the managing of the labour policies and in employment generating activities.

The Programme will consider the following three modules:

- i) the first module is targeted to *young people coming out of primary schools that have entered or want to enter the vocational training system*. This module, through specific projects within the program, aims at improving the quality of training in the existing VTE schools by enhancing the overall learning

opportunities as teachers skills, equipment and materials, curricula and teaching methods.

- ii) The second module is targeted to *unemployed people and employed at risk, willing to update and upgrade their professional skills by attending short-term vocational training*. This module, through specific projects within the program, aims at strengthening the existing schools and professional centres facilities, as above.
- iii) The third module is targeted to *already educated people with appropriate qualification willing to develop and upgrade their managerial capability for the public and private sectors*. The module will also consider the upgrading of the institutions related to labour market, and to management of the training system. To the development and implementation of this module it would be allocated no more than 15% of the total financing. The courses may take place, if necessary, in highly specialised Institutions in other Provinces of China. Within this module up to 1 billion Italian Lira/516,456.89 Euro may be devoted as grant to strengthen the capacity of the personnel employed at the Ministry of Foreign Trade and Economic Co-operation and at the Ministry of Finance, at national and provincial level.

### ***3.1.2 Integration with local development sectorial programmes;***

The Programme will integrate into the sectorial policy of Chinese professional training and will operate in harmony with social and economic development strategies and with active policies for occupation within the interested provinces. It will be realised by strengthening the tools of social devise and inter- institutional relationships, particularly at decentralised level, according to the most advanced approaches of training policies for employment.

### ***3.1.3 Concentration in defined areas***

In order to reach enough “critical mass” of available resources to produce an acceptable impact, the projects will be concentrated in the following already identified areas of interventions:

- in Shaanxi Province the selected area of intervention includes the cities of Xi’an, Weinan and Xianyang;
- in Sichuan Province the selected area of intervention includes the cities of Chengdu (including Janyang), Leshan (including Jiajiang), Mianyang.

### 3.1.4 Concentration in defined sectorial macro-areas

The provincial Authorities have identified as priority the following sectors (and sub-sectors):

#### Shaanxi

- Health (Public and Rural Health and Maternal and Child Health)
- Small Medium Enterprises (maintenance, house appliances, hardware, information technology, applied design, textiles machinery, tourism, agriculture)

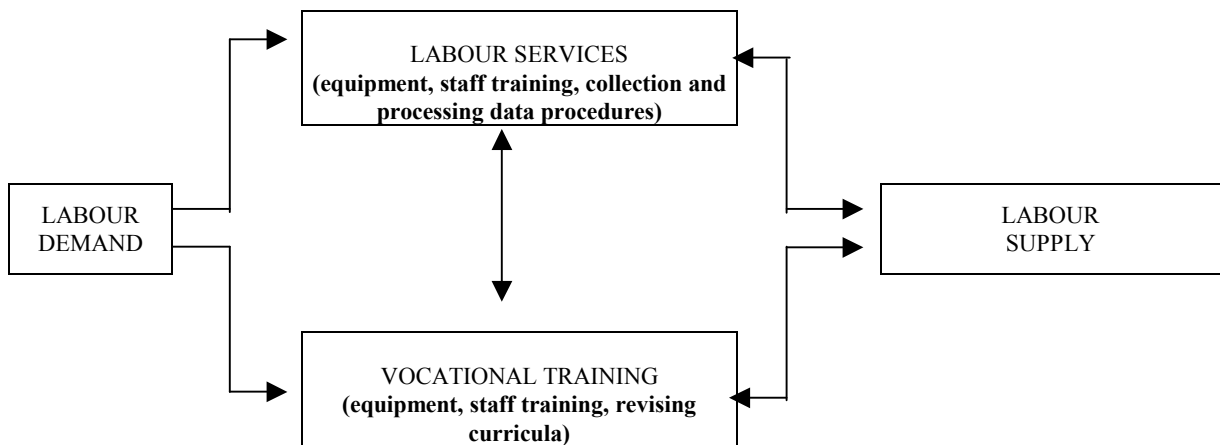
#### Sichuan

- Health (Rural Doctors training)
- Small Medium Enterprises (ceramics, information technology, applied design, electronic technology application, textiles machinery and garment, tourism, agriculture)
- Environment (environmental protection and monitoring)

### 3.1.5 Functional connection between training activities and labour market forecast;

The linkage between labour and training policies represents the main pillar of the initiative.

The following scheme shows the linkage between the Vocational Training System and the Labour Services, main institutions of labour market management. These carry out the collection and selection of labour demand arriving from private and public enterprises and public services in order to facilitate the meeting up with labour supply through information, professional orientation, collection of elements to be utilised for the revision of curricula. In this manner, Vocational Training Centres and Schools, which depend from Labour or other Provincial Departments, will acquire a tremendous instrument for lifting the training output to market demand, as training is presently rather scarce due to lack of competence and resources.



N.B. Words in bold are those directly interested in the Programme.

Labour Services also certify the level of final competencies to be acquired within Vocational Training Courses for adults and, therefore, they are responsible for the approval of curricula and organisation of the courses (length, etc.). Their role is particularly relevant in the organisation of short courses addressed to unemployed and generally made in public schools. In this case, Labour Services directly assume the task of translating demand analysis in training needs, verifying also its curricula consistence.

In both Provinces, the Programme will also operate within the framework of the “No 2 Training Provincial Plan for 400 Thousand Re-employment in Three Years” launched at national level and addressed to workers expelled from labour market due to industrial restructuring processes.

### ***3.1.6 Strengthening of all factors influencing training process***

The Programme will combine the overall elements and actions aimed at improving the quality of training/learning process, with the support of external factors which contribute to better efficiency, effectiveness and impact, like institutional factors regarding planning and implementing of educational policies, economic and labour development.

Particular attention will be given to linking equipment supply with teacher training, curricula and teaching methods upgrade.

## **3.2 Logical Framework**

The logical framework of the Programme can be detailed in the following “Interlocking Logframe between Development Plans and Sectoral Policies” (fig. 1). It shows the **horizontal relationship** between each level of intervention (Provincial Development Policy, Labour Policy, Sectoral Support Programmes on labour market and vocational training institutions, Projects and Sectoral Activities) and the **vertical relationship** (Objectives, Results, Activities) within every level of intervention.

In particular, the horizontal logic shows the linkages between the **specific objective** of the Sectoral Support Programmes on labour market and vocational training institutions (labour force employability) and the **objectives** of Provincial Development Policy and Labour Policy (Labour and Poverty Reduction Policies) following the economic and social system overall development.

It has to be pointed out the necessary synergic mutual action between the skill attainment (specific objective of the training activity) and the stronger attaining between labour demand and supply (specific objective of the Labour Market Institution Support Programme) in determining a stronger employment opportunity.

**Fig. 1 – Interlocking logframe between Development Policies and Sectoral Plans.**

	PROVINCIAL DEVELOPMENT POLICIES		PROVINCIAL LABOUR PLANS		PROGRAMME ON HUMAN RESOURCES QUALIFICATION		PROGRAMME ON LABOUR MARKET INSTITUTION SUPPORT
OO	Overall Objectives on Social and Economic Development						
SO	<b>Poverty and social and economic disparity reduction</b>	OO	<b>Concurrence to poverty and social and economic disparity reduction</b>				
R	<ul style="list-style-type: none"> <li>– Employment rate grown</li> <li>– Health System improved</li> <li>– Economic and Institutional Development</li> <li>– Economic improvement</li> </ul>	SO	Lasting social and economic insertion in labour market	OO	Lasting social and economic insertion in labour market	OO	Lasting social and economic insertion in labour market
A	All intervention included in the Sectorial Policies	R	<ul style="list-style-type: none"> <li>– Acquisition of competencies needed in labour market</li> <li>– Strengthening of labour market institutions</li> <li>– Increase of labour demand due to economic development</li> </ul>	SO	<b>Acquisition of competencies by the students and unemployed (employability)</b>	SO	<b>More attaining between labour demand and supply (employability)</b>
		A	Overall employment support and economic development intervention	R.	<ul style="list-style-type: none"> <li>– Strengthening of teaching means</li> <li>– Curricula revision</li> <li>– Teachers training</li> <li>– Institutional strengthening</li> </ul>	R.	<ul style="list-style-type: none"> <li>– Strengthening of data collection system on labour demand/supply</li> <li>– Better linkage between vocational schools and labour institutions</li> </ul>
				A	Overall professional training intervention	A	Labour institution support

Legend: OO = Overall Objectives; SO = Specific Objective/Programme Purpose; R = Results; A = Activities

In Fig. 2, downstream the “Programme on Human Resources Development” logframe, are detailed projects/actions that concur to the improvement of training process, through the improvement of the most influencing factors (Teacher training, equipment/materials supply, curricula revision).

**Fig 2 Interlocking logframe for the Programme on Human Resources Qualification**

	PROGRAMME ON HUMAN RESOURCES QUALIFICATION		PROJECTS / ACTIONS ON TEACHER TRAINING		PROJECTS / ACTIONS ON EQUIPMENT SUPPLY		PROJECTS / ACTIONS ON CURRICULA REVISION
OO	Lasting social and economic insertion in labour market						
SO	Acquisition of competencies by the students and unemployed (employability)	OO	Acquisition of competencies by students and unemployed (employability)	OO	Acquisition of competencies by students and unemployed (employability)	OO	Acquisition of competencies by students and unemployed (employability)
R.	<ul style="list-style-type: none"> <li>– Strengthening of teaching means</li> <li>– Curricula revision</li> <li>– Teachers training</li> <li>– Institutional strengthening</li> </ul>	SO	Teachers capable to plan and implement a comprehensive training cycle as standard requested	SO	Learning conditions complying with training objectives	SO	Didactic more compliant with students characteristic and labour market demand
A	Overall professional training intervention	R	Teachers participating to upgrading activities	R	Well equipped laboratories available	R	Curricula consistent with students characteristic and labour market demand
		A	Project activity	A	Project activity	A	Project activity

Legend: OO = Overall Objectives; SO = Specific Objective/Programme Purpose; R = Results; A = Activities

In Fig. 3, downstream the “Programme on Labour Market Institution Support” logframe, are detailed projects/actions that concur to the improvement of labour market management, through the improvement of the most influencing factors (human resources training, equipment/materials supply).

**Fig. 3 – Interlocking logframe for the Programme on Labour Market Institution Support**

	PROGRAMME ON LABOUR MARKET INSTITUTION SUPPORT		PROJECTS / ACTIONS ON HUMAN RESOURCES TRAINING		PROJECTS / ACTIONS ON EQUIPMENT SUPPLY
OO	Lasting social and economic insertion in labour market				
SO	<b>More attaining between labour demand and supply (employability)</b>	OO	<b>More attaining between labour demand and supply (employability)</b>	OO	<b>More attaining between labour demand and supply (employability)</b>
R	<ul style="list-style-type: none"> <li>– Strengthening of data collection system on labour demand/supply</li> <li>– Better linkage between vocational schools and labour institutions</li> </ul>	SO	Staff capable to operate within operational plans and strategies	SO	Operational conditions complying with institutional <b>attribution</b>
A	Labour institution support	R	Training courses and procedures realised for staff upgrading	R	Well equipped structures available
		A	Project activities	A	Project activities

Legend: OO = Overall Objectives; SO = Specific Objective/Programme Purpose; R = Results; A = Activities

### 3.3 Overall Objectives

The Programme overall objectives refer to:

- the international development goals to be achieved by the 2015 or earlier, adopted by OECD/DAC and described in the DAC document "Shaping the 21<sup>st</sup> century: the contribution of development co-operation", and to
- the objectives of the Chinese Government strategy to develop the western Provinces of the Country.

On the basis of the above framework, within the Programme the following general objectives must be considered:

- reducing the proportion of people living in poverty by half,
- eliminating gender disparity in secondary education,
- reducing infant and under- 5 child mortality by 2/3,
- reducing maternal mortality by 3/4,
- reproductive health care for all
- implementing national strategies for sustainable development.

Within this context, this Programme aims at improving social and economic conditions of people living in the western Provinces of Shaanxi and Sichuan by increasing their chances to enter the labour market, their income, and improving their health status.

### **3.4 Specific objective/Programme purpose**

The specific objective is to improve the “employability” of the target group above described through an increase of the quantity and the quality of the vocational and managerial training in close connection with training policies and active labour market strategies.

### **3.5 Expected results**

The expected results of the Programme will be, by one hand, the establishment of the courses and the activation of a process of continuous upgrading of the vocational and managerial training system and, by the other hand, the upgrading of the labour market of the Provinces.

The expected results can be quantified as follows:

- a) Laboratories of almost 10 schools/centres (5 for each province) will be conformed with new equipment to the competencies requested by labour market demand, and will be supplied with general teaching materials (books, internal communication tools, subsidies, etc.).
- b) In at least a school in Shaanxi Province, tutored by the Provincial Career Introduction Service Centre, a Remote Professional Skill Training Network will be set up. It will be connected, in a first phase, with approximately 10 training centres for unemployed located in Xi’an suburban area and then gradually extended to the whole Province.
- c) Approximately 510 teachers and technicians of the schools/centres involved in the Programme will be trained. In particular, (i) the teachers will be capable to realise the curriculum planning in line with the methodology competencies based learning approach, to include the new technologies within teaching activities,

and to update the nationally-defined curricula related to the specific subjects involved in the Programme; (ii) the technicians will be capable to manage the new equipment, to realise ordinary maintenance intervention by themselves and extraordinary maintenance intervention through external services.

- d) Approximately 12.000 disadvantaged students will receive subsidies, within existing procedures, in order to attend the lessons. Most of them will come from rural and suburban areas.
- e) Approximately 30.000 students, in the space of three years (estimated on an average of 3.000 students for each one of the 10 schools) will benefit of Programme actions.
- f) Approximately 5.000 unemployed will be retrained in order to facilitate their re-assumption within the labour market. The Programme will operate within the framework of the “No 2 Training Provincial Plan for 400 Thousand Re-employment in Three Years” launched at national level and addressed to workers expelled from labour market due to industrial restructuring processes.
- g) Approximately 2.400 managers and high-level technicians will be updated. The courses will be made in the schools included in the Programme or in specialised institutions of tertiary level, both within and outside the Province, depending on the typologies of the courses. Training activity will be realised also through scholarships in Italy.
- h) At least two Provincial Career Introduction Service Centres (one in each Province) will be equipped with a labour market information network. In particular, in Shaanxi Province it will be completely installed while in Sichuan Province the existent system will be improved by extending its linkage with the employment centres located in Chengdu suburban area.
- i) The staff of the above two centres will be trained and enabled to handle the supply and demand information needed to guide the manpower planning and the strengthening of training system.
- j) The linkage between schools and employment services will be improved in the definition of curricula and teaching methods more consistent with training needs. Particular attention will be addressed in the training design for self employment and small enterprise creation) within the existent Chinese policies but not enough effective.
- k) The staff of MOFTEC and MOF, both at national and provincial level, will be trained in order to enable them to manage the relationships with Donors; a special importance will be attached to those with European Community and Italy.

## **3.6 Activities**

### **3.6.1 General**

Identified needs for each institution included in the Programme (schools, provincial and national institutions, etc.) must be addressed in a homogeneous and unitary approach through projects prepared by PPMO, with the assistance of TAMU.

To avoid unforeseen fragmentation of the intervention and to avail of a “critical mass” in order to produce an appreciable impact, the Programme will be split in few Projects. In each project, the linkage between training activities and labour policies has to be highlighted.

In a generalised manner the following activities will be carried out:

- establishment of the governing structure.
- establishment of the Technical Assistance Monitoring Unit - TAMU.
- elaborate the projects
- providing the schools and institutions related to the labour market management with equipment and materials, including minor civil works,
- training the teachers and the technicians to improve the curricula development, planning skills and teaching methods,
- training the managerial staff of the schools, the labour market services, and the public institutions involved in the program, to improve their capacity,
- strengthening the linkage of the schools with the productive system, in order to upgrade and adapt the need of the labour market.

### **3.6.2 Activities in specific areas**

#### Public Institutions

The support to the involved Chinese institutions in the Programme will be realised along the whole public row, from the national level to the provincial one. Beneficiaries will be the responsible subjects of the management of politics of co-operation (at national and provincial level) and the tutoring institutions of the sectors involved in the Programme (Ministry of Finances / Ministry of Foreign Trade and Economic Co-operation, Provincial Departments of Finances and of Foreign Trade and the Economic Co-operation, provincial institutions as Education and Labour).

This strategy will allow to obtain directly a greater managerial efficiency in favour of the Programme and an increase in the impact, as effect of the total improvement of the competencies of the public institutions in charge of the relations with the Donors.

### Pre-service training

The main activities will be:

- *Supply the schools with equipment* for the laboratories and didactic materials in the specialisation mainly connected with the priority sectors of the Programme.
- *Technician and teacher training* to be realised through scholarship in Italy and specific financing of local courses. Training will regard also the administrative and managerial staff of the schools.

### Re-qualification of workers expelled/in expulsion because of the processes of industrial restructuring

The vocational training directed to expelled workers from the productive system will be realised through short courses in centres managed by the Labour Departments and in professional schools. The contents of the courses will be in line with the “No 2 Training Provincial Plan for 400 Thousand Re-employment in Three Years”.

### Training and improvement of technical and managerial staff

The activities are addressed to the staff with advanced instruction, or that already carries out managerial and technical functions needing of re-qualification and improvement for re-enter into the productive system or for upgrading their competence.

A part of such course, to high medium level of specialisation, will be carried out in existing professional training centres. The other courses, particularly in the areas of the management and the new technologies, will be carried out in universities or in advanced training centres, located within or outside the interested provinces, where the demanded opportunities and formative resources exist.

In such context the aforesaid already structured activities will be strengthened, beyond to specific actions of support to the institutions of labour market management, with re-qualification of their staff and assistance in the definition and adoption of new organisational schemes.

## **4 EXTERNAL FACTORS**

### **4.1 Assumptions**

The conditions of success will vary according to the logical level to which the initiative comes true and, also, considering the level of project and programme.

At Programme level, the main assumptions will be:

#### ***Pre-conditions***

- Grant and Soft Loan Agreement signed and enforced

***Assumptions in order to achieve the Results.***

- Motivation of the teachers and the technicians to participate to the training;
- Structural, didactic conditions and of maintenance realised in the foreseen schedule and according to the agreed specifications;
- Adequate didactic means and materials available in the foreseen schedule;
- Identification and selection of the teaching staff, the services and the institutions that will benefit from training/upgrading activities.

***Assumptions in order to achieve the Specific Objective / Programme Purpose.***

- Updated curricula and didactic methods to the characteristics of the students and labour market;
- Students motivated and in possession of necessary prerequisite;
- Schools capable to integrate means and the materials supplied in the curricula planning;
- Staff, teacher and technicians in possession of the new required competence;
- Technological and didactic quality of the installed equipment compatible with the local abilities to management, related spare part easily available, easily replaced/substitute and operational costs affordable.

***Assumptions in order to achieve the overall objectives.***

- Operational linkage between Schools and Labour Services in order to update the curricula in function of the labour demand.
- Existing labour demand in the fields of interest of the Programme.

## **4.2 Risk factors**

The main risk factor of the Programme is connected with the possibility of an insufficient synchronisation between the two financial channels, grant and soft loan.

The risk can remarkably be minimised through an appropriate choice of the financial plan and an appropriate definition of the financial and technical procedures.

## **4.3 Adaptability of the program to external factors**

The management of the whole Programme is on Chinese responsibility and the Programme modular structure (for projects) is the best guarantees of its adaptability to the external factors, taking also into account of its social characteristic.

In particular, the possibility to start the formative activities within existing schools using the grant funds concurs however in obtaining a first level of results. That results will be subsequently improved with the arrival of the equipment acquired with the soft loan funds.

Moreover, the Programme, though introducing elevated innovation characteristics in the relationship between training and labour market management institutions in order to improve the employability rate, does not substantially modify the mechanisms of inner operation, indeed it takes part for improving the functionality and the managerial abilities of the involved institutions.

## **5 IMPLEMENTING ARRANGEMENTS**

For this chapter refer to the Agreement dispositions and its other Annexes.

## **6 QUALITY FACTORS**

### **6.1 Policy support**

The target fixed from the Chinese Government for the educational field are (Unesco: Given World on Education III And 1999):

- reduction of illiteracy among young people and adults to 1%, through alphabetisation programs;
- compulsory primary instruction of nine years extended to the 90-95% of the population, and progressive reduction of the starting age to six years. The primary school is expected to reach the 130 million enrolled and junior secondary school 63 million, with an enrolment rate of 95%;
- increase of the enrolled students to the various levels of the secondary school to 34 million, with an enrolment rate of 34%. In particular, a strong impulse will be given to the development of the professional training and to that of the adults, considered the only mean to improve the quality of labour and economic development;
- increase of the enrolled students to the advanced formation to approximately 9.5 million with a ratio of 700 university students per 100.000 inhabitants, with an enrolment rate of 11%. Beyond 100,000 students every year will have to achieve the level of master and doctorate;
- improvement of the continuous education, in service training and alternating training, to the aim of establishing an integrated and modern system of training extended to the whole life of the individuals, in a position to answering to the demands of the socialist market economy and to the increasing employment demand.

### **6.2 Appropriate technology**

Assuming the principle of the unity of the teaching-learning process, that is the contribution of all didactic factors to determine the learning quality determined from the formative and structured planning through the curriculum, the didactic technologies must answer to the following criteria:

- consistence with the training objectives, that is with the skills and the abilities that the student must possess to the term of the training cycle;

- consistence with the used didactic methods, to the aim to guarantee the good application of the training strategies used by the teacher: To such care, it is particularly important to estimate the ex-ante indicator “student / working places rate”, complex function of the financial availability (management and purchase), of the number of students, the space accessibility, etc;
- consistence with the characteristics of the technologies used in the sector of activity to which the course refers, to the aim to guarantee that the competence and the abilities are how much possible close to the performances that will come demanded to the graduate in the job place. This aspect has, moreover, a remarkable improvement effect on the employability degree, in how much increases the total supply quality on the labour market;
- consistence with the technical management and maintenance competence already present inside the school or through local services. This aspect assumes an absolute priority in the decision of purchase;
- consistence with the availability of materials, spare parts and related technical assistance structure. To such aim the concept of capacity of replaceability of the parts is important, assessed as a result of suitable product analysis.
- consistence with the maintenance and running costs, by now easily valuable on the basis of past experience **of indicated programmed maintenance** from the constructor.

The laboratories and the schools presently show a general obsolescence of the equipment of high level, mainly of national production, so that the upgrading request is widely justified as all the productive sector and services are in a phase of strong demand for modernisation.

To the contrary, the equipment used for the practical activities turned to the basic knowledge, to the first years of the scholastic cycles, are of good level and allow to the understanding of techniques and principles consistent with learning objectives to the levels of acquaintance and understanding.

The found competences are adapted to the existing levels, but they need of a solid upgrading in sight of the modernisation.

The maintenance is currently carried out within the schools, that supply with just personal and budget, but cases of sophisticated technologies for which they take advantage of services offered by external enterprises.

Generally, in the Programme areas, a level of technical competence and technological dissemination in a position to guaranteeing eventual maintenance operations exists.

### **6.3 Socio-cultural aspects**

In elaborating projects, particular attention is to be dedicated to indigent people living in disadvantaged areas of the province and to gender issues.

Moreover, each training project related to the strengthening of existing school facilities shall foresee a specific allocation (not less than 20% and supplementary to previous years' related expenditure) to facilitate the access for indigent people. The schools involved in the Programme shall award such scholarships in an annual basis, utilising the already applied beneficiary selection and contribution weighting criteria.

### **6.4 Environmental and safety aspects**

In the appraisal on the admissibility of the plans account of the environmental implications will be kept, and therefore of the adoption of all the measures apt to diminish any effect negative on the atmosphere. In such context, particular importance will be given to the health and safety of the operators of the equipment and of the students.

The safety level must respect the national and provincial standards and, however, be not inferior to UE norms and certified from local industrial safety and accident prevention services.

It has to be emphasised that between the selected fields there is the environment, and therefore that the program will produce, broadly speaking, an improvement of the sensibility on the environmental issues between the populations and the involved structures.

### **6.5 Financial sustainability**

The financial sustainability of the projects will be assured by the financing system of the professional schools in China, based essentially on four channels: (i) public funds, allocated from the provincial government; (ii) students tuition fees; (iii) funds coming from the productive system; (iv) sale of services. Even if the Authorities push the schools towards self-financing, this very rarely exceed 30% and their activity is therefore, in great part, financed from the State.

Naturally, the precondition in order to guarantee the financial sustainability is the compatibility of the costs of the equipment with the budgets of the school, in particular of that recurrent (management and maintenance), in how much of the costs, particularly if important, is supported from the government contribution.