

## KYRGYSTAN

### Country information note 2010

#### Summary

In 2010 in Kyrgyzstan the ETF will: i) support the European Commission in the development and deployment of external assistance through the DCI; and ii) support the continuing development of partner country capacities in human capital development with a view to developing innovation, competitiveness, growth and equity.

The ETF in particular will provide support to the development of policies in vocational education and employment by:

- providing advice to the EC for DCI actions, including further assistance for the preparation of the Sector Policy Support Programme (SPSP KG 2010 in Education) based on the requests of EC services.
- supporting the national sector institutions with the review of selected building blocks of national education, training and employment strategies in the framework of the Torino Process; advice on policy reforms; capacity building for policy development in the areas of vocational school development for lifelong learning; vocational and career guidance and counselling; national qualifications framework

ETF activities will be in line with approaches defined by the European Education Initiative for Central Asia and the EC external assistance policies. ETF's role in the area of education and training policy is complementary and supportive to what will be done by the EC (directly the EC Delegation, EU Member States, or through DCI financed technical assistance), other donors and the Kyrgyz government.

#### 1. Socio-economic background

The Kyrgyz economy has had a mixed performance in the last decade, alternating years of real GDP growth above 7% (2007-08), with years of decline and of negative growth (2002 and 2005 in particular). This has been partly linked to political instability, an unfavourable context for a country with relatively modest natural resources.

Interestingly, Kyrgyzstan is one of the rare economies in the region with a projected positive GDP growth rate in 2009, contrary to neighbouring Kazakhstan and the Russia. According to the latest EBRD country assessment for 2009, GDP growth can be projected at 1.5% in 2009<sup>1</sup>. GDP per capita remains low – under US\$1,000 – despite significant growth since 2004, a period in which this indicator more than doubled.

The inflation rate declined from 20.1% in December 2008 to 4.9% in June 2009. The current account deficit increased in 2008 to 8.2% of GDP, primarily due to worsening trade terms caused by increases in fuel and food prices. The deficit is likely to remain high in 2009 as export volumes and remittances decline.

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<sup>1</sup> <http://www.ebrd.com/country/sector/econo/stats/index.htm>

In December 2008 the government agreed a new US\$100 million financial support programme over 18 months with the International Monetary Fund (IMF). The fiscal deficit narrowed to 0.1% of GDP in 2008 as the government cut back on non-priority expenditure. The fiscal position has been strengthened as Russia provided financing in April 2009, amounting to approx. 9% of GDP. Russia also cancelled US\$194 million of existing debt.

The population of Kyrgyzstan is currently estimated at 5.1 million, 35.9% of which live in urban areas and 64% in rural areas<sup>2</sup>.

Migration has been a coping strategy adopted by hundreds of thousands of active citizens, with a high outflow of people, with seasonal labour in Russia and Kazakhstan a main source of income for the poorest regions. However, remittances declined by approx. 29% year on year in the first quarter 2009, which will affect household consumption.

Despite reduction in poverty incidence during the last years, in 2004 40%<sup>3</sup> of the population still lived under the national poverty line and around 11% in extreme poverty<sup>4</sup>. Poverty is especially pronounced among rural populations (almost three-quarters of the poor live in the rural and mountainous regions) and is aggravated by ineffective governance and corruption.

In 2007 the economically active population<sup>5</sup> amounted to 2.343 million people, with a participation of 65.1%. The female activity rate was 53.6%.

The employment rate was close to 60% between 2005 and 2008, but the breakdown by gender shows a substantial difference: 70.9% for men, which exceeds the female employment rate at 49.7% (2008). The unemployment rate floated between 8.1% (2005) and 8.2% in 2008, and despite the crisis this indicator shows no increase in 2008. Unemployment rates are higher in rural areas (9.8% against 7.3% in rural areas), with females more affected (9.4% unemployment rate, against 7.3% for men), according to the preliminary figures for 2008 released by the National Statistical Committee (NSC).

The largest employer in Kyrgyzstan is by far the agriculture sector, which in 2006 retained over 36% of the employed population. The retail trade and repair has approx. 15%, and construction less than 9%. Manufacturing employs approx. 8.5%, transport 5.7%, and education exceeds 7% of total employment. In 2007 the share of total employment in agriculture fell to 34%, while the share of construction grew to over 9.5%. Net employment growth was registered in the following sectors (2007): manufacturing, production and distribution of gas energy and water, construction, trade and repair, hotels and restaurants, transport and communication, education and public administration.

Another significant feature of employment relates to the very large amount of informal employment. According to NSC, the share of informal employment in total employment reached approx. 70% (69.1% in 2005 – 70.4% in 2007)<sup>6</sup>. The size of informal employment was much larger in rural zones, with a ratio of 2.8 to 1. Another fact worth mentioning is the continuous growth of those employed in the informal sector. Finally, the majority of those employed in informal labour market declared having this activity as sole employment (over 96% of total of informally employed), which is worth noticing for employment and VET policies.

The analysis of the educational attainment of the employed population shows that informal employment has a predominance of people with secondary education and in general, a lower educational attainment, comparatively with the picture of total employment. Approx. 65% of the population in informal employment have general education (secondary and basic), a consistent trend in 2005-07. The share of employed people with this level of education in total employment is lower – approx. 48%. The share of employed people with higher education is

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<sup>2</sup> World Bank Development Indicators, 2007

<sup>3</sup> European Community Draft Regional Strategy Paper for Assistance to Central Asia for the period 2007-2013, <http://delkaz.ec.europa.eu/joomla/images/stories/en%20-%20strategy%20ca%202007-13%20final.pdf>, the World bank estimates in 2005 43.1% of population under the National poverty line, and 50.8% of rural population.

<sup>4</sup> Joint assistance country strategy paper -2007-2010, IBRD, IDA, IFC, MIGA, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439\\_20070530104914/Rendered/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439_20070530104914/Rendered/PDF/39719.pdf)

<sup>5</sup> National Statistical Committee (NSC), Employment and Unemployment 2007, Bishkek, 2008, pg 17

<sup>6</sup> National Statistical Committee (NSC), Employment and Unemployment 2007, Bishkek, 2008, pg 68-69

much lower in informal employment (from 7.9% in 2005 to 8.8% in 2007) than in total employment (17% to 17.7% in the same period, as presented below).

In 2007, 17.7% of the employed population had higher education, 13.7% had secondary vocational training, 9.9% had initial vocational training and 48% secondary education. The largest share of employed people with higher education was in education and public administration (42% of total employed with this level of education). The next largest employer of people with higher education is trade and repair services (14.7%) and manufacturing (8%).

## 2. Key policy issues and strategies in the human capital development sector

The quality of education gained a new importance and visibility in the national political debate in Kyrgyzstan in 2009. Cited as a national priority for reform by the re-elected president, the performance of the education sector represents a major challenge. The very poor results of Kyrgyzstan in PISA 2006 (15 year old pupils) were an alarm signal for the government, and society at large. The national sample survey of pupils performance (4<sup>th</sup> and 8<sup>th</sup> grades) carried out in 2007 confirmed the poor performance in PISA 2006. These results provide evidence of the widespread low level of basic skills and knowledge that affect pupils' learning outcomes throughout the upper-secondary cycle (academic and vocational) and in higher education.

A country with less natural resources than neighbouring Kazakhstan, and much lower GDP per capita, Kyrgyzstan managed to improve the overall educational attainment of the population in the years of transition, despite well-known hardship within households and the state as a whole. Higher education enjoyed substantial policy support and its provision was liberalised and commercialised amongst the over 50 public and private universities. Families are ready to spend a lot for their children to study at university.

The country enjoys high literacy rates (99% of the population is literate) and participation in basic education is as high as 95%. However, there are signs that participation of young people in education has been declining over the last five years and it is unevenly distributed among population groups according to their socio-economic background<sup>7</sup>. The share of population over 15 years of age with tertiary education has grown from 9.4% in 1999 to 13.2% in 2006, taking into consideration both complete and incomplete higher education. The share of the population with secondary VET decreased over time, but in 2006 it increased again to 11.6%. It is important to highlight the substantial contraction of the share of population with lower educational attainment, basic and primary education, by approx. 7.6% between 1989 and 2006. In 2006 approx. one fifth of the population over 15 has basic and / primary education, but a share of approx. 5 to 6% with no education or incomplete primary education represents a challenge for policy makers.

International analysts underline the fact that Kyrgyzstan shows relatively high public spending in education, as a share of GDP, in the range of 5-6% over recent years, having grown substantially<sup>8</sup>. Although this growth has not been sufficient to compensate for the years of low expenditure, low efficiency of spending is certainly also responsible for the poor quality of education. The decentralisation process in the country led to a disconnection of financing of general education - directly from the Ministry of Finance to local self-governance bodies - from other areas of education management (and performance). The leading Ministry of Education and Science (MoES) administers only a fifth, or less, of total public spending in education.

Teachers' salaries discourage the young and better-trained specialists to embrace the career. Despite government policies to attract youth to the teaching profession, for example via free university education in pedagogy areas, and some salary enhancement schemes, the stock of teachers in basic and secondary education is dominated by aged professionals. The

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<sup>7</sup> Joint assistance country strategy paper -2007-2010, IBRD, IDA, IFC, MIGA, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/IB/2007/05/30/000020439\\_20070530104914/Rendared/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/IB/2007/05/30/000020439_20070530104914/Rendared/PDF/39719.pdf)

<sup>8</sup> In 2008 Government expenditure on education was 5.2% and 2.4% on health.

wealth of experience is in many cases not enough to compensate for the low ability to embrace new teaching methods that education in our days cannot bypass. There is evidence that most students graduating from pedagogy university studies do not take jobs in the teaching career. The ratio of average wages of education employees to average wages in the country has been approx. 0.5 in secondary education, 1.1 in higher education and 0.7 in adult training, although data for the period 2004-2006 show a tendency to declining ratios.

The overall hardship of the transition period, accompanied by restructuring of the large enterprises that supported the VET system, inefficiencies of investment and of public expenditure in the system hardware and human resources has led to the well-known situation in which the VET system has partly lost attractiveness amongst users (youth) and credibility for employers. Enrolment in non-tertiary VET declined substantially in the first decade of the transition, a trend accompanied by a steep increase of enrolment in higher education, as indicated above.

Although the registered improvement in VET enrolment in the last six years could signal a positive perspective, VET continues to struggle with key dilemmas, namely: its position within the education policy and lifelong learning continuum; consistent implementation and monitoring of reform programmes in co-ordinated interaction with donor projects; coherence across the system versus greater autonomy for VET schools; quality versus cost of modernisation policies; shift to VET courses aimed to rapid entrance in the labour market (short training programmes disconnected from general education curriculum) or diversification of VET pathways and curricula to suit development needs of youngsters and adults; social partnership dynamics and capacity development of social partners; synergy across sector policies and ministries, between regional and local actors and central level institutions. Finally, one essential factor for effective modernisation and efficiency of change of the VET system is support to systematic dissemination of good practise that is developed in local and school initiatives, donor programmes, and through exposure to international practise.

In the last quarter of 2009 a new government endeavour to reform education began. The "National Education Project", aims to improve quality of education, by tackling its fundamentals: its purposes and functions, financing, capacity of teachers and managers, curriculum and methods, and excellence education. The very succinct documents available so far show poor interactions with the reinforced Ministry of Labour that will administer initial vocational training (managed since 2007 by the State VET Agency) and employment and migration policies and programmes (managed by the State Migration and Employment Committee until the recent restructuring of October 2009).

Public policy documents recognise the importance of modernised education and training for social and economic development.

- In 2007, the government adopted a new PRSP titled Country Development Strategy (CDS) 2007-2010 (<http://www.imf.org/external/pubs/cat/longres.cfm?sk=21038.0>), which considers education sector development, including vocational training as a precondition for sustainable economic growth and for ensuring competitiveness within the global economy. This entails among other things reforming the vocational education system, enhancing the skills of school/college management and the teaching staff and rehabilitating school premises and facilities.
- In October 2006 the Education Development Strategy (EDS) for 2007-10 was adopted. The EDS further elaborates the principal goals identified in the CDS and targets improvements in the quality of education, enhanced access to education for poor and vulnerable groups of the population and a more professional management of the sector at national, regional, local and school levels. In 2008 a new draft EDS 2020 was prepared with support of the EC, involved stakeholders consultation but didn't reach the approval stage, as a new initiative to plan a serious education sector reform (the above mentioned "National Education Project") was launched after the elections of mid 2009.
- The National Action Plan of the National Employment Programme, adopted by the Government in August 2006, elaborates the objective of ensuring correspondence between education and the labour market by increasing the qualifications of the

unemployed through continuing training and by enhancing cooperation of education and training institutions with partner organisations. In 2009 the revised employment policy strengthened attention on active labour market policies, namely through training and small credit for business start-ups.

The modernisation of secondary VET planned in the draft concept shared with the author targets a wide range of objectives, namely:

- Improved legal basis
- Structural reform of secondary vocational training (transparency of licensing and accreditation, self-financing of part of the colleges, systematic staff development, decentralisation of certain functions to local level)
- Reform of teaching profession framework, including wage policy
- Improved quality and competitiveness of graduates of secondary vocational training
- Development of scientific research in the system of secondary vocational training (experiments, seminars and conferences, support to researchers)
- Reformed financing system
- Development of adapted VET system in the regions, particularly in rural areas

As said elsewhere, this programme is not yet supported with a financial package. The available documents do not propose any performance indicators in view of a sector monitoring system, which is missing in both strategies.

The State Migration and Employment Committee (SMEC) is the only public institution that offers career guidance services to young people, mostly through the Information and Counselling Centre (ICC) in the capital, Bishkek, to students from upper-secondary classes. However SMEC does not use vocational guidance to support adults (unemployed and job seekers), not even those engaged in training for the unemployed funded by SMEC. This is an important gap that SMEC is trying to fill with support from the ETF, in a project that started in 2009.

Education and active labour market policies deal with the challenges of lifelong learning. Although the dialogue and actual interactions are not always as productive as needed, a sound co-operation is now established and formalised between two sides: the leading agencies for primary vocational training and employment (respectively, SAVET and SMEC). Education, through its ministry, is less involved in this co-operation, as are the secondary vocational training institutions that could, theoretically, deliver relevant training for the population groups targeted by the national employment policy.

The emerging education and training policies cover most of the critical issues, but extensive work needs to be done in order to identify priorities, work out realistic action plans and support implementation. A real commitment to reform and a capacity to plan and implement changes seem limited in public authorities. This is principally due to the high turnover amongst policy-makers, poor cooperation between governmental bodies, lack of partnership and participatory approaches, and severe shortages of funds to implement human capital development reforms.

### 3. EU and other donor interventions

Donors have been active in the education sector in Kyrgyzstan for years. To enhance mutual information and possibly reach a good level of coordination, all donors have agreed to an informal Donors' Round Table that has developed policy proposals and studies and also holds regular meetings.

The Country Development Strategy 2007-10 replaced the National Poverty Reduction Strategy for 2003 to 2005. The government's commitment to implementing this new strategy—including employment and education reform programmes - provides a solid foundation for the donor community to build its actions in a harmonised and aligned way in the period 2007 to 2010. Both areas would benefit from external support in order to achieve systemic and lasting outcomes. The World Bank, together with the Asian Development Bank (ADB), the Swiss Agency for Development and Cooperation, the UK Department for International Development, the United States Agency for International Development, and UN agencies, have prepared a Joint Country Support Strategy for this period. ([http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439\\_20070530104914/Rendered/PDF/39719.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/05/30/000020439_20070530104914/Rendered/PDF/39719.pdf))

The overall EU (DCI) priorities for Central Asia are to promote stability, strengthen governance and transparency, reduce poverty, and promote closer cooperation both within Central Asia and with the EU. In May 2007 the EU Council adopted Strategy for a New Partnership with Central Asia, which defines a strengthened EU approach in strategic cooperation areas, including a planned new European Education Initiative covering all levels of education and training.

In 2007 the European Commission started two projects for disadvantaged groups of the population: Non-formal skills training in rural areas of Kyrgyzstan (implemented by the Institute for International Cooperation of the German Adult Education Association IZZ/DVV in consortia with the Kyrgyz Adult Education Association KAEA) and Strengthening the role and socio-economic condition of vulnerable women in Kyrgyz society (implemented by the National Red Crescent Society of Kyrgyzstan). In higher education, the EU has provided support through the Tempus programme and will continue to do so within the new Development and Cooperation Instrument (DCI) and also through the Erasmus Mundus programme and its external cooperation window.

Education and training reform in Kyrgyzstan can receive a major boost from the Education Sector Policy Support Programme, which is still under preparation. This target implies three key stages of development to be led by the Government and assisted by the donors in the sector by 2010:

- Sector policy;
- Sector programme based on the policy together with an expenditure framework and donor coordination process in the sector;
- Sector Policy Support Programme to provide EC funds, preferably in the Sector Budget Support operating modality.

## Asian Development Bank

A strategic reform programme (2008-11) was approved in 2008 as an overarching sector development document. An action plan supports this programme, but its implementation depends on availability of financial and technical resources that are promised in the framework of the Asian Development Bank (ADB) VET project<sup>9</sup>.

The strategy for consolidation and modernisation of the VET system in Kyrgyzstan (2009-11) was developed by international experts and supports the ADB project. Both strategies share a number of objectives and activities. The strategic lines of both strategic documents are compared below:

**Table 5.1: Strategic objectives of the existing strategy papers**

SAVET strategy (overarching, national)	Strategy of ADB project
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<sup>9</sup> <http://adb.org/Projects/project.asp?id=38298>

1	Modernisation and consolidation of the VET system	Optimise the network of vocational schools
2	Formation of efficient VET financing system, economic relations	Bring training quality in line with the requirements of professional competence
3	Staff development	Raise economic independence of vocational schools
4	Development of social, and public-private partnership	Promote participation of private organisations in implementing VET programmes
5	Social guarantees and modernisation of VET content (competence based learning)	Modernise organisational structure management structure
6		Set up multi-level system of partnership
7		Comprehensive plan for staff development for VET system (managers, teachers)

A critical element of the strategy of the ADB project is the optimisation of the network of vocational schools. The aim is to form a system with fewer but more effective and efficient schools, able to be multi-profile and multi-level providers. The change of leadership and the reinforced Ministry of Labour Employment and Migration (in Quarter IV 2009) is likely to lead to renewed negotiation of the some of the objectives and activities of the ADB project.

The size of the ADB grant is USD 10 million, to be disbursed by the end of 2011. The contribution of the government amounts to USD 3 million. Approx. 70% of ADB financing is planned for infrastructure and equipment, 5% for textbooks, and the remainder for staff training, as well as for technical assistance. The project has basically 2.5 years to implement its complex action plan, another aspect presupposing that implementation and institutional capacity will be appropriate.

Other donors that have been active in the field of vocational education, training and labour market policies include the International Labour Office (development of the National Employment Programme; modular training) and UNESCO (supporting the establishment of community learning centres). Switzerland has been an active development partner for years, and in the VET area has been providing bilateral support through training in new agriculture, forestry and small community tourism business methods. The German Technical Cooperation Agency (GTZ) has assisted the VET sector through a number of projects that included modernisation of training infrastructure in selected sectors (namely: welding), teachers training, independent certification of professional competences and the ongoing project focused on the establishment of a labour market monitoring system.

The World Bank supports the education sector with USD 15.5 million that prioritises education in rural areas. It aims to improve learning outcomes and learning conditions in primary and secondary general schools, piloting of new curricula and textbooks, and of a new financing model. (<http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=305761&menuPK=305793&Projectid=P078976>)

## European Training Foundation

The European Training Foundation, in collaboration with national partners, implemented three multi-country projects in Kyrgyzstan in the period 2005-09: National Qualification Frameworks (NQF) in Central Asia, Skills Development for Poverty Reduction (SDPR), and Policy Learning in Partner Countries (PLPC).

The NQF project resulted in a set of occupational profiles in tourism and in a draft NQF policy paper. A link was created between these policy discussions and the overall VET policy design started in the policy learning project. The NQF approach has become one of the strategic directions for developing Kyrgyz education and training. The State Tourism Department

recognised the value of the technical and policy proposals of the project for the development of the sector and enacted measures to proceed with the application of professional standards and modernised training content. However, mainstreaming of the new tools and a coherent new approach to qualifications are objectives of the future.

The policy learning project resulted in the formulation of a VET policy by mid-2008, which was however, by the end of 2008 superseded by the new Education Development Strategy (EDS) 2020, covering the whole education sector (see page 4). By February 2010 however, it had not been approved, partially due to developments related to the National Education Project and ongoing work on the Country Development Strategy 2020.

The Skills Development for Poverty Reduction (SDPR) project promoted policy thinking on how to enable vocational schools to provide skills development opportunities for poor people and for them to become partners in poverty reduction activities. The pilot vocational school achieved very good results in 'opening up' to the needs of the community and taking initiatives in skills development partnerships. The government expressed appreciation for the hand-on approach, the capacity and tools built by this project and is interested to disseminate its results in rural Kyrgyzstan. A documentary movie was produced and delivered to the government for this dissemination purpose.

Both NQF and SDPR approaches proved to be relevant for the country's needs and yielded results that formed the basis for the new 3-year Vocational School Development Initiative (again, using a multi-country approach, involving Kyrgyzstan, Kazakhstan and Tajikistan), which started in 2009. In the framework of this initiative, the ETF aims to develop its partners in each of the participating countries, policies and tools to enable vocational schools to develop as lifelong learning centres. This will be achieved through three expected results:

- Policy makers and vocational schools have identified improvement measures in the governance structure to enable vocational schools to develop as lifelong learning centres;
- Dialogue among national stakeholders is facilitated;
- Awareness of vocational school managers is raised and capacity of stakeholders on school development needs and tools is increased.

In addition, at the request of State Migration and Employment Committee, as of mid-2009 the ETF supported the development of a new guidance (career and vocational) concept in a lifelong learning perspective and provided initial capacity building. The ETF also participated in an OECD review of education in Kyrgyzstan and drafted the chapter dedicated to vocational education and adult training. Following the recommendations of the OECD head of mission, this chapter was developed into a stand alone publication expected early 2010.

## 4. ETF intervention strategy

The ETF's intervention in 2010 focuses on the following ETF core themes:

- Theme A: Vocational education and training system development and provision;
- Theme B: Labour market needs and employability;
- Theme C: Enterprise and human capital development: education and business partnership

The ETF will focus on strengthening evidence based policy making for human capital development, with special attention to Vocational education and training, as well as support to the delivery and effectiveness of Community assistance programmes.

The ETF's objectives in 2010 are the following:

- Support the EU external policy instrument programming cycle;

- Disseminate relevant information and encourage exchange of experience and good practice between the EU and the partner countries and among the partner countries in human capital development;
- Support relevant stakeholders, particularly the social partners, to increase their involvement in vocational training reforms and develop their capacity for becoming key actors in those reforms;
- Build partner country capacity to analyse and interpret trends and challenges and design, implement, evaluate and review evidence based policies in human capital development;

These objectives will be pursued within the following ETF core themes:

1. ETF core theme A: Vocational education and training system development and provision – Function 1: Input to Commission sector programming and project cycle

The ETF will, at the request of the EU Delegation provide further assistance for the preparation of the Sector Policy Support Programme on Education, with a likely input in the grant scheme for vocational schools which may be initiated in the last quarter of 2010.

2. ETF core theme A: VET system development and provision – ETF core theme C: Enterprises and human capital development: education and business partnerships. Function 2: Support to partner country capacity building – Function 3: Policy analysis, provision of evidence-based analysis on country policy reforms to support informed decision making.

In 2010 the ETF will support the Kyrgyz authorities in the provision of information, analysis, and policy advice on vocational education and training reform and identifying priorities in the field of human capital development.

The analysis will be undertaken within the “Torino process” which aims to provide a concise, documented analysis of vocational education and training reform in ETF partner countries, including the identification of key policy trends, challenges, constraints as well as good practice and opportunities. A variety of stakeholders (policy-makers, practitioners and researchers, from both public and private sector) will be consulted at different stages of the process to collect data, discuss the findings of the review exercise and formulate recommendations. Information types and sources will be as diversified as possible. The “Torino Process” will build on various and complementary, quantitative and qualitative evidence, such as statistical data and indicators, good practice, qualitative assessments, and existing national and international studies and reports, drawn from different stakeholders. The Torino process is a participatory review of progress in vocational education and training policy carried out every two years. Its objective is to provide a concise, documented analysis of VET reform in each country, including the identification of key policy trends, challenges, constraints, as well as good practice and opportunities.

An in-depth review on cooperation between education and business will be prepared as a first study under the “Torino Process”. The study will map policies, mechanisms and processes developed in partner countries, which support or constrain cooperation between education (vocational as well as professionally-oriented higher education) and the economic world. The study will analyse and review cooperation between education and business in the ETF partner countries in order to pave the way for its enhancement. This exercise derives from the importance of cooperation between the world of education and the world of business for addressing partners’ development plans and related needs in terms of qualified labour force.

In addition to the policy analysis which will take place in the framework of the Torino process, it is expected that the active involvement of various stakeholder groups in the preparation of the report will also contribute to capacity building.

The vocational school development initiative for lifelong learning in 2010 will have a strong capacity building component. Based on the feedback and active input by five stakeholder categories, namely policymakers, social partners, school directors, teachers and students as well as survey results on vocational school quality, collected at 30% of the vocational schools in each of the participating countries (Kazakhstan, Kyrgyzstan and Tajikistan) in 2009, the ETF will develop a number of capacity building options, including two peer-learning

opportunities, and training modules. The focus in 2010 will be on quality assessment tools, training for school managers and the involvement of social partners in school development.

ETF's role in the area of education and training policy is complementary and supportive to the work of the EC (directly EU Delegation, EU Member States, or through DCI financed technical assistance), other donors and the Kyrgyz Government.

3. ETF core theme B: Labour market needs and employability - Function 2: Support to partner country capacity building

In 2010 the ETF will continue its work with the Ministry of Labour, Employment and Migration on career and vocational guidance. The ETF will support the finalisation of the concept of a new guidance system in close co-ordination with national stakeholders and international donors (GTZ and ADB) engaged in the field. Further capacity building actions related to key aspects of the concept will be developed, including exposure to EU experience.

The ETF's role in the area of education and training policy is complementary and supports the work of the EC (directly EU Delegation, EU Member States, or through DCI financed technical assistance), other donors and the Kyrgyz Government.