



ROYAL ASSOCIATION OF NETHERLANDS SHIPOWNERS



Dutch educational activities in the Philippines

Nautical education in Palompon 2001-2017



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1 Management summary

Since 2001, the KVNOR has been actively involved in training Filipino officers in Palompon in the Philippines for the benefit of the Dutch merchant fleet. In the spring of 2016, the KVNOR board of directors commissioned an evaluation of the KVNOR's activities in Palompon.

The KVNOR's activities in Palompon consist of the partnership with the Palompon Institute of Technology (PIT) for the purpose of training officers to serve in the Dutch fleet and of the participation in the Netherlands Shipping Training Centre (NSTC) which offers additional training courses as well as dormitory accommodation to PIT's nautical students.

The Shipping and Transport College Group in Rotterdam (STC Group) is responsible for safeguarding the standards of education provided by PIT on behalf of the KVNOR, as well as the management of the NSTC in which STC also participates.

The activities were set up in 2001, against the background of an expanding fleet and increasing shortages of masters and officers on the labour market. The deciding factors for the KVNOR and the Dutch government to opt for the Philippines as second country of origin, were the considerable potential, the people's excellent command of English, the open culture and the existing familiarity with Filipino ratings. Sixteen years on, shortages in the maritime labour market are still noticeably present, despite the stagnation of the expansion of the Dutch fleet. An increasing number of Dutch shipping companies have internationalised manning policies, which have led to the increased intensification and professionalisation of the position in the Filipino labour market. The factors that initially gave grounds for the KVNOR's option to become active in nautical education for Filipino officers, are still valid.

The development of the Palompon activities may be divided into three phases, the pioneering phase until 2004, the expansion phase from 2004 until 2010 and the consolidation phase that started in 2010. The first two phases took place in an era of entrepreneurship. Within the KVNOR and STC there were top layer pioneers that, based on their personal authority and commitment, were able to achieve an enormous amount. The Dutch government was actively involved through both policy-related and financial support. The overheated labour market for masters and officers, in the years 2005 – 2008 certainly contributed to the broad support among the KVNOR membership.

The relationship between STC and the KVNOR changed over the course of the process from a partnership to a client – contractor one that, with government help, took on a challenge in the Philippines. The definitive point of change coincides with the start of the third phase and may be characterised by the pioneers of the early days retiring into the background.

In the third phase, the emphasis was placed on consolidation, and the government's involvement was strongly reduced. At the same time, both at STC and KVNOR, the tasks and responsibilities became more spread out across the organisations.

It has been remarked by some, including one of the members of the sounding board, that to stand still is to move backwards. Preserving the dynamics and the high levels of commitment

that characterised the first two phases was essential to the successful continuation of the programme and, equally, in terms of the finance model mentioned below.

In the current phase of consolidation, progress should be primarily aimed at quality rather than expansion.

In the first two phases, the programme was dependent on external finance such as subsidies and KVNLR contributions. From around the beginning of the third phase (2010) an autonomous situation arose, with the programme being fully financed by contributions from participating shipping companies and premium payments derived from the Collective Bargaining Agreements entered into with the Filipino trade unions AMOSUP and PSU.

The KVNLR's and its members' rationale for becoming active in Palompon was the education of masters and officers for the exclusive benefit of the fleet of the Netherlands. Throughout the three phases, this rationale has continued to be the primary guideline for all activities that are developed within PIT and the NSTC. The choice made for the geographically rather isolated Palompon was influenced by the likelihood of being more sure of safeguarding this desired exclusivity. The partnership with the KVNLR has raised PIT's profile.

The annual supply of cadets meets a fairly steady demand and achieves sound result in nationwide licensure examinations, as well as a high degree of continued employment of former PIT cadets and their reaching top ranks in the fleet. These signals demonstrate that the expectations of the partnership with PIT are being met. However, that there are some issues that require attention became apparent from the questionnaire distributed among the participating shipping companies in 2015. These concerns should be alleviated by the previously mentioned increased emphasis on quality and the reinforcement and rejuvenation of the teaching staff.

The initial ambition of making the NSTC the foremost training centre to meet all training requirements of Dutch shipping companies in the Philippines has not been realised. This is due to both the geographically isolated location and the large number of training facilities in the Philippines. However, the training centre has developed into an essential support for PIT's courses for the initial certificate of competency. Both in terms of the previously mentioned professionalisation and the rationale that providing education at PIT should be the primary purpose, the NSTC's supporting role should be referred to as such for the time being.

The objective of offering PIT's students accommodation in the NSTC Dormitory has been achieved. However, it finds itself under economic pressure, given the competition from other facilities in Palompon – the local boarding houses – as well as the failure to attract external trainees.

The programme's financial resources provide structural supplementation of the Dormitory's financial shortfall. The increase in said shortfalls and the decreasing degree of the student accommodation's occupancy will require an evaluation of the Dormitory's prospects before too long.



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PIT's annual Maritime Recognition and Awarding Ceremony.

2 Principles of educational activities abroad

2.1 Background and historical origin

The international shipping industry is characterised by the lack of a direct link between economic activities (operating ships) and (shipping) companies' location. For that reason, there is a relatively large degree of mobility within the industry in terms of companies' location and ships' registration. In the middle of the 1990's the Dutch government introduced a new shipping policy. Its prime objective was to increase the appeal of the Netherlands as a business location and for registration of ships. One of the elements of the policy was the elimination of any legal impediments to participation in the international labour market for shipowners operating ships registered under the flag of the Netherlands.

The new shipping policy, in combination with the growth in world trade resulted in an increase of the number of ships registered under the Dutch flag, including the return of vessels that had been previously flagged out, and therefore an increased demand for masters and officers. Before too long, demand outstripped the supply of Dutch officers and later Dutch masters too which paved the way for officers (and later masters) of other nationalities entering the Dutch fleet.

In 1995 the International Chamber of Shipping (ICS) and the Baltic and International Maritime Council (BIMCO) carried out a study on supply and demand in the international labour market. The study showed a worldwide shortage of officers. The prognosis was that the shortage would increase over the coming years, too. Based on the report, it was concluded that Dutch shipping companies would be wise to take an active position in the international labour market. (A 2000 update of the study confirmed the trend predicted in the 1995 report.)

By the end of the 1990's, the 1995 amendments to the International Convention on Standards of Training, Certification and Watchkeeping (STCW) for Seafarers (1978) by the International Maritime Organization (IMO), were being implemented in Dutch legislation. This included the recognition of foreign certificates of competency being based on the recognition of foreign regimes for nautical education and certification of masters and officers. In these early stages, the inspection of educational regimes of countries outside of the European Union (EU) had not yet been centralised in the European Maritime Safety Agency (EMSA). Any recognition of countries outside the EU had to be made on the basis of individual experiences. From the point of view that the amount of effort made should be manageable, the Dutch government aimed at limiting the number of countries that were to be recognised.

Viewed against the background of this development the Dutch Ministry of Transport, Public Works and Water Management and the KVNR decided to appoint a country to be their second country of origin on the international labour market, initially for officers only, but later for masters as well.

At the centre of the notion of a second country of origin lay the foundation of an educational programme for the benefit of the Dutch fleet, to increase control over the standard of education received by the prospective officers in question. Establishing a collective programme through the KVNR had two main advantages. The first one being broadening the scope of the largely small to medium-sized shipping companies operational under the Dutch flag. And secondly, achieving support and finance from the Dutch government during the construction phase.

Until 2000, foreign officers in the Dutch fleet mainly originated from Eastern Europe and later from Russia as well. The impending accession to the EU of Eastern European countries and the pressure on the potential of Russian officers resulting from the increasing demand for officers, provided grounds for turning to Asia. As far as ratings were concerned, the swing from European to Asian – mainly Filipino – ratings had already begun in the early 1990's.



Bachelor of Science in Marine Engineering (BSMarE) – Laboratory hours control engineering.

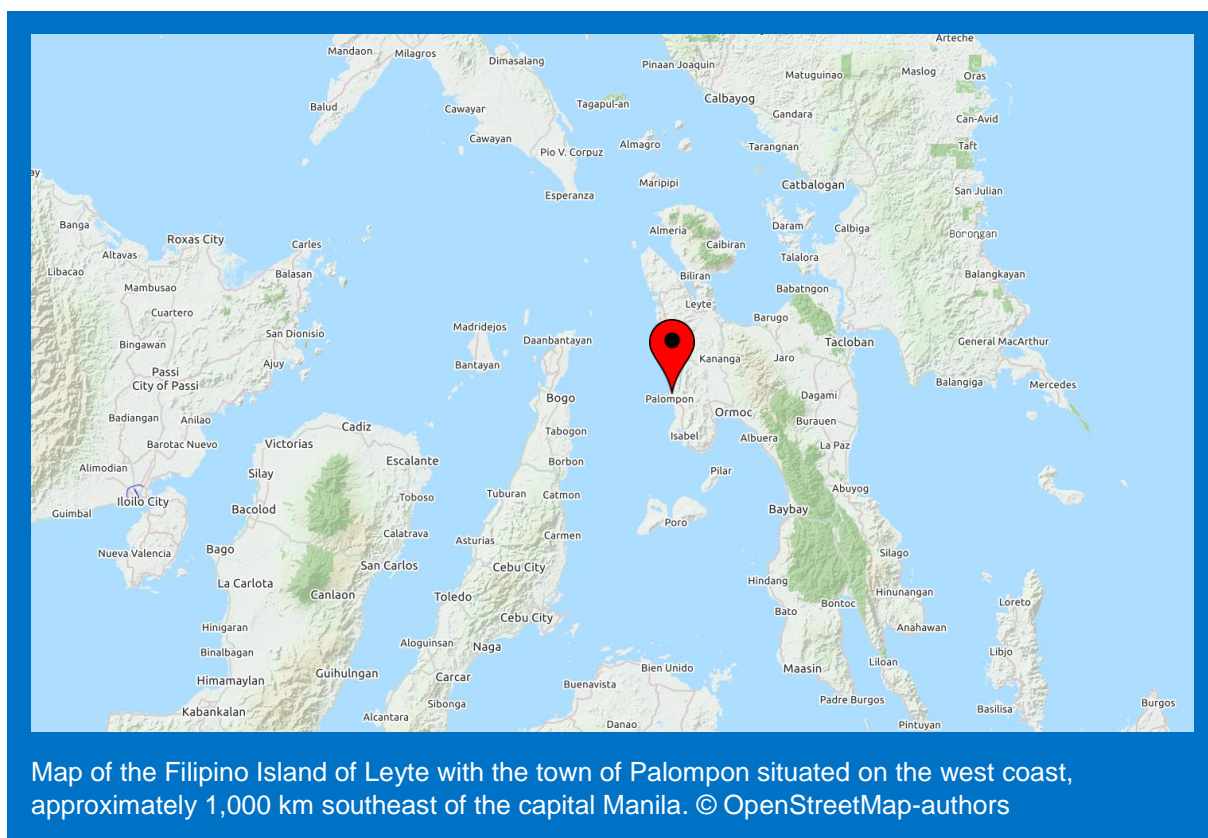
For a number of reasons, primarily those set out below, it was decided in 1999 that the Philippines were to be designated the second country of origin:

- Vast potential for seafarers.
- Culture of international orientation.
- Excellent command of English.
- Limitation of the number of different nationalities and cultures on board (Filipino ratings were already being employed).
- Positive past experiences of companies that had already been employing Filipino officers while sailing under foreign flags.
- Stable politically administrative and business climate.

In Manila, on 31 May 2001, the Dutch government and the Philippines entered into an agreement, regarding the recognition of certificates of competency and nautical education.

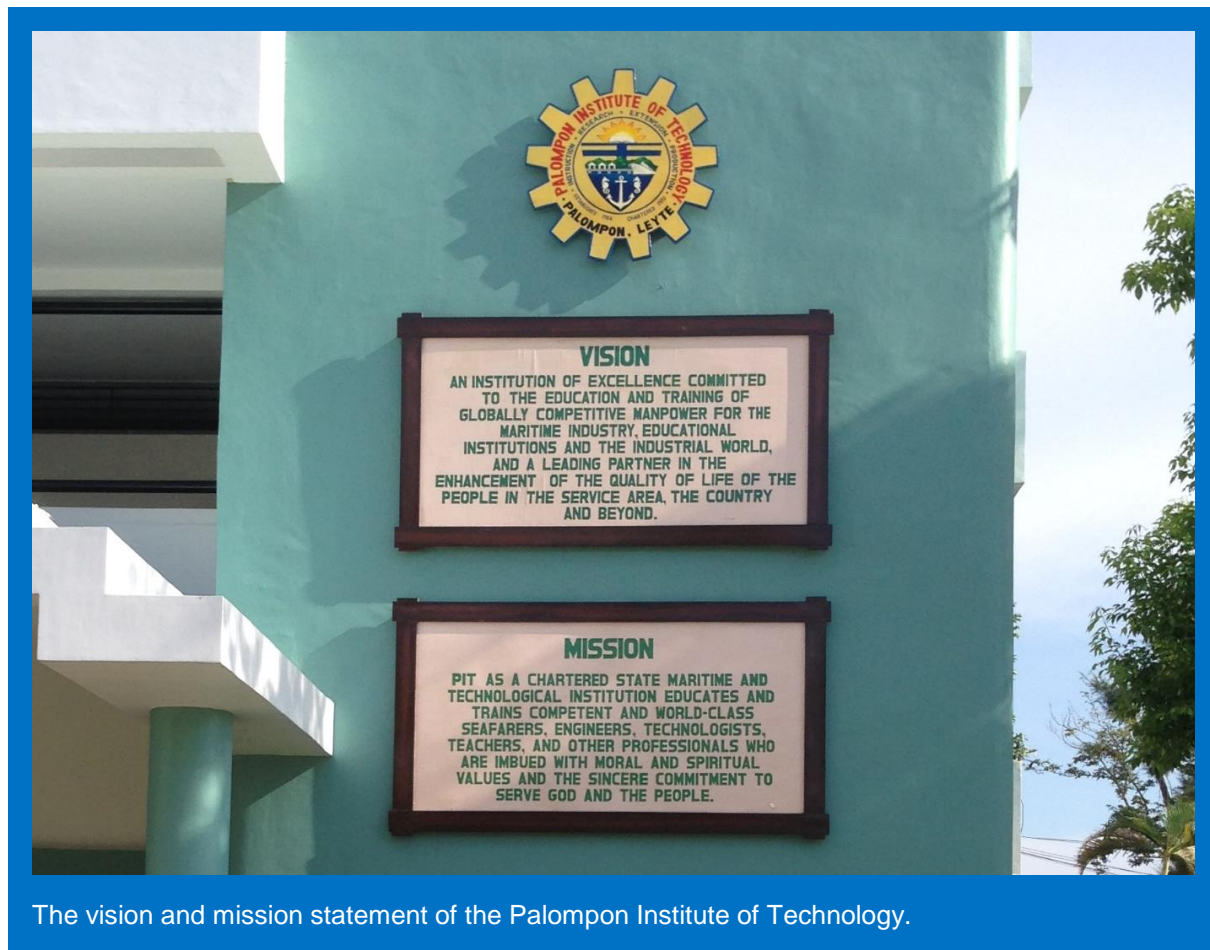
The KVNR was looking for a third party that would have to provide education in the Philippines exclusively for the fleet of the Netherlands. In 2001, it was decided to enter into a partnership with the Palompon Institute of Technology (PIT) located in the Philippines. PIT was chosen for the following reasons:

- There was no relationship with any other maritime party.
- It was in a location remote from Manila (reducing the chance of competition with other parties interfering).
- It was located in the Visayas, the part of the Philippines most Filipino seafarers originate from.
- The number of students of the deck officer and engineer officer courses was evenly balanced.
- The marine engineering course had been relatively well-developed.
- It was a state school, which made the Dutch government's financial involvement possible. Without financial support from the government it would not have been financially feasible to start up a foreign education programme.



For the purposes of supervision and guidance for PIT, the KVR entered into a partnership with the Rotterdam based Shipping and Transport College (STC). At that time, the STC was the only Dutch maritime educational institute with the necessary expertise, infrastructure and experience capable of developing this type of large foreign enterprise.

The general objective was the establishment of educational facilities (Dutch Maritime Academy) in the Philippines to provide ready-to-sail officers (“one stop shop”) for the exclusive benefit of Dutch shipping companies.



The vision and mission statement of the Palompon Institute of Technology.

2.2 Principles of the establishment of the Palompon programme

Three main principles were the foundation for establishing the Palompon programme: 1. the development of educational activities abroad in order to provide added value in terms of quality and cost control against the background of the international labour market for seafarers; 2. the provision of a collective approach in order to reap the benefits of larger-scale development in terms of finance and exclusivity to foreign partners; and 3. the option for the Philippines as a nation with vast potential for the education of masters and officers who would be culturally compatible with the Dutch fleet.

The principles were reinforced by setting the following objectives at the start of the process:

1. Exclusivity for the fleet of the Netherlands.
2. A steady supply of cadets (and ultimately watch officers) meeting the demands of Dutch shipping companies.
3. A balance in the supply of deck and engineer officers.
4. A standard of education equivalent to that of MBO4 (4-year intermediate vocational training) in the Netherlands.

Later supplemented by:

5. The provision of the mandatory courses for obtaining an initial certificate of competency.
6. The capacity for meeting the other training requirements (mandatory as well as elective training courses) of Dutch shipping companies in the Philippines.
7. The provision of dormitory accommodation for nautical students in order to stimulate their personal development and to promote their academic results.
8. The provision of accommodation for NSTC trainees.

2.3 Current state of affairs

Due to economic circumstances and successful policies on the part of other registers, by 2016 the fleet of the Netherlands stopped expanding and even showed a slight reduction. The 2015 Dutch Maritime Cluster Monitor reported the stabilisation of the number of ships under Dutch management (1,988 in 2014 compared to 1,983 in 2013), and the slight reduction (-1.5%) of the number of ships registered under the Dutch flag (1,066 in 2014 compared to 1,082 in 2013).

In the sixteen years since the start of the activities in Palompon, the labour market for the Dutch fleet has become significantly internationalised, with a noticeably bigger role for foreign masters and officers (61%) as shown in the table below. In recent years, the supply of Dutch officers has increased. Because of the relatively short duration of Dutch officers' career at sea, the effect of the increased supply on the higher ranks is limited.

Masters' and officers' country of origin	Percentage
The Netherlands	39%
Russia	25%
Other countries	13%
Ukraine	12%
The Philippines	11%

Source: 2014 KVNR questionnaire on seafarers' nationality

A number of the larger shipping companies in the Netherlands have internationalised their manning policies. Other companies have developed closer relationships with manning agencies abroad.

Over the past sixteen years the Philippines have proved to be a fairly stable nation, both in terms of administration and business matters.

In 2015, the international shipowners associations BIMCO and ICS carried out another study of supply and demand on the international labour market. The 2015 study showed a shortfall of around 16,500 officers. Based on the expected growth of the world's fleet, and despite increased efforts in recruitment and education of officers the prognosis is that the shortage will increase in the years to come.

The study's findings name the Philippines as the second source nation for officers, China coming first and nations like India, Russia and Ukraine following.



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NSTC course Basic Training.

3 The Palompon programme

3.1 Brief description and history

The KVNR's activities in Palompon consist of a partnership with the (nautical) academy the Palompon Institute of Technology (PIT) and participation in the Netherlands Shipping Training Centre (NSTC) with STC and PIT as other partners.

The partnership between PIT and the KVNR is based on a Memorandum of Agreement, that was signed in November 2001. Under this agreement PIT has granted the KVNR exclusivity in terms of the annual selection of cadets enrolled in nautical education at PIT. NSTC is responsible for the short mandatory training courses for PIT's students and provides the option of dormitory accommodation for said students.



Former KVNR president Aart Korteland, architect of the KVNR-PIT partnership.

3.2 Partnership with STC

In the framework of the activities in Palompon, the KVNR has entered into an agreement with the Shipping and Transport College (STC) regarding 1. the supervision and guidance for PIT for the purposes of nautical education; and 2. the management of the NSTC.

At the end of the 1990's, the STC was an obvious party for the KVNR to enter into partnership with for educational activities abroad. Factors contributing to this choice were:

- Knowledge and expertise in nautical education.
- Familiarity with international regulations (STCW).
- Familiarity with Dutch government and shipping companies.
- Experience in projects abroad.
- Ability to carry out projects abroad.

The period up to 2004

Until 2004 the partnership was a joint undertaking as subsidy recipients during the construction phase of the Palompon activities; which was subsidised mainly by the Ministry of Transport, Public Works and Water Management.

The period from 2004 – 2010

In 2004 the relationship between the KVNR and STC, as far as PIT was concerned, changed into a client (KVNR) – contractor (STC) one; this was formalised in an agreement. At the same time, until the end of 2010, the old relationship of joint subsidy recipients, was still in existence for the subsidised construction and development of the NSTC (both training centre and dormitory) and the expansion at PIT (Marine Engineering Building). In 2008, the 2005 agreement was reviewed and the sphere of operations extended to include management of the NSTC.

2010 and onwards

After 2010, the relationship as joint subsidy recipients was eliminated from the partnership altogether.



Former project manager Jan Willem Verhoeff.

The constant factor during all of these years, was STC's appointment of Jan Willem Verhoeff as the project's very committed manager. Because of this, the change in relationship between the KVNR and the STC, from joint subsidy recipients to client / contractor was not as starkly delineated for both parties as it might have been.

In 2014, Jan Willem Verhoeff indicated that he would like to retire from the projects in the near future. This was one of the reasons that in 2016 the agreement between the STC and the KVNR was brought up to date.

Other points in the new agreement referred to:

- Broadening STC's personnel contribution to achieve increased stability, continuity and quality.
- A three-year financial plan for 2015 – 2017.
- Additional emphasis on the standard of education provided at PIT.

When Jan Willem Verhoeff retired in June 2016, a new project manager was appointed by the STC, who is assisted by two expert professionals.

The structure of the Palompon programme and the position of the parties involved is outlined on page 18.

3.3 The programme's nature and funding

The pioneering phase 2001 – 2003

In the period 2001 – 2003 the KVNR applied a project-based approach to its activities in Palompon. Step-by-step improvements to PIT's nautical education were carried out.

At each step, stock was taken to decide whether it was worthwhile continuing with the programme. The major amount of funding for these activities was supplied by the Ministry of Transport, Public Works and Water Management. During this phase, the main pioneering roles were for KVNR president Aart Korteland and STC's Ton van Essen; the Ministry of Transport, Public Works and Water Management was closely involved.

When the activities first started, all there was, was a nautical academy that at the time had also lost its accreditation in the Philippines. Furthermore, there was a scarcity of teaching materials and qualified teachers. By 2004, teaching materials and syllabuses had been brought up to the required standards and teachers had received additional training. However, the necessity

to safeguard educational standards, and indeed improve them on some points continued to be present.

Years of expansion 2004 – 2010

From 2004 the activities became more structured in nature and the transition from project to programme was completed. While until 2004 the STC and the KVNR were joint subsidy recipients, in 2004 an agreement was entered into according to which the KVNR became the client and the STC the contractor. The role of the Ministry of Transport, Public Works and Water Management gradually became a more and more remote one. Funding was provided from KVNR resources and contributions made by participation shipowners as recompense for cadets and former cadets Palompon supplied them with.

During this phase, the period 2005 – 2008, the labour market for masters and officers became very overheated. This spurred KVNR members' enthusiasm and support for the Palompon activities, providing a significant boost to the programme's further growth.

In 2005 – 2006, again project-based, and subsidised by the Ministry of Economic Affairs, the NSTC training centre was built. To be followed in 2008, also project-based, and subsidised by the Ministry of Foreign Affairs by the foundation of the NSTC Dormitory. Once the training centre and dormitory had become operational, they became part of the regular programme activities. The programme, originally limited to a partnership with PIT, had expanded substantially with the management of a training centre and a dormitory facility. Consequently, the agreement between the STC and the KVNR was reviewed in 2008.

From 2006, changes in funding for the activities took place. Within the framework of Collective Bargaining Agreements (CBA) applicable to the Dutch fleet, an agreement was reached with the Filipino trade unions AMOSUP and PSU under which the educational contributions included in the aforementioned CBA's could be directly utilised for the KVNR's educational activities in Palompon.



Aart Korteland and Ton van Essen (STC).

Typhoon Haiyan hits the Philippines

On Friday 8 November 2013, the extremely powerful typhoon Haiyan (Yolanda) passed across the middle of the Philippines, leaving a trail of casualties and destruction. The island of Leyte and Palompon belonged to the affected areas. Figures, supplied by the Palompon council, show that more than 50,000 people were affected by the disaster, seven were killed and 77 seriously injured. More than 6,000 houses were seriously damaged and almost 6,000 houses were totally destroyed. The access roads to Palompon were blocked, but its port remained open, preventing the village's isolation.

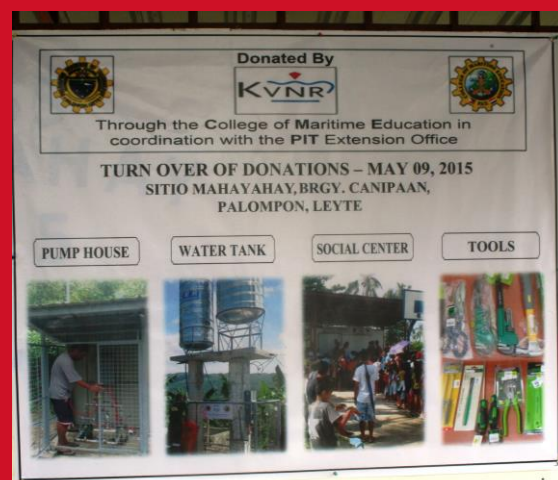


Buildings and compound PIT severely damaged by typhoon Haiyan (Yolanda).

For weeks, the community was without electricity, telephone and internet. The water supply, powered by mechanical pumps, remained operational. The PIT and NSTC facilities, too, suffered severe damage. There were no casualties among PIT and NSTC staff, although several members of staff did suffer the loss of family members living in or around Tacloban. Unfortunately, there were four fatalities among the PIT students; they, too, were in or around Tacloban at that time. This city, which is around three hours by car from Palompon, is located at the other side of the island and, in addition to extreme winds, was also affected by a powerful tsunami.

Helping the seafarers and their families

At the time of this disaster, the Dutch fleet employed countless seafarers with families in the affected areas. Shipping companies despatched personnel with satellite phones to the area in order to track down family members. Once the family was located, seafarers could talk to them by satellite phone. If the home situation was serious (family members having died, house seriously damaged) seafarers were relieved of duties. Apart from the aforementioned emergency help to the community, shipping companies also provided individual help to seafarers and their families.



KVNR donations to Palompon in the aftermath of typhoon Haiyan.

Helping the community

The KVNR, its member-shipping companies and the STC Group supplied support and aid to the Leyte community as a whole, and Palompon in particular, on a major scale. This included a donation of € 100,000 made to the umbrella body of Dutch relief organisations Foundation of Cooperating Aid Organisations, which contributed to the cost of the Red Cross sending a cargo plane full of emergency supplies to the affected area.



PIT classrooms severely damaged by typhoon Haiyan in 2013 (left) and in 2014 restored to their former glory (middle and right), made possible by donations from KVNR and STC.

PIT and NSTC

As a result of the typhoon, classes at PIT had to be suspended for two months. Some improvisation and a lot of effort ensured that that year's third-year nautical students could graduate in the summer of 2014, albeit a little later than usual, allowing them to serve their cadetships as planned. The NSTC training centre was forced to close its doors until the summer of 2014.

At the beginning of March 2014, financed by the KVNR and under direction of the STC, a start was made on repairing the damage, both to PIT and the NSTC. This included repairing damaged buildings, replacing teaching materials, supporting NSTC financially for the period it did not have any income and making payments to NSTC staff to help them with personal needs arising from the disaster.

In June 2014, at the start of the 2014 – 2015 academic year, repairs had been completed. The KVNR's total contribution to the repairs amounted to no less than € 195,000.



In 2014, KVNR president Tineke Netelenbos receives a commemoration from PIT president Delia Combista for the support of the KVNR in the aftermath of typhoon Haiyan.

Since 2010, the Palompon activities have been fully financed by contributions made by shipowners for cadets and former cadets (for a maximum period of 10 years) and the payments made in accordance with the previously mentioned CBAs.

In 2010 the final project-based activity took place: the expansion of PIT's marine engineering course facilities and, for the deck officer course, an Automatic Radar Plotting Aid (ARPA) simulator. The construction of the new marine engineering building was subsidised by the Dutch Ministry of Transport, Public Works and Water Management. Fitting and furnishing of the building and the purchase and installation of the new ARPA simulator was paid for by the STC, the KVNR and a number of individual KVNR members. On completion, both facilities were donated to PIT.

Consolidation 2010 – present

The completion of the marine engineering building, the final initiative that was started by the pioneers of the first hour, Aart Korteland and Ton van Essen, marked the moment of essential change in the programme's nature: from building to management.

In the period 2013 – 2014, the KVNR and its members were actively involved in supporting PIT and the NSTC after both institutions suffered severe damage following the traverse of typhoon Haiyan (Yolanda). More about this period on the previous two pages.



PIT ARPA simulator.

In 2017, the KVNR donated an Electronic Chart Display and Information System (ECDIS) simulator to PIT.

3.4 The educational and certification system in the Philippines.

There are three essential differences in the system of seafarers' education and certification in the Philippines, compared to that of the Netherlands.

1. The short, mandatory safety training courses Proficiency in Survival Craft and Rescue Boat (PSCRB), Advanced Fire Fighting (AFF) en Medical First Aid (MEFA), that are required to obtain the initial certificate of competency, are not included in the regular curriculum.
2. Once a school has issued a diploma on graduation, students have to take a state licensure exam before an initial certificate of competency can be issued. Sitting this state exam is usually preceded by a refresher course and exam training. These are provided by review centres.
3. The nautical academies (basic level education) educate up to the rank of watch officer (STCW Operational Level). In order to obtain higher ranks (STCW management level) additional education and/or training is required; this is not provided by nautical academies but training institutes.

Given the one stop shop principle, outlined at the start of the activities, it would have been an obvious move to include not only the safety training courses under 1, but also the refresher

courses, exam training and the additional education and training for higher ranks named under 2 and 3 in the NSTC programme in Palompon.

However, the NSTC's geographically isolated location, and the limitations of the facilities and their available personnel and expertise, were (and continue to be) too much of a stumbling block for setting up these activities to the educational and economic standards required.

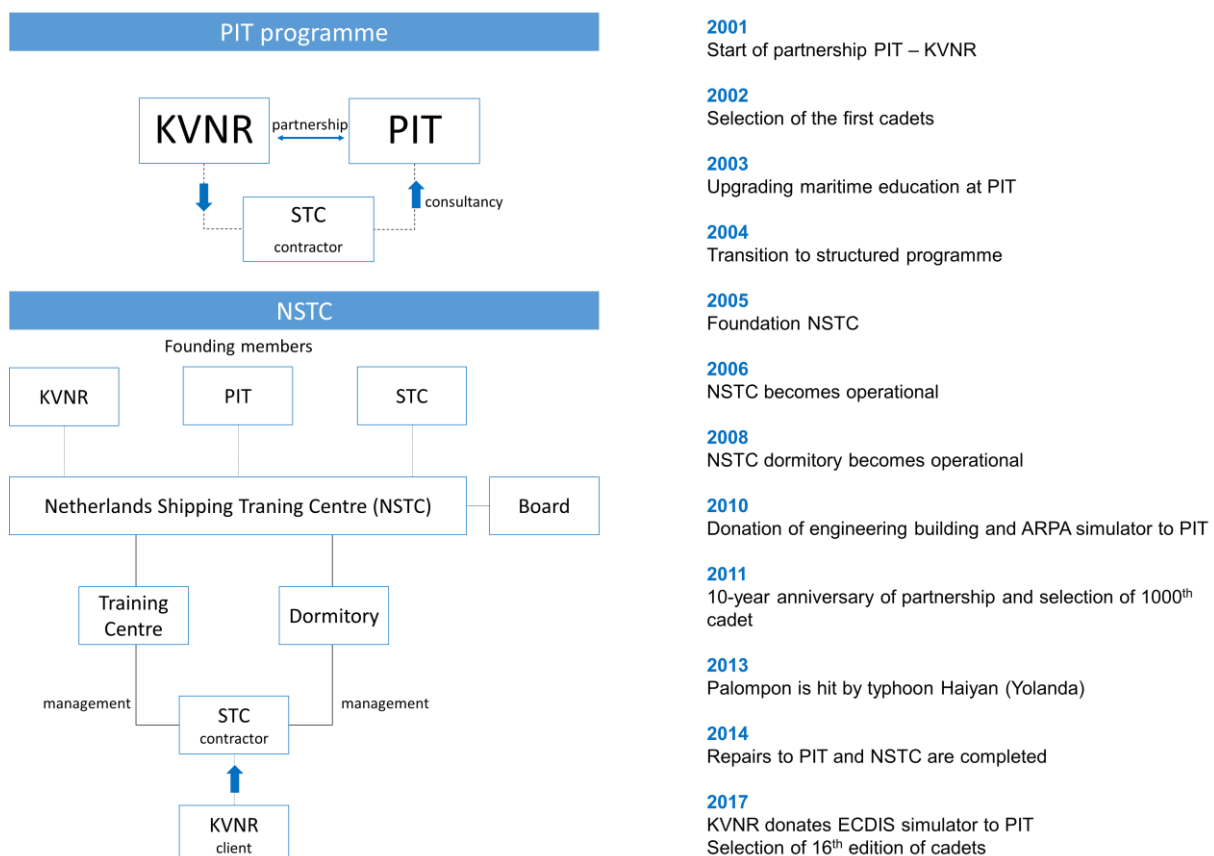
Also, KVNR members have repeatedly indicated that the need to avail themselves of these services in Palompon no longer exists. Therefore, the nature of the KVNR's activities in Palompon has become restricted to nautical education for the initial certificate of competency up to the rank of watch officer.

3.5 Profile in the Philippines

The choice of a school that is relatively unknown in the Philippines, located in a less developed area (Leyte, Region VIII) was a deliberate one, to preserve the activities' low profile. The situation where all the effort was to be made by the Dutch, only to be pushed out by other parties, was one that was to be avoided above all. Up to today, the school's geographical isolation has ensured that other parties have failed to find PIT. The downside of said isolation is that both the supply of well-qualified teachers is limited as well as the NSTC's commercial opportunities.

Because of the KVNR-PIT programme's students' excellent results in state licensure exams (they quite regularly end up in the top ten) PIT has by now built up quite a reputation of being one of the better and more successful schools in the Philippines.

3.6 Structure and timeline of the Palompon programme





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PIT Main Building.

4 Palompon Institute of Technology

4.1 Description of the school

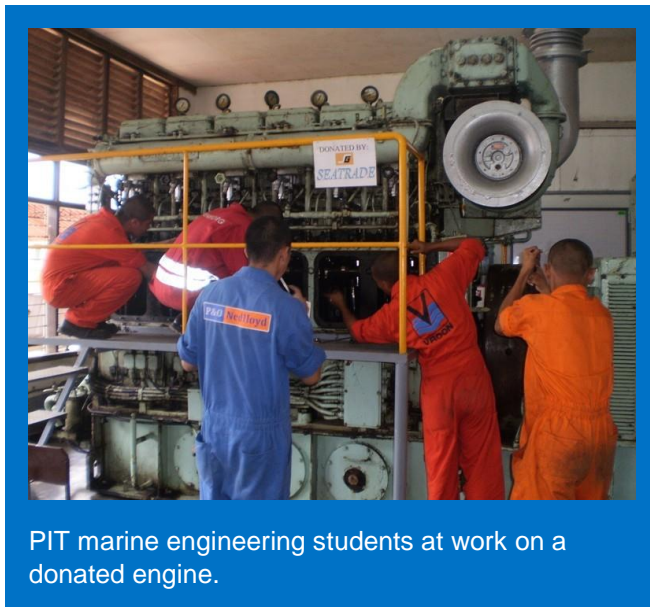
The Palompon Institute of Technology (PIT) is a state school providing education for High School, Bachelor and Master programmes. Regulations applying to government organisations in the Philippines, also apply to PIT due to its state school status. Said regulations include those pertaining to the appointment and remuneration of teaching staff and the acquisition of equipment and materials.

The nautical Bachelor programme is provided by the College of Maritime Education (COMEd). It is mono-disciplinary in nature and consists of the following two courses for:

- Deck officer: *Bachelor of Science in Marine Transportation (BSMT)*.
- Engineer: *Bachelor of Science in Marine Engineering (BSMarE)*.

Both of the above are four-year courses. The initial three years are spent at school and the fourth is a year-long cadetship. Once the cadetship has been successfully completed a Bachelor diploma is issued. The courses are accredited and monitored by both the maritime authority MARINA and the Commission on Higher Education (CHED).

Each of the two courses consists of three classes of maximum 40 students per year. This amounts to a total of nine classes and around 360 students. When the PIT and KVNR partnership was set up, it was decided that it would include all of the around 720 students enrolled in nautical education at the school and that it would include a selection moment at the end of the third year. This choice varies from the one made by other parties working with multiple schools in the Philippines and/or those that single out a select number of students from the student body as a whole (adopted class) from the start of the first year.



PIT marine engineering students at work on a donated engine.

4.2 Teaching staff

Because of the geographically isolated location and the remuneration associated with state schools (legally determined salary scales), particularly compared to the wages earned by officers in the international fleet, it is hard for PIT to attract teaching staff with the maritime qualifications required. However, the increasing number of alumni of the KVNR-PIT programme offers potential and in recent years it has happened more and more often that alumni are appointed as (temporary) teachers.

4.3 Cadets and examinations

The partnership of PIT and the KVNR has existed since 2001. The selection of cadets has been an annual event since 2002. Up to and including 2017, there have been 16 batches of



BSMT – laboratory hours navigation.

cadets, and a total of 1,825 cadets have been selected. 1,019 of them are still serving as officers, trainee-officers or cadets.

A total of 27 shipping companies have participated in the programme and currently 14 companies are active participants. Over the years, this collective approach has remained a common factor.

One of the benchmarks for the programme's effectivity is the success rate in state examinations. In recent years, PIT students have achieved

consistently high scores in said exams, and the school has been in the top three of most successful schools, both for the deck officer and engineering courses.

The results of (former) PIT students in the 2015 theoretical state licensure exams set by MARINA are impressive as the table below demonstrates.

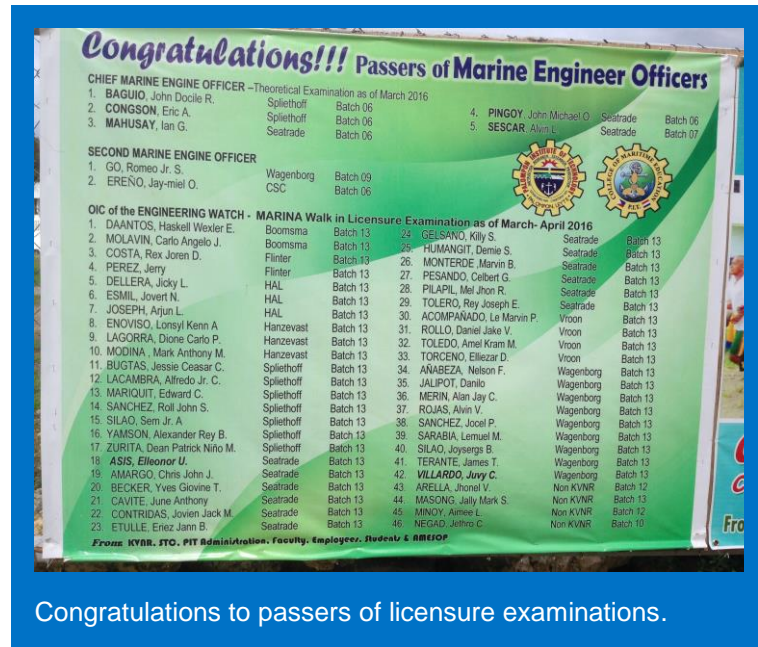
Type of exam	Number of candidates	Number passed	Success rate
Master	37	32	86.5%
Chief officer	16	16	100%
Officer in charge of navigational watch	102	92	90.2%
Chief engineer	19	15	79%
Second engineer	13	12	92.3%
Officer in charge of engineering watch	58	48	82.8%

4.4 Participating companies' evaluation

Between September and November 2015, those companies that had employed PIT cadets on one or more occasions took part in an evaluation of the standard of education provided by PIT and the NSTC training courses. The results from the questionnaire show that:

- Cadets' attitude was considered fair (40%) to good (55%).
- Cadets' level of knowledge was considered fair (55%) to good (35%).
- Command of the English language was considered adequate.
- The expectation was expressed that the demand for PIT cadets is to remain stable at around 130 per year for the next five years.
- It was requested that more attention be focused on:
 - PIT cadets' correct mental attitude.
 - PIT cadets' general communication skills.
 - In-depth know-how and expertise of PIT cadets, both present and past (with particular reference to electrical engineering).

- Former PIT cadets' relatively slow progression through the ranks.
- The degree of counselling provided by PIT during the cadetship period (contact with cadets and companies).
- It was suggested that students be introduced to the practical, on-board, situation before the fourth year.



Congratulations to passers of licensure examinations.

4.5 Commitment PIT's management

One of the pillars of the success of the PIT and KVNVR partnership is the commitment of PIT's management, ensuring that measures regarding teaching, examination and development and maintenance of teaching materials are properly implemented and adhered to.

SWOT analysis of nautical education provided by PIT

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STRENGTHS

- Preferential status with KVNVR members
- Historically well-developed BSMarE department
- High standard of curricula and teaching materials
- Practical education
- Cadets' loyalty

WEAKNESSES

- PIT's financial limitations as a state school
- Options for recruitment of teaching staff
- Isolated location

OPPORTUNITIES

- STC guidance
- Increasing availability of alumni teachers

THREATS

- Statutory requirements that are sometimes hard to put into practice
- K+12*

* This is an extension of the length of high school education from 4 to 6 years, introduced in 2016, resulting in a steep drop of enrolment of first-year students in 2016 and 2017.



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NSTC dormitory.

5 Netherlands Shipping Training Centre

5.1 The NSTC foundation

The NSTC is a foundation set up in 2005 with financial contributions from PIT, the STC and the KVNR (contributing members). The NSTC is governed by a board of five members. The STC-appointed project manager acts as general manager of NSTC.

The NSTC consists of the training centre itself and the boarding/guest house (dormitory). The NSTC employs 13 members of staff on a permanent basis and a further 2 to 3 part time to man the office and the dormitory. PIT teachers are taken on on an hourly basis as instructors and/or assessors. The dormitory is guarded by a contracted security company.

5.2 The NSTC training institute

As a training institute, the NSTC is accredited and monitored by MARINA, the Philippines' maritime authority.

NSTC course catalogue

Advanced Fire Fighting (AFF)
Basic Safety Training (BST)
Draft Survey (DS)
Entry Enclosed Spaces (EES)
Medical Emergency First Aid (MEFA)
Prevention of Alcohol and Drug Abuse in the Maritime Sector (PADAMS)
Proficiency in Survival Craft and Rescue Boat (PSCRB)
Rating Forming Part of a Navigational Watch (DWK)
Rating Forming Part of an Engineering Watch (EWK)
Security-Awareness-Designated Security Duties (SA-DSD)
Sexually Transmitted Diseases, HIV, AIDS prevention in the Maritime Sector (SHAPIMPS)

The EES course has been developed at the request of a number of KVNR members and the DS course at the request of one of the port terminals in Isabel, near Palompon.

The available courses are mainly limited to those training courses that are part of PIT's curricula and mandatory training courses required for obtaining an initial certificate of competency. NSTC's occupancy is at around 1,500 per year.

The 2015 questionnaire (see chapter 4) showed that the demand for training courses consists primarily of cadets selected from PIT's students and their need for mandatory safety training prior to obtaining their initial certificate of competency. The standard of the training courses was considered fair to good.



NSTC course Advanced Fire Fighting.



NSTC course Proficiency in Survival Craft and Rescue Boat.

SWOT analysis of the NSTC programme

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STRENGTHS

- Course content and input from STC
- Steady supply of PIT students
- Managed by STC

WEAKNESSES

- No in-house instructors and assessors
- Geographically isolated location
- Not enough financial leeway to build up reserves for depreciation / major maintenance

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OPPORTUNITIES

- Relationships with KVNR members (company-specific training course, facilities of in-company training)

THREATS

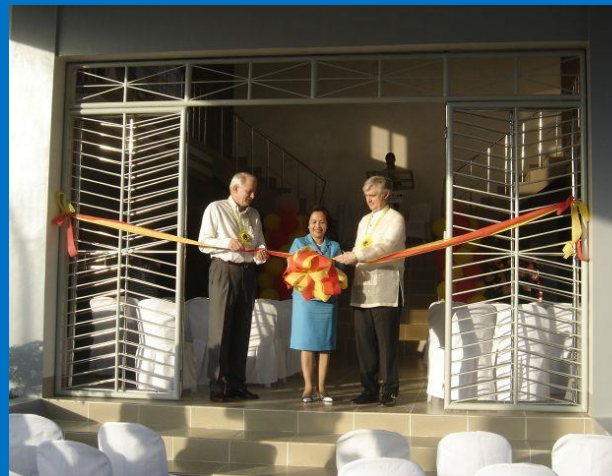
- Statutory requirements that are sometimes hard to put into practice

5.3 The NSTC dormitory

The construction of the NSTC dormitory was financed by the Ministry of Foreign Affairs and opened its doors in 2010. There are boarding facilities for 100 students (25 4-person rooms). Until the 2015 – 2016 academic year, occupancy was at 100%. In the 2015 – 2016 academic year, however, occupancy stuck at only 80%.

The reasons for this are the increase in boarding fees – to compensate for the increase in expenses – and the growing number of local boarding houses.

At the start of the 2016 – 2017 academic year, occupancy had further decreased to around 60%, partly due to the effect of K+12.



In 2008, Dutch ambassador Robert Brinks, PIT president Delia Combista and KVN president Aart Korteland opened the NSTC dormitory.

Apart from the 100 beds for students, the boarding facility also has 24 single occupancy rooms for trainees and/or guests. Originally, these rooms were intended to be used by seafarers on active duty attending courses at the NSTC. Given that the NSTC has not (yet) been developed into a very active training centre on the external market, i.e. outside the scope of PIT, the trainee / guest rooms remain empty for the larger part of the year.

SWOT analysis of the NSTC Dormitory

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STRENGTHS

- Boarding facility offering good conditions for study, social development and instilling discipline
- In-house facilities for receiving guests (shipping companies selecting cadets, auditors etc)

WEAKNESSES

- Luxurious by Palompon standards making rates top of the range
- Luxurious set up of the remainder of the building with the 24 single occupancy rooms for trainees / guests upstairs and only a minimal number of trainees wishing to stay overnight
- Not enough financial leeway to build up reserves for depreciation / major maintenance

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OPPORTUNITIES

- Partnership with PIT
- Collaboration with external parties

THREATS

- Inflation
- Increasing competition from local boarding houses in Palompon
- Reduced occupancy as a result of K+12 (see chapter 3)



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PIT third year students lined up for the Maritime Recognition and Awarding Ceremony.

6 Conclusions

Sixteen years of KVNR educational activity in the Philippines have led to various conclusions that provide a sound basis for the future. The three original principles from the early years remain valid today.

Firstly, the labour market for masters and officers in the fleet of the Netherlands has become even more internationalised. Demand for Filipino seafarers continues to outstrip supply, therefore an active position in terms of education and recruitment remains essential.

Secondly, it appears that the size and composition of the Dutch fleet, compared to that of the world fleet, continues to justify the KVNR's collective approach. Over the years, all of the participating shipping companies, large and small, have continued to support the principle of collectivity.

Finally, it may be said the Philippines continue to be a leading source country for seafarers. A number of KVNR members have opened their own manning offices in the Philippines, justifying the option for the Philippines as second country of origin.

Objectives

The project's four original objectives (exclusivity, a steady supply of seafarers, a balanced supply of deck and engineer officers, a high standard of education) have been achieved to a large extent.

Of the objectives that were added in a later stage, referring to the NSTC, both the provision of the mandatory training courses required to obtain the initial certificate of competency and the provision of accommodation to PIT students, have also been achieved. Positioning the NSTC as a provider of a broader spectrum of training courses has not been achieved; consequently, the provision of accommodation to trainees has not been successful either.

The nature of the process

Following the project-based approach of the start-up phase, where the range of activities was extended one step at a time, the process veered towards consolidation and continuity a few years later and the involvement of the Ministry of Transport, Public Works and Water Management became strongly reduced. The definitive switch from project to programme takes place around 2010.

The position and role of those immediately involved

In the early phase of the process, the upper ranks of both KVNR and STC were closely involved in day to day operations. They were pioneers, blazing a trail by virtue of their authority and massive commitment. At the switch from project to programme, the responsibilities and tasks have been spread out over the organisation, both at the KVNR and at PIT. At the same time, the day to day management became more remote from the upper ranks in both organisations.

The relationship with STC

At the beginning of 2000 the KVNR and the STC were working together as equal partners (government subsidy recipients). Later – with a definitive turning point in 2010 – this changed into a client (KVNR) and contractor (STC) relationship. The 2008 agreement was reviewed in 2016.

Funding

At the start of the process, it was very much dependent on external financial support and the opportunities for obtaining government subsidies played a major part in, for example, the choice of school (state school) and the timeline for adding activities to the process. Because of the payments made for (former) cadets and those derived from the AMOSUP and PSU CBA's, the programme has been financially independent since 2010. This autonomous financial situation has been based on the collectivity principle and is therefore vulnerable, especially under adverse economic conditions, to parties failing to meet their obligations.

The profile in the Philippines

In starting up the activities in Palompon, the choice for a low profile in the Philippines was a conscious one, to protect the element of exclusivity to the Dutch fleet. However, due to PIT's students' excellent results in state licensure examinations, PIT's profile has been raised substantially.

Partnership with PIT

With an annual supply of cadets meeting a fairly constant demand, excellent state licensure examination results and a high degree of continued employment of former PIT cadets as well as these progressing to the higher ranks, it can be said that the standard of education provided by PIT meets the expectations.

There are several points requiring some attention, including those expressed by participating shipping companies in the 2015 questionnaire. Therefore, more intensive involvement with PIT is both necessary and desirable.

The NSTC Training Centre

The original objective of establishing a training centre meeting all training requirements of Dutch shipping companies in the Philippines has not been achieved. The NSTC's geographically isolated location has played a role in this, but so have the availability of many sound alternatives within the Philippines as a whole and the Manila and Cebu regions in particular. The ambition to have the training centre support PIT's curriculum has been achieved. Economically, the training centre's base is vulnerable, but so far it has been just sound enough.

The NSTC Dormitory

The NSTC Dormitory's objective of providing accommodation for PIT's nautical students has been achieved, but due to outside influences, including strong competition from local boarding houses in Palompon, it is under economic pressure. The objective of using the boarding facility to provide accommodation for NSTC trainees and guests has not been met given the failure to develop the NSTC as a fully-fledged externally active training centre.

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Dutch educational activities in the Philippines

Since 2001, the KVNR has been actively involved in training Filipino officers in Palompon in the Philippines for the benefit of the Dutch merchant fleet. In the spring of 2016, the KVNR board of directors commissioned an evaluation of the KVNR's activities in Palompon.

The results of the report show that the project has been very successful. Dutch shipowners have selected more than a thousand apprentices among the pool of Filipino graduates from the project. The programmes, compound and recruitment processes have come of age in recent years, providing a consolidated basis for continuation and reinforcement of the partnership between the KVNR and the Palompon Institute of Technology.

The evaluation report was submitted to the KVNR board of directors in June 2016. This public version has been updated to include a number of developments that have taken place up to august 2017.

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