

# **PUBLIC–PRIVATE PARTNERSHIPS FOR SKILLS DEVELOPMENT**

## **A GOVERNANCE PERSPECTIVE**

Volume II.  
Case studies

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# PREFACE

*Public–Private Partnerships for Skills Development* discusses the concept of public–private partnership (PPP) and its application in the domain of skills development.

**Volume I** proposes a three-dimension typology of PPPs for skills development, and identifies common elements and governance characteristics of these PPPs.

The analysis relies on evidence from country case studies concerning the purpose of the partnerships, their scope and membership, governance, financing and risk management arrangements, as well as the motivation, role and capacities of the partners.

**Volume II** contains the 23 case studies described and reviewed according to the analytical categories of the European Training Foundation’s (ETF) study methodology.

- **Chapter 1** presents 10 cases coming from countries that have a long tradition of public–private cooperation in vocational education and skills development. The authors are Marc van der Meer (Italy, the Netherlands, Norway), Aram Avagyan (Israel, France, Sweden, Germany), J. Manuel Galvin Arribas (Morocco), Robert Petherbridge (Australia), and Lavinia Pastore and Luigi Corvo (Belgium).
- **Chapter 2** presents 13 cases coming from four countries that are now in the process of building a tradition of public–private cooperation in vocational education. The author is Aram Avagyan.

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# CHAPTER 1.

## PUBLIC–PRIVATE PARTNERSHIPS IN COUNTRIES WITH A TRADITION OF PUBLIC–PRIVATE COOPERATION

### 1.1 Excelsior: sound statistics gathered in cooperation with the Chambers of Commerce in Italy<sup>1</sup>

Marc van der Meer, Tilburg University

In Italy, the vocational education and training (VET) system operates at the national and regional levels and has specific programmes in the country's regions and autonomous provinces (Cedefop, 2016). The Ministry of Education, University and Research regulates the VET framework that governs national school programmes in secondary and higher technical training. Specifically, the ministry sets the national framework for VET at upper-secondary and tertiary level (higher technical schools: *istituti tecnici superiori*; and higher vocational schools: *istruzione e formazione tecnica superiore*) for the services, industry and handicraft sectors. At the regional level, the Ministry of Labour and Social Policies defines the framework for courses, while the regions take responsibility for their planning, organisation and provision and for any apprenticeship schemes and continuing vocational training. There are both technical school programmes (*istituti tecnici*) and vocational school programmes (*istituti professionali*) for agriculture, health care and social services, all of which lead to an upper-secondary education degree (level: European Qualifications Framework – EQF-4).

The Excelsior case study in this chapter is important because it shows how data monitoring can be improved with the help of public sources working in alignment with private companies organised in Chambers of Commerce. That is, Excelsior shows how the knowledge function of VET provision is enhanced within the framework of public–private partnership.

#### Background

Sound statistical labour market data on occupational needs and recruitment are a necessary condition for the planning and development of vocational education. In Italy these data have been collected for more than 20 years through the Excelsior system. Excelsior was set up by the Ministry of Labour and the National Agency for Active Labour Policies (Anpal) in cooperation with the Italian Union of Chambers of Commerce, Industry, Craft and Agriculture (known as Unioncamere). Excelsior came in response to advice from the European Social Fund, which made a recommendation to set up a skills intelligence system in order to better align the supply and demand for skills at the planning stage.

While the collected data had previously looked at labour market performance at the level of provinces and sectors, Excelsior started as an annual sample survey of the recruitment and skills needs of companies. Today, the collection of data on companies' occupational and skills needs is carried out through monthly sample surveys based on a structured questionnaire that is distributed and compiled

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<sup>1</sup> The author of this case study would like to thank Claudio Gagliardi and Luciano Abburrà for their interviews and Siria Taurelli for her help. Cedefop proved to be a useful source in its 2016 study on Italy, also a summary (2017) is available at: [www.cedefop.europa.eu/files/8123\\_en.pdf](http://www.cedefop.europa.eu/files/8123_en.pdf). Excelsior and Unioncamere have their own websites.

online using the CAWI technique, or computer-assisted web interviewing. The surveys are completed by 450 000–500 000 enterprises a year.

The observation field covers every company in the Italian Business Register that has at least one employee and it includes every economic sector (with the exception of agriculture and the public administrations). The Business Register of the Italian Chambers of Commerce contains all of the main information on companies as well as occupational information from Italy's National Social Security Institute (INPS).

The survey is national in coverage and it is compulsory, which helps to keep the response rate high. In addition, it makes use of a rotating sample built on cross-sections that are sectoral and territorial (at the level of provinces). Excelsior generates monthly, quarterly and yearly reports, as well as short-term and long-term forecasts of skills and occupational needs.

The results are available at national, regional and sub-regional levels (105 provinces and employment centres) for 28 economic activities and three different company sizes (1–9 employees, 10–49 employees and over 50 employees).

The Excelsior information system for employment and training contains information on labour demand, labour supply and any mismatch between demand and supply. Larger companies are approached directly either to complete a written survey circulated by the regional and sub-regional Chambers of Commerce or to have a telephone interview using the CATI (computer-assisted telephone interview) methodology. Using this approach, companies with several units or entities can receive their data broken down at the provincial level.

## Applications

Excelsior is a skills needs assessment system that generates quantitative and qualitative data for every region and sector in Italy. For every company, information is collected on its economic activity, number of employees, location and legal form. The information includes companies' inflows and outflows, atypical contracts, number of managers, clerks and workers, and their gender breakdown. The survey also gathers information on types of training activity, i.e. internal and external courses, on-the-job training and self-directed learning.

According to the OECD's assessment, Excelsior is a positive model. The classifications used by Excelsior fit the international standards for economic activities (ATECO 2007 is the Italian version of the NACE); the classification of occupations (ISTAT CP 2011 is the Italian classification of occupations based on ISCO 2008); the classification of education (ISTAT 2003 is the Italian classification comparable to ISCED); and the classification of territories (ISTAT corresponds to the NUTS classification).

The Excelsior survey covers the entire population of Italian private enterprises. In 2018, the survey reached roughly 1.3 million companies with 11.8 million employees. As mentioned above, however, the survey does not cover agricultural enterprises, operational units in the public administrations, public enterprises in the healthcare sector, public educational units in primary and secondary schools, public university units or other non-profit organisations.

The survey, which assesses the demand for professional profiles, is enriched with qualitative information on skills needs in order to plan for and update qualifications. The survey has made it possible to:

- monitor developments at provincial, sector and enterprise levels, and thus to feed into the strategic agenda of the public employment service and vocational training schools;

- build an econometric forecasting model with particular scenarios for a period of five years;
- perform bilateral, ad hoc analysis for particular sectors, especially in the metal and metallurgy sectors, as well as the fashion, design and industrial design sectors.

In principle, the survey is accessible to multiple types of users: VET policymakers and planners at the national level and in the Italian regions; employment services and labour market operators who need to guide workers and companies in job matching; companies and employers' federations that have specific sector agreements; and universities. Excelsior's monthly information on enterprises' occupational needs is also available at the territorial level for the employment centres, which can use it to improve their matching between labour supply and demand.

In general, VET policymakers and planners combine information from multiple sources: Excelsior, administrative data, other surveys and so on. Excelsior data are also used and applied by the Ministry of Labour, Isfol, Unioncamere, the National Social Security Institute (INPS) and the National Institute for Insurance against Accidents at Work (Inail). In addition, there are plans to combine Excelsior with AlmaLaurea, which is the Italian system for tracking university graduates.

## Lessons learned

**Public-private partnership.** The specific PPP element of Excelsior is that it has been implemented by the Chambers of Commerce on behalf of the Ministry of Labour in close cooperation with the National Institute of Statistics (which conducts the official enterprise surveys). By law, the Chambers of Commerce and Unioncamere are public bodies, but they are funded through private-sector contributions and managed by the private sector. The Chambers of Commerce carry out functions of general interest for the business system, addressing the development of business within local economies. One of their main legal duties is to study, analyse and monitor local economic data in order to gain a better understanding of the socio-economic situation of companies and for companies. The CEO of Unioncamere represents the private sector and its board members are social partners and professional associations. Social partners at the local level are represented in local Chambers of Commerce.

**Funding.** The funding for the survey comes from public sources: the Ministry of Labour and the European Social Fund.

**Governance.** The core element of the PPP model lies in the role and representation of private companies in the Chambers of Commerce and their pursuit of a sound basis of data. Governance and accountability are regulated through a combination of public and private governance, which allows for better statistical coverage and a deeper understanding of the policy alternatives for skills training.

**Sectoral applications.** Social partners support Excelsior as data users. Agreements have been signed with sectoral employers' associations, e.g. metallurgy, fashion and design, in order to replace their sectoral surveys of skills needs with Excelsior. Similar agreements are being discussed with regions that want to develop specific in-depth analyses for their territory.

**Forecasting – the quantitative dimension.** Excelsior has received criticism for the quantitative reporting in its recruitment forecasts. The problems are twofold: the data collection has not always been viewed as accurate, and some questions directed at companies have given rise to misunderstandings.

For example, the question 'Could you provide a summary description of your different professional profiles and a quarterly and monthly forecast of the number of your company's new contracts to be activated for each profile in the next three months?' focuses on expectations that have not always been met in practice. When companies seek to recruit university graduates, do not find them and instead recruit secondary school graduates, their prediction is wrong. Such problems have been

solved with additional verification through cross-checking against administrative data, e.g. when the employment services show divergent numbers.

This problem has been solved since 2017 when companies started to express their professional needs as a forecast of contracts to be activated in the three months after the survey interview. This information has been combined with a calibration system resulting from econometric models based on official data from the Italian welfare system (INPS).

**Forecasting – the qualitative dimension.** Excelsior has been more reliable with its qualitative analyses of profile types, the decline of old profiles, emerging new profiles, qualification levels, etc.

In parallel, the forecasting model for medium-term professional needs provides employment projections by sector, occupation and qualification level for a timeframe of five years. For example, the Piedmont region is set to sign a memorandum with Excelsior to adopt the same econometric model for medium to long-term forecasting at the regional level. This will allow the region to use the model to take a more in-depth look, focus on a specific sector, etc.

**European exchange?** An important footnote to add about Excelsior: in a comparative European Social Fund project covering the UK, Belgium, France and Italy, the model appeared not to be easily transferrable to the other three countries. In Italy, the Chambers of Commerce can add information in an exchangeable way, which shows how deeply VET is embedded in national and social systems.

Dimensions	Sub-dimensions	Detail
Functional type	Knowledge-oriented PPP	Data collection
Scope and membership	Permeating, national information system Closed membership (pre-set members)	Monthly survey filled out by 40 000–45 000 companies on average every month
Source of initiative	Public sector	Initiated 20 years ago
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Monitor use of skills and skills needs Forecast skills needs Perform sectoral and regional analysis	
Key design features – mechanisms of effect	State agencies in cooperation with Chambers of Commerce	
Dimensions of the incentive and accountability environment	Risk allocation: the risk lies with the Ministry of Labour and the statistics agencies	
	Risk monitoring and management: assessment and use of data by members of the Chambers of Commerce	
	Monitoring and evaluation: members of Unioncamere	
	Termination clauses: there are rights and obligations for everyone involved	
Policymaking framework	Policymaker functions: strengthening and linking the VET system with the labour market	
	Industry functions: providing detailed forecasting analysis by region and by sector	
	Nature of industry–public sector interactions in policy design: data provision	



Dimensions	Sub-dimensions	Detail
Outcomes	On learning outcomes: improvement of analysis over time	
	On learning practices: connection to new and other sources of data collection	
	On learning experiences: quantitative forecasts need improvement, data quality is estimated to be accurate	
Key contextual factors	Public authority capacity and experience: the Ministry of Labour funds the initiative	
	Degree of market readiness: sound statistics serve as a basis for improvement of the VET system	
	Legal framework: role of Unioncamere is laid down in the Italian constitution. Cooperation with the Ministry of Labour is laid down by government decree.	
	Governance regime: the Ministry of Labour with social partners, in connection with members of Chambers of Commerce	

## 1.2 The Netherlands: 160 centres of public–private partnership in vocational education and higher professional education<sup>2</sup>

Marc van der Meer, Tilburg University

In the Netherlands, a change in industrial policy has led to the emergence of more than 160 centres of public–private partnership in schools that provide upper-secondary vocational education (VET) and higher professional education (HPE) in collaboration with private companies in various sectors of the economy. This case study highlights the major stages that have occurred since 2011 in the emergence of the PPP centres, which aim to innovate and accelerate the mutual exchange between the labour market and schools for vocational and professional training. In VET, these initiatives are known as centres for innovative craftsmanship and the Regional Investment Fund (RIF), while in HPE the initiatives are called centres of excellence (CoE).

### Main characteristics

PPP centres in the Netherlands aim to enhance both product-market and educational innovation through the establishment of a structural exchange relationship between schools and the labour market. PPP centres are supported by state grants and cofinanced with private capital. To be eligible for a grant to establish a centre, stakeholders need to draft a business plan that meets a series of conditions.

- Partners must define a joint ambition and the urgency to establish a new physical learning environment.

<sup>2</sup> The study is based on field interviews with various stakeholders, together with document review. Thomas Boekhoud assisted by providing presentations and evaluation documents on the PPP initiative in three provinces: North Brabant, Limburg and South Holland. In addition, several site visits have been made, most recently to Eindhoven, Harderwijk, Haarlem and Rotterdam.

- At least 50% of the budget must come from the partners and 50% of that amount must come from participating businesses.
- Operational and financial aspects are the joint responsibility of the VET colleges or HPE universities of applied sciences on one hand and their private partners on the other hand, but the secretariat of the partnership must remain with the schools.
- The PPP centres must continue to follow the formal state-supported requirements for their respective levels of education.
- The business plan must include a long-term financial sustainability plan, and each centre must become financially independent within five years.

The centres have been launched with a few pilots that build largely on existing initiatives and networks. Today, more than 160 centres are fully operational across the country, involving over 9 800 companies, 5 000 teachers and 84 000 students. An average centre involves 35 companies and other organisations. Participation is open to all companies that are willing to make the investment. The centres are also allowed to provide paid services to the private sector. Diversity and autonomy are key characteristics of the centres approach. The idea is for each centre to create its own market niche and value.

Below we analyse how and why the various centres of public–private partnership have been set up. We start with some historical background, then discuss the emergence of a new industrial policy, and finally conclude with a summary of the lessons learned.

## Background

### Historical antecedents

Public–private partnership in upper-secondary vocational and higher professional education has deep historical roots in the Netherlands. Both parts of the educational system are founded on cooperative forms and networks that originated in the guild structure of the mediaeval period. In 1919, the Craft Education Act set out the first dimensions of partnership in the modern era. Since the Second World War, vocational education and higher professional education have become well established within two separate systems: a system of upper-secondary professional level education (VET), established under the WEB Act of 1996, and a system of higher professional education (HPE), founded under the WHO Act of 1986. In the legislative process associated with the most recent reforms, schools received substantial autonomy. Since then, a process of scale enlargement has led to the merging and rationalisation of schools. In addition, article 23 of the Dutch constitution guarantees freedom of education independent of the government, making VET colleges and HPE universities autonomous organisations. This also applies to private companies and private education.

In Dutch secondary VET, representatives of business and labour traditionally play a role in the definition of qualifications and access to workplace learning. Social partners (employers' associations and trade unions) work together with VET colleges to describe qualifications and set examination criteria. They are also jointly responsible for the recognition and quality assurance of 230 000 companies where apprentices fulfil their obligations to complete on-the-job learning. As a result, the upper-secondary VET system guarantees an institutional position for private-sector representatives of the labour market. This stands in contrast to higher professional education, where the linkages are less deep-seated and not regulated by law. The curriculum for HPE is not defined by a qualifications structure determined jointly with companies. Instead, it is assessed by the government.

### Concerns over the influx in technical studies

Over the past few years, direct concerns about innovation and labour market competencies have gained a foothold at the upper-secondary and tertiary levels. The public–private partnerships under discussion in this case study have been introduced since 2011. Current initiatives aim to connect both

upper-secondary vocational education and higher professional education with innovations in the labour and product markets.

Within this overarching ambition, the three specific goals are to:

- increase the number of technical students in STEM areas (science, technology, engineering and mathematics) and enhance educational innovation in the context of regional development;
- innovate the practice of professions and production processes;
- encourage lifelong learning.

To reach these goals, PPP has been chosen on the assumption that the speed of change needed to enhance innovation in schools can only be achieved with the help of external incentives. As a result, the PPP centres have been set up. A key question for the PPP projects is: how to (re)develop the education system to equip young learners (and adult learners) with the right tools and innovation skills (STEM fields, entrepreneurship, creativity) to succeed in the reality of 21st century labour markets. The centres aim to promote and stimulate innovation in vocational and professional education and contribute to the transformation of the educational institutions themselves: students solve real-world challenges or questions and work on innovative solutions to strengthen social and economic competitiveness. Through cooperation, companies gain access to knowledge development in educational institutions and, in turn, schools gain greater awareness of new technologies and work practices in companies.

The organisational basis for the innovations dates back to 2004, when three Dutch ministries (Economic Affairs, Social Affairs and Education) established the Science and Technology Platform (in Dutch, the Platform Bèta Techniek or PBT) with the overall aim of increasing the number of students in STEM fields. Since then, several recruitment campaigns and programmes for innovative cooperation between companies and educational institutions have been launched and new types of educational programmes have spread and expanded to promote technical and technology-oriented education of all types and at all levels. In 2019, the Science and Technology Platform planned to merge into a wider organisation<sup>3</sup>, while the new spin-off Katapult (originally established in 2016) was created to serve as an engine, broker and stimulator to galvanise a nationwide movement of organisations to increase the already large number of centres.

## The new top-sector policy introduced in 2010

Due to the acceleration of technology and digitisation in product markets and the disappointment of business leaders with the outcomes of vocational and professional education over the first decade of the century, the Netherlands undertook a review of the cooperation between the education and business sectors. Though many of the current centre initiatives build on regional networks and the experience of the past two decades, it is the new national industrial policy introduced in 2010 that provides the underlying justification for the<sup>4</sup> centres approach. The new top-sector philosophy is the result of an internal analysis carried out by the national employers' association VNO-NCW, which found that the country's industrial approach requires greater specialisation among regional industries rather than the provision of more general conditions<sup>5</sup>. In 2010, the government (i.e. the Ministry of

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<sup>3</sup> In 2019, three organisations that were all active in the technology domain – the PBT, TechniekTalent.nu and TecWijzer – were set to merge into a joint 'Platform Talent voor Technologie' (Talent Platform for Technology).

<sup>4</sup> Examples include the breakthrough projects of Het Platform Beroepsonderwijs (HPBO) to address professionalisation, effective organisation and innovation in vocational education and higher professional education in the period 2004–16.

<sup>5</sup> In the HPE sector, an influential government committee expressed a similar need for profiling and specialisation in the HPE universities of applied sciences (Veerman, 2011). In the VET sector, a comparable committee has

Economic Affairs) identified six and then nine top sectors to strengthen the country's international competitive position. For each of the selected sectors, a human capital agenda was drafted to define the sector's goals and ambitions. Simultaneously, each of the top sectors formed top teams made up of an innovative small and medium-sized enterprise (SME) entrepreneur, a scientist, a civil servant and a company CEO. The aim of the top teams was to draft their sector's ambitions, challenges and opportunities in relation to its desired degree of competitiveness, innovation and human capital.

Subsequently, a committee within the Science and Technology Platform developed a new concept for a combined PPP approach for VET and HPE. After deliberation within the associations of HPE universities, however, a decision was reached to create two different types of partnerships: centres for innovative craftsmanship in VET and centres of excellence (CoE) in HPE. The Science and Technology Platform has been assigned the task of setting up the new top centres for technology and education.

## The emergence of centres of public–private partnership

### The first generation of centres

The first PPP projects started in 2010 with the launch of a call that led to the awarding of seven grants in the first year<sup>6</sup>.

Most of the projects built on existing networks, which were continued or revitalised with the particular aim of PPP cooperation. The funding of the centres encouraged educational institutions to meet the specific needs of firms for training in skills and competencies in vocational education. As a prerequisite for establishing the centres, schools had to include the economic demands of regional clusters and ecosystems in their proposals. From the start, the first seven centres held general assemblies to share their experiences, promote the circulation of knowledge and address their joint challenges, knowledge, content and practical issues, such as additional funding and resources, public and private finance, and value-added tax.

The first-generation centres underwent regular evaluation during their term of existence. According to the audit committee's first medium-term evaluation in 2014, the implementation of the centres' business plans met the three intended goals: (1) improving the quality of education while enrolling and upgrading more students; (2) supporting innovation in companies; and (3) enhancing flexibility and mobility among the companies' staff despite the difficulties of addressing the issue of lifelong learning.

From the start, substantial differences could be noted between the VET and HPE centres. Compared to VET colleges, HPE universities of applied sciences have a much more research-driven culture, given their funding and legal duties. As a result, they have proved able to attract a greater amount of additional contract research and incubate new company services and applications, giving them increased financial resources. By contrast, the ambitions of VET centres have been limited to executing their centres for innovative craftsmanship programmes. The degree of innovation that they have achieved through partnership with companies has remained substantially below the standards set out in the design of the approach (PBT, 2014). The first generation of centres was granted an additional (fifth) year to demonstrate their readiness to continue. In 2019, some 75% of the first-generation centres were still in operation, though others (25%) had disbanded.

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been at work to strengthen the quality of education, but given the educational impact on the regional economy, no specifications have been drafted to develop the portfolio of the VET colleges (Commissie Oudejan, 2010).

<sup>6</sup> The first seven centres were HPE centres of excellence in water technology, automotive trades and chemistry and VET centres for innovative craftsmanship in chemistry, logistics, automotive and process technology.

### The second generation of centres

In 2013, a second round of centres was established. In the second round, the various schools no longer needed to work together, since the first round had showed that the governance model of joint management and mutual relations between school managers was too fragile (source: interview). In the HPE sector, however, universities did work together on their centres of excellence, resulting in a sharing-out of the available budget. The CoEs have also aligned their activity with the performance indicators set by the Ministry of Education. In the green sector, three CoEs sprang up and began to collaborate. In the pedagogical sector, a PPP for newly entering teachers was established, but it ultimately proved to be unproductive. A centre to facilitate the start-up of digitisation and personalised learning in schools, however, has proved to be highly successful. Under the umbrella of an HPE centre for excellence of this kind, it became possible to start projects in digitisation and professional development for teachers in primary, secondary and vocational education, which could then be used to draw common lessons.

### The Regional Investment Fund in VET

After the evaluation of the first round of centres in 2014, the PPP structure received an additional boost when the government instigated a Regional Investment Fund for the VET sector, drawing on resources from the Ministry of Education. The new fund substantially increased the number of PPPs in VET education. All VET colleges engaged in mutual competition to gain approval for a PPP project. Since the advent of the Regional Investment Fund, the policy in the VET sector has been to 'let a thousand flowers bloom', although in practice the PPPs fit the strategic priorities of VET colleges. Currently, all larger VET colleges have a handful of centres for innovative craftsmanship in their field of work.

### The restart in HPE

Only recently in the HPE sector has a new wave of centres been initiated in line with the profiles of the schools. Unlike the VET colleges, the Dutch Association of Universities of Applied Sciences negotiated a strict agreement on the further development of centres of excellence in the HPE sector in 2018–19. This has given rise to specific development, evaluation and monitoring criteria that enable the centres to coordinate their content more in line with the demands of the regional economy. Under the agreement, cooperation between higher professional education and companies is still in its initial stages. The aim of the agreement is to stimulate and facilitate the successful development of the centres in order to enable the profiling and recognition of higher education. The overarching objectives of the centres are: to forge a strong connection between education, research and professional practice; to develop and support innovative professionals; to generate new knowledge; to promote lifelong learning; and to speed up and increase the innovation capacity of businesses, social and public organisations, and higher professional education itself. Sustainable centres of excellence are defined as 'action-oriented partnerships in which higher professional schools, businesses, governments and other public and civil society organisations purposefully cooperate and conduct surveys, innovate, experiment and invest for future-proof higher vocational education and professional practice in order to speed up the desired economic and social transitions'. In 2019 another evaluation study referred to the growth of centres of excellence as 'a brilliant jewel' and described them as learning and adaptive network organisations that are meeting societal challenges and strengthening learning processes (Vereniging Hogescholen, 2019).

### Lessons learned

Since their emergence in 2011, the PPP centres in the VET and HPE sectors have undergone evaluation to identify their added value. A successful PPP is characterised by shared ownership and mutual exchange among the members of the participating networks and related social institutions, even though the number of involved parties may fluctuate. This shared characteristic of the centres

manifests itself in substantial cofinancing and shared governance based on equality: each partnership belongs to every partner who seeks to meet the partnership's specific objectives. The objectives are demand-driven and often have a long-term focus. The joint ventures are also development-oriented, that is, their collaboration is deepened by innovating, experimenting and responding to new developments.

The centres are generally considered to be an 'asset', sometime even the 'crown jewel', of each of the participating schools. From 2011 to 2019, the number of centres rose from 7 to more than 160. Overall, 24 HPE universities and 59 VET colleges take part in the initiative. Together they account for 96% of all students. Virtually every HPE or VET school has one or more PPP centres in its portfolio. The projects visited for the case study include an RIF project on smart organisation in home care (Eindhoven), a centre for 3D printing (Haarlem), an RIF digitisation project in the security sector (Harderwijk) and an integrated IT campus in Rotterdam, all of which represent promising new initiatives that need to achieve their value added in the years to come.

It is also clear that not every target has been met. For example, the first and second-generation centres were required to update their business plans in 2014 and on average, only 24% of their original targets had been achieved. In many cases new activities have been introduced, for example on initial education, contributions to innovative strength, labour market matching, life-long learning, and on research and development. Much of their performance was thus the result of emerging practice and the change in mutual interactions of participating actors (source: interview)<sup>7</sup>. Given the experimental nature of the centres, this was still considered successful as long as lessons were drawn from the initiatives. In the past few years, the new experiences have resulted in a number of joint conclusions, which are based on various evaluation studies.

**Coverage.** The landscapes of the PPPs vary widely. On average, 35 companies, 375 students and 30 teachers are active in a PPP (either in VET or HPE). Some 5% of all VET students are estimated to benefit each year from a PPP. Most centres focus on technical studies, although they can also address other educational specialisations, since the start of the RIF initiative in VET. For example, an RIF centre now exists for the lowest entrance level of VET students. In practice, the evaluation committee for proposals gives preference to ideas that are regarded as innovative for the future of the product and labour markets in a particular niche or discipline.

**Cooperation dilemmas.** As a general rule, the PPPs have received support from the government agency Science and Technology Platform, but they often build on pre-existing networks associated with the top-sector policy. In some cases, joint initiatives already existed and the grant came as a welcome support. Typically, an initiative for strategic cooperation between schools and business originates at the strategic level, but organisational adaptation is needed for implementation and execution in schools and companies<sup>8</sup>. For example, the enthusiastic attitude of companies at the start of a project does not always persist and companies may sometimes lose interest in a partnership. What drives cooperation is the current labour market shortage, which forces companies to compete for the recruitment of talented new students. From the schools' perspective, a new form of educational and entrepreneurial leadership is necessary to make a centre productive. The reported problems include workload, the inability of teachers to guide students differently, and the practical issues of working in adapted work rosters or in closer cooperation with companies. In general terms, schools need to become learning organisations, which presupposes a willingness and capacity to share

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<sup>7</sup> More details will be provided in the forthcoming dissertation by Pieter Moerman, 'Governance regimes and problem solving capacity', Amsterdam, December 2020.

<sup>8</sup> Smulders et al (2012) translate the strategic choice and work floor adaptation among partners into different organisational models: in some cases the school hosts the partnership, in others companies do, and also new hybrid 'in between' learning environments have been established.

information and develop proactive HRD policies so that any lessons learned can be transferred to the vast majority of departments in schools that do not have PPP structures.

**Experimental governance.** The governance structure of the new centres varies. In the Katapult network of education and business partnerships, there are currently some 15 different business models (starting with the general Canvas model). These models include centres for educational partnership, communities of learning, learning in practice, research houses, innovation workshops, project offices, laboratories, sales offices, marketing organisations, portals and network organisations. In this vein, the term 'business model' is not conceived in a narrow or exclusively commercial sense. The means and ends may change and should not be set in concrete. The philosophy is to consider who does what activities for whom, what value is added, and what networks are necessary to reduce any associated costs and increase any revenues. In the interviews, respondents argued that 'grand designs' on paper may be limiting in practice, since they make the organisation of PPP inflexible. According to this philosophy, any ex-ante definition of new organisational structures may be counterproductive in practice. The centres seek to avoid inflexibility by following the underlying idea that their legal form and governance structure may emerge over time. In short, 'prove who you are and what you would like to become'. Then comes the definition of the legal structure and governance aspects, which nonetheless still need to comply with the governance and oversight regulations in Dutch law.

**Funding.** Various financial issues are at stake. From the start, the financial resources for an HPE centre of excellence (EUR 5 million per centre) have been substantially greater than for a VET centre for innovative craftsmanship (EUR 2 million per centre). Since the introduction of the Regional Investment Fund, a separate provision for VET has been created. The RIFs have a smaller budget, though in practice various forms of financing can be combined. Today the number of proposals exceeds available resources. The issue of value-added taxation (21% of costs) is also high on the policy agenda. Case law has been developed to resolve the issue, which had been treated differently by individual tax inspectors. Consequently, emerging centres get legal assistance to address the practical issues involved in using public provisions for private goals. Most projects receive funding through the national budget with help from private sources. The PPP initiative has also been integrated into the EU's Erasmus programme for VET and some centres apply for the available grants, although this route is considered lengthy and costly.

**Divergent strategies of the VET and HPE sectors.** Since the start, the VET and HPE sectors have followed their own strategy in the establishment of centres. The national government has not been able to bridge their positions. For example, the Association of Universities of Applied Sciences has safeguarded the interests of HPE schools and their own research infrastructure against the aim of shifting the profile of member schools in the direction of becoming practice-based universities. In 2018, the HPE sector developed its own governance document to coordinate the development of the various new initiatives. In the VET sector, the initiative takes the form of an open competition under conditions set by the Ministry of Education. At the outset, the VET qualifications structure was criticised as a barrier that restricted cooperation between VET and HPE schools and companies, but this criticism has since died down. In addition, a new cooperative organisation of VET schools and businesses (known as S-BB) was established in the VET sector in 2012. In principle, this is a public-private umbrella association par excellence and its activities may be more closely connected to the Katapult movement.

**Monitoring and evaluation.** The innovation approach of the centres associated with the top-sector philosophy (2011) and the technology pact (2013/16) is a subject of regular debate in the Dutch parliament. The centres are one focus of the evaluation, which is the responsibility of three ministries: Economic Affairs, Social Affairs and Education. The RIF projects are part and parcel of the budget and policy of the Ministry of Education. Since a substantial portion of the overall innovation budget is

invested in the centres, monitoring and evaluation are very important. The progress of the centres is monitored by committees set in motion by the government agency Science and Technology Platform under the oversight of the ministry's DUO department. Monitoring and evaluation are the main sources of input for the continuation of the programmes. Given the emerging experiences and experimental nature of the centres, the evaluation criteria are also emerging. Crucial to the underlying business models, and thus to the evaluation of the centres, is the question of whether individual centres will meet their goals in order to carry on and achieve independence. Currently no resources are available for a comparative analysis of the projects' content, the impact of technology, or the value added by individual schools or students participating in the centres. It is also too early to evaluate the spill-over of the centres' projects into regular education programmes. Existing monitoring efforts focus mainly on the number of members (i.e. the number and relationships of the companies, employees, schools and students involved) and the process of participatory cooperation. The number of STEM students appears to be gradually rising, particularly in higher professional education, although the sustainability of centres without financial support from the government cannot be taken for granted (ambition one). Less explicit in the evaluation is the content of the cooperative efforts for either the schools or the businesses (ambition two). Recently, three regional studies have looked at the actors and the relationships and exchanges between schools and businesses at the provincial level (Kuiper et al., 2018 a,b,c). In general, the claim is that the centres do support the innovation of business practices. In addition to their involvement in training provision, companies may be involved in a variety of other activities, including the provision of guest lecturers, research and development projects, input to curricula, and the formation of innovation teams. Lifelong learning (or 'lifelong development' as it is called today in the Netherlands – ambition three) proves to be the most difficult objective for the centres. However, this is a nationwide concern: lifelong development merely takes place in informal ways more often than in formal learning settings using a sound integral methodology of organisational design<sup>9</sup>. This widely felt urgency has in actual practice been translated in the argument that the centres need to be evaluated in terms of the general concept of 'learning communities' or 'communities of practice' in which they take part<sup>10</sup>. According to Katapult, a further handicap for lifelong development is that European regulations do not allow private companies to benefit from the transfer and allocation – and thus the lifelong learning – of centre participants.

**Knowledge dissemination.** Sharing the results (both outputs and outcomes) of the PPPs is crucially important. Since the start, general assembly meetings have been held to disseminate knowledge. The Science and Technology Platform, which is always engaged in various large-scale projects for innovation in schools, has been the driving force behind these exchanges. Now that there are 160 centres, the expanded scale has required new forms of knowledge dissemination, as has the current national debate on the usability and impact of the various initiatives<sup>11</sup>. In anticipation of the debate, the Katapult organisation was set up in 2016 to disseminate and promote new practices of knowledge sharing. Various forms of brochures, booklets and websites have been created and it is common practice for government ministers or CEOs to raise the visibility of these initiatives at annual meetings in order to strengthen them.

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<sup>9</sup> See Lohman T, M. van der Meer, O.H. Noteboom (2020), 'De toekomst van arbeid in beeld: leer- en werktaken driedimensionaal benaderd'. Utrecht: FutureWork Academy.

<sup>10</sup> The various top sectors have published four documents that address the concept of 'Learning communities 2018–2021'. The documents include, first, an agenda for investment in 'Together we take the next step'; second, a research agenda in 'Drafting future research questions'; third, a research report in 'How come things work'; and, fourth, regional examples in 'Learning by doing' (June 2017). For a reflection, see Van der Meer and Hensels, 2019.

<sup>11</sup> In November 2019, the five employers' associations in education (covering all levels of education) produced a white paper 'Slimme verbindingen' ('Smart connections') in which they raise concerns about the limited functioning of the knowledge infrastructure in education, which does not always lead to beneficial gains for teachers and learners in schools.



**Continuity/sustainability.** The ambition of the centres is to create a service provision that will become self-reliant. In practice, some PPPs ultimately have a more project-based character and cease to exist when they have met their initial goals, while others evolve into a sustainable partnership that is financially and organisationally independent of government subsidies. For many PPPs, however, sustainability and the upscaling of activity is a difficult process, and it is only during the process that they learn the extent to which they will need to depend on external financial incentives. The experience shows that the development path of a centre is not always linear, but can be cyclical. A centre is only considered to be a failure ‘if the commitment of the involved parties fades away’.

## Further development

Given the strong growth of PPP projects in the Netherlands, it will come as no surprise that some of the 160 centres discussed in this case study have received international recognition, have earned a mention for good or even best practices in the Erasmus programme, and now take part in the European network of Living Labs. These achievements underline and justify the assets and importance of vocational training and professional education. Cooperative efforts and innovative behaviour are part of Dutch culture. However, most of the current projects still need to prove their value added. It is not a sufficient condition to argue that newly emerging learning communities will automatically lead centres to achieve their proposed objectives. There is also a need for sufficient ownership by both education and companies as well as educational leadership and a more detailed diagnostic monitoring system with sound criteria and a robust methodology to enhance the innovative practice and reflexive capacity needed to transform VET and HPE institutions into learning organisations.

Dimensions	Sub-dimensions	Detail
Functional type	PPP oriented to VET provision and resources, also elements of knowledge-oriented PPP	
Scope and membership	PPP permeating the system The membership is open	Coverage of projects initially in STEM areas, with wider application recently in other niches of the economy
Source of initiative	Change in industrial policy initiated by leading business leaders and employers' associations, applications aim to connect VET, HPE and companies	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve enrolment of STEM students and enhance education	
	Stimulate innovation and professional exchange between schools and business	
	Promote lifelong learning	
Key design features – mechanisms of effect	Government develops financial and organisational programme structure	
	Schools and companies submit competing proposals for grants	
	Centres are designed according to the preferences of participating actors	
	Knowledge sharing, monitoring and evaluation by the government agency Science and Technology Platform	

Dimensions	Sub-dimensions	Detail
Dimensions of the incentive and accountability environment	Risk allocation: each of the partners is responsible for its own share, while the overall innovation process falls under parliamentary oversight	
	Risk monitoring and management: the Science and Technology Platform monitors the implementation process, while the Cabinet, Parliament and its own board oversee the activities of the Science and Technology Platform	
	Monitoring and evaluation: performed by the Science and Technology Platform	
	Termination clauses: after the contract period (i.e. within five years), the centre must be self-reliant	
Policymaking framework	Policymaker functions: regulation and cofinancial provision of the initiative	
	Industry functions: anticipating the innovative needs in product markets	
	Nature of industry–public sector interactions in policy design: co-design in collaborative efforts	
Outcomes	On learning outcomes: deeper understanding of the conditions to set up innovative collaborative projects in the field of vocational education and higher professional education	
	On learning practices: the output of the individual partners remains merely implicit, though it will be shared within the centres	
	On learning experiences: cooperation is not only linear but also cyclical, due to role of medium-term assessment and mutual learning activities	
Key contextual factors	Public authority capacity and experience: cooperative effort of three ministries	
	Degree of market readiness: proposals are only rewarded if they match the innovation needs in product markets	
	Legal framework: subsidy provision and monitoring mechanisms are closely related to meeting the underlying ambitions of the PPPs	
	Governance regime: benevolent and supportive of change	

Sources: This text is based on field interviews with various stakeholders and on a review of documents. Thomas Boekhoud assisted by providing presentations and evaluation documents for the PPP initiatives in three provinces: North Brabant, Limburg and South Holland. In addition, several site visits have been made, most recently to Eindhoven, Harderwijk, Haarlem and Rotterdam.

## Further reading

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### 1.3 The national Training Office for Oil-Related Trades (OOF) in Norway<sup>12</sup>

Marc van der Meer, Tilburg University

In Norway, vocational training is organised in training offices by trade: construction, electricity, health, logistics, etc. The oil and gas sector, which maintains a strong awareness of the need for quality new employees, has established the Training Office for Oil-Related Trades (OOF in Norwegian), a sectoral office that organises apprenticeship schemes. The OOF is a cooperative body whose main goals are to coordinate and streamline the training activities of member companies, improve the quality of training and identify the sector's needs and opportunities.

The oil sector in Norway has a strong demand for technicians with vocational qualifications. The sector faces skills shortages for a number of reasons, including new exploration activities, international competition for top-performing employees and the demographic challenge of young adults entering the education system. The oil industry is also vulnerable to the effects of the global economy. In 2014, the industry suffered from a steep downturn that resulted in many job losses, while in 2019 the economy rebounded again. For the OOF, the main issue is how to guarantee an adequate number of high-quality apprentices. To meet this aim, it is important to know how many new apprentices the industry needs to train, because the country does not like to train more youngsters than it actually requires.

The OOF is a private association and a zero-based organisation without profit targets. It was created by nine oil companies in 1999, when it recruited 32 apprentices. Currently, a total of 37 oil and gas

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<sup>12</sup> The author of this case study wishes to acknowledge information provided by Hanne Grete Kwamso. For further information on vocational education in Norway, see Cedefop.

companies and shipowner companies are members of the OOF<sup>13</sup>. Most members are quite large private oil companies, although some are publicly held firms. The coverage rate is 100%. Five companies have representation on the OOF supervisory board. Overall, the industry employs thousands of staff and shares a commitment to the professional training of apprentices.

To this end, the OOF organises a very close, tripartite dialogue involving the oil companies, vocational schools and the regional governments of Norway's 18 counties (11 counties from 2020), which are responsible for upper-secondary and vocational training and education<sup>14</sup>.

Forecasts are adjusted twice a year and the number of students fluctuates with economic demand. Sometimes the number needs to be adjusted upward and sometimes fewer apprentices are accepted. The partnership works well in the preparation of forecasts. The predicted number is spot-on in most years and seldom under- or over-estimated. Flexibility occurs to admit more students when the demand rises. When apprentices are not effective, they are directed to another company or even to another trade.

In Norway, compulsory education runs from 6 to 15 years of age. Secondary school pupils can select a vocational track, which consists of two years of school-based learning and a third year in a paid apprenticeship. Students who choose the vocational track first specialise in electricity and electronics or in mechanics for technical and industrial production. In their second year of school-based learning, they receive instruction in well technology. After two years, they can apply for an OOF apprenticeship. OOF specialisations include drilling, cement, completion, coiled tubing, electronic and mechanical wire-lining, and subsea work. To go offshore, apprentices must be 18 years or older. The OOF has 400 apprentices on contract each year: 200 new entries and 200 who are completing their apprenticeship and taking their final trade examination. Most apprentices are males; less than 20% are female.

At the start of training, students are taught about their rights and obligations. According to the OOF mission, apprentices must be active and willing to learn in order for the training to achieve good results. Because the apprenticeships for the trades in question are very popular, students need strong grades to compete for admission. Also, their motivation is put to the test at the start of their apprenticeship when they complete a job application and attend an interview. The OOF does not match students and companies. The companies interview the students and let the OOF know who they would like to offer apprenticeships. A student might get more than one offer. Subsequently, the OOF contacts students and informs them of their offers. Students then have 24 hours to decide which offer to accept.

The ambition is for each apprentice to learn not only a trade, but also the ways of working and behaving in an often challenging working situation or environment. Each apprentice is hired by a particular company for 24 months. In the case of any mismatches between a company and a student, apprentices can be moved to another company where work is available in order to continue their education. After an internship, both the company and the apprentice may continue their contract, but they are also free to quit the agreement.

Depending on the trade, some apprentices work offshore for two weeks and then return home on leave for four weeks, while others have a different schedule where their time at home on leave is one third of the time that they work offshore. It is mainly the drilling trade that has two weeks on and four

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<sup>13</sup> OOF membership breaks down as follows: 30–40% are affiliated with the Norwegian Oil and Gas Association (NOROG) and 60–70% are affiliated with the Norwegian Shipowners' Association (NR).

<sup>14</sup> Three government layers can be discerned. The national government is responsible for university and higher general education, the regional government is responsible for upper secondary vocational education, and the 422 municipalities (356 municipalities from 2020) are responsible for lower secondary education.

weeks off. Most students still live with their parents and some have a second job when they are home on leave. While working offshore, apprentices are paid 30% of the minimum wage in their first six months, 40% in their second half-year, 50% in their third half-year and 80% in their last six months. The companies pay a small registration fee and an annual membership fee to the OOF.

To support the continuation of the system, the Norwegian government pays a state grant. For each apprentice, the OOF receives 30 000 Norwegian kroner and the companies receive 120 000 kroner over a period of two years. The total government investment of 150 000 kroner per apprentice is equivalent to EUR 15 000 over two years.

The core element of the partnership is that companies educate their own workforce. For companies, the apprenticeships serve as an excellent recruitment period ('a two-year-long interview'). The OOF is responsible for the following tasks:

- providing quality assured training;
- testing the learning progress of apprentices every six months. In total, each apprentice takes four tests over two years;
- when apprentices return onshore, they are evaluated on their experiences. This evaluation serves as an instrument to reflect on their learning outcomes;
- the OOF instructors are specialised workers who come from the workforce and receive special training to guide apprentices;
- onshore, the OOF offers specialisation classes, for example, in robotics, but also special modules in remote operated vehicle trades, such as hydraulics, mechanics, high voltage, and explosive risks. Attendance time is about 50 hours per year;
- the OOF organises school visits, vocational fairs and visits to the Norwegian Petroleum Museum in Stavanger, where various trades are introduced to 14- and 15-year-old pupils, talks are given to teachers and advisors, and meetings are offered to parents and pupils.

From the start, all apprentices must understand what they are going to learn and what is expected of them in their training period. Every six months they undergo an evaluation, including a practical task or test. Students get feedback and are also involved in their own evaluation. Apprentices use a web portal to document their progress. They also have a training manual or workbook for instructors to sign. In addition, they are assessed regularly after each offshore period.

The evaluation criteria for apprentices include:

- quality of work,
- tidiness of work,
- motivation for and achievement of the trade,
- personal development, initiative and independence,
- health and safety,
- teamwork,
- professional development according to the education plan,
- the quality of their own evaluation in their personal workbook or notebook.

The system of evaluation and feedback appears to work quite well, given the fairly low dropout rates. As a general rule, a high percentage of apprentices – over 95% – obtain their degree and they only drop out because of factors like illness or allergies. Apprentices learn the specialisation of their job through the work process itself. While all manuals are written in English, companies also use Norwegian and other local languages.

## Evaluation and lessons learned

1. The main ambition of the OOF concerns its responsibility for training content and the quality of apprentices in the oil and gas industry. This ambition is set at its annual meeting. To meet its goal, the OOF is owned and run by member enterprises at a national level; it receives a state grant for apprenticeships; it signs contracts with apprentices; it organises apprenticeships in member enterprises; it performs administrative work and supervision; it arranges and organises an evaluation of the apprentices every six months; and it works closely with the Ministry of Education, the 18 counties, employers in the Norwegian Oil and Gas Association (NOROG) and the Norwegian Shipowners' Association (NR), and member enterprises to ensure that the curriculum is always up to date. It also provides courses for instructors.
2. The OOF has more than 20 years of experience in matching and guiding apprentices in line with industry needs. What has improved over the years is the communication between the sector and the vocational schools. Here the OOF serves as an interlocutor to translate the needs of companies into the schools' curricula. For example, more workshop training is sometimes needed in the specialisation of electricity or mechanics. In response, the OOF helps to improve the regular VET curriculum, while also working to assist the government in reviewing educational profiles.
3. As a general rule, vocational training in Scandinavian countries is held in high regard and enjoys a good status, even in comparison with university students. In the oil trade, the pride of apprentices in their work performance is highly valued by participating companies and the apprentices gain social recognition for their work.
4. Monitoring and evaluation of companies is largely informal and relies on trust-based dialogue. As a general rule, the government asks questions about the mechanism for forecasting and allocation, but according to the OOF's management no emerging issues need to be mentioned. There is no formal audit or external evaluation of apprentices. Nor is the composition of the government considered to be important in this regard. As a general rule, the Norwegian government supports apprentices and the companies are dedicated to carrying on the effort.
5. The obligations of companies include providing training facilities, organising the availability of qualified training instructors, meeting the training requirements of the curriculum, abiding by health, environmental and safety regulations and other requirements set out in the Education Act, paying wages and insuring the apprentices.

Dimensions	Sub-dimensions	Detail
Functional type	PPP oriented to VET provision	
Scope and membership	Ad hoc PPP in the Oil and gas industry Semi-open to new members	100% membership is applicable within the sector
Source of initiative	Private sector	Companies started the OOF in 1999
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Provide quality assured training of apprentices	
	Select and guide apprentices	
	Adjust and match the demand and supply of training places	
	Improve the curriculum	

Dimensions	Sub-dimensions	Detail
Key design features – mechanisms of effect	The OOF is a cooperative effort of oil and gas companies	
	Payment: state grant	Grant for both the OOF and companies
	Payment mechanism: companies receive a grant. The OOF is paid by the state. Companies pay wages to the apprentices and a small fee to the OOF.	Payment is based on contracts with apprentices. The costs for private partners (salary to apprentices, salary to instructors, equipment, etc.) are not fully covered by the public grant.
Dimensions of the incentive and accountability environment	Risk allocation: cooperative effort, supported by a mutual agreement	
	Risk monitoring and management: annual meeting of companies	
	Monitoring and evaluation: this is done by the OOF at the request of the government	
	Termination clauses: contracts lay out the stipulations, rights and obligations for everyone involved	When matching is not optimal, an informal solution is found
Policymaking framework	Policymaker functions: financing and matching	Also mutual adjustment with general education
	Industry functions: providing enough new workers	
	Nature of industry–public sector interactions in policy design: based on agreement, trust-based informal contacts	
Outcomes	On learning outcomes: apprentices produce good results, the OOF achieves low dropout rates	
	On learning practices: on-the-job learning offshore in connection with onshore courses	
	On learning experiences: cooperative initiative to meet employers' demand for apprentices	
Key contextual factors	Public authority capacity and experience: financial support and mutual adjustment of educational needs	
	Degree of market readiness: apprentices are prepared for work after two years of training	
	Legal framework: Education Act	Long-standing initiative
	Governance regime: supportive attitude of regional government authorities	

## 1.4 The delegated management model of VET institutes in Morocco: IFMIAs in the automotive sector<sup>15</sup>

J. Manuel Galvin Arribas, ETF

### Background: building a vision to shape PPPs in support of skills policy development in Morocco

In 2009, Morocco's government signed the National Pact for Industrial Emergence (2009–2015)<sup>16</sup>. The pact is a programme contract aimed at building the country's industry through the development of global businesses, the upgrading of its SME network, and the improvement of vocational training and the business climate in general.

As a result of its strategic approach, the programme contract covers more than a hundred signed agreements between the private sector and the government, represented by the following ministries:

- Ministry of Justice,
- Ministry of Internal Affairs,
- Ministry of Economy and Finance,
- Ministry of Agriculture and Maritime Fisheries,
- Ministry of National Education, Higher Education, Management Training and Scientific Research,
- Ministry of Employment and Vocational Training,
- Ministry of Industry, Trade and New Technologies,
- Minister Delegate to the Prime Minister in charge of Economic and General Affairs,
- Ministry of Foreign Trade and Ministry of Economic and General Affairs.

The private sector is represented by the General Confederation of Moroccan Enterprises (CGEM)<sup>17</sup> and the Professional Group of Banks of Morocco (GPBM).

To oversee the implementation of the pact, several monitoring committees have been created in the following sectors or strategic policy areas:

- automobiles,
- aeronautics,
- electronics,
- offshoring,
- textiles and leather,
- agri-food,
- SME competitiveness,
- national business environment,
- training strategy.

Industry focus and economic context are key factors in building such a vision and involving public and private stakeholders in the shaping of joint solutions to meet the need for a better skilled workforce to increase productivity and competitiveness and pave the way for economic growth.

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<sup>15</sup> The author of this case study wishes to acknowledge an interview with Assia Afif of IFMIA.

<sup>16</sup> King Mohammed VI signed the pact on 13 February 2009.

<sup>17</sup> <http://cgem.ma/>



In summary, the core ingredients of the Moroccan case for further institutionalising public and private cooperation are leadership capacities for inter-ministerial cooperation and the engagement of key stakeholders in the private sector from the earliest stages of policy formulation onwards<sup>18</sup>.

### The implementation of delegated management institutes (DMIs)

Against this backdrop, Morocco's public and private authorities met to set up centres of excellence for vocational skills in a number of key strategic sectors. The establishment of the centres adheres to the principle of delegated management to a third party.

The Moroccan VET system has a strong tradition of tripartite dialogue between the government and social partners (employers and unions). In the present case, the dialogue has been led by the state, which has engaged sectoral professional associations in an effort to adopt a new approach to training and education institutions.

The textile sector served as a pilot. The government also selected the aeronautics, automotive and renewable energy sectors to implement the new arrangements, which have led to sector-based partnerships that are national in scope. Ultimately, the dialogue has given rise to the development of a new approach to managing training institutions that responds efficiently to the skills, competence and recruitment needs of companies.

The centres, which are called delegated management institutes (DMIs), have been set up in partnership with professionals in the sectors concerned. The management of the institutes, which have been built and equipped by the state, is entrusted to professionals in accordance with the delegated management agreement concluded between the state and the management companies created by the professional associations in each sector. The objectives of the DMIs are to:

- produce training that is more practical and better adapted to the global professions of Morocco;
- prepare a skilled workforce;
- collaborate to achieve increased productivity;
- contribute to economic growth.

The Moroccan state's guidelines for the management of the DMIs are clear. The approach aims to transfer management authority to sector professionals who will establish effective and efficient vocational skills institutes that are capable of responding quickly to demands for a skilled workforce.

The application of the delegated management principle is not linked to devolution, delegation and/or privatisation. It is simply a type of public–private partnership for skills and training development. In the short term, this is not simply a response to a need for funding. Rather, it provides proximity to the companies for which the DMIs need to fulfil their mission.

The implementation of delegated management in Morocco is combined with the establishment of standard funding arrangements such as:

- operating grants and investment grants related to the amortisation of equipment. These grants are allocated to cover the direct and indirect costs of the institutions;
- allocation rates associated with human resources;
- raw material consumption and infrastructures, combined with training activities, make it possible to establish annual grants from each institution.

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<sup>18</sup> Morocco's Delegated Management Institutes (DMIs) are linked to the national pact but also fully aligned to the country's National Strategy for Vocational Training 2021, which was adopted by the Governing Council on 29 July 2015.

In the short term, each private partner receives an equilibrium subsidy from the public partner. In the medium and long term, companies pay for services rendered. This organisation ensures:

- a good match between training and employment: Morocco innovates because each PPP puts the institute at the heart of its economic sector;
- technological and creative vision and networking: professionals systematically inform one another of the most recent techniques, particularly their commercial availability. As a result, the institutes continuously receive up-to-date information on business requirements for training;
- support for training and integration: work-oriented training requires the implementation of different training methods;
- visibility: the availability of a skilled workforce remains an important decision-making factor for businesses and new investors.

Steering and monitoring through incentive measures and the establishment of the grants commission are indicators of transparent and accountable implementation. Accountability and financial autonomy are key principles for the delegated management models now in use in VET centres across Morocco.

## The case of training institutes for professions in the automotive industry (IFMIAs)<sup>19</sup>

### Main features of applying the delegated management model in support of the automotive sector in Morocco

The process to set up IFMIAs is aligned to Moroccan law on delegated management (No 54-05 of 16 March 2006). The centres in Casablanca and Tangier were created by special decree (No 2-13-441 of 8 August 2013), while the centre in Kenitra is the result of an additional decree (No 2-13-70 of 8 August 2013). The mission of the centres is to contribute to the development of training, research and expertise in the automotive industry. The overarching objective is to strengthen public–private partnership in the field of vocational training. The specific objectives of the IFMIAs are to:

- support the proactive dynamics of sector economic strategies by setting up a new generation of specialised training institutes within a framework of public–private partnership;
- deliver targeted, complementary training to existing public and private sectors that can be integrated into Morocco’s overall approach in terms of competitively attracting investments, particularly in sectors with high added value;
- strengthen the links between the world of work and the world of education and training to ensure a better match between the labour supply and the skills needs of companies.

Overall, the IFMIA mission is to support skills development in the country’s automotive industry by focusing on:

- pre-employment training;
- qualifying training for high-level specialists;
- continuing training and advanced training courses for companies in the automotive sector;
- any other training pathways for operators, technicians and middle management in trades related to the automotive industry;
- performance of laboratory tests.

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<sup>19</sup> IFMIA stands for the organisation’s French name Institut de formation aux métiers de l’industrie automobile.

**TABLE 1.1 EVOLUTION OF PARTICIPANTS IN TRAINING PROVIDED BY IFMIAS**

IFMIA	2017	2018
Casablanca	382	108
Kenitra	636	2 078
Tangier	–	605
IFMIA Renault Tangier	N/A	N/A
Total	1 018	2 791

Source: IFMIA SA

The public administrators of the IFMIAs are the Ministry of Finance, Ministry of Industry and Ministry of Employment and Vocational Education and Training. The National Agency for the Promotion of Employment and Skills (Anapec) also plays a strong role in supporting the employability of graduates in the Moroccan labour market.

On the other side, one of the four IFMIAs was given to Renault and the other three were delegated to professionals in the sector through the delegated management role of the Moroccan association for automotive producers (AMICA). Under the agreement, the state transfers the equipment, management and maintenance of the IFMIAs to IFMIA SA.

The company that manages the IFMIAs (and overall DMI model) has a board of directors made up of industry professionals who represent sub-branches of the automotive sector. The company chair is also the chair of the sector's association of professionals. Sector professionals appoint the general manager, who also comes from the automotive sector.

The development council is a body set up within each institute to keep in close contact with the sector. Each council's members include the director of the institute, the director of studies, the institute's head of business development and representatives of companies that operate in the automotive sector. Each council meets periodically to study market demand and respond proactively to meet the demand.

For example, IFMIA Casablanca has been in the process of certifying its system since 2013. Currently, IFMIA Casablanca is certified ISO 9001 version 2015. This new administrative model, which is inspired by the business model, is now shaping the management process in some training institutions.

Certification enables IFMIA Casablanca to engage in a process of continuous improvement and risk management that involves all relevant interested stakeholders. The efficient management of the system focuses on several processes: management, realisation (training, business development, programme development and design, and people certification) and support processes.

In addition, IFMIA Casablanca's partnership with KOICA (the Korea International Cooperation Agency) provides ongoing assistance for the training of trainers and the periodic renewal of equipment in order to meet the needs of the Moroccan market and international standards. This also shows that IFMIA graduates are prepared to compete in international labour markets.

**TABLE 1.2 EMPLOYABILITY OF IFMIA GRADUATES IN PROFESSIONS IN THE AUTOMOTIVE SECTOR (TRACER SURVEY 2019)**

Pathway	Number of graduates	Employment rate (%)	Employment rate after training (%)
TS mechanical engineer	130	92	100
TS automotive maintenance	122	93	97
TS automated systems	114	88	95
Q wiring	9	100	100
<b>Total IFMIA Casablanca</b>	<b>375</b>	<b>91</b>	<b>98</b>
Industrial maintenance technician	46	88	100
TS automated systems	53	88	100
<b>Total IFMIA Kenitra</b>	<b>99</b>	<b>88</b>	<b>100</b>

Source: IFMIA SA

Trainees on the diploma course alternate two months of training at the institute with two months of training in a company. The alternation keeps the training system closely connected to companies. In addition, the trainers engage in ongoing follow-up with industry tutors, establishing permanent communication about the sector's needs. These needs are periodically examined in order to improve programmes and their content. IFMIAs also cooperate in training delivery with roughly 70 companies in the sector.

### Some lessons learned

- Inter-ministerial cooperation is effective when public actors fully share common goals for public policies. The benefits of a shared vision among different actors works even more strongly when private actors are involved from the beginning of the policy cycle. This builds ownership and motivation for change among both public and private communities.
- Umbrella legislation and specific laws help enormously by laying the foundations for skills-based PPP policy development and for institutionalising partnerships.
- Managerial and financial autonomy should go hand in hand with an accountability model and quality assurance mechanisms.
- A diversification of funding mechanisms is an effective incentive for private-sector participation and helps to raise the quality of services.

Dimensions	Sub-dimensions	Detail
Functional type		Mixed – VET provision-oriented and resource-oriented
Scope/integration with the VET system		Elements permeate the system – different aspects of VET system are affected
Membership modalities	Number of partners	Multiple public partners (inter-ministerial cooperation) with multiple private partners (sectoral automotive associations/companies)
	Types of organisations involved	Employers' associations, businesses, VET colleges
	Openness	Open
Legal framework	Relevant regulation and geographic dimension	Education Act and Act on the Delegated Management of Public Services. National law applies.
	Type of contract	Long-term contracts (output-based)

Dimensions	Sub-dimensions	Detail
Financing arrangements	Method of distributing public funding	Case-by-case basis
	Source of public funding	State budget
	Method of ensuring the private funding / incentives for private investment	There is a clear financial gain for the private sector: student fees are collected
Risk management	Risk sharing	Risk distributed equally
	Risk management measures	Demand-based payments to the private partner
Monitoring, follow-up and sustainability	Monitoring and follow-up system	Well-defined; specific monitoring councils exist
	Sustainability model	Well-defined; there are concrete plans for colleges to become self-reliant
Source of initiative / leadership		Other initiative (employer organisations representing sectors)
Social dialogue and social partnership	Length and outcomes of social partnership	Long tradition of social dialogue with some positive outcomes. However, there is a need for actions to strengthen the capacities of employers to allow for more systematic involvement. Tripartite board of the Office of Vocational Training and Employment Promotion and tripartite committees for continuing training in 10 regions. The CGEM (Confédération générale des employeurs au Maroc) is the key player in social dialogue on VET. It has been engaged in the preparation of a new strategy, negotiations on VET taxation, consultations on work-based learning, and coordination of a newly established sector observatory among other things. The CGEM has local representation in 10 regions and on 24 technical committees to carry out its work.
	Institutionalisation of social partnership	Institutionalised. In this case, employers and sector associations sit on the managing boards. They shape and manage policy. The institutes are managed in accordance with a tripartite model made up of the state, employers and the training centres.
	Role of employer associations, chambers, trade unions, councils and other associated bodies	Very strong. Managerial functions of sector associations
Capacity	Capacity of private partners	In most cases very high. The private partners often include international corporations, whose participation is connected to foreign investment. Morocco has national, sector-focused federations. Their capacity to act as intermediaries between the government and individual employers is crucial to the success of delegated management schools.  The CGEM is a powerful organisation in Morocco. It is proactive and regularly launches proposals on a wide range of subjects, including VET.
	Capacity of public partners	The capacity of public actors is deployed through inter-ministerial dialogue that seeks to incentivise skills policies and share responsibility with private actors in the management of delegated management centres.

## 1.5 Amal Educational Network and the entrepreneurial centre in Hadera, Israel<sup>20</sup>

Aram Avagyan, Global Developments Fund

In Israel, there are a number of PPP-based centres of excellence for skills development in technical and vocational education and training (TVET). They include:

- The Amal Network
  - Amal Hadera Excellent Entrepreneurship Centre in partnership with start-ups and industry: high skills/secondary level
  - Amal Shevach Mofet Centre in the Tel Aviv Centre for Entrepreneurship, Excellence and Innovation in partnership with start-ups and the community: high skills/secondary level
  - Amal Ramot Be'er Sheva Centre for Makers, Cyber and Entrepreneurship in partnership with Be'er Sheva University and local industries: low, medium and high skills/secondary level
- The ORT Network
  - ORT Kiryat Tivon Makers, Innovation and Sustainability Centre in partnership with Open Valley (an incubator for start-ups) and the community: low, medium and high skills/secondary level
  - ORT Afridar Ashkelon Centre for Innovation and Entrepreneurship in partnership with start-ups and local industry: high skills/secondary level
  - ORT Vocational Education Centre in Acre for work-based learning with Kalil Industry and the city of Acre: low and medium skills/secondary level
  - ORT Syngalovsky Technology College in Tel Aviv and its excellent tailor-made training programmes in partnership with El Al Airlines and the Israel Airports Authority: medium and high skills/tertiary level
- Technology College in Be'er Sheva and its excellent projects in partnership with Intel and the Nuclear Research Centre: high skills/tertiary level.

The Amal Educational Network (AEN) was established by the federation of trade unions in 1928, twenty years before Israel's independence. The network is a non-governmental, non-profit organisation covering around 100 general secondary schools (41 of which are multidisciplinary)<sup>21</sup>, 14 colleges for technicians and practical engineers and 8 centres for technology education that come under the responsibility of the Ministry of Education (MoE), as well as more than 20 technology schools<sup>22</sup> under the Ministry of Industry, Trade and Labour (MoITL). The network also has other institutions. The total population of learners is more than 40 000.

None of the general or vocational institutions is owned by Amal. They belong to municipalities, which transfer responsibility for administrative and educational management to Amal. The initiative is regulated by ministerial directives, which strictly define Amal's role, rights and obligations in the management of the institutions. There are also official agreements with the municipalities on the transfer of the institutions to Amal's management.

Municipalities, together with the MoE or MoITL, are represented on the schools' boards and have a direct influence in decision-making on issues such as the schools' development programmes, the

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<sup>20</sup> The author of this case study wishes to acknowledge an interview with Dr Ronit Ashkenazy of the Amal Network.

<sup>21</sup> No competition or selection of students is conducted: all applicants are enrolled.

<sup>22</sup> Out of a total population of 13 500 students in MoITL technology schools, 4 200 study in the Amal network.

profiles on offer, teaching issues, additional services, etc. Some boards also have industry and/or parent representatives and some non-governmental organisations (NGOs) are involved.

In fact, Amal's responsibilities cover all aspects of school operations, e.g. staff management (including the payment of salaries), institutional development (refurbishment and procurement of equipment, tools and materials), the design and introduction of teaching methodologies and corresponding didactic materials, the establishment of links and collaborations with partners, the organisation and supervision of the entire educational process, and student assessment.

The Amal Educational Network has three main sources of funding:

- budgetary money paid by the MoE and MoITL on a per capita base for students enrolled in the schools and colleges. The money covers the institutions' running costs, including staff salaries and the provision of some basic training equipment and materials;
- income generated by Amal through the provision of educational services, chiefly adult education courses in a variety of fields (cooking, languages, high-tech, etc.), which run from one or two weeks to two years in length. At any given time, thousands of adults are enrolled in courses;
- donations made to Amal by organisations and individuals<sup>23</sup>, from Israel and abroad.

Public money comprises roughly 80% of the Amal Educational Network's budget. Of this portion, 70–80% goes to staff salaries and the remainder goes to institutional development in accordance with existing regulations.

Importantly, the private sector makes no investments in the institutions or Amal itself. This can be explained to a certain extent by country-specific reasons that are affected primarily by one factor. In Israel, the period between finishing school and finding a job may last up to four or five years owing to compulsory military service after graduation<sup>24</sup>. Therefore, unlike in many other countries, companies in Israel do not consider graduates as immediate potential employees. At the same time, the social responsibility of the private sector is high and making contributions to the society's development is a part of local business culture.

The motivation of the private sector is particularly strong. Many companies are eager to return something to society, while others enjoy working with young people and think that participation in their education is mutually beneficial. Also, international companies in Israel have a requirement to contribute to the development of the communities where they operate. At the same time, Amal puts strong efforts into attracting new private partners for cooperation. Serious awareness raising and explanatory work are usually needed. The companies collaborating with the Amal Educational Network are awarded a certificate that is valued throughout the country and burnishes their image.

Education in Amal Education Network institutions is conducted in accordance with the national curricula provided by the MoE. Amal does not define the content of the education, but it does cooperate to a certain extent with the MoE on the issue. The distinctive feature that makes Amal Educational Network institutions outstanding is their approach to the provision of education, including their ways and methods of teaching and learning. Amal also invests considerable funds to improve facilities and ensure a high-quality learning environment in its network institutions. The main focus of the schools is on innovation and entrepreneurship within the educational and academic framework<sup>25</sup>,

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<sup>23</sup> As an example of such donations, an individual from the United States voluntarily funds an integration programme for representatives of the Jewish and Arab communities, which is implemented by Amal.

<sup>24</sup> Reportedly, the skills acquired in technology schools and colleges or in the technological tracks of high schools are also applicable during military service and greatly appreciated there.

<sup>25</sup> In most multidisciplinary schools, there is a technology track that offers students 18 different profiles related to almost every sector.

with an emphasis on technology, sciences and arts for all categories of students from high achievers to young people at risk. Experimenting with new pedagogical tools, techniques and practices, such as project-based learning and entrepreneurship centre initiatives (see below), is a normal practice in Amal institutions, and private partners from different industries collaborate closely with the schools, e.g. by accepting students into companies in order to gain practical learning or greater familiarity with businesses and technologies, by providing mentorship, by supporting students in their project implementation, and in many other forms. This synergy with the private sector is considered by Amal to be one of its guarantees of success.

The main reported challenge concerns the fact that while Amal network schools use advanced ways and methods of teaching and learning, students are still assessed in a traditional manner defined by formal formative and summative assessment procedures. The issue of introducing modern forms of assessment that are relevant to the teaching methods and appropriate to the level of students' knowledge and skills is now under consideration.

A recent Amal initiative focuses on entrepreneurship education as an innovative model in Israel. The initiative seeks to prepare youth to become business and social leaders by providing essential skills (particularly innovative thinking skills) for their integration in tomorrow's world of industry. The project is implemented in entrepreneurial centres, one of which is in the Hadera multidisciplinary school. The Hadera centre prepares students for the demands of work and attracts school graduates to stay in the city by exposing them to the real-life local business cycle in IT application development and biomedical sciences. Learning at the centre is an extracurricular activity that is targeted at 11<sup>th</sup> and 12<sup>th</sup> grade students in the Hadera multidisciplinary school.

A number of actors cooperate in the initiative:

- Ministry of Education,
- Mayor of Hadera,
- Municipal education administration,
- Beit Issie Shapiro Kindergarten,
- iDigital Israel,
- Hillel Yaffe Hospital,
- Biomed Group.

Each actor plays a different role in the partnership, but together they create opportunities for students to go through the entire business cycle from idea generation to production, marketing and sales.

Parents are also active partners, connecting the centre to local businesses and multinational corporations that dedicate senior officials' time to student training and provide funding and/or learning tools (such as tablet computers). The topics that students work on relate to the centre's collaboration with a local kindergarten for children with special needs. Each student (or group of students) studies a particular child's needs and problems, then chooses one of two options for their business: (1) developing external medical aids in cooperation with Biomed or (2) developing an application for a tablet computer in cooperation with iDigital and IBM. The government contributes financially and to some extent influences the outcomes of the partnership, whereas the Amal Educational Network sets the agenda in terms of innovative practice and manages the partnership at the operational level.

Since the centre opened, the participation level of all the students at the school has increased and the centre has been changing and aligning its teaching methods to achieve dynamic innovative approaches that draw on current labour market needs.



Dimensions	Sub-dimensions	Detail
Functional type	VET provision-oriented (provision and guidance)	
Scope and membership	Integration with the VET system: ad hoc PPP	
	Types and number of organisations involved: Multiple public partners, multiple private partners	VET colleges, general secondary schools, businesses, public authorities (local, national), other types of organisations (NGO, kindergarten)
	Openness: Open	
Source of initiative	Civil society	Trade unions
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Provide quality assured training at different levels of education, particularly to prepare highly qualified workers	
	Provide training in entrepreneurial skills	
Key design features – mechanisms of effect	A network of educational institutions of different levels and types	All institutions belong to municipalities and their administrative and educational management is transferred to a non-governmental, non-profit organisation
	Payment: mixed	Budgetary money (~80% of the total budget) Own generated income Donations
	Payment mechanism: public funds are paid by the MoE and MoITL for school and college students on a per capita basis. This covers the institutions' running costs, including staff salaries and the provision of some basic training equipment and materials	
Dimensions of the incentive and accountability environment	Risk allocation: none	No investments are made
Policymaking framework	Policymaker functions: establishing the rules of operation	Institutions belong to municipalities
	Industry functions: ensuring a higher quality of education than other schools	
	Nature of industry–public sector interactions in policy design: regulated by ministerial directives, which strictly define the role, rights and obligations of school/college management	
Outcomes	On learning outcomes: graduates are prepared to become business and social leaders by providing essential skills (particularly innovative thinking skills)	
	On learning practices: innovative teaching and learning methods in accordance with the national curricula	
	On learning experiences: extracurricular activities targeted at 11 <sup>th</sup> and 12 <sup>th</sup> grade students to equip them with strong entrepreneurial skills	

Dimensions	Sub-dimensions	Detail
Key contextual factors	Public authority capacity and experience: funding and regulation of the scope of responsibilities	
	Degree of market readiness: graduates are ready to continue education at higher level institutions or enter LM (after military service)	
	Legal framework: ministerial order	
	Governance regime: supportive attitude of the regional authorities and local businesses	

## 1.6 School–Industry partnership case studies in Australia

Robert Petherbridge, TAFE Queensland

A key strength of Australia’s post-secondary education and training system is the Australian Qualifications Framework (AQF). The AQF is a policy that covers all regulated qualifications across all jurisdictions and education sectors in the country, including higher education, VET, and schools<sup>26</sup>. The importance of the AQF to school–industry partnerships lies in the formal recognition given by industry to school qualifications, particularly post-secondary qualifications, and in the pathways that lead from qualifications to traineeships, apprenticeships, employment, and further education and training.

This case study provides examples of the different school–industry partnership models in operation in Australia, with a focus on Queensland (the second largest and third most populated Australian state with a land area of 1.853 million km<sup>2</sup> and a population of roughly 5.1 million people).

By way of background, Australia is a federated nation with three levels of government. The Commonwealth (or Australian) Government is the national government. Each of the country’s six states and two territories has its own state government and there are many local government councils. Generally speaking, the Commonwealth Government and state governments share joint responsibility for education and training policy and for the funding of school education and VET, while higher education is the responsibility of the Commonwealth Government.

### Vocational education and training in schools (VETiS)

Across every Australian jurisdiction, students can begin, and in most instances complete, a post-secondary vocational education certificate while still at school. These programmes extend to school-based traineeship and apprenticeship programmes, where students typically spend one day a week in the workplace as part of their final two years of schooling. A variety of school–industry partnerships support these arrangements, which are usually negotiated and managed at the local level between schools and businesses. The following sections provide further examples of organised and structured school–industry partnerships in Australia.

### P-TECH Pathways in Technology

P-TECH Australia (not to be confused with IBM’s P-Tech programme from the US) is supported by the Commonwealth Government’s Skilling Australia Foundation and it involves the establishment of long-term pathways between industry, schools and tertiary education, and training providers (i.e. TAFE

<sup>26</sup> [www.aqf.edu.au/](http://www.aqf.edu.au/)

institutions and universities). Australia currently has 13 P-TECH schools that engage businesses in taking an active role in the learning and career development of their future workforce<sup>27</sup>.

The P-TECH model, which began in 2016, provides students who are studying for their Senior Secondary Certificate with an industry-sponsored pathway toward a science, technology, engineering and/or mathematics-related diploma, advanced diploma or associate degree.

Employers and businesses provide students with access mentoring and pathways from school to further education, training and employment, including employment within a sponsoring business. There are currently more than 50 major employers, industry bodies and tertiary education partners involved in the Australian P-TECH model across the nation.

More information and details on individual P-TECH schools is available from the P-TECH Australia website at: [www.ptech.org.au/](http://www.ptech.org.au/).

### Gateway to Industry Schools Programme

The Gateway to Industry Schools Programme is unique to Queensland and it currently operates across six industry sectors and involves a range of industry associations, corporate companies and other businesses. The six industry areas covered by Gateway to Industry schools are:

- aerospace,
- agribusiness,
- building and construction,
- food, wine and tourism,
- manufacturing and engineering,
- minerals and energy.

Each industry project is headed by an industry organisation and a nominated lead school, which work together to develop and implement school engagement activities that are aligned to the industry's priorities for skills and workforce development. The lead school is a champion of best practice in the industry and seeks to embed relevant industry focus into its curriculum. Other partner schools are able, and encouraged, to join lead schools and organisations in offering industry-focused activities that may extend to career information, training and employment opportunities.

Students participating in the programme are exposed to a range of learning experiences to assist in their career choices, employment, and post-school education and training pathways. The programme also provides students with employment opportunities in local businesses.

More information on the Gateway to Industry Schools Programme, including the partners and work programmes in each of the six industry areas, is available at:

<https://desbt.qld.gov.au/training/employers/gateway-schools>.

### Australian Industry Trade College

The Australian Industry Trade College, which has a number of campuses in Queensland, is a coeducational trade school for students in Years 10, 11 and 12. Students in senior secondary education complete a school-based programme in one of more than 600 apprenticeships. Industry consultants support employers and students with a range of mentoring and professional development services that seek to maintain engagement and foster good relationships between the college, employers and students. The college's curriculum is tailored to the needs of industry and the

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<sup>27</sup> [www.ptech.org.au/](http://www.ptech.org.au/)

apprenticeship training is provided by the state's largest apprenticeship training provider: TAFE Queensland.

The college achieves significant outcomes for students in terms of employment and their transition into further education and training in areas specific to the skills needs of industry. In the mid-2000s, the Commonwealth Government sponsored a national programme to establish a number of trade colleges around Australia, but the Queensland college is the only one that remains in its original form. Key to its success have been its deep connections to industry and local employers and its ability to ensure that students are supported to achieve trade and industry-focused outcomes.

More information is available at: [www.aitc.qld.edu.au/](http://www.aitc.qld.edu.au/).

### TAFE Queensland Senior Studies Programme

TAFE Queensland also offers a unique Senior Studies Programme that uses an alternative education model. Based at the Alexandra Hills Campus, the programme has been in operation for 35 years and has achieved significant success in providing education and employment pathways for at-risk and disengaged young people who have dropped out of traditional school educational models.

The model of the Senior Studies Programme focuses on forging relationships with mentors and providing vocational training options that appeal to students who have not succeeded in a traditional classroom. Students in the programme have the option to complete their Queensland Certificate of Education (QCE) or gain an Adult Tertiary Admission Rank (ATAR) at the same time that they study for vocational certificates in school-based traineeships or apprenticeships.

Further information about the Senior Studies Programme is available at:

<https://tafeqld.edu.au/assets/oneweb/PDF/course-guides/2019/Senior-College-2019-Course-Guide.pdf>

Dimensions	Sub-dimensions	Detail
Functional type		VET provision-oriented with some elements of resource-oriented
Scope/integration with the VET system		Ad hoc PPP
Membership modalities	Number of partners	Multiple public partners, multiple private partners
	Types of organisations involved	Businesses, VET providers and an industry skills body (Construction Skills Queensland).
	Openness	Closed between state government and Hutchinson Builders, open to other partners
Legal framework	Relevant regulation and geographic dimension	VET/education law and related laws and by-laws
	Type of contract	At the school level, no formal contract exists. No formal memorandum has been established between the industry and 73 schools. The partnership is largely based on non-formal agreements derived from pre-existing linkages between the project manager and industry contacts and schools. A long-term contract has been signed between public (state) authorities and a private partner (Hutchinson Builders).

Dimensions	Sub-dimensions	Detail
Financing arrangements	Method of distributing public funding	On a competitive basis
	Source of public funding	Regional (Queensland state) budget. In some cases, the federal budget through trade training centres and registered training organisations
	Method of ensuring private funding / incentives for private investment	Other cost-sharing mechanisms and reliance on good will/ perception of long-term benefits by the private partners: the programme is co-delivered by Construction Skills Queensland, which is an independent industry-funded body supporting employers, workers, apprentices and career seekers in the building and construction industry. It operates as a charitable organisation exempt from income taxes.
Risk management	Risk sharing	Risk is shared equally
	Risk management measures	Performance-based contract
Monitoring, follow-up and sustainability	Monitoring and follow-up system	Heavily controlled
	Sustainability model	Not considered
Source of initiative/ leadership		Public sector (Queensland state government)
Social dialogue and social partnership	Length and outcomes of social partnership	Positive
	Institutionalisation of social partnership	Institutionalised Social partners are involved in the governance of the VET system at all levels: national, regional and local. Employers are represented in formal councils and committees and other statutory bodies (including industry skills councils) that set competency standards and contribute to curriculum development. They are also involved in determining the framework for quality assurance, but are not involved in measuring or testing outcomes, which occurs through the quality and regulatory framework.
	Role of employer associations, chambers, trade unions, councils and other associated bodies	No visible role in the partnership
Capacity	Capacity of private partners	High: Hutchinson Builders is one of the largest construction companies in the state of Queensland
	Capacity of public partners	Medium: economic fluctuations significantly impact funding of the programme

## 1.7 Campuses of professions and qualifications in France<sup>28</sup>

Aram Avagyan, Global Developments Fund

‘Campus of Professions and Qualifications’ is a label (and a status) awarded to a network of professional training bodies within a particular sector of the French economy. They can bring together mixed vocational colleges (which also offer general education), apprenticeship training centres and other training organisations, higher education institutions, research laboratories and companies in

<sup>28</sup> The author of this case study would like to thank Matthieu Merciecca of the French Ministry of National Education and Youth for the interview.

order to build a network and establish a strong partnership. Even sporting and cultural associations may join. A campus should have at least one local public educational institution as a member.

The campuses are built around the activities of sectors of excellence that correspond to national or regional economic challenges, and they are supported by the community and businesses. They offer general, technical and professional excellence to young people to the highest level, and they enable companies to hire trained workers, while also promoting regional economic development and the employability of youth. At the same time, their close links with local businesses facilitate the corporate training of students and the continuing training of employees. The campuses contribute to the recovery of productivity, the economic development of territories and the competitiveness of new industrial sectors by mobilising professional and technology education.

One aim of the campuses is to provide training that supports territorial policies of economic and social development. The dynamism of the campuses facilitates the integration of young people into the workforce. They can also act in synergy with regional competitiveness clusters. The establishment of the campuses follows a 2013 French law on reorganising and rebuilding education, which defines one of the nation's goals as 'enhancing vocational education as a tool for recovering the productivity of France and for the professional integration of young people'. A new generation of campuses was launched in 2018–19 with new specifications and stronger requirements (see the 11 criteria listed below).

The tasks of the campuses are to:

- transform professional pathways and their attractiveness;
- raise the level of qualifications and competences of pupils, apprentices, students and learners involved in continuing training;
- improve professional integration;
- establish and strengthen links between educational institutions and companies;
- ensure the visibility of every partner;
- contribute to the socio-economic development of a region in a given sector.

There are **11 criteria** that must be met **to obtain or renew (every three to five years) the label of 'Campus of Professions and Qualifications' and achieve the 'Excellence' category**. These criteria are:

1. **A shared analysis of identified socio-economic issues**

- An issue is significant and visible across a territory.
- It involves a socio-economic sector (segment) innovative or with future prospects.
- It clearly characterises the sector's skills and qualification needs in terms of education and shows potential for evolution or transformation.

*'Excellence' category:*

- A visible economic analysis at the national level.
- The sector is identified as the driver of a national strategic issue.
- The contribution of research is required, given the sector's specific issues.

2. **Identified scope of actors, territories, structures and certifications**

- The territorial scope of the campus is pertinent to the identified economic issues.
- Stakeholders (economic actors, communities, training institutions, research laboratories, etc.) are clearly identified at the territorial level.
- Every stakeholder has the necessary structures and staffing levels and provides training, diplomas and certifications, research or innovation.

*'Excellence' category:*

- The commitment of higher education stakeholders also includes the identification of resources that can be mobilised for research (laboratories, draft contracts) and potential technology services directly related to the campus.

### 3. Clear and ambitious (but achievable) strategic objectives

- Part of the regional policy.
- Consistent with stated educational, socio-economic and training issues.
- Broken down into action plans, pedagogical projects or pilot activities, which constitute a relevant and coherent whole. They will be piloted in project mode (keeping track of deadlines and resources in particular).

*'Excellence' category:* idem.

### 4. Specific regional governance

- A strategic steering committee is created for the campuses of the region.
- The committee is composed of the rector of the academy (or representative), the president of the regional council (or representative), a representative of the economic sectors concerned, the head of the supporting institution and the executive director of each campus. It meets once a year.

*'Excellence' category:* idem.

### 5. Operational management of the campus

- The arrangements for the campus's strategic governance and operational management, its support institution (local public educational institution or higher education institution) and its missions are formally set out in a statute; a constitutive agreement.
- The executive director of the campus ensures the impetus, functioning, coordination and follow-up of actions.
- Campus members and partners are involved in the monitoring of activities in which they are engaged. They also participate in studying the impact of their activities.

*'Excellence' category:* idem.

### 6. Financial and human resources ensure the effective operation and ambition of the campus

- The annual budget submitted in the application is prepared by a strategic steering committee and specifies each member's contributions, whether financial, material or human.
- The methods to make these resources available for the benefit of the campus are specified.

*'Excellence' category:* idem.

### 7. A strong and unifying identity

- Communication is consistent with the campus strategy and ensures the enhancement of professions and sectors in the field of the campus's activities.
- The campus has an online portal to ensure the visibility of its offering of training, courses, internships, professional integration and targeted professions.
- Campus signage is defined and used by network actors for all relevant actions, displaying the formal character of their engagement with the campus.

*'Excellence' category:* idem.

### 8. Places of innovation and fulfilment for beneficiaries

- The campus defines a strategy in terms of school and student life through appropriate pooling and partnerships.
- The campus has the capacity to accommodate pupils, students, apprentices and other trainees, thus facilitating their territorial mobility.

*'Excellence' category:* The campus:

- focuses on one or more training areas;
- develops collaborative projects with economic partners, including businesses and training and research partners and is characterised by shared resources: digital resources for training, data sharing, fab labs, incubators for business creation, shared resource centres, technology platforms (for example, acceleration platforms for the industry of the future), etc.;

- develops new sports and cultural venues that are attractive to beneficiaries;
- is developing a new hosting capacity that can meet the national and international mobility challenges of the sector.

#### 9. Innovative career paths

- The training provision is built around a coherent set of jobs within a sector. The proposed courses are at levels 5 to 1 in both initial training (school status and apprenticeship) and continuing education.
- There is a mix of audiences and courses, and status changes are possible if necessary.
- The campus develops inter-level and inter-status educational projects, facilitating bridges and pooling between secondary education and higher education.

*'Excellence' category: idem.*

#### 10. International development and visibility

- The campus coordinates periods of European or international mobility for pupils, students, apprentices and trainees involved in continuing vocational training.

*'Excellence' category. The campus:*

- establishes cross-border, European or international partnerships for purposes other than the mobility of beneficiaries and their teachers, such as the sharing of technical platforms, common training paths, joint diplomas, the construction of support and training platforms, etc.;
- contributes to the promotion of international career paths and can respond to requests from other countries for the training of technicians and foreign trainers.

#### 11. An effective quality approach

- The campus implements self-assessment as part of a measurable process of continuous improvement.
- The added value of the campus is measured against clear indicators.

*'Excellence' category:*

- The campus is subject to external evaluation and the project identifies the means of evaluation.

The label is awarded by a committee. Half of the committee's members are institutional representatives (regional authorities, rectors, the directorates of the Ministries of National Education, Higher Education, Research and Innovation, Labour and Economy), while the other half are representatives of professional bodies.

In 2018, a category of 'excellence' was introduced for the campuses. It was first awarded in October 2019 in accordance with the additional requirements listed above<sup>29</sup>. Above all, campuses in the 'excellence' category respond to specific regional and national strategic socio-economic needs, playing a role in the development of future professions and sectors of excellence, and mobilising and promoting a real capacity for research and innovation. The quality of a campus's offering is measured through self-assessment and external evaluation.

At present, 95 Campuses of Professions and Qualifications were certified between 2014 and 2018 (they may request the category of 'excellence'). The campuses fall into 12 sectors:

- automotive, aviation, land and water transport,
- materials science, innovative materials,
- personal wellbeing services,
- tourism, gastronomy,
- infrastructure, construction, eco-construction,

<sup>29</sup> Campus des métiers et des qualifications. Campus catégorie 'Excellence'. Cahier des charges national pour l'obtention ou le renouvellement du label. Official Bulletin of National Education of 13 December 2018. Available at: [https://cache.media.education.gouv.fr/file/Voie\\_pro/15/1/Cahier\\_des\\_charges\\_CMQ\\_1052151.pdf](https://cache.media.education.gouv.fr/file/Voie_pro/15/1/Cahier_des_charges_CMQ_1052151.pdf)



- business services and logistics,
- creation, audiovisual design,
- energy transition, eco-industry,
- agriculture and food industry,
- chemistry and biotechnology,
- innovative mechatronic systems,
- digital telecommunications.

It is important to note that the campuses address not only the skills needs of the large companies that represent the sector but also the entire cluster ('filière'), including SMEs, particularly those who are subcontractors of the main economic players at the regional and national levels.

The governance of the campuses is totally decentralised. Regional actors are entirely responsible for their management. The current plan includes a guide to support not only the teams at campuses that already have the label, but also any teams that want to apply for the label.

The establishment of any new campus is normally initiated by regional authorities and a regional academy, who apply jointly for the label. The involvement of a private company representing the corresponding sector of the economy is mandatory. For example, the Association BAAS (Bordeaux Aquitaine Aéronautique et Spatial) and the Union of Industries and Metallurgy Professions (UIMM) are co-founders of the Aerocampus Aquitaine<sup>30</sup>.

Companies have a strong motivation to cooperate with campuses. They see them as an effective tool to satisfy their current and future needs for a qualified labour force. Moreover, private-sector representatives sit on the campuses' governing boards and play a pivotal role in taking decisions of strategic importance, particularly in relation to the direction of campus development. The public-private governance of campuses, which ensures more innovative learning content and prompt adaptation to changes in skills needs, is considered as one of the main factors of their success and sustainability.

Employers are deeply involved in the development of campus curricula (or the adaptation of national curricula) in order to ensure that they target the skills needs of their sector. Employers also take part in teaching activities and often place campus graduates in jobs.

The campuses receive funding from both public and private sources. Public moneys come from national and regional authorities and account for 80%, on average, of campus funding. The French government has recently announced a call for a tender called 'Investments for the Future' and allocated EUR 50 million for the development of campuses. The size of a grant can vary from EUR 1 to 1.5 million, and the expectation is that around 20 campuses will obtain grants through the tender.

Private companies provide both cash<sup>31</sup> and in-kind support, i.e. teaching staff, tools and equipment. The campuses also generate their own income through the provision of services, e.g. the delivery of paid training courses to members of the public and the completion of research or preparation of project proposals for private companies.

Campuses can bolster traditional schools and enhance vocational pathways with up-to-date learning environments and more effective teaching methods, which are expected to lead to outstanding education. The other key distinctive factor is network building, which is seen as the main driver for ensuring the quality of education and its ongoing relevance to rapidly changing needs. Building

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<sup>30</sup> [www.aerocampus-aquitaine.com/en/home/](http://www.aerocampus-aquitaine.com/en/home/)

<sup>31</sup> One of the examples is a recent investment of EUR 200 000 made by Airbus in a partner campus.

networks is also a precondition to ensure that the campuses can achieve stable funding and sustainable development. By building networks, the campuses forge direct partnerships with industry, science/research and innovation, specifically in the area of high tech, digitisation and computer programming, which are particularly attractive to young people as skills for the future. Networks also facilitate the internationalisation of training activities, which is considered one of the major characteristics of the campuses (see criteria No 10 above).

Dimensions	Sub-dimensions	Detail
Functional type	Mixed type: main focus on VET provision with strong elements of knowledge-orientation and resource-orientation	
Scope and membership	Integration with the VET system: entirely permeating the system	
	Types and number of organisations involved: multiple private partners, multiple public partner	Businesses, public VET colleges, universities, research centres, other organisations, national and regional authorities
	Openness: open	New economic actors may join a campus network
Source of initiative	Public	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Contribute, through training, to territorial policies for economic and social development	
Key design features – mechanisms of effect	A label (status) awarded to a network of professional training actors within a sector of the economy	
	Payment: mixed	Private: partner companies Public: national and regional levels (~80%)
	Payment mechanism: regular funding and grants	Recently the government has announced a call for tenders called 'Investments for the Future' and allocated EUR 50 million for the development of campuses. The size of a grant can vary from EUR 1 to 1.5 million, and the expectation is that around 20 campuses will obtain grants.
Dimensions of the incentive and accountability environment	Risk allocation: private and public due to their investments	
Policymaking framework	Policymaker functions: establishing the entire policy, awarding the label, funding and quality assessment	
	Industry functions: funding provision of training resources and facilities	
	Nature of industry–public sector interactions in policy design: a campus can be founded through a cooperation agreement or an industry	

Dimensions	Sub-dimensions	Detail
Outcomes	On learning outcomes: improved quality of education and relevance to industry needs	
	On learning practices: mainly school-based learning with a strong contribution from the private sector	
	On learning experiences: via networking, addressing the skills needs of entire industrial clusters ('filière') within a sector, involving large, small and medium-sized enterprises	
Key contextual factors	Public authority capacity and experience: regulatory	
	Degree of market readiness: graduates are immediately ready to work in the corresponding industries	
	Legal framework: law on reorganising and rebuilding education (2013) and ministerial decisions	Long-standing initiative
	Governance regime: supportive attitude of the national authorities	

## 1.8 Teknikcollege: a network of advanced training providers in Sweden

Aram Avagyan, Global Developments Fund

Teknikcollege was launched in 2004 by companies and social partners in Sweden's engineering sector. Since then, the scope of the profiles offered by the institution has expanded and Teknikcollege now belongs to the entire industrial sector and is governed by the Council of Swedish Industry.

Teknikcollege is a privately owned<sup>32</sup> network of competence centres that are actually made up of consortia of municipalities (regional and local authorities), training providers (mainly secondary and post-secondary VET schools, but also sometimes universities) and private companies. The consortia receive certification to become part of Teknikcollege if they are quality assured in accordance with eight special criteria defined jointly by the Council of Swedish Industry and municipalities. The criteria are reviewed every three years. Compliance is monitored by the College Supervisory Committee (Granskningskommittén).

### EIGHT QUALITY CRITERIA OF TEKNIKCOLLEGE

1. Regional cooperation – collaboration between municipalities and private companies
2. Organisation and governance – regional and local steering groups
3. Industry skills needs – match between labour market demand and education curricula
4. Training and dimensioning – certification of training courses that correspond to company needs
5. Creative and stimulating learning environment – availability of appropriate equipment, training in real work environment
6. Education within the technical college – well-organised learning process in the schools
7. Participation of the labour market in the education – continuous contacts between students/teachers and companies
8. Quality assurance – guarantee of constant development of the technical college in line with industry requirements

<sup>32</sup> Teknikcollege is owned by the Association of Swedish Engineering Industries (Teknikföretagen).

The roles, competences and duties of the regional players are clearly defined in formal agreements signed by the members of the regional consortia and the registry office of the national association of Teknikcollege. The registry office, which is the main coordinating body in Stockholm, also ensures communication and dialogue between the partners.

At present, there are Teknikcolleges in 25 regions of the country and one more (in the Gotland region) is now in the final stage of certification. As a result, Teknikcollege operates on the basis of regional cooperation but actually has national coverage. At the same time, it is multi-sectoral and offers qualifications in the following sectors: food, textile and chemical industries, energy and utilities, manufacturing (a wide range of products), metal production and processing, mining, construction, IT and media technology, and more.

The size and nature of Teknikcollege vary from region to region. For example, in the Örebro region, there are 5 VET schools and 70 companies, while there is only one VET school with several companies in Bergslagen and there are 10 schools cooperating with hundreds of companies in Östergötland. The Teknikcollege in Uppland also collaborates with Uppsala University and the University of Gävle. In total, the Teknikcollege network draws on the involvement of 150 training providers, over 3 000 companies and around 180 municipalities.

The objectives of Teknikcollege are defined by the Council of Swedish Industry as follows:

- improve quality and efficiency in vocational and educational training;
- improve the skills and competences of students;
- improve the image of education for industry;
- create education adjusted to the labour market;
- without introducing an apprenticeship system.

The last point actually means that Teknikcollege tends to reach its objectives in a flexible way, not necessarily through a formally established apprenticeship (or dual education) scheme. Indeed, there is no single model of cooperation between the partners involved in regional Teknikcolleges. The types of partnership and forms of contribution vary by region and depend on the needs and capacities of the partners. Companies can offer internships or guest lecturers, organise field trips, provide seasonal jobs to students or offer permanent jobs after graduation. The flexibility of the partners' involvement in the collaboration and provision of training is a specific characteristic of Teknikcollege. However, instruction is mainly school-based or the schools are at least the focus of the training process, which is distinctive from, for example, the German dual education scheme.

At the same time, the common philosophy of the Teknikcollege is that local cooperation between the authorities, companies and training providers is key to ensuring quality education and preparing a highly qualified labour force that can contribute to the development of their regions and the country's economy in general. With this approach, Teknikcollege seeks to:

- offer learners attractive and quality VET that leads directly to employment or establishes a firm basis for further studies, e.g. at university;
- ensure a highly competent labour force for industrial companies and meet their specific skills needs;
- promote collaboration between municipalities and different education and training providers, which should guarantee the effective use of resources and that the education and training are in the interests of the entire society.

While the Council of Swedish Industry supervises the activities of the Teknikcollege network at the national level, there is also a municipality steering group and a regional steering group for every Teknikcollege. The steering groups are effectively responsible for all aspects of performance and

regular monitoring. They have representatives from the local and regional authorities, respectively, as well as from private companies, thus ensuring that social partners take part in the multilevel and multistakeholder governance of each Technikcollege. Companies are also deeply involved in defining the courses on offer in each region, setting requirements for the learning outcomes and designing the curricula.

Technikcollege has multi-source funding. Public funds come from municipal and regional budgets on the basis of a genuine belief and strong conviction that high-quality education is a driver of regional and national development. The VET colleges also make a financial contribution, while the investments made by private partners differ in amount and form, e.g. direct financing, provision of premises for training, materials or tools, human resources, expertise, etc. The motivation of employers is also clear: they want to secure a new generation of qualified employees in the face of an ageing Swedish society and a high retirement rate.

The risks are balanced and shared more or less equally. At the same time, they do not seem considerable or they are at least somewhat justified by the well-designed architecture of Teknikcollege and its properly organised operation. Even so, steering committee members who have been interviewed see the sustainability of the institution as one of its major challenges. Somewhat surprisingly, they mention financial difficulties as the main reason for the issue.

Dimensions	Sub-dimension	Details
Functional type	Mixed type: main focus on VET provision with elements of knowledge-orientation and resource-orientation	
Scope and membership	Integration with the VET system: elements of permeating system	
	Multiple private partners, single public partner. Open	Businesses, public VET colleges, regional authorities; any company may join if it meets the set requirements
	Openness: open	Any company may join if it meets the set requirements
Source of initiative	Private	Initiated in 2004 by companies and social partners in the engineering sector
Goal(s) to be achieved  Goals of the PPP (problems addressed; opportunities realised)	Secure a new generation of qualified employees in the face of an ageing Swedish society and a high retirement rate	Improve quality and efficiency in vocational and educational training Improve the skills and competences of students Improve the image of education for industry Create education adjusted to the labour market Without introducing an apprenticeship system
Key design features – mechanisms of effect	A network of advanced training providers	A network of competence centres that are actually consortia of municipalities (regional and local authorities), training providers (mainly secondary and post-secondary VET schools but also sometimes universities) and private companies
	Payment: multi-source	Public: municipal and regional budgets VET colleges
	Payment mechanism: public funding on a per capita basis and ad hoc private investments depending on needs	

Dimensions	Sub-dimension	Details
Dimensions of the incentive and accountability environment	Risk allocation: private and public: equally shared and balanced	
Policymaking framework	Policymaker functions: establishing the idea that high-quality education is a driver of regional and national development	
	Industry functions: financing, provision of premises for training, materials or tools, human resources, expertise	
	Nature of industry–public sector interactions in policy design: contractual based on quality criteria	
Outcomes	On learning outcomes: formation of competences in accordance with the real needs of the private sector	
	On learning practices: flexible forms of learning, not necessarily through a formally established apprenticeship (or dual education) scheme	
	On learning experiences: strong contribution to regional development	
Key contextual factors	Public authority capacity and experience: a municipality steering group and a regional steering group for every Technikcollege, responsible for all aspects of performance	
	Degree of market readiness: graduates are ready to enter LM immediately	
	Legal framework: unknown	
	Governance regime: governed by the Council of Swedish Industry	

## 1.9 Gesamtmetall in Germany: skills development for metal and electrical engineering industries<sup>33</sup>

Aram Avagyan, Global Developments Fund

Functional type	Main focus on VET provision with strong elements of knowledge-orientation and resource-orientation. A truly comprehensive and multi-faceted collaboration	
Scope/integration with the VET system	Entirely permeating the system	
Membership modalities	Number of partners	Multiple private partners, multiple public partners
	Types of organisations involved	Businesses, public VET colleges, national authorities
	Openness	Open: any company may offer dual education

<sup>33</sup> The author of this case study would like to acknowledge his interview with Sabina Dross of Arbeitgeberverband Gesamtmetall e.V.

The legislation on the dual VET system in Germany is a mixture of federal law and state (Länder) law. The two parts of the training – practical in companies and theoretical in vocational schools – are also regulated by a series of laws. The former falls under legislation such as the Vocational Training Act, the Crafts and Trades Regulation Code and the Youth Employment Protection Act, while the latter comes under the federal Compulsory Schooling Act and the educational acts of the German states, or Länder.

In particular, federal law regulates<sup>34</sup> the introduction and updating of training occupations and the training process per se. It covers the title and description of each occupation, the length of training (2–3.5 years), the skills, knowledge and competences that must be acquired, the general training plan and in-company training plan, and the examination requirements. In addition, there are regulations related to training companies, which require that they must:

- offer appropriate facilities (premises, equipment, tools, etc.);
- provide a necessary amount of training places and skilled workers who act as trainers;
- have staff that demonstrate a professional attitude and have appropriate occupational and teaching skills, knowledge and competences;
- be monitored by the competent body (Chamber of Crafts and Trades, Chamber of Commerce and Industry or similar) in terms of the suitability of the company and the trainers.

For every learner involved in dual education, a training contract is agreed. This is a specific kind of employment contract that includes additional regulations and is registered by the chamber responsible for monitoring (see above). The contracts include statements on:

- the aim, type, content and length of the training for a given occupation;
- the time frame of the daily training, i.e. start time and length (regulated by the Youth Employment Protection Act);
- remuneration, probation periods and vacation;
- the rights and duties of both parties.

The dual VET system rests on cooperation between the private and public sectors. Practical training, which is the main part of the curriculum (three to four days per week or around 80% of total learning hours), is conducted at companies, while theoretical instruction is provided at public vocational schools. The latter is compulsory and the requirement is made explicit in a clause of the training contract signed by each trainee and company. On the other hand, instruction at schools is supervised by the chambers and the VET school supervisory bodies.

The learners receive training allowances from their company. This aspect is also regulated by law, which requires an annual increase according to years of training and ensures that remuneration is paid on a monthly basis even when trainees are not working at their company but are instead attending classes at their vocational school. The remuneration amount must abide by the collective wage agreement for the corresponding branch of the economy, but it can also be adjusted higher or lower by the responsible chamber. In-kind payments are also possible, but they must not be more than 75% of gross pay.

The BIBB<sup>35</sup> publishes information that gives a better understanding of the scope of Germany's dual VET system.

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<sup>34</sup> Source: BIBB at [www.bibb.de/govet/en/54882.php](http://www.bibb.de/govet/en/54882.php)

<sup>35</sup> Source: BIBB at [www.bibb.de/govet/en/54880.php](http://www.bibb.de/govet/en/54880.php)

## DUAL VET SYSTEM IN GERMANY

- More than half of the country's population enters the dual VET system and over 40% graduate from the system. In 2018, there were around 1.3 million trainees engaged in 326 recognised training occupations, and they comprised 5.1% of all employees.
- The percentage of dual VET graduates who find employment is 95%, whereas the figure is 80% for those who are not trained.
- The average monthly training allowance (fee) for learners is EUR 854.
- Out of the total of 2.1 million German companies, 428 000 (more than 20%) are engaged in the provision of dual VET training and they train over half a million people a year.
- The companies where learners do their training hire 68% of graduates as temporary or permanent employees.

The funding for the dual VET system comes from two sources: public and private. However, private sources account for the larger share by far. According to the BIBB<sup>36</sup>, companies invest around EUR 25.6 billion in VET, or roughly EUR 18 000 a year per learner. The training allowance accounts for 62% of this amount. By contrast, the government's share of the investment is EUR 4.75 billion. However, taking into account that more than 70% of companies' investments are returned through the productive contribution of trainees during their apprenticeship period, the net funding by companies is estimated at about EUR 7.7 billion, which is nonetheless more than 1.6 times higher than the level of public funding. Interestingly, public funding has two main components: the direct financing of 1 550 public vocational schools that provide part-time VET (EUR 2.9 billion) and the steering, monitoring and provision of additional support measures (EUR 1.85 billion).

In Germany, metal and electrical engineering industries make up the largest sector of the economy. They account for more than 25 000 companies with some four million employees and their aggregate annual turnover exceeds EUR 1.1 billion. Gesamtmetall is the Federation of German Employers' Associations in the Metal and Electrical Engineering (M+E) Industries<sup>37</sup>. The federation was established in 1890 and operates as an umbrella organisation for 22 regional employers' associations, which have a total of over 7 100 member companies with more than 2.3 million employees. Member companies manufacture products made of steel, basic precious metals and other non-ferrous metals. They also produce, install and repair a wide range of metal products, machinery and equipment, including electrical equipment, computers, electronic and optical products, etc.

As a federation, Gesamtmetall represents the common interests of the German M+E industry at the national and international levels. It develops a joint strategy for industrial relations in the sector and it supports and advises members on labour issues and social legislation, collective bargaining agreements, health and safety, statistics, and vocational training. In addition, Gesamtmetall seeks to attract qualified junior staff and support the development of the German education and training system.

At present, roughly 200 000 students (apprentices) are involved in VET studies in the M+E sector. Every year, some 80 000 new training contracts are signed between trainees and companies. However, even though 78% of M+E companies offer training, around 6 400 training places remain unfilled.

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<sup>36</sup> Ibid.

<sup>37</sup> Source of information about Gesamtmetall: Brussels Office of the Federation of German Employers' Associations in the Metal and Electrical Engineering Industries



The trainees in companies are paid a training allowance of up to EUR 1 000 a month for their first year of studies, and the amount increases each year.

Training in the companies that Gesamtmetall represents is carried out in strict accordance with the legislation and rules described above. Every company follows the training regulations, which include:

- the occupational profile (occupational standard), which defines the set of competences for a given occupation (qualification);
- the training standard, i.e. how the company should organise and implement the training and what should be taught (minimum requirements);
- the examination standard, i.e. what the trainee must know and be competent to perform in order to pass the exam.

Practical training in companies is coordinated with the instruction given in VET schools, which is conducted in accordance with the vocational education standard (framework curriculum). The standard defines the learning objectives and content of any vocational subjects taught at a vocational school that specifically provide the vocational theory necessary for working in a given occupation.

The dual VET standards periodically undergo updating in accordance with the following procedure. First, employers identify new areas of tasks in the workplace that may require new occupational qualifications and they negotiate with their social partners and the government to adopt new standards for in-company training (training regulations) under the guidance of the BIBB. Next, the education standards for the VET schools (framework curricula) are updated in coordination with the in-company training standards (training regulations). Whenever necessary, a nationwide guide on dual VET standards is also published to address the delivery, monitoring, supervision and support of the dual VET system. The steps in the procedure normally take no longer than a year to complete.

A good demonstration of the partnership between public and private actors is the social partner agreement called 'Training & Qualification for Industry 4.0 – Managing change successfully', which Gesamtmetall signed in April 2016 together with the Mechanical Engineering Industry Association (VDMA), the German Electrical and Electronic Manufacturers' Association (ZVEI) and the German metalworkers' union (IG Metall). The parties committed to evaluate all of the sector's VET occupations in light of digitisation. The partners also involved other stakeholders in the process, specifically the German Employers' Organisation for Vocational and Further Training (KWB), the German Trade Union Confederation (DGB), the Chambers of Commerce and Industry (IHKs), the Federal Ministry for Economic Affairs and Energy (BMWi), the Federal Ministry for Education and Research (BMBF), and the Standing Conference of the Ministers of Education and Cultural Affairs of the Federal Länder in the Federal Republic of Germany (KMK).

By carrying out a highly structured research project with clearly defined roles for all partners, the sector identified specific training needs. The project's recommendations were to imbed an integrative teaching element on the 'digitisation of work, data protection and IT security' in the training regulations; partially revise the training regulations for metal and electrical industry occupations; update the existing teaching elements on 'operational and technical communication' and 'planning and organising the work, evaluating results' in the context of the M+E industry; and introduce new optional qualifications (such as IT security, additive manufacturing, systems integration, etc.). The research also identified a need for new guidelines, e.g. on subject-related teaching assistance for VET schools and companies. The close cooperation and commitment of all partners resulted in prompt decisions and an accelerated implementation of the new procedures, making it possible to begin training in accordance with the new regulations by August 2018.

The successful functioning of the dual VET system relies on the strong motivation of all parties. The government places great importance on highly skilled workers to achieve national economic growth

and development, and it trusts that all young people need to complete secondary education to achieve their full potential as citizens<sup>38</sup>. For employers, the main motivation is to secure their own future labour force, which will also be loyal to the company. However, they are also bearers of social responsibility: to train young people in order to contribute to their employability and social inclusion. Indeed, this has been a part of German business culture for decades or even centuries. As noted earlier, around 70% of graduates from the dual VET system gain employment in the companies that have provided their training. Nevertheless, companies (especially the large ones) do not view their investments in the remaining +30% of trainees as a waste of resources: first, because all trainees contribute to the productivity of the company during their practical studies; and second, because many of the trainees gain employment elsewhere, e.g. in smaller enterprises that are partners or suppliers. Therefore, most private companies take the view that the dual VET system leads to a win-win situation.

Not Gesamtmetall itself but some of its member associations and member companies, e.g. those in the south, also work closely with VET schools, particularly for the purpose of improving the capacities of VET teachers. This is important to ensure that apprentices are better prepared for their practical training and later employment. A recent initiative that drew on the involvement of the Bavarian Industry Association was a training programme for 360 vocational school teachers and in-company trainers in Bavaria on the subject of dealing with young refugees. The programme was called 'Cooperation between vocational schools and companies essential for integration'<sup>39</sup>.

The main challenge reported by Gesamtmetall is the lack of attractiveness of VET, especially in the field of metal and electrical engineering professions, which leads to a shortage of qualified employees in the sector's companies. At present, even in Germany, VET is the second choice of young people. Another challenge is the very low participation of women in these industries: only 8.4% of new VET students are women. As a consequence, another important task for Gesamtmetall is to promote the M+E sector, especially VET in M+E fields<sup>40</sup>.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed type: main focus on VET provision with strong elements of knowledge-orientation and resource-orientation; a truly comprehensive and multifaceted collaboration	
Scope and membership	Multiple private partners, multiple public partners Open	Businesses, public VET colleges, national authorities
Source of initiative	Public and private	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Secure a qualified labour force for the future	

<sup>38</sup> Source: BIBB at [www.bibb.de/govet/en/54880.php](http://www.bibb.de/govet/en/54880.php)

<sup>39</sup> For more information, see [www.vbw-bayern.de/vbw/Pressemitteilungen/Pressemitteilung-zu-Projektabschluss.jsp](http://www.vbw-bayern.de/vbw/Pressemitteilungen/Pressemitteilung-zu-Projektabschluss.jsp)

<sup>40</sup> Gesamtmetall has 10 'M+E InfoTrucks', which are double-decker vehicles with 80 m<sup>2</sup> of teaching space, equipped with 3D monitors, a CNC milling machine, various other models of machines, etc. They travel all over the country and deliver 90-minute teaching units for pupils in Grades 7–10.

Dimensions	Sub-dimensions	Detail
Key design features – mechanisms of effect	Bilateral contract signed by the trainee and the company, supervised by the trade chambers and the VET school supervisory bodies	
	Payment: mixed	Budgetary money Investments of private companies
	Payment mechanism: a clear requirement to contribute has been established: the school-based part of initial VET is publicly funded in Germany, whereas companies assume the costs of on-the-job training and pay a training allowance in accordance with sectoral collective bargaining agreements	
Dimensions of the incentive and accountability environment	Risk allocation: private, due to their investment in organising practical training in their companies	
Policymaking framework	Policymaker functions: defining the requirements in federal law and state (Länder) law	
	Industry functions: provision of learning facilities and payment of apprentices' fees	
	Nature of industry–public sector interactions in policy design: federal law	
Outcomes	On learning outcomes: almost all apprentices find employment through the companies	
	On learning practices: on-the-job learning accompanied by school-based theoretical instruction	
	On learning experiences: strongly in line with the companies' skill needs	
Key contextual factors	Public authority capacity and experience: funding and regulation of organisation and provision of training	
	Degree of market readiness: graduates are employed even during their training	
	Legal framework: nationally defined framework curriculum	
	Governance regime: close cooperation of government and industries	

## 1.10 Integration and employment of young immigrants: ‘Duo for a Job’ programme in Belgium<sup>41</sup>

Lavinia Pastore and Luigi Corvo, Tor Vergata University of Rome

### Background

‘Duo for a Job’ is a programme that was originally sponsored by Actiris, the Brussels regional employment agency, as part of policies to support the integration and employment of recent immigrants aged 18–30. The programme has been carried out by the service provider Duo for a Job Association, a non-profit entity that designed the intervention. In particular, the programme has sought to work with young immigrants in order to ‘increase their immersion in the local culture by being matched with experienced local retirees, help [them] to connect to existing employment networks, and increase their professional opportunities’. The problem that the programme sought to tackle was the high unemployment rate (20.8%) in the Brussels region (in the period 2013–14). The situation was even worse for youth unemployment, which had peaked at 31.7%.

The Duo for a Job programme was implemented through a social impact bond (SIB) scheme, which was the first of its kind in Belgium. The present case study examines the preliminary results and lessons learned, as well as the definition and mechanisms of SIBs.

### What social impact bonds are

Social impact bonds are payment-for-results contracts that leverage private social investment to cover the upfront expenditure associated with welfare services (Edmiston and Nicholls, 2018). This new type of PPP scheme first emerged in 2010 as a potential answer to the effects of the 2007 crisis. Indeed, the financial crisis in 2007 led to two contrasting dynamics: the emergence of greater and more acute social needs and a call for policies to cut public spending. Since SIBs were introduced in 2010, they have attracted growing attention worldwide as a new financial instrument. Pioneered in the UK, SIBs attract not only traditional financial players and governments, but also new specialised intermediaries and a new breed of financial investors, who seek to make a social impact in addition to earning a financial return (Arena et al., 2016).

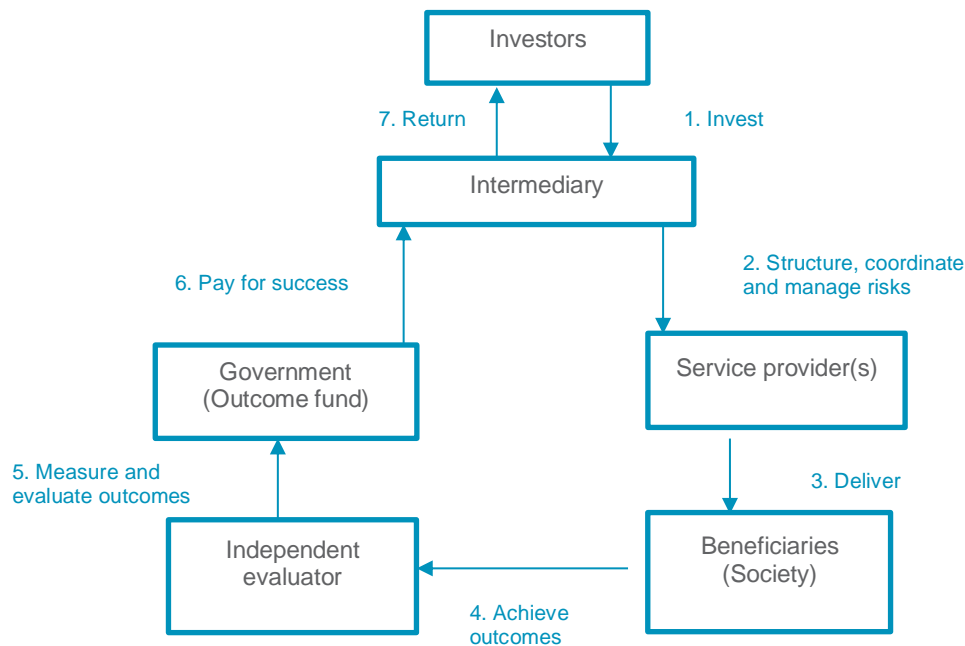
For the **government**, an SIB is a form of payment for results, which removes the government’s upfront costs of service delivery and shifts the financial risk to private investors, who lose their investment if interventions do not improve outcomes (Social Finance, 2010e, p. 53). In addition, SIBs can enhance cross-sector and cross-authority cooperation, providing integrated solutions to long-term challenges. Another significant benefit for public-sector bodies is the opportunity to explore innovative solutions, which can pose major risks. Because governments with limited budgets cannot afford to take such risks, SIBs enable them to transfer the risk of social innovation to private-sector interests with greater flexibility and more resources in exchange for an opportunity to make a profit while engaging in altruistic activity.

The **intermediary** receives a loan from the investor(s) and allocates it to the service provider for project execution. The intermediary issues the debt and manages the relationships with investors, service providers, etc. The intermediary is also responsible for determining the outcome metrics and monitoring the project.

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<sup>41</sup> The authors of this case study wish to acknowledge the editing of Siria Taurelli, ETF.

**FIGURE 1.1 MAIN ACTORS IN AN SIB AND THEIR PERSPECTIVE ON THIS PPP SCHEME**



Source: OECD adapted from Burand (2013)

**Service providers** are responsible for service delivery and project implementation. They can be any independent government entities, cooperatives, NGOs or private enterprises that carry out the interventions needed to achieve the desired outcomes. Service providers sign a contract with the intermediary. They are paid not by results but upfront. This means that they do not bear any of the risk for an SIB. Several different providers can deliver services that contribute to improving outcomes. Another key incentive for providers of social services is access to growth capital to scale up their operations. Access to a long-term, stable and predictable revenue stream without labour-intensive fundraising allows them to focus on the implementation of their programmes, invest in preventative operations, and deliver their services in the most effective and efficient way (Social Finance, 2012; Gustaffson-Wright et al., 2015).

**Investors** provide funding for the social intervention. For investors, SIBs offer a new investment opportunity with a ‘blended return’ (Mulgan et al., 2010); investors do receive a financial return but they also value the social return on their investment.

The overall **society** is considered to be the beneficiary. SIBs can improve outcomes and quality of life by funding service provision where there was previously none. It has been claimed (New Philanthropy Capital, 2010) that SIBs could be particularly useful to fund preventative interventions or other kinds of service delivery that governments might not prioritise for funding, especially in a time of budgetary constraints.

Therefore, the rationale behind social impact bonds comes from payment-for-results schemes associated with target-based performance management, which became extremely popular in the UK under the Blair government in the 2000s as a way to link contracts to specific outcomes (Warner, 2013). Despite worldwide interest, however, some aspects remain uncertain, especially in relation to the promised outcomes, and the adoption of SIBs is still modest (from 2010 to 2018, 121 SIBs were issued worldwide, but the results have not yet been published). The gap between widespread interest and actual adoption raises reasonable questions as to whether we are still in the early adoption phase of SIBs and massive diffusion is yet to come or we are observing a marginal phenomenon (Arena et

al., 2016). Given the lack of structured data, it is more interesting at present to investigate the phenomenon through case studies.

## The first application in Belgium: Duo for a Job programme

Duo for a Job is a Belgian programme that has a prominent innovation dimension. First, the programme is innovative in its content and design, because it matches young immigrants with experienced local retirees in order to connect immigrants to the employment network and help them to find employment. Second, the use of an SIB as a financing method is entirely new and its use by the Duo for a Job programme was unprecedented in Belgium. The pilot phase was carried out between 2014 and 2016.

The actors involved in the public–private partnership of the Duo for a Job programme are listed below.

- Actiris, the Brussels regional employment agency, is the public body that was the outcome payer and in this case the instigator of the process. Actiris launched a call for projects to find a service provider to carry out the first SIB. Actiris preselected six innovative projects that aimed to foster the professional reintegration of youth in Brussels. The six projects were evaluated on four criteria: (1) the project's target population; (2) the cost per unemployed person and the total cost; (3) the quality of the management of the social service provider; and (4) the project's fit with the anticipated SIB structure.
- Duo for a Job is a non-profit association that was selected to be the service provider. Out of the six proposals, Actiris chose Duo for a Job as the service provider because of its innovative coaching interventions and the evaluability of its outcomes. Duo for a Job is an association created in 2013 and its vision states that 'Duo for a Job aims at erasing disparities and inequality in access to the labour market for young people with immigrant backgrounds. Duo fully values the experience of elderly people, breaks down age barriers, [and] encourages intercultural and intergenerational activities. Duo combats stereotypes such as ageism and xenophobia by recreating close social ties based on understanding and solidarity'. Duo's approach is to pair up unemployed young immigrants with experienced mentors (usually recently retired people) who can help them to understand the labour market and guide them into it. The young person (mentee) and his/her mentor meet for a minimum of two hours a week for a period of six months. Since the SIB, Duo has expanded the model (at the time it was only in Brussels) and it now operates in four cities (Brussels, Liège, Gent and Antwerp). Duo's model has been quite successful; indeed in 2019 they stated that three out of every four immigrants enrolled in the programme had found a job or paid internship.
- An investor consortium led by Kois Invest (including the private Degroof Petercam Foundation as an investor) raised EUR 234 000 in capital for the intervention.
- An independent evaluator – the Brussels Observatory for Employment (l'Observatoire bruxellois de l'emploi) – used a quasi-experimental method to evaluate outcomes, involving:
  - a treatment group: 180 people from the target population (18–30 years old, non-EU nationality, registered at Actiris) who received the Duo for a Job coaching;
  - a control group: 6 200 people whose characteristics were similar to the treatment group.

The investor consortium gave the initial capital on the agreement that investors would be reimbursed only if the programme was successful. The initial hypothesis for their annualised rate of return was between 3% and 6% based on a calculation that the government's net savings after the activation of a jobseeker would be EUR 33 000 a year per person.

## Lessons learned

**Public-private partnership.** The SIB is a complex PPP whose effectiveness in comparison to other schemes is still a matter of debate. According to statements from Kois Invest, the programme was successful, and the authorities returned the capital plus profit to the investors, who received an annual return of 4%. The government also gave the organisation six times more money to continue its work. Francois De Borchgrave, the founder of Kois, states: ‘So, it is really a way for public donors to test different approaches and models without taking the risk that their subsidies will not be well utilised as they only pay if the programme is successful. If it works well, they can increase the amount of money given to the organisation’.

**Funding.** The investor consortium gave the initial capital on the agreement that they would be reimbursed only if the programme was successful. The initial hypothesis for the annualised rate of return was between 3% and 6% based on a calculation that the government’s net savings after the activation of a jobseeker would be EUR 33 000 a year per person.

**Sectoral applications.** According to the key lessons from the service provider’s perspective, the success of the mentorship programme ‘validates our belief that a lack of social capital, rather than a lack of skill or motivation, accounts for the low rate of labour-market participation among migrants’ (Duo for a Job).

**Sustainability and scalability.** In the absence of a legal framework that supports SIBs in Belgium, the Duo for a Job programme was implemented through separate contracts with each partner. The parties opted for bilateral contracts as a solution to avoid the technical restrictions imposed by PPP law. Another SIB with a similar arrangement is currently being implemented in Flanders. The situation in Belgium is common to other countries, so there are no examples of a legal framework to serve as inspiration. In the short term, this lack represents a limitation for the consolidation of the instrument and its scale-up for a whole sector or country.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed type: Knowledge-oriented and Provision-oriented	Seeking knowledge about an innovative approach Provision of (informal) learning and counselling and guidance services
Scope and membership	Tackling unemployment among young immigrants Multiple partners	Context of public active labour market measures
Source of initiative	Actiris, the Brussels regional employment agency (promoter through a call for ideas) Duo for a Job, a private non-profit association (service provider that designed the project)	The project is still running (2019) and has expanded from one to four cities. The project is run by the Duo for a Job Association with private and public funding
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Integrate young immigrants into the labour market	
	Tailor CV and skills development to the needs of individuals	
	Include people over 50 years of age and exploit their expertise as mentors	
Key design features – mechanisms of effect	Outcome-based payment	Quasi-experimental analysis

Dimensions	Sub-dimensions	Detail
Dimensions of the incentive and accountability environment	Risk allocation: taken on by the investor consortium	
	Risk monitoring and management: Actiris and investor consortium	
	Monitoring and evaluation: external evaluator - l'Observatoire bruxellois de l'emploi (Brussels Observatory for Employment)	The evaluator used a matched-comparison group and quasi-experimental method
	Termination clauses: the end of the project	The SIB was design to run 24 months
Policymaking framework	Policymaker functions: Actiris, the employment agency that was the instigator, could not rely on a set policy framework since SIBs are not yet regulated or listed as a type of PPP in Belgian legislation	
	Nature of industry–public sector interactions in policy design: SIB	Social impact bond – a pay-for-results mechanism based on outcome measurement
Outcomes	Increase in the employment rate for young immigrants aged 18 to 30 years who are not EU, US or Canadian nationals, who legally reside in Brussels, and who are registered with Actiris (the regional government's employment agency)	Financial terms: 100% repayment of the principal if the employment rate is 10% higher than the control group. If the employment rate is 10% higher, additional returns on investment can range from 3% to 7%.
Key contextual factors	Public authority capacity and experience: low	It was the first SIB in Belgium
	Degree of market readiness: low	
	Legal framework: complex	A law firm (Stibbe) supported the project for professional reasons (an SIB is an innovation with specific legal requirements) but also for its societal impact. One of the key legal challenges was to prevent the SIB from being treated as a public–private partnership (PPP) or a public offering ('Appel public à l'épargne') from a legal point of view. It was set up as a pilot project.
	Governance regime: contract-based	Three separate contracts linked the three entities (Actiris, the investor consortium and Duo for a Job). The contracts stipulated that Duo for a Job was responsible for gathering the initial funds and that Actiris, if the targeted milestones were achieved by Duo for a Job, had to pay Duo for a Job so that it could reimburse the investors for their initial investment and the agreed-upon coupons.

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## CHAPTER 2.

# PUBLIC–PRIVATE PARTNERSHIPS IN COUNTRIES WITH A RECENT TRADITION OF PUBLIC–PRIVATE COOPERATION<sup>42</sup>

Aram Avagyan, Global Developments Fund

This chapter focuses on PPP case studies from four countries where the cooperation between government and social partners in VET, or social partnership in VET, is relatively recent or is being re-shaped. As discussed earlier in the report, cooperation has been prompted by a shortage of skills in the labour market, especially in the regions of South Eastern and Eastern Europe. However, moving from initial dialogue to forms of partnership is proving more difficult than expected.

The PPP cases presented here were analysed also to understand whether they can potentially foster social partnership in a sustainable way. The following PPP cases were considered:

- **Jordan:** sector skills councils, VET centres of excellence, delegated management of public vocational training centres' workshops by the Jordan Chamber of Commerce;
- **Kazakhstan:** dual education, dormitories and catering, trust management of VET colleges;
- **Serbia:** Institute of Field and Vegetable Crops, Education to Employment (E2E) project, Cluster FACTS, HORES Academy;
- **Ukraine:** training and practical centres at public VET schools, internship or practical training of VET institutions' students in enterprises, participation of the private sector in education content development.

Sets of questions were prepared for the interviews in Jordan and Kazakhstan. The first set was used in both countries and related to the general situation of social partnership and PPPs in VET. It was designed for people with an understanding of the entire VET system, VET and PPP legislation, and a complete vision of the situation in the field. Interviewees were government (ministries), employers' association or trade union representatives. For Jordan, a second set of questions was used for actors in specific PPP cases, representatives of public or private parties involved in PPP projects, heads of beneficiary organisations and other relevant stakeholders. For Kazakhstan, where trust management (TM) of VET colleges was studied, a second set of questions was designed for institutions under TM and a third set for trust managers (the public authority that transferred the institution to TM) and trustees (the private company that undertakes the TM). For Serbia, a separate questionnaire was developed that was adapted to the PPP cases in this country. A consolidated questionnaire can be found in Annex 1.

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<sup>42</sup> The author of this chapter wishes to thank the PPP representatives and VET system stakeholders in the four countries for their interviews.

Interviewees were from the following structures in the four target countries:

### Jordan

- Vocational Training Corporation, director
- VET Centre of Excellence on Water and Environment, director
- European Bank for Reconstruction and Development (EBRD), regional economic inclusion specialist, Southern and Eastern Mediterranean
- Jordan Chamber of Industry, head of Employability Unit
- International Labour Organisation (ILO), Jordan, project coordinator

### Kazakhstan

- VET Department, Ministry of Education and Sports (MoES)
- Department of Education, Nur-Sultan
- Department of Education, Karaganda oblast
- Kesipkor Holding, joint-stock company of MoES
- Information-Analytical Centre, joint-stock company of MoES
- Financial Centre of MoES
- Kazakhstan PPP Centre
- VET Colleges (Chaglinka Higher Agrotechnical College Financial Centre, Almaty College of Economics, Talgar College of Agribusiness and Management, Polytechnic College of Kazakhmys Corporation, Temirtau Polytechnic College, Karaganda Polytechnic College)
- German Agro Centre

### Serbia

- Institute of Field and Vegetable Crops (NS SEME)
- Education to Employment (E2E) project
- Business Development Centre Kragujevac (E2E) project
- Cluster FACTS
- HORES Academy

### Ukraine

- Ministry of Education and Science, VET Directorate
- Kyiv City State Administration Department of Education, Science, Youth and Sports
- Rivne oblast state administration VET and Tertiary Education Division, Education and Science Department
- Interregional Centre of Jewellery Culture, education institution, Kyiv
- Higher Professional (Vocational) School No 33, Kyiv
- Kyiv Professional Lyceum for Energy.



fragmentation of the VET system *per se*, which is defined in the National employment strategy 2011–2020 as a ‘diversity of providers’<sup>50</sup>.

The three segments of VET mentioned above are directly coordinated by three councils: the Education Council, the Higher Education Council and the Employment and Technical and Vocational Education and Training (E-TVET) Council. The level of cooperation between these three is still insufficient<sup>51</sup>.

The E-TVET Council acts under the Ministry of Labour, according to its own law No 46 adopted in 2008<sup>52</sup>. It has 15 members, 8 of whom represent the government, namely the Ministry of Labour (the minister is ex-officio the council chair), the Ministry of Education, the Ministry of Higher Education and Scientific Research<sup>53</sup>, the Ministry of Social Development, the National Centre for Human Resources Development, Al-Balqa’ Applied University, the Vocational Training Corporation and Jordanian Armed Forces. The seven social partners are: Jordan Chamber of Commerce, Jordan Chamber of Industry, the General Federation of Jordanian Trade Unions, and four representatives of the private sector assigned by the council chair (the Minister of Labour).

The council’s main goal is to contribute to the development of human resources and greater employability, through an increase in TVET quality to achieve the requirements of comprehensive development of the country. Accordingly, the E-TVET Council is responsible for:

- proposing the general policy for employment, TVET, and laying foundations for the development of TVET;
- adopting the general framework of training programmes, the professional standards and the basis for accreditation of programmes and institutions in cooperation with the Ministry of Education and the Higher Education Accrediting Authority;
- coordinating employment and TVET stakeholders;
- evaluating TVET outputs in terms of relevance to labour market needs and supporting the development of programmes targeted at the employment of Jordanians within and outside the country;
- defining general principles of training, retraining and assessment of teachers;
- approving and supervising the overall policy of the TVET Fund<sup>54</sup>, its annual budget and financial statements;
- establishing specialised structures (e.g. committees) to assist the council in its functions<sup>55</sup>.

The lack of standardised vocational training strategies, poor coordination between the authorities concerned with TVET, and a lack of comprehensive, integrated initiatives for TVET development were the main justifications for establishing the E-TVET Council in 2008<sup>56</sup>. However, ‘due to persistent allegiances of the members to the different ministries’ interests rather than to the TVET system as a whole, the council has not achieved its aims of acting as a coordinating entity that can drive a single national skills agenda that aligns all parties’<sup>57</sup>.

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<sup>50</sup> Ibid.

<sup>51</sup> [VET governance partner country profiles – Jordan](#). ETF, 2017.

<sup>52</sup> It was established in 2001 as TVET Council and was subsequently reorganised into the E-TVET Council.

<sup>53</sup> At present, the Ministry of Education and the Ministry of Higher Education and Scientific Research are combined.

<sup>54</sup> See below

<sup>55</sup> [Law on Employment, Technical and Vocational Education and Training Council](#), No 46, 2008

<sup>56</sup> [www.mol.gov.jo/Pages/viewpage.aspx?pageID=214](http://www.mol.gov.jo/Pages/viewpage.aspx?pageID=214)

<sup>57</sup> [A national strategy for human resource development 2016–2025. Education for prosperity: delivering results](#), 2015

In 2016, the E-TVET Council established a Social Partnership Committee. The committee's main goal is to encourage social partners' active participation in mechanisms for ensuring quality VET in line with employers' requirements, and to contribute to improving workers' competitiveness, productivity and their further professional and social development. The committee has 12 members with equal representation of the three parties (four members from each): government (Ministry of Labour, E-TVET Fund, Al-Balqa' Applied University and Ministry of Education), employers (Jordan Chamber of Industry and Jordan Chamber of Commerce), and workers (General Federation of Jordanian Trade Unions). The presidency is held by representatives of one of the social partners, with a principle of yearly rotation.

The committee has a number of tasks related to the following aspects of VET:

- identification of quantitative and qualitative skill needs in the labour market to be addressed by TVET;
- encouragement of TVET students to acquire high-quality skills (including applied sciences, practical skills, life skills and entrepreneurial skills) to improve their employability;
- continuing education and training, including e-learning and work-based training, effective organisation of apprenticeships and operationalisation of the mechanism for validation of non-formal and informal learning;
- establishment of links between employers and the TVET system, dissemination of information on vacancies, support to establish private employment agencies, and vocational guidance and career development;
- fundraising, attraction of donors, scholarships for Jordanian TVET students in European countries and international integration in the field of TVET;
- education for those with special needs;
- sector skills councils, and establishment of monitoring and evaluation mechanisms.

The E-TVET Fund was established to ensure financing of vocational training courses and address the on-the-job TVET demanded by employers. The E-TVET Fund finances public and private training providers. The main source of the fund's financial resources are the fees paid by employers to obtain work permits for the foreign labour force. These fees are equivalent to JOD 100 (approximately EUR 123) per person per year. The fund also acts according to Law No 46 of 2008<sup>58</sup>, and is accountable to the E-TVET Council. However, the funding mechanism can hardly be considered effective. The National strategy for human resource development 2016–25 states that 'the public funding allocations to TVET providers are not based on results or outcomes, and budgets are allocated based on historical spending trends, which can perpetuate poor performance'.

The Vocational Training Corporation (VTC) is the executive management body for the vocational training centres' network acting under the Ministry of Labour. Its functioning is regulated by Law No 11 on VTC (1985)<sup>59</sup>, which states that the corporation shall ensure vocational training opportunities for the population; expand the scope and increase the efficiency of TVET; and diversify the types of training offered by introducing apprenticeships for youths and adults, on-the-job training and work-based learning, intensive short-term courses for various professions, training on occupational health and safety, and extension services for the establishment and development of SMEs.

The VTC is governed by a board of 11 members. Six are government representatives (two members from the Ministry of Labour, one member from each of the Ministry of Education, Ministry of Public Works and Ministry of Planning, and the director general of the VTC). The other five are

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<sup>58</sup> The E-TVET Fund is the successor of the TVET Fund established in 2001.

<sup>59</sup> Available in Arabic at: <http://vtc.gov.jo/vtcar/index.php/subpage/index/view/id/5073/ann/5073>

representatives of social partners from the Engineers Syndicate, Amman Chamber of Industry, General Federation of Trade Unions, and two private sector representatives assigned by the Minister of Labour. The board is responsible for establishing the VTC's general policy, approving plans and programmes for vocational training, studying TVET demand and the needs of TVET providers and preparing TVET system development projects, among other tasks.

The importance of TVET in Jordan is appreciated in a number of national policy and strategy papers. *Jordan 2025. A national vision and strategy* states that: 'Students could build their skills and employability faster and at less cost by enrolling in vocational training programmes to facilitate access to the labour market TVET, as one of the most important sectors.' This document also identifies issues in the TVET system such as weak links between the training provider's institutions and the labour market, insufficient qualification of teachers and trainers, poor facilities (including training equipment) of TVET institutions, and limited or no participation of employers in the development or validation of occupational standards.

One of Jordan's principles for collective action for 2025, defined by the above strategy, is 'participatory'. This principle includes 'significant expansion of vocational training' to be achieved through public-private partnerships, among other methods. This is expected to result in investments to improve TVET institutions and teacher training, and to introduce more relevant education content and modern training methods.

Another principle under Jordan 2025 is 'competitive'. The launch of cluster coordination committees is proposed under the National Competitiveness and Innovation Council, to strengthen public-private collaboration in each priority cluster. The tasks of these committees include developing mechanisms for cluster networking and directing TVET institutions to support the workforce development needs of their cluster.

The recently adopted human resources development strategy<sup>60</sup> reaffirms the extremely limited private sector engagement in TVET and specifies that there is no consistent participation of employers in curriculum development, involvement in TVET trainee and staff placements, contribution to a skills development fund, and no motivation to invest in the capacity development of employees.

The fourth of the five strategic objectives to enhance the country's labour market is to diversify the source of TVET funding by encouraging more public-private partnerships and improving the use of funds in ways that can incentivise positive change in the system<sup>61</sup>. Some ways to achieve this objective are to create a private sector-led skills development fund that would replace the current E-TVET Fund, establish new PPPs aligned with the priority clusters identified in Jordan 2025, and expand apprenticeship programmes. The human resources development strategy also proposes the foundation of a skills development corporation<sup>62</sup> to cover the entire education and training system and absorb existing bodies such as the VTC and the Centre of Accreditation and Quality Assurance (CAQA). The skills development fund will act under this new corporation.

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<sup>60</sup> [A national strategy for human resource development 2016–2025. Education for prosperity: delivering results, 2015.](#)

<sup>61</sup> The other strategic objectives are to establish progressive pathways to promote and recognise all forms of learning and skills development within the system and in the labour market and create new options for high quality tertiary TVET education; increase the quality of TVET through consistent training requirements for TVET instructors, aligning standards and quality assurance for all institutions and closer coordination with the private sector; put in place clear governance structures to ensure accountability across the sector; promote and establish TVET as an attractive learning opportunity from an early age and throughout the system.

<sup>62</sup> A Higher Council for Human Resource Development (HCHRD), which should serve as an umbrella for other governing councils and bodies overseeing education and training, was planned in accordance with the National Agenda adopted in 2005. This plan has never been implemented.

The National employment strategy 2011–2020 defines a number of TVET system issues that were mainly identified in the National Agenda adopted in 2005, whose implementation had ‘modest results’. The issues are the stigma of academic failure associated with the TVET stream; inadequate facilities, outdated equipment and unmotivated instructors; insufficient emphasis on applied/hands-on practice; and little or no private sector involvement. Allocation of more resources is seen as a possible solution. However, without greater involvement of the private sector, it will be extremely difficult to improve the image, reputation, enrolment and quality of TVET. The paper appreciates that several public and private initiatives in Jordan have helped to bridge the gap in youth transition from TVET to employment. Nevertheless, an umbrella programme is needed to ensure that all efforts by public, private and NGO providers are properly coordinated.

The main sector-related policy paper, Jordan national E-TVET strategy 2014–2020, is focused on the involvement of social partners, primarily employers, in aspects of the TVET system that are currently assessed as ‘very weak’ due to the absence of mechanisms for these partners to invest in the TVET sector. In the first strategy pillar, governance, one of the focal points is to ‘fully integrate social partnership progressively across the whole sector and progressively empower private sector contributions as the driver of change’ [sic].

It sets the following specific targets to be achieved by 2020:

- social partners and civil society fully engaged in developing plans and policies for the E-TVET sector at all levels of the system;
- an established and operational coordination body for sector-wide human resources development at national level;
- a developed, gazetted regulatory framework supporting good governance in the entire E- TVET system.

Key actions to reach the above targets include reviewing the statutes of the E-TVET Council and ensuring effective E-TVET leadership by the private sector, and developing and implementing a process to enhance the participation of social partners.

Thus, a sound policy background exists for promoting social partnership in TVET in Jordan, as well as formal preconditions for establishing PPPs. The next subsections of this report present and discuss some cases of public–private cooperation in the country and assess their compliance with commonly accepted characteristics, specifically against the criteria established by the ETF.

### 2.1.3 Cases of partnership in VET

#### Sector skills councils

In Jordan, the first attempt to establish sector skills councils (SSCs) dates back to 2010. This attempt was unsuccessful mainly because, according to the interviewees, the private sector was not prepared to make any financial, time or human resources investments in the process, a sustainability model was lacking, and there were no provisions on SSCs in the TVET legislation<sup>63</sup>. The latter is still the case for the country but the new law on the E-TVET Council (a draft is being circulated among stakeholders and adoption is expected in the first half of 2019) foresees a SSC directorate under the E-TVET Council. This new structure will initiate a package of sub-legal acts to comprehensively regulate the SSCs.

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<sup>63</sup> Another reason was that the private sector did not agree with the findings of the sectors’ analysis published by the National Centre for Human Resource Development and no longer saw a way to go forward.



At present, six SSCs have been or are being established in the country by government and/or donor initiative:

- garment production,
- chemicals and beauty products,
- tourism and hospitality,
- water and energy,
- logistics,
- ICT.

The first two councils are supported by ILO, the third by the EBRD and the other three by GIZ. However, there is common understanding of the SSC council concept between the donors. This is shown in a document entitled 'Terms of reference of national sector skills councils in Jordan' developed by the British company People 1<sup>st</sup>, with the financial support of the EBRD in partnership with GIZ, ILO and the E-TVET Council<sup>64</sup>. The unified principles for the establishment and operationalisation of SSCs are expected to contribute strongly to the effectiveness of this initiative and reforms to strengthen PPP in VET, in general.

According to the adopted approach, the SSC in Jordan can be characterised as follows:

- The sector skills council<sup>65</sup> is seen as a permanent employer-led body that promotes skills development in a specific economic sector and is a cooperation platform for stakeholders. The SSC is expected to build bridges between the labour market and the education and training systems to improve the match between supply and demand in the labour market. It should contribute to sustained improvements in public and private sectors' productivity and competitiveness through better use and development of people's skills.
- The SSC is a tripartite body<sup>66</sup> with representatives of:
  - employers and their organisations, comprising not less than 60% of the total number of council members and from whom the chair is elected;
  - government, including the Ministry of Education, Ministry of Higher Education and Scientific Research, Ministry of Labour, E-TVET Council, CAQA and the Accreditation and Quality Assurance Commission for Higher Education Institutions (AQACHEI);
  - workers' organisations, such as the General Federation of Jordanian Trade Unions;
  - other social partners involved in the respective sector and the training providers.
- The total number of recommended members is 17, with a three-year membership period. Members may receive financial remuneration when funds are available.
- Specific selection criteria are foreseen for the employers' representatives, including experience in the industry; professional knowledge; willingness to contribute to sector skills council's activities, skills development policies and strategy development; understanding of current skills gaps and needs; problem solving, critical thinking, collaboration, teamwork and communication skills.
- The objectives of the SSC are:
  - **Objective 1:** develop, manage, and maintain an effective labour market intelligence system. This covers sector-specific skills research on current and future skills and labour demand, skills needs analysis for TVET and lifelong learning, annual sector skills assessments and regular intelligence papers, and information and guidance for policy makers on sector-specific economic developments.
  - **Objective 2:** match supply and demand of skills and qualifications in the labour market. Areas include national occupational standards, qualifications and skills assessment instruments,

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<sup>64</sup> The UK Skills Council for Hospitality and Retail, [www.people1st.co.uk](http://www.people1st.co.uk)

<sup>65</sup> In the terms of reference, this structure is entitled the National Sector Skills Council (NSSC).

<sup>66</sup> Strictly speaking, the council should be considered quadripartite, due to the proposed composition.

and competency-based qualifications; career information and provision of career guidance; quality apprenticeship standards; practice-oriented and competence-based training and assessment framework and curricula; lifelong learning of employers and training providers.

- **Objective 3:** advocate for and contribute to improvements in the TVET sector. This objective focuses on raising awareness and improving the public image of TVET; laws and regulations to improve TVET governance, the quality of TVET delivery and the employability of graduates; financing mechanisms for vocational training and recruitment procedures and payment structures for apprentices; work-based learning; cooperation mechanisms between training providers, employers, trade unions, government and social partners; and labour market policy and strategy.
- **Objective 4:** monitor and evaluate the progress and results of training provisions. This involves supporting the accreditation of public and private training providers; inputs to the annual evaluation of training providers; a testing (examination) and certification process for trainees and current workers (validation of non-formal and informal learning); training and retraining of assessors and verifiers; and approving sector professions' work licenses (professional work permit).
- The SSC should be a legal entity or at least formalised under a relevant institution. Its status, powers and functions shall be regulated by legislation.
- Financing of the SSC is not regulated, and no fiscal obligations are defined. The funding sources can be private investments (e.g. by members), the public budget (Ministry of Labour or Ministry of Education) or revenues for service provision.
- The SSC has a board of directors comprised of senior employers from the sector and its representative organisations, who should be in the majority. The main tasks of the board are to:
  - ensure that the SSC complies with its statutory and other legal obligations;
  - determine the SSC policy, strategy and direction;
  - support and advise the executive staff and monitor their work;
  - determine the limits of authority of the chief executive and her/his staff.
- The SSC's working methods and and delegation of powers to the subcommittee must be defined.

Certain cases related to SSCs are discussed below.

### The Jordan Tourism and Hospitality Sector Skills Organisation

To implement its private sector-led economic inclusion model<sup>67</sup> (active since 2013), the EBRD selected tourism and hospitality as one the most labour-intensive sectors with good opportunities for youth employment. Regardless of the complicated political situation in the region, tourism in Jordan is seen as continuously in demand and a developing sector of the economy. Serious commitment from the private sector is in place.

The process of founding the Jordan Tourism and Hospitality Sector Skills Organisation (hereafter the SSC for Tourism) began in early 2017 through an extensive consultation process with a wide range of stakeholders including employers, associations, donors, other implementers (ILO and GIZ), public and private training providers and public authorities (Ministry of Labour, Ministry of Tourism and Antiquities and CAQA).

In May 2018, a memorandum of understanding was signed between the EBRD and the Government of Jordan (represented by the Ministry of Planning and International Cooperation and the E-TVET Council). The document confirmed the commitment of both parties to setting up an institutional platform for skills governance in hospitality and tourism. This was followed by the establishment of an operational board to oversee the setting up of a fully-fledged board for the SSC for Tourism. The

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<sup>67</sup> Targeted at creating pathways into jobs and training for young people, women and rural populations and addressing the challenges businesses face due to skills shortages, lack of workforce diversity or inadequate access to new markets.

operational board held meetings from June to July 2018 and in February 2019. The EBRD coordinates the council's activities and contact between its members, and still seems to be the main driver of council activities.

At present, the operational board has 12 members: 8 from the private sector, 3 from governmental structures, i.e. Ministry of Labour, Ministry of Tourism and Antiquities and VTC, and a representative from a USAID project. Three more members are still to be elected from private companies and one more from representatives of private training providers. The board is led by employers: the chief operating officer, chair and deputy chair of the board are all hoteliers. Board meetings are hosted by the member companies who also cover the costs of organising the meetings.

The EBRD considers that the government has declared a certain amount of commitment. However, the level of real political will to share authority with the private sector is still questioned. The government does not provide the private sector with the required level of freedom and retains full control over the TVET system. This leads to constant mistrust between the parties. It could be concluded that the government tries to partly pass the operation of the TVET sector to the private sector perhaps because it is overwhelmed with TVET problems and attempts to shift the burden of VET governance and management to the private sector.

This council is not yet formalised. The EBRD prefers first to establish all necessary working mechanisms within the council and ensure at least a minimum level of sustainability. Only after that will it initiate the registration of the council. Furthermore, establishment of the SSC seems more feasible under the expected new legislation (see above).

Although it has not been formally established, the council has a three-year strategic plan that presents the background and rationale of the SSC, includes vision and mission statements<sup>68</sup>, establishes objectives, and defines activities and outcomes, products and services for the planning period. The priority actions are:

- defining the sector and the visitor economy;
- identifying skills needs and gaps for all sub-sectors of the industry and defining the scope of the industries;
- identifying existing skills provision and providers for the industry;
- building communication systems to engage the industry.

In addition, two platforms have been established: a platform for employers and human resources managers to verify and cross-check the progress of work at operation level, and a platform for training providers to keep them informed about progress<sup>69</sup>.

An important aspect is to determine why the private sector would commit to engaging in and contributing to the council's work. As suggested by the EBRD, relatively large employers have a clear understanding of skills shortage in their companies and are eager to improve the situation by training specialists with different profiles and levels. For smaller companies, belonging to an authoritative, influential sectoral body *per se* is an achievement that is associated with recognition, professional

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<sup>68</sup> Vision: to establish the highest standards of hospitality and tourism service excellence in Jordan, through an industry that invests in people's skills and constantly seeks to improve performance, productivity and profitability, supported by high quality training provision. Mission: to inspire and delight by demonstrating an authentic, passionate, Jordanian-trained, skilled and certified professional workforce in the tourism and hospitality sector by 2025. This will be achieved through the establishment and development of industry-relevant standards, qualifications and training by excellent vocational institutions and training organisations from school to higher education.

<sup>69</sup> In Jordan, there is no chamber for tourism and hospitality. This sector only has an association that is not active enough, according to an EBRD assessment.

pride and an opportunity to promote the business. No financial investments are expected from any employer.

### Sector skills councils for garment production, and chemicals and beauty products

ILO defined the focus of its support based on the results of a study on industries implemented with Swedish International Development Cooperation Agency (SIDA) assistance. The economic sectors to be assisted<sup>70</sup> are garment production, chemicals and beauty products, and wood and furniture production. SSCs are only being established for the first two sectors. In the wood and furniture production sector, no noteworthy employers have been identified for involvement in cooperation.

The main partners of ILO in the initiative to establish SSCs are the Jordan Chamber of Industry (JCI) and the General Federation of Jordanian Trade Unions. Additional mapping of the sectors' stakeholders was implemented to identify a wider range of cooperation partners from the private sector, specifically those who are not members of the JCI.

At the kick-off meeting with all sector stakeholders, which took place in autumn 2018, lists of SSCs members were defined and submitted to the Social Partnership Committee under the E-TVET Council. The latter approved the membership and formalised the councils. Formally, SSCs are established by the government unilaterally.

The example of the SSC for chemicals and beauty products is discussed here. The council has fourteen members, nine of which are representatives of the private sector (companies and associations), two are from trade unions (petroleum and chemical industry workers, and university faculty members), two are government representatives (E-TVET Council and CAQA) and one person is from ILO Jordan. Under the council, two technical committees have been established for study, education, training and professional standards, and for public relations, finance, communication and automation.

The main tasks of the council can be formulated as:

- develop, manage and maintain basic data on the sector and future employment opportunities within it;
- match the supply of skills and qualifications with labour market demand, particularly by defining the qualifications and corresponding competences required in the sector and contributing to the development of national occupational standards;
- improve the image of TVET in the chemical industry so that it is seen in a positive light and contribute to the improvement of sector-related VET quality;
- develop vocational guidance programmes and carry out awareness-raising campaigns within and about the sector;
- coordinate relations between sector employers and the public authorities responsible for the education and training system;
- design and provide services that generate income to ensure council sustainability and implement other fundraising activities.

To date, the council has convened three meetings at which its structure and internal management system were defined, including the responsibilities of the president, vice-president and secretary, and its annual action plan for 2019 was approved.

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<sup>70</sup> ILO assistance is provided through implementation of the G20 partnership between Jordan and the Russian Government programme, *Improvement of sectoral governance* component.

The action plan includes activities such as:

- studies and research on skills in the sector to understand current and future skill needs and the scope of labour force demand;
- data collection, analysis and the formulation of statistical reports;
- provision of information and guidance for stakeholders on the sector's developments to define effective policies, and prioritisation of training and jobseekers' options by issuing periodic bulletins and reports;
- development and modernisation of occupational standards and qualification levels through continuous cooperation between the council's technical experts and the JCI and related professional and trade unions;
- initiation of high-quality apprenticeship and provision of support for employers and trainees to make contact and cooperate;
- participation in the development of practice-based assessment methodologies for competence-based training;
- development of the council's communication tools and preparation of its internal rules and procedures.

The ILO plans to contribute to skills research for the sector.

Dimensions	Sub-dimensions	Detail
Functional type	Knowledge-oriented PPP	
Scope and membership	Integration with the VET system: ad hoc PPP	The ambition is to develop elements of a permeating system
	Types and number of organisations involved: multiple private partners, single public partner	Businesses, public authorities (E-TVET Council), other organisations: donor organisations (GIZ, ILO and EBRD) Organisations are specifically built as part of the PPP (sector skills councils)
	Openness: open	New businesses or sectors can easily join
Source of initiative	Donors	EBRD, GIZ and ILO
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Develop, manage, and maintain an effective labour market intelligence system	
	Match supply and demand of skills and qualifications in the labour market	
	Advocate for and contribute to improvements in the TVET sector	
	Monitor and evaluate the progress and the results of training provisions	
Key design features – mechanisms of effect	A representative body with consultative authority, established by decision of the E-TVET Council	
	Payment: by donors only	EBRD, GIZ and ILO
	Payment mechanism: ad hoc donor investments	
Dimensions of the incentive and accountability environment	Risk allocation: donors	Due to their investments in the establishment of SSCs

Dimensions	Sub-dimensions	Detail
Policymaking framework	Policymaker functions: establishment of the councils and rules of functioning	
	Industry functions: defining qualifications and the corresponding competences required in the sector and contributing to the development of national occupational standards	
	Nature of industry–public sector interactions in policy design: established by decision of the Social Partnership Committee under the E-TVET Council	
Outcomes	On learning outcomes: unknown due to limited experience	
	On learning practices: up-to-date information on the industries' skill needs (expected)	
	On learning experiences: unknown due to limited experience	
Key contextual factors	Public authority capacity and experience: regulation of scope of responsibilities	
	Degree of market readiness: not relevant	
	Legal framework: Law on TVET	
	Governance regime: board of directors	

### VET centres of excellence

In December 2008, the Ministry of Labour adopted a Conceptual framework for developing model skill centres of excellence, based on public–private partnerships between TVET training providers and industry. This document proposed the concept of model skill centres of excellence (hereinafter CoE) in the Jordanian TVET context, as TVET institutes developed through PPPs between the government, training institutions and industry. The vision of the centres is defined in the box below.

This understanding of the CoE, which could be considered slightly narrow (any quality TVET institution should meet the above requirements), is still valid in the country. This was confirmed by the ETF evaluation in 2016<sup>71</sup> and the results of our own interview with the VTC. Nevertheless, the development partners are attempting to widen the limits of the CoE concept in Jordan. The VTC accepts that, unlike 'normal' TVET institutions, the CoE may provide a wider range of educational and other services such as non-formal training courses for unemployed and employed people and employers, training needs assessment, and expertise and quality control.

In all cases, the financing of CoEs could be almost the sole responsibility of the E-TVET Fund, i.e. the government, with possible contribution of donors.

<sup>71</sup> 'What is a centre of excellence?' The evaluation team asked this question to most of the staff of the three CoEs. The answers suggested that a CoE is 'just a training centre'. Evaluation of the European Union support to the establishment of three model skill centres of excellence in the Vocational Training Corporation/Jordan. ETF, 2016.

## VISION OF THE VET CENTRES OF EXCELLENCE

- Centres of excellence are sector-specific and geared towards an identified need for employment in the sector. They are based on best international practices in all areas including the design, delivery, management and evaluation of training. Training outcomes aspire to meet international standards.
- The goal of the CoE is defined as production of highly skilled graduates who are immediately employable and employed and have the skills and qualifications required by the local and international labour market.
- Four models were given as options to introduce CoE in the country depending on the specific sector and the nature of the training required.
  - **Model 1.** Emerging industry centres – an initiative to address the large gap in skilled workers in an emerging sector or a sector for which training has not been developed. These centres have strong industry involvement at all levels and include a complex partnership among industry, government, donors and education. Most of the training is short-term.
  - **Model 2.** Replication – an international institution (or programme) introduced into the country as a total package including curriculum, business model, training model and key positions, often through a partnership with an existing local institution whose contribution is mainly buildings, land, etc.
  - **Model 3.** Adaptation – initiatives to upgrade existing programmes and systems by modelling them on international programmes, models or institutions, usually initiated as part of a donor aid package. At the most complex level, it could involve twinning between local and international institutions.
  - **Model 4.** Multi-institutional collaboration – collaboration between two or more educational institutions and industry partner(s) to create a vertically integrated CoE, providing a broader range of skill development and certification than either institution will do on its own. These have the potential to greatly improve the country's training system through coordination between delivery agencies<sup>72</sup>.
- For all models, the main characteristics of CoEs are that they:
  - are based on and meet the identified market needs of a particular sector and lead to employment;
  - have significant, relevant input from all stakeholders, and strong participation from industry, including practical on-the-job training for students;
  - provide effective, relevant, high-quality training that meets national and/or international standards;
  - have up-to-date, sufficient learning resources (equipment, training materials, etc.) and are student-centred;
  - have quality assurance systems and mechanisms in place, are proactive and demonstrate flexibility, innovation and continuous improvement;
  - are based on a sustainable funding model and/or are financially viable;
  - have well-qualified human resources with relevant, up-to-date skills and use effective modern educational management techniques and systems.
- The management bodies of CoE are:
  - a board of governors, consisting of a representative of the Ministry of Labour (or of other relevant ministries) who is the chair, other participating bodies (VTC and other ministries) and the industry sector (at least 50% of total member numbers);
  - a board of management, consisting of an industry sector representative (rotating chair), PPP coordinator (secretary), representatives of the board of governors from the funding/donor agency or agencies, partnering institutions (e.g. VTC) and the CoE manager (*ex officio* member).

<sup>72</sup> More models and a deeper analysis of CoE taxonomy can be found in the concept paper *Setting up centres of excellence in vocational education and training: thinking policies and learning practices*, Galvin Arribas, ETF, 2017 and in the policy discussion paper *Setting up VET centres of excellence and innovation in Ukraine: major issues and key options for supporting policy learning and dialogue to reform Ukrainian VET networks*, ETF, 2018.

There are around five CoEs<sup>73</sup> formally operating in Jordan. The CoE on Water and Environment and the CoE in the Pharmaceutical Sector are discussed below.

### Centre of Excellence on Water and Environment

The Centre of Excellence on Water and Environment was launched in 2014, based on the Vocational Institution of the Chemical Industry (running since 2000). The institution's education profile was changed according to the results of a survey implemented by VTC that identified relative saturation of the labour market with chemical industry specialists (against the background of general decline in this sector) and high demand for professionals in the water industry.

At present, the CoE offers three qualifications: drinking water treatment, wastewater treatment (both post-secondary and providing the qualification of professional) and pipe installation (secondary, with the qualification of skilled worker). The institution has 33 students and only 5 full-time teachers. Several teachers are invited for part-time teaching of some modules. Training is organised in three cycles: school-based for six months; dual (with alternation of school- and company-based training days during the week) for two months; and entirely company-based for three months. Employers' representatives have limited (or zero) involvement in the school-based training process. They do not participate in the final (summative) assessment of the graduates, which is carried out solely by the centre's trainers according to tests provided by CAQA.

It was the government's VTC initiative to establish partnership between the CoE and private companies, which showed great interest in cooperation. The initiative was mainly grounded in the noticeable shortage of qualified workers in water treatment and supply sector companies. A memorandum of understanding was signed between public and private partners and the responsibilities of the parties were defined. In this cooperation, the government is represented by VTC, CAQA and the VET institution itself (which remains completely public), and the main private partners are the Miyahuna Co.<sup>74</sup> water company and the Arab Countries Water Utilities Association (ACWUA)<sup>75</sup>.

The private partners have contributed to curricula development, acceptance of students for practical (on-the-job) training in the companies and remuneration for students of JOD 2 to 5 (EUR 2.5 to 6.0 per day) during the company-based training. No other investments have been made. Thus, except for remuneration, which is normal practice in traditional (non PPP-based) provision of VET in many countries, the institution remains completely state-funded, and the funding is rather high. The centre's administration reported that in 2018 the institutional budget was equal to around JOD 150 000 (EUR 185 000), which represents EUR 5 600 per student<sup>76</sup>. This is comparable with the EU28 average for 2014<sup>77</sup> (EUR 84 000) and higher than that in a number of member states including Lithuania, Poland, Slovenia and Latvia<sup>78</sup>.

The centre has a Management and Supervisory Committee, which is a consultative body with no actual decision-making power. The committee is comprised of seven representatives from the government (Jordan Water Authority, Training Directorate; Ministry of Water and Irrigation, Project Management Unit; VTC, five people), four from private companies (Miyahuna Co., Learning and Development Section; ACWUA, Director of Programmes and Technical Services and Director of

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<sup>73</sup> At present, the exact number is being specified.

<sup>74</sup> <http://miyahuna.com.jo/en/>

<sup>75</sup> <https://acwua.org>

<sup>76</sup> The National employment strategy 2011–2020 reports that in 2009, the average cost per TVET trainee was equal to around JOD 4 800.

<sup>77</sup> Last available data.

<sup>78</sup> [www.cedefop.europa.eu/files/table\\_17\\_on\\_the\\_way\\_to\\_2020.xlsx](http://www.cedefop.europa.eu/files/table_17_on_the_way_to_2020.xlsx)



Human Resources and Training; Engicon Inc.<sup>79</sup>, CEO), and GIZ. The committee holds three meetings per year. The main topics that have been discussed are:

- places for students' practical training;
- incentives for students (remuneration for practical training);
- issues of building maintenance;
- transport for students.

The conditions of the centre's building and facilities are mainly disappointing: no heating was functioning in January (reportedly due to a lack of funds), the toilets were in bad condition (surprising as the institution offers a qualification on water pipe installation), workshops were poorly equipped (for example in the pipe installation workshop, there was some equipment and tools for pipe cutting, curving and joining, and only one set for in-house pipe installation used for demonstration purposes, but not for practical work).

#### Centre of Excellence in the Pharmaceutical Sector<sup>80</sup>

The Centre of Excellence in the Pharmaceutical Sector was established in Salt in 2015. The pharmaceutical sector was chosen for two reasons. First, it requires a particularly high quality of training as is strictly regulated and subject to various international standards. Second, the employer association in the sector is very strong.

The initial investment in state-of-the-art infrastructure was made by donor funding (EU). Currently the funding, including renewal of equipment, is being provided by the E-TVET Fund. In addition to having access to the latest equipment, the centre employs trainers with long direct experience in the industry. This is possible because the salaries paid to the trainers are higher than in the VTC system.

The private sector participates indirectly in the centre's funding through payments for foreign employees' work permits, which go to the E-TVET Fund. The companies are also involved in various aspects of the centre's functioning: from curriculum development and in-company training to participation in governance (membership of the steering committee). They also take part in the selection of trainees, for which a competition is held.

The success of the centre is evident. Its graduates have very high employment rates. The Centre's success factors are high-quality trainers, modern equipment and work-based learning. The fact that only the best candidates are selected to join the centre also contributes to the high quality of graduates.

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<sup>79</sup> A global engineering consulting firm based in Amman, Jordan, with offices across the Middle East and in the United States. The company provides services including technical studies, engineering design and construction supervision in a wide range of sectors, including water and sanitation, transport, energy for education, healthcare and tourism. It was established in 1988 and has over 450 employees operating in its offices and sites: [www.engicon.com](http://www.engicon.com).

<sup>80</sup> Adapted from Public-private partnerships for skills development in ETF partner countries. ETF, 2018.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed: resource-oriented and VET provision-oriented	
Scope and membership	Integration with the VET system: ad hoc PPP	
	Types and number of organisations involved: multiple public partners, multiple private partners	Businesses, public authorities (E-TVET Council), public VET colleges, employer association, donors (initial support)
	Openness: semi-open	The intention is to establish more centres of excellence, but this is hardly realistic in the near future (donors do not plan to invest in new CoEs while neither state nor other players, e.g. private companies, are able or willing to provide the necessary funds)
Source of initiative	Government	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Produce highly skilled graduates who are immediately employable and employed and have the skills and qualifications required by the local and international labour market	
Key design features – mechanisms of effect	Four different models	Emerging industry centres – to address the large gap in skilled workers in an emerging sector Replication – an international institution (or programme) introduced as a total package of curriculum, business model, training model, etc. Adaptation – to upgrade existing programmes and systems by modelling them on international programmes, models or institutions Multi-institutional collaboration – collaboration between two or more educational institutions and industry partner(s) to create a vertically integrated CoE.
	Payment: public	E-TVET Fund (donors' contribution also possible)
	Payment mechanism: per capita	
Dimensions of the incentive and accountability environment	Risk allocation: donors	Due to their investments in establishment of CoEs
Policymaking framework	Policymaker functions: establishment of the centres and the rules of functioning	
	Industry functions: ensure production of highly skilled graduates who are immediately employable and employed and have the skills and qualifications required by the local and international labour market	
	Nature of industry–public sector interactions in policy design: none	

Dimensions	Sub-dimensions	Detail
Outcomes	On learning outcomes: unknown due to limited experience	
	On learning practices: school-based learning in improved educational environment	
	On learning experiences: improved skills of graduates, relevant to industry needs	
Key contextual factors	Public authority capacity and experience: funding and regulation of the scope of responsibilities	
	Degree of market readiness: graduates are to be immediately ready to work in the corresponding industries	
	Legal framework: Law on TVET	
	Governance regime: board of governors and board of management	Both consist of public and private representatives

### Delegated management of workshops

In July 2017, a memorandum on cooperation was signed between the VTC and the JCI for a three-year period in four sectors of the economy that have a high demand for qualified labour force (garment production, wood and furniture production, packaging, and chemicals and beauty products). Two forms of cooperation are foreseen: sector skills councils and delegated management of workshops. The memorandum of cooperation foresees the following responsibilities of the parties.

- The VTC delegates the management of training units that can be either schools or workshops. It passes to the JCI the workshops with all their equipment and commits to helping in the identification of funding sources from donors if the JCI intends to add or replace workshop equipment.
- The JCI selects the workshops or schools, manages them and sets up the training programmes. It appoints training staff and commits to training 4 000 learners per year.

Clearly, there is no provision for investments made by the private partners. The only expected source of funding is the donor community. Interviews with JCI representatives confirmed that their understanding of delegated management of workshops was to ‘keep the workshops running’ but no obligation of investments were accepted. Moreover, before the memorandum of cooperation was signed, the JCI reportedly had a rather blurred view of the situation of workshops in TVET institutions (no *ex ante* analysis or assessment had been done)<sup>81</sup> and took over the responsibility for their management without intending to make any investment. As explained, the reason is simple: the JCI has no own money to invest, while the employers of the sector are mostly micro- to medium-size and have no investment capacity either.

<sup>81</sup> At the time of our interviews, the person at the chamber who was responsible for delegated management of workshops had been appointed recently. The previous officer in charge of this issue had stated that during the workshop selection phase, there was disagreement on which schools or workshops should be chosen for delegated management. The chamber showed a preference for schools that were more successful, whereas the VTC expected assistance with struggling schools. Moreover, whereas the preference of the VTC was to give up the entire school for management, the chamber only agreed to take on selected workshops within the school.

The chamber also considers that attracting learners is a challenge. In their opinion, the duration of formal VET is too long and shortening it to six to nine months could be a solution.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed: resource-oriented and VET provision-oriented	
Scope and membership	Integration with the VET system: ad hoc PPP, limited within the selected sectors	
	Types and number of organisations involved: multiple public partners, single private partner	Chamber of Commerce, public authorities and public VET colleges
	Openness: closed	The chamber is the single leading organisation and the membership of colleges is not voluntary but agreed in negotiations between the chamber and the public authorities
Source of initiative	Government	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Keep the workshops running properly	
	Attract learners	
	Provide short training courses	
Key design features – mechanisms of effect	Training units that can be either public schools or workshops	
	Payment: public	
	Payment mechanism: per capita	
Dimensions of the incentive and accountability environment	Risk allocation: none	No investments are made
Policymaking framework	Policymaker functions: signing contracts and establishing the rules of functioning	
	Industry functions: provide skills that meet the needs of industries	
	Nature of industry–public sector interactions in policy design: regulated by a memorandum of cooperation signed between the VTC and the JCI	
Outcomes	On learning outcomes: modern technologies introduced in the school workshops (intended)	
	On learning practices: school-based learning in improved workshops (intended)	
	On learning experiences: not recorded yet	
Key contextual factors	Public authority capacity and experience: funding and regulation of the workshops' functioning	
	Degree of market readiness: graduates are to have skills to enter employment in a given industry	
	Legal framework: none	
	Governance regime: managed by the JCI, supported by the VTC to identify funding sources from donors to add or replace the workshops' equipment.	

## 2.1.4 Conclusions

In Jordan, three cases were proposed as public–private partnerships in TVET:

- sector skills councils;
- VET centres of excellence;
- delegated management of VET institutions' workshops.

Strictly speaking, none of these comply with the commonly accepted characteristics of PPP, specifically those suggested by the ETF. The table below presents our assessment against the defined criteria for identification of common elements of PPP.

Element of PPP – Jordan		Defined criteria and assessment
Formulation	Existence	
Stable relationship between private and public partners	Insignificant	<p>Criteria: the relationship is stable if communication between the private and the public partner is regular, well-established and recognised by all parties.</p> <p>Assessment: private partners are formally involved in a number of structures (E-TVET Council, SSCs, boards of CoEs) but either do not have a decisive role (due to the consultative nature of the structures and/or their low level of representation) or are not motivated to contribute to policy dialogue (due to mistrust of government institutes and/or the perception of a low level of benefit to themselves).</p> <p>The SSCs have the highest level of employers' involvement and some of them are formally recognised (or rather formally established) by the public partners. However, the SSCs were actually initiated by the donors, who remain the main drivers of the councils' activities.</p> <p>The SSCs are in their embryonic phase, therefore, they have not made any tangible contribution to TVET development processes yet. Their sustainability, which is a guarantee for communication stability, is still strongly questioned.</p>
The private partner participates in funding or provision of other resources for the partnership	Insignificant	<p>Criteria: the private partner allocates its own funds or resources to implement the partnership.</p> <p>Assessment: private partners have not invested financial resources in any PPP case. In-kind contribution is also extremely limited. The only financial contribution is the employers' remuneration (JOD 2 to 5) of the TVET students during their practical training in the enterprises. However, this is a usual practice in normal VET settings without any PPP arrangements.</p>
The economic operator participates at various stages of engagement	Absent	<p>Criteria: the economic operator participates in the design, implementation and evaluation of the partnership through formal or non-formal mechanisms recognised by all parties.</p> <p>Assessment: there are no real PPP projects in which the private partners could be engaged in different stages.</p> <p>All the types of partnership were initiated by the government as ready-made solutions.</p>
The partnership has clearly set objectives	Insignificant	<p>Criteria: the documentation related to the partnership mentions the objectives unambiguously and the partners can easily identify and present these objectives.</p> <p>Assessment: no memorandum of understanding or agreement between the partners was made available to the team<sup>82</sup>. However, the results of the interviews suggested that these agreements include generic statements of cooperation rather than clearly defined objectives and/or obligations of the parties.</p>
The public partner defines the objectives in terms of public interest, service quality and pricing policy, and it is responsible for monitoring compliance with these objectives	Absent	<p>Criteria: in an official agreement, the public partner has defined the objectives of PPP in terms of public interest, service quality and pricing policy.</p> <p>The public partner has established a monitoring mechanism to ensure compliance with the defined objectives.</p> <p>Assessment: no performance, fiscal or quality indicators have been established for any of the PPP cases.</p> <p>No monitoring mechanisms have been identified.</p>

<sup>82</sup> The stakeholders did not directly turn down our requests on the provision of these documents but have never provided them.

Element of PPP – Jordan		Defined criteria and assessment
Formulation	Existence	
The distribution of risks is between the public and private partner, to whom the risks generally borne by the private sector are transferred	Absent	Criteria: the distribution of risks between the public and the private partners are defined. This distribution is recognised by all parties. Assessment: effectively, the private partners take no risks as no investments are expected from their side and no specific obligations are defined. Only a moral risk can be considered, i.e. failure in TVET reforms and developments in which the private partners are involved could affect their image and deepen mutual distrust.
Responsibility can be transferred from the public partner to the private one, but accountability always remains with the public sector	Absent	Criteria: accountability mechanisms and descriptions exist that clearly delineate the accountable actors within the public sector. Assessment: no meaningful accountability mechanisms have been identified.

The following table shows our assessment against the set of preconditions (proposed by the ETF), which should lead to different modalities of PPP.

Operational sub-questions	Indicators/assessment criteria	Assessment
<b>Precondition A: legal framework for public–private cooperation</b>		
Is the legal framework for public–private cooperation present?	Present if: the existing legal framework for PPS enables their foundation (legal documents outlining public–private cooperation exist and are recognised by all involved parties); implementing regulations are in place (the regulations are enforced and the actors adhere to the rules).	Formally present: Law on Public–Private Partnership, 2014 Regulation on Public–Private Partnership Projects, 2015
<b>Precondition B: fiscal arrangements for public–private cooperation</b>		
Are fiscal arrangements for public–private cooperation present?	Present if: financial incentives to develop PPPs are in place (e.g. identified in official documents); the rules of how fiscal arrangements work are clear and recognised by all involved parties.	Present: The Law on Public–Private Partnership foresees tax privileges (although declarative only) for the private partners involved in the PPP projects.
<b>Precondition C: tradition of social dialogue</b>		
What is the existing tradition of social dialogue?	Are PPPs building on an existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs? Long tradition with mixed outcomes: social dialogue is institutionalised, actors are aware of their roles and rules, yet social partners are not always consistently involved and examples of successful results are limited (e.g. to some sectors only).	The social dialogue was formalised (institutionalised) around 18 years ago but there is little evidence of firmly established traditions. The existing structures (E-TVET Council and its Social Partnership Committee) are supportive of PPPs to a limited extent and do not specifically lead to PPP cases.
<b>Precondition D: social partnership in VET and skills</b>		
What is the status of social partnership in VET and skills?	Is current social partnership leading to outcomes? Is the social partnership leading to specific PPPs? Ad hoc: there are no well-defined rules on engaging social partners in VET and skills, yet they are engaged on a need basis. Institutionalised: social partnership in VET and skills is well-defined, the roles of social partners are clear and they are regularly engaged.	This best fits the category of 'Long tradition with mixed outcomes'. Thus, the current social partnership mainly does not lead to outcomes. The cases that can be approximated as PPPs are not directly derived from the existing social partnership. They are institutionalised in form but ad hoc in terms of the results.
<b>Precondition E: capacity of stakeholders to engage in policy dialogue and form sustainable partnerships</b>		
Capacity of stakeholders to engage in policy dialogue and form sustainable partnerships	Are actors' capacities being built into the dialogue and partnership process? To be built: the roles of the actors are not perceived as clear, social partners are not aware of how they can engage in the policy dialogue.	To be built. However, the principal issue is the motivation of the actors.

## 2.2 Kazakhstan

### 2.2.1 Legal aspects of social partnership and PPP in Kazakhstan

In Kazakhstan, the Law on Concessions was adopted in 2006<sup>83</sup> and contained a special chapter on PPP. Subsequently, this part was invalidated after the adoption of a new Law on Public–Private Partnership<sup>84</sup> on 31 October 2015 (No 379-V). The latter defines PPP in Kazakhstan as a form of cooperation between a public partner and a private partner with the following characteristics:

- the construction of a relationship between a public partner and a private partner by concluding a public–private partnership agreement;
- medium- or long-term implementation of the public–private partnership project (from three to thirty years, depending on the nature of the project);
- joint participation of a public partner and a private partner in the implementation of a public–private partnership project;
- pooling the resources of a public partner and a private partner to implement the public–private partnership project.

The law defines the main objectives of PPP as: (1) create conditions for effective interaction between public and private partners to ensure sustainable socio-economic development of the country; (2) attract investment in the country's economy by combining the resources of public and private partners to develop infrastructure and the population's life support systems; (3) improve availability and quality of goods, works and services, considering the interests and needs of the population and those of the other stakeholders; and (4) increase the overall innovation activity in the country, including the promotion of high-tech and science-intensive industrial development.

Some PPP principles are stipulated by the law: consistency, involving the phased establishment of relations between the subjects of PPP; competitiveness, with the selection of a private partner on a competitive basis; balance, which entails the mutually beneficial distribution of duties, guarantees, risks and revenues between public and private partners in the process of PPP project implementation; and effectiveness, through the establishment of criteria and indicators for assessing the results of PPP. Education, healthcare, transport, the power industry, and housing and public utilities are declared priority sectors for PPP in Kazakhstan<sup>85</sup>.

Other important legislation is the Law on State Property (No 413-IV, 2011)<sup>86</sup>, which *inter alia* foresees the opportunity of transferring publicly owned organisations to trust management. This can be done with or without the right of future purchase of state assets by the trustee.

In the case of nationally owned property, the trust managers are the central (national) governance bodies, while community assets, particularly VET colleges, can be transferred to trust management by regional authorities called akimats. The rules of transferring state assets to trust management were approved by the Ministry of National Economy in 2015<sup>87</sup>. They define all aspects and procedures of this transfer and establish a sample agreement on trust management of state property to be signed between the corresponding public body (the person responsible for the public property or trust manager) and the trustee, who can be an individual or a non-state legal entity. The agreement stipulates the main rights, obligations and responsibilities of the parties. For example, the trustee shall

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<sup>83</sup> The first Law on Concessions was adopted in 1991 but was deemed invalid in 1993.

<sup>84</sup> <http://adilet.zan.kz/kaz/docs/Z1500000379>

<sup>85</sup> Sh. Chikanayev: [www.gratanet.com/up\\_files/%5BGRATA%5D%20PPP%20in%20Kazakhstan.pdf](http://www.gratanet.com/up_files/%5BGRATA%5D%20PPP%20in%20Kazakhstan.pdf)

<sup>86</sup> <http://adilet.zan.kz/eng/docs/Z1100000413>

<sup>87</sup> Order of the Minister of National Economy No 17, 16 January 2015, <http://adilet.zan.kz/rus/docs/V1500010111>

‘implement effective management of the object’, ‘ensure the preservation (safety) of the object’ or ‘reimburse the founder (the trust manager) for losses caused due to the improper performance of the agreement’. Thus, there are no particular obligations in terms of investments to be made or other duties related to improvement of the institution. These types of commitments are subject to specific consideration in every single agreement, with the consensus between the parties. The trustee must submit reports on activities and financial reports with specified periodicity. It can be rewarded for implementation of the trust management and/or its expenses can be reimbursed by the trust manager.

The main obligations of the public body (trust manager) are to pass the property and all necessary documents to the trustee by the deadline defined in the agreement, and not to transfer or sell the property to third parties during the trust management period. The trust manager is authorised to supervise the trustee’s activities, particularly by monitoring management efficiency.

The issues of social partnership in TVET are considered in the Law on Education<sup>88</sup> (Article 45-1). This legislation states that social partnership should be targeted at improving the outcome of the education system’s activities, strengthening relations between education and industries, ensuring the relevance of skills to employers’ needs, and attracting additional sources of funding. The main directions of partnership include: employers’ participation in the development of state obligatory standards of education, model curricula and programmes; organisation of students’ practical training and retraining of teachers at enterprises; involvement of industry professionals in the teaching process at colleges; participation of employers’ representatives in TVET quality control and assessment of professional degrees; and attraction of employers’ funds for the development of colleges. However, no role in TVET governance is foreseen for the employers. In Kazakhstan, national, regional and sectoral councils exist for policy dialogue at different levels (also foreseen by this Law). These councils have a consultative role and do not significantly influence the TVET policy development processes or decision-taking at institutional level (for more details, see the sub-sections below).

## 2.2.2 Overview of the TVET system and social partnership in VET

At the beginning of the 2018/19 academic year, the Kazakhstani VET system was comprised of 769 institutions and 36 branches. Of them, 451 were public (22 branches) and 318 private (14 branches). The total population of students was 489 800 (229 000 or 46.8% were women): 57.5% were studying in public VET institutions and 42.5% in private. Of the total number of students, 68.1% were involved in secondary and 31.9% in post-secondary VET. In total, 43 500 pedagogical staff work in the system, including: 37 500 teachers (72.7% women) and 6 000 practical training instructors (43.9% women)<sup>89</sup>.

In terms of VET students’ distribution by education field, healthcare and pharmaceuticals is the leading sector with 17.6% of the students. It is closely followed by education (16.1%) and then by services, economic and management (13.0%) and manufacturing, installations, exploitation and maintenance (12.4%). A total of 9.2% of students are involved in the ICT sector, while the percentages for the sectors of construction, transportation, agriculture, ecology and energy are between 4.2% and 5.6%. Although the sectors of geology and mining, and oil, gas and the chemical industry are of great importance to the country, only 1.9% of students are involved in them.

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<sup>88</sup> Law No 319-III, 27 July 2007

<sup>89</sup> Ministry of National Economy of the Republic of Kazakhstan, Committee on Statistics.

<http://stat.gov.kz/getImage?id=ESTAT290849>



The main structure of social partnership in TVET is the National Council for Preparation of Professional and Technical Cadres<sup>90</sup>, which is a consultative body. It has 55 members, 32 of which are representatives of parliament, government, ministries, regional administrations, universities and some other public organisations. The remaining members are social partners, chiefly employers. The main objective of the council is to support implementation of state policy in the field of labour resources. It will also develop and coordinate activities to provide economic sectors with qualified personnel through recommendations on: priority directions of TVET development, establishment of the national qualifications system, involvement of employers in training and retraining programmes, anticipation of skills needs and forming the state order, TVET quality assurance, improvement of TVET governance and funding, and other aspects.

The Ministry of Education and Science supervises national policy, while the Board of Education supervises regional policy. This board is responsible for fulfilling the requirements of the public VET system and meeting the social and economic development needs of the region. VET development councils at national, regional and industry levels continue to encourage more active participation by employers, big business and representatives of SMEs as the main customers for highly qualified professionals at all levels of VET system management (national, regional and sectorial)<sup>91</sup>.

In the country, there are 16 regional TVET development councils and sectoral TVET development councils on mining and metallurgy, the chemical industry, the pharmaceutical industry, the construction and wood processing industry, the light industry and machine building<sup>92</sup>. They include representatives from government structures and social partners, i.e. employers, their unions and associations and trade unions. These councils are responsible for implementing state educational policy at regional and sectoral levels, respectively, and specifically for issues such as formation of the state order, organisation of students' practical training at enterprises, and the establishment and strengthening of links between TVET institutions and the private sector. At institutional level, boards of trustees are established in TVET colleges. Members include social partners and the students' parents. Employers are also members of the colleges' pedagogical councils.

The National Chamber of Entrepreneurs 'Atameken'<sup>93</sup>, which represents the interests of employers, is the main partner of the government in the field of VET. It is involved in the processes of VET policy development and implementation. Since 2016, it has been active in the design and approval of professional standards for VET, due to official transfer of a number of functions from government agencies to the chamber<sup>94</sup>.

The main policy document related to the education sector, the State programme of education development of the Republic of Kazakhstan for 2011–2020 was approved by presidential decree in 2010<sup>95</sup>.

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<sup>90</sup> Established by Government Decision No 298, 30 March 2011 (to replace the Republican Council for Development of Technical and Vocational Education and Preparation of Cadres, established by Government Decision No 1211, 11 August 2009), which was invalidated by Government Decision No 529, 31 August 2017.

<sup>91</sup> [Torino Process 2016–17 Kazakhstan Report. Executive summary](#), ETF, 2017.

<sup>92</sup> Re-established by Order of the Minister of Investments and Development No 435, 3 July 2017. Initially the sectoral councils were established according to the Order of the Vice-Minister of Industry and New Technologies No 108, 18 April 2011, and then re-established by Order No 142, 30 April 2013.

<sup>93</sup> [www.atameken.kz](http://www.atameken.kz)

<sup>94</sup> [Torino Process 2016–17 Kazakhstan Report. Executive summary](#), ETF, 2017.

<sup>95</sup> Decree of the President of the Republic of Kazakhstan No 1118, 7 December 2010, [http://planipolis.iiep.unesco.org/sites/planipolis/files/ressources/kazakhstan\\_state\\_program-of-education-development-in-the-republic-of-kazakhstan\\_2011-2020.pdf](http://planipolis.iiep.unesco.org/sites/planipolis/files/ressources/kazakhstan_state_program-of-education-development-in-the-republic-of-kazakhstan_2011-2020.pdf)

It defines the following VET system issues:

- a lack of professional standards and modern qualification requirements for specialists hampers the development of adequate staff training content to meet the demands of industry and employers;
- the infrastructure, material and technical basis of the technical and vocational education system does not guarantee high-quality staff training or the attractiveness of education for young people;
- the low motivation of engineering teachers to provide quality education has become a reason for brain drain to other sectors of the economy;
- ineffective management does not guarantee the competitiveness of education organisations in market conditions;
- insufficient financing and the costs required to train one professional under the government grant scheme does not help students to obtain the necessary qualifications.

In addition, underdeveloped public–private partnership is considered a weakness of the entire education system.

The aims of the programme include modernisation of the technical and vocational education system in accordance with the demands of society and of the economy’s industrial and innovative development, and integration into the overall educational space. Accordingly, the main VET-related objectives are:

- update the structure of technical and vocational education content according to the demands of the country’s industrial and innovative development;
- develop staff training infrastructure for economic sectors;
- improve the prestige of technical and vocation education;
- develop the public–private partnership system in education.

The State programme of education development also has a set of target indicators that should be reached with the participation of employers and their unions. They relate specifically to independent assessment of the qualifications of graduates from TVET colleges by employers’ associations; national institutional accreditation of colleges; a qualification to upgrade engineering teachers in TVET schools and training courses for them; provision of professional standards; and funding of TVET students’ studies by employers.

Some steps towards strengthening partnership with employers are proposed in the programme: an increase of practical training in TVET curricula up to 60% and the extension of practical training sites with employers; establishment of vocational training centres in Atyrau, Ekibastuz, Shymkent and Ust Kamenogorsk with private sector investments; creation of independent centres of qualification certification with the participation of employers from different sectors of the economy.

The State programme of industrial and innovative development of the Republic of Kazakhstan for 2015–2019<sup>96</sup> determines that provision of the processing sector of the economy with a highly qualified labour force will be ensured through increased quality of VET. Quality can be enhanced by improving the content and material base of the TVET system, and one way to achieve this is through the introduction of trust management. Employers will be involved in the development of occupational standards and curricula, while teachers at education institutions should periodically be (re)trained at corresponding enterprises.

In Kazakhstan, certain institutional arrangements have been established for public–private partnership. In March 2014, according to a recommendation of the PPP Coordinating Council acting

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<sup>96</sup> Decree of the President of the Republic of Kazakhstan No 874, 1 August 2014

under the Government of Kazakhstan, a Public–Private Partnership Advisory Centre (PPPAC) was established and recognised as the ‘single legal entity’ providing advisory support to republican and local concession projects. When the centre’s authority was expanded in September 2016, it was reorganised and renamed the Kazakhstan Project Preparation Fund<sup>97</sup>. The fund has a mission to attract investments to Kazakhstan development projects by searching for investment and infrastructure projects; drawing up the documentation for such projects in accordance with the requirements of potential investors and lending institutions; independently financing project documentation design; and identifying financial solutions for projects, including attraction of shared and debt financing from local and international financial institutions, agencies and funds.

Another player in the field of PPP projects is the joint stock company Kazakhstan Public–Private Partnership Centre, which is a leading research and expert hub for the development of PPPs. The main tasks of the centre are research, examination, evaluation and support for the implementation of PPP investment projects. The centre’s objective is to contribute to improving conditions for successful partnership between government and the private sector, to increase private investment in the country’s economy<sup>98</sup>.

Kesipkor Holding is a non-commercial joint stock company under the MoES whose mission is to initiate and disseminate innovations related to aspects of TVET in Kazakhstan. It has 16 ‘base’ colleges for implementation of the 77<sup>th</sup> step (Training of qualified personnel in ten leading colleges and ten universities for six key economic sectors<sup>99</sup> with subsequent dissemination of the experience in other educational institutions of the country) of the Plan of the Nation, entitled 100 Concrete Steps. It operates according to the approved development plan for basic universities and colleges, to provide qualified specialists of GPIIR RK (State programme of industrial and innovative development of the Republic of Kazakhstan [Государственная программа индустриально-инновационного развития Республики Казахстан]) projects for 2015–2019 (modified from 18 August 2017, No 421).

### 2.2.3 Cases of partnership in VET

In general, the TVET system in Kazakhstan cooperates extensively with the private sector. Cooperation may involve the organisation of practical training for public colleges’ students in enterprises, the provision of modern training equipment, tools and materials by private partners to colleges, training of college’s teachers and practical training instructors in companies, and other factors. ‘Counter-cooperation’ of the state with private colleges also occurs, mainly through the state placing an order with institutions for the training of specialists.

Moreover, the state encourages various forms of business approach and income generation in TVET, for example, by establishing flexible semi- and quasi-public structures (such as Kesipkor Holding or the PPP Centre) and promoting meaningful privatisation of colleges and other structures<sup>100</sup>. Under this policy, the APEC PetroTechnic College<sup>101</sup> for oil and gas was established by public funding under Kesipkor. This institution has the status of a limited liability company (LLC) and can freely create income by providing educational and other services. It receives state orders from the government and

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<sup>97</sup> <https://kppf.kz/>

<sup>98</sup> <http://kzppp.kz/en/>

<sup>99</sup> Industry, Agriculture, Construction, Trade, Transportation and Communications.

<sup>100</sup> In 2016, the Republican Scientific and Methodological Centre of Technical and Vocational Education Development and Qualification Assignment, which was established in 2015 as a public institution under the jurisdiction of the Ministry of Education and Science, was fully privatised.

<sup>101</sup> <http://apec.edu.kz>

cooperates with a number of private companies, including such a giant as the BI Group<sup>102</sup>. The Kazakh-British Technical University<sup>103</sup> is among the college partners.

Below we present selected cases that seem useful for a better understanding of cooperation between the public and private sectors in Kazakhstan.

### Dual education

The introduction of dual VET in Kazakhstan was launched after adoption of the State programme of education development in the Republic of Kazakhstan for 2011–2020, when an agreement was signed between the MoES, the Chamber of Entrepreneurs and GIZ in 2012. The need to create ‘a core of a national system of dual technical and professional education’ that would ‘move to a guarantee by the government of technical education for young people’ was mentioned in the presidential address on the Kazakhstan 2050 strategy<sup>104</sup>. At the start of 2018, the government reported that dual training had been introduced in 460 colleges in partnership with 3 055 enterprises for 80 professions and 165 qualifications. The total number of students involved in dual VET was 31 607<sup>105</sup>.

The German model of dual VET has been considered in Kazakhstan and the main directions will be: improvement of the material and technical base of colleges; introduction of innovative educational technologies to train the specialists needed in the labour market; improvement of social partnership with the private sector by strengthening the links and cooperation between educational institutions and enterprises<sup>106</sup>.

Examples of dual VET in colleges are given below.

#### **POLYTECHNIC COLLEGE OF KAZAKHMYNS CORPORATION<sup>107</sup>**

- This is a private college established in 2001 by the Kazakhmys corporation, which is one of the main copper producers in the world and has around 50 thousand employees.
- The corporation provided training buildings, equipment and a place for students’ practical training at the enterprise.
- The college had 140 employees, including 45 teachers and 4 practical training instructors, and around 580 students in the 2018/19 academic year.
- Qualifications are mainly offered for the mining sector. Curricula are developed with direct participation of the employer, and student enrolment is linked to the real labour force demand.
- Tripartite agreements between the corporation, college and students are signed, which oblige the latter to work for at least three years for the corporation.
- Since 2016, the college has been receiving state orders and since 2018 it has cooperated with the employment service to provide vocational training for unemployed people.
- The students involved in training as part of state orders are not subject to concluding the aforementioned tripartite agreements.

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<sup>102</sup> [www.bi-group.org](http://www.bi-group.org)

<sup>103</sup> [www.kbtu.kz/en](http://www.kbtu.kz/en)

<sup>104</sup> The Message of the President of the Republic of Kazakhstan ‘[Kazakhstan’s way – 2050: Common Goal, Common Interests, Common Future](#)’, January 2014.

<sup>105</sup> <https://primeminister.kz/en/news/all/novoe-kachestvo-obrazovaniya-itogi-2017-goda-i-plani-na-2018-god>

<sup>106</sup> S. Kh. Muhambetaliev, A. Kh. Kasymova. ‘The introduction of elements of dual education system: experience, problems, prospects’. Indian Journal of Science and Technology. [www.indjst.org/index.php/indjst/article/viewFile/99711/76400](http://www.indjst.org/index.php/indjst/article/viewFile/99711/76400)

<sup>107</sup> [www.ptk-kazakhmys.kz](http://www.ptk-kazakhmys.kz)

### URAL COLLEGE OF GAS, OIL AND INDUSTRIAL TECHNOLOGIES<sup>108</sup>

- Occupations for which dual training is implemented are in the veterinary, electric power supply, construction and maintenance of gas and oil pipelines and storage, petroleum refining and gas processes, agriculture, and industrial and civil engineering sectors.
- The college has agreements with more than 40 companies. The leading social partners of the college are: KPO B.V., main gas pipeline management Oral JSC, Condensate JSC Zap. KAZ. REK, JSC Translating, Alau LLP, state enterprise Ural Selkhozopitnaya station, Aidana LLP and Oral Terminal LLP.
- The private sector participates in curricula development, the provision of instruction and the organisation of practical training for students.
- Bodies established in the college include a coordinating council for the implementation of dual forms of training and a working group on the development of training documentation.

### UST-KAMENOGORSK BUILDING COLLEGE<sup>109</sup>

- The partner is HeidelbergCement, which supports the introduction of dual VET in Kazakhstan.
- Practical training of students is organised in Bukhtarma cement plant, in a special workshop equipped for their needs.
- The profession for which dual training is applied is industrial mechanics.
- Two trainers have been trained at the Schelklingen cement plant in Germany.

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<sup>108</sup> Ibid.

<sup>109</sup> [www.heidelbergcement.com/en/dual-training-system-kazakhstan](http://www.heidelbergcement.com/en/dual-training-system-kazakhstan)

Dimensions	Sub-dimensions	Detail
Functional type	VET provision-oriented	
Scope and membership	Integration with the VET system: elements of a permeating system	
	Types and number of organisations involved: single or multiple public partners, single or multiple private partners	VET college, private companies and public authorities
	Openness: open or closed	Closed: Kazakhmys college; Ust-Kamenogorsk Building College (cooperation with only one partner) Open: Ural College of Gas, Oil and Industrial Technologies (the college has partnerships with a number of companies and others may join)
Source of initiative	Public	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve the relevance of the learning outcomes (specifically practical skills) to employers	
Key design features – mechanisms of effect	Tripartite agreement on provision of training services	German model of dual VET is considered
	Payment: mixed	Public: provision of cash (main part) Private: in kind
	Payment mechanism: per capita	
Dimensions of the incentive and accountability environment	Risk allocation: private	Due to investments in the organisation of practical training at enterprises
Policymaking framework	Policymaker functions: establishment of the rules of functioning	
	Industry functions: ensure practical skills of learners	
	Nature of industry–public sector interactions in policy design: based on agreement between the VET institution, private partner and student	
Outcomes	On learning outcomes: many of the apprentices are given jobs by the companies	
	On-the-job learning accompanied by school-based theoretical instruction	
	On learning experiences: high job-placement rate of graduates and ensured qualified workforce for companies	
Key contextual factors	Public authority capacity and experience: funding and regulation of implementation	
	Degree of market readiness: graduates are ready to be employed in the host companies	
	Legal framework: Law on Education	
	Governance regime: multi-stakeholder	Coordinating councils or similar

## Dormitories and catering

Of the five social initiatives declared by the president in March 2018, the third is associated with improving students' accommodation. By 2022, dormitories should be fully available for 75 000 students of colleges and universities. According to data<sup>110</sup> provided by the MoES Financial Centre, which is responsible for managing PPP projects in the sphere, the total demand for dormitories is over 90 000 beds, including 25 000 for college students. The highest demand is registered in Nur-Sultan (approximately 4 500)<sup>111</sup> followed at a distance by all other regions, among which the top demand is in Mangistau region (2 100) and the lowest in Karaganda region (600).

The programme of providing state orders for the construction of dormitories started in October 2018. For this purpose, KZT 152.8 billion (approximately EUR 358 million) will be allocated from the state budget over 11 years. The contracts will be finalised in 2022, and payments will be made up to 2030. These projects are implemented in accordance with the Law on PPP, and their mechanism is simple. Private partners, which could be the colleges and the universities themselves, construct dormitory buildings or reconstruct existing ones using their own funds. Usually these are loans provided by banks at an interest rate specifically for dormitory construction, which is lower than that of the usual commercial loans (8% compared to the usual 14–15%). During an eight-year period, the state pays back (compensates) a specific amount of money that is calculated according to every bed that is currently occupied in the dormitory: 122 MCI<sup>112</sup> per place per year in the case of a new building construction and 47 MCI in the case of reconstruction of existing buildings. At present, 1 MCI is equivalent to KZT 2 525 (approximately EUR 6.0) and is subject to yearly indexation (adjustment)<sup>113</sup>. The buildings remain under private ownership and the owners can use the non-residential area of the dormitory for commercial purposes and thus generate additional profits.

At present, two projects are ongoing: the construction of a 100-bed building in the East Kazakhstan Region, and the reconstruction of a building with 340 places in Nur-Sultan. In both cases, the dormitories will serve a number of colleges. Several other projects are in the negotiation stage<sup>114</sup>.

Another interesting case of PPP is in Karaganda oblast. The regional department of education has piloted the privatisation of catering in a limited number of schools and plans to expand this experience to other educational institutions in the region. PPP projects will be introduced to provide catering for the students in 12 to 13 selected VET colleges. The department is convinced that this approach will ensure a higher quality, cheaper catering service and will relieve the college administration of a non-relevant burden, to allow better concentration on educational services. Presently, a package of documentation is being prepared to announce tenders and select private partners.

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<sup>110</sup> Data as of November 2018.

<sup>111</sup> For university students, the highest demand is in Almaty where it stands at over 30 000 beds.

<sup>112</sup> Monthly Calculation Index (месячный расчётный показатель)

<sup>113</sup> One MCI will be KZT 2 613 in 2020, KZT 2 704 in 2021 and KZT 2 799 in 2022.

<sup>114</sup> More information on the projects can be found at: <http://studdom.fincenter.kz>

Dimensions	Sub-dimensions	Detail
Functional type	Resource-oriented	
Scope and membership	Integration with the VET system: ad hoc PPP	
	Types and number of organisations involved: single private partner, single public partner	Businesses and national authorities
	Openness: open	Any private partner may apply
Source of initiative	Public	Government and regional authorities
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Ensure necessary number of dormitory beds	
	Higher quality services	
Key design features – mechanisms of effect	Concession	
	Payment: mixed	Initial private investments and compensation of investments
	Payment mechanism: based on the number of beds occupied in dormitories	
Dimensions of the incentive and accountability environment	Risk allocation: private	Due to their investments
Policymaking framework	Policymaker functions: signing contracts and establishment of rules of functioning	
	Industry functions: ensure required number of dormitory places for students (VET and university) and catering services for pupils and students	
	Nature of industry–public sector interactions in policy design: not relevant	
Outcomes	On learning outcomes: forms of mutually beneficial cooperation between the state and the private sector	
	On learning practices: not relevant	
	On learning experiences: ensuring a social good (dormitory places) and commercial benefit (income of the private partner)	
Key contextual factors	Public authority capacity and experience: funding and regulation of economic relations	
	Degree of market readiness: not relevant	
	Legal framework: Law on PPP	
	Governance regime: independent private governance	



## Trust management

According to the information provided by the MoES TVET Department, at present five colleges have been transferred to trust management (TM), one is in the process of transfer and two others are planned to be transferred (see below). Transfers have been undertaken in accordance with the Law on State Property but not the Law on PPP, which foresees more complicated procedures.

- Pavlodar region: two colleges have been transferred to TM:
  - Kachiry Agrotechnical College
  - Irtysh Agrotechnical College.
- Almaty region: two colleges have been transferred to TM:
  - Talgar College of Agribusiness and Management
  - Almaty College of Economics.
- Aktyubinsk region: one college is in the process of transferring to TM:
  - Aktyubinsk College of Service.
- Karaganda region: one college has been transferred to TM and two others will be transferred:
  - Karaganda Higher Polytechnic College
  - Temirtau Higher Polytechnic College
  - Karazhal Mining and Technical College.

There are two slightly different positions of state bodies on this issue. The Ministry of National Economy strongly supports trust management and makes efforts to intensify the process of transferring TVET colleges to TM to ease the budget burden. In contrast, the position of the MoES is that trust management should only be granted in limited cases and to very carefully selected partners, due to the following risks.

- In general, the private sector cannot ensure effective TM of TVET colleges as it does not have experience in education management, which differs from business management considerably.
- The social responsibility of business is still rather low.
- The initiative of transferring colleges to TM mainly comes from regional authorities and/or the colleges themselves, while businesses show little motivation.
- The private sector seems much more interested in the colleges' infrastructure (land, buildings and other assets) than in improvement of the education system and the training process.
- The main purpose of TM should be higher quality of VET provision through increased effectiveness of its management system, resulting in improvement of various aspects, e.g. the material-technical base of institutions, the curricula and other programme materials, teachers' and practical training instructors' capacities, more appropriate conditions for students' practical training, etc. This, however, has not been proved yet in most cases of TM.

Therefore, the MoES is considering the development of mechanisms for better monitoring of TM implementation and possible leverage for TM suspension when its effectiveness is questioned. Nevertheless, the power to decide to transfer colleges to TM remains with the regional authorities.

As part of this research, selected cases of trust management of TVET colleges were closely studied and are presented below.

## Talgar College of Agribusiness and Management

The college<sup>115</sup> was established in 1918 in Almaty, and then moved to Talgar in 1930. At present, it has 1 200 students and 150 employees, including 108 teachers and 2 practical training instructors. Ten qualifications in the fields of agriculture (agronomy, mechanisation, land management and veterinary) are offered, as well as IT and electro-engineering.

In 2014, the regional department of education informed the college about its plans to transfer this institution to trust management. In October 2015, the akimat of Almaty oblast took an official decision on this issue. In February 2016, based on the results of the tender and on behalf of the akimat, the Financial Department of Almaty oblast signed a five-year agreement with the winner of the tender (Bayserke Agro LLC) on the trust management of Talgar College of Agribusiness and Management. This agreement is in line with the sample approved by the Ministry of National Economy (see above) but also includes clauses about the right of the trustee to redeem (buy) the object and its additional commitment to investing in the college and creating new job opportunities, according to the following table.

Year	Investments (thousand KZT)	Number of new jobs
2016	10 027	5
2017	10 013	3
2018	10 141	6
2019	10 151	7
2020	10 277	9
Total	50 609	30

Reportedly, the trustee is meeting its obligations in compliance with this schedule. In addition, around 20 graduates of the college are given jobs in the agricultural holding every year. The holding has an educational and scientific production centre and the college is supposed to be involved in this chain to train its own and company staff in the college.

The trust management results show that the company makes monetary investments, provides equipment and materials, ensures practical training of students and retraining of teachers, is involved in curricula (education content) design, and participates in the teaching process and in the assessment of students and graduates. The college cooperated closely with Bayserke Agro before it was transferred to TM. However, according to the college director, the company never participated in curricula development or revision to make the education content more relevant to its own needs, even though there were no obstacles to doing this. The only reason could be lack of motivation and/or pro-activeness of both parties, college and company. The situation changed once the cooperation had a formal status, and the company has become more enthusiastic about participating in different aspects of college activities.

Again according to the director, the college management has remained the same. The trustee does not intervene daily or strategically manage the institution. No single change in administrative or other personnel has been imposed. The scope of the director's authority remained totally unaffected. He continues to report to the regional Department of Education and to the MoES. This probably has both positive and negative aspects, but only a deeper analysis of the trust management and its evaluation

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<sup>115</sup> [www.tkaim.kz/index.php?lang=en](http://www.tkaim.kz/index.php?lang=en)

at a later stage can provide answers to the main question about the purposefulness and effectiveness of this new (for the country) form of VET governance.

### Almaty College of Economics

The institution was established in 1942 in Taldykorgan oblast, to prepare specialists for the sugar industry. In 1948, it was moved to Almaty and then renamed several times in accordance with the institution's changing, expanding profile. In 1993, it became the Almaty College of Economics<sup>116</sup>. Now, the college has 1 100 students and 146 employees, including 80 teachers and 16 practical training instructors. A number of qualifications are offered to learners in the fields of economics (accountancy and finance), ICT, food technology (bread and pasta, beer production) and catering. A dormitory with 200 beds is available to students.

The college was transferred to trust management in 2018, as the result of a tender announced by the Almaty akimat. Four organisations participated in the tender and a private company, the Republican Scientific and Methodological Centre of Technical and Vocational Education Development and Qualification Assignment (RSMC)<sup>117</sup>, was recognised as the winner.

The contract between the akimat and the trustee has never been made available to the college and the latter does not have a clear understanding of what trust management should mean in general and for their institution specifically. As in the above case, the college management structure and its governance system have not changed. Reportedly, the trustee has not made any investments in the college yet.

It is remarkable that the transfer of the above two colleges to trust management was not initiated by the Education Department (specifically the VET Division) of the Almaty akimat, but by the Finance Department that is authorised to manage public assets on behalf of regional authorities. A representative of the Education Department was involved in the tender committee, but all key decisions were taken by the Finance Department and agreements with the trustees were signed by its head.

Here, a regional analogue of the situation between the MoES and the Ministry of National Economy can be seen: the regional Education Department tries to balance the active endeavour of the Finance Department to transfer more colleges to TM. Therefore, the VET Division has developed a number of requirements that must be considered by the trustees:

- the college profile should not change;
- students' enrolment (admission) should not decrease;
- no sudden changes in (teaching) personnel should be made;
- job placement of graduates (or at least a considerable number of them) should be ensured at the trustee's company;
- considerable investments should be made to improve college capacities (facilities, equipment, methodology and human resources, etc.).

These conditions are designed to minimise a number of risks, particularly those listed above.

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<sup>116</sup> [www.almec.kz](http://www.almec.kz)

<sup>117</sup> See footnote 76

## Nur-Sultan College of Humanities

Schoolteachers are needed for around 100 000 pupils in the Nur-Sultan region. Existing universities cannot fill this gap. Therefore, regional authorities are in the process of transferring Nur-Sultan College of Humanities to the trust management of a private partner, who would organise higher education for teacher training there. In the selection of a trustee, priority will be given to a university (most likely a private one, if any apply) that would already have a license to provide higher education and no additional licencing procedures will be necessary.

Presently, the college has 2 400 places but 1 000 more are needed. A multi-level system is planned that would allow college graduates to continue their education at the university. According to the representatives of the Education Department of Astana akimat, the main reason for passing the college to TM is that the private partner will invest in expanding the college facilities (the training building and the dormitory) and will ensure considerably more effective management of the institution than that provided by the government. Moreover, the future trustee will be allowed to purchase the institution after or during<sup>118</sup> the TM period. The tender has been announced and the expected period of partner selection is planned for March–April 2019.

However, this case has the following possible risks. The current college places are likely to be transformed into university places and the college will gradually be downsized or ultimately even closed down. Another undesirable scenario is that studying at the college will become simply a jumping-off point for higher education and will no longer serve a purpose<sup>119</sup>. Even if our concerns do not materialise, the planned transfer of this institution to TM is not really designed to improve the college and increase VET quality, but rather to promote higher education.

Dimensions	Sub-dimensions	Detail
Functional type	Resource-oriented. The regional authorities, encouraged by the Ministry of National Economy, are giving up VET colleges for private management to ease the budget burden.	
Scope and membership	Integration with the VET system: ad hoc PPP	
	Types and number of organisations involved: single private partner, multiple public partners	Businesses, public VET colleges, national authorities and regional authorities
	Openness: closed	Only one company may be trusted to manage VET colleges
Source of initiative	Public	Government and regional authorities
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve facilities of VET institutions	
	Ensure higher quality of education provision	
	Ease the financial burden	

<sup>118</sup> This aspect will be defined according to the agreement to be signed between the regional authorities and the trustee.

<sup>119</sup> Interviews with some students of colleges in Kazakhstan suggested that many of them, after graduating from the college, see the natural continuation of their career in the university rather than the labour market.

Dimensions	Sub-dimensions	Detail
Key design features – mechanisms of effect	Public VET institution passed to trust management by a private company	
	Payment: mixed	Public: salaries Private: running cost and development investments
	Payment mechanism: public funds are paid according to the traditional scheme; private investments are made at the trustee's discretion in accordance with the contract	
Dimensions of the incentive and accountability environment	Risk allocation: public and private	Private: due to their investments Public: due to possible failure of TM and worsening of the college conditions
Policymaking framework	Policymaker functions: establishment of TM rule	
	Industry functions: provision of college management and ensuring high-quality VET	
	Nature of industry–public sector interactions in policy design: none	
Outcomes	On learning outcomes: the ways of sharing authority and responsibilities – decentralisation	
	On learning practices: no influence on learning practices	
	On learning experiences: increased efficiency of the functioning of VET colleges	
Key contextual factors	Public authority capacity and experience: partial funding and regulation of procedures	
	Degree of market readiness: not known yet	No graduates under TM produced yet
	Legal framework: Law on State Property	
	Governance regime: independent private governance	

### Planned PPP projects

The project database of the PPP Centre<sup>120</sup> contains information about 681 PPP projects<sup>121</sup>. Of these, 338 are in the field of education and the vast majority relate to construction and/or the operations of preschool institutions. There are no VET-related projects yet that could formally be categorised as PPPs. However, some initiatives can be mentioned that will hopefully materialise in the near future.

One PPP projects that was started recently is the creation of a Construction and Utilities College in Kyzylorda.

<sup>120</sup> [http://kzppp.kz/en/project\\_base](http://kzppp.kz/en/project_base)

<sup>121</sup> As of February 2019.

## CONSTRUCTION AND UTILITIES COLLEGE IN KYZYLORDA

- Project initiator: akimat of the Kyzylorda region, represented by the Department of Education.
- Purpose of the project: establishment of an advanced, specialised College of Construction and Utilities in Kyzylorda to meet social needs for quality secondary education services (general, technical and vocational education).
- Contract type: agreement on the creation of a concession object by the concessionaire, with the subsequent transfer of the concession object to state ownership. Subsequently, the right to use and own the concession facility will be transferred to the concessionaire for further technical operation of the college.
- Performance indicators: college with 600 places and a dormitory with 200 beds.
- Projected cost: KZT 3 139 264 000 (approximately EUR 7.3 million). Payment mechanism: the costs incurred by the concessionaire in the investment stage of project implementation will be compensated in the operation stage. Payment to the concessionaire provides compensation for the investment and operating costs, and remuneration for management, from the date of commissioning the concession facility.

Other examples of planned PPP projects in the field of education are given below.

- Operation of VET institutions in the East Kazakhstan region under the PPP mechanism. The project duration and the cost are still to be defined and are conditioned by the volume of works. At present, the project is in the initiation stage.
- Establishment of a Regional Testing Centre with an implementation period until 2036. The project cost is around KZT 1.4 billion (approximately EUR 3.3 million). At present the project concept is under appraisal.

### 2.2.4 Conclusions

From a formal perspective, only the construction and reconstruction of dormitories for colleges can be considered PPPs in the VET field in Kazakhstan. All other forms of cooperation between public structures and the private sector are beyond the scope of PPP defined by the legislation. They include:

- trust management of public VET institutions;
- placement of state orders in private VET institutions;
- cooperation of public VET institutions with private companies on various aspects of VET organisation and provision (e.g. practical training of students at enterprises, provision of training equipment and materials to colleges, and training of teachers and practical training instructors at companies).

Our study of the situation, primarily through interviews and observations, led to the following initial conclusions. They were drawn from a limited number of cases and should be tested on a wider scale.

- Even in conditions of considerable labour force demand, the private sector is hesitant to invest in public institutions. The main reason seems to be concerns about the profitability of such investments and uncertainty about the possible benefits.
- Investing becomes more attractive when companies take over the management of VET institutions, specifically with a right to future purchase. In this event, companies feel ownership and start to behave according to business logic (owner's instinct).

- College directors have a real chance to initiate discussions with the private sector on education content, learning skill needs and updating curricula, among other topics. However, this is not always the case (for several reasons that could include a lack of enthusiasm for the changes) until cooperation between the college and the employer is formalised.
- Large companies usually have a considerable influence in the regions and if they express a wish to take on the TM of a college, it cannot be neglected by the authorities. The opposite situation is also true: if the regional authorities decide that a college should be transferred to TM and they propose a company to take it over, the latter has to consider this option seriously.
- In all TM cases, the trustees have a certain obvious or hidden interest. For example, in the Talgar College of Agribusiness and Management, the trustee (Bayserke Agro LLC) can use college land for its own needs, particularly for scientific research in the field of agriculture and for business (commercial) purposes. The Almaty College of Economics is rather attractive due to its advantageous location in the centre of Almaty and the large building, which can also be used for business purposes.

The table below shows whether the identified cases of cooperation between the public VET system and private partners in Kazakhstan comply with the PPP criteria suggested by the ETF.

Element of PPP – Kazakhstan		Defined criteria and assessment
Formulation	Existence	
Stable relationship between private and public partners	Significant	Criteria: the relationship is stable if communication between the private and public partner is regular, well-established and recognised by all parties. Assessment: private partners have been formally involved in various structures (National Council for Preparation of Professional and Technical Cadres, Board of Education, regional TVET development councils, sectoral TVET councils and institutions' boards of trustees), at least since 2009. These structures mainly seem to function but their effectiveness and the real influence of private partners on decision-making processes must still be studied and assessed <sup>122</sup> . In any case, all these boards and councils have a consultative role only.
The private partner participates in funding or provision of other resources for the partnership	Significant	Criteria: the private partner allocates its own funds or resources to implement the partnership. Assessment: private partners have been formally involved in various structures (National Council for Preparation of Professional and Technical Cadres, Board of Education, regional TVET development councils, sectoral TVET councils and institutions' boards of trustees), at least since 2009. These structures mainly seem to function but their effectiveness and the real influence of private partners on decision-making processes must still be studied and assessed <sup>123</sup> . In any case, all these boards and councils have a consultative role only.
The economic operator participates at various stages of engagement	Insignificant	Criteria: the economic operator participates in the design, implementation and evaluation of the partnership through formal or non-formal mechanisms recognised by all parties. Assessment: as mentioned above, the real PPP projects are mainly limited to the cases of dormitories. In these cases, the engagement of private partners is in agreement with the procedures set up by national legislation. There are no other cases of PPP for which this judgement could be made. In the planned cases of PPP (which may not materialise), economic operators initiate the projects and are present in their origins.
The partnership has clearly set objectives	Significant	Criteria: the documentation related to the partnership mentions the objectives unambiguously and the partners can easily identify and present the objectives. Assessment: although the real PPPs are limited, in most cases of cooperation (e.g. trust management or organisation of dual education), either official agreements or at least memoranda are signed in which the cooperation subject and the objectives are clearly defined.

<sup>122</sup> The national Torino Process reports (e.g. the 2014 Report and the Executive Summary of the 2016–2017 Report) present the situation positively, but little supporting evidence is provided in the documents.

<sup>123</sup> Ibid.

Element of PPP – Kazakhstan		Defined criteria and assessment
Formulation	Existence	
The public partner defines the objectives to be attained in terms of public interest, service quality and pricing policy, and it is responsible for monitoring compliance with these objectives	Partial	Criteria: in an official agreement, the public partner has defined the PPP objectives in terms of public interest, service quality and pricing policy. The public partner has established a monitoring mechanism to ensure compliance with the defined objectives. Assessment: in the PPP cases related to dormitories, there are strictly defined objectives and monitoring and control mechanisms. For all other cases in which the objectives are defined, no effective monitoring mechanisms have been identified.
The distribution of risks is between the public and private partner, to whom the risks generally borne by the private sector are transferred	Present	Criteria: the distribution of risks between public and private partners are defined. This distribution is recognised by all parties. Assessment: in all cases of cooperation, whether or not they are formally recognised as PPP, the private partner takes a considerable part of the risk.
Responsibility can be transferred from the public partner to the private one, but accountability always remains with the public sector	Present	Criteria: accountability mechanisms and descriptions exist that clearly delineate the accountable actors within the public sector. Assessment: in all observed cases, strict rules of accountability to the public partners are defined. However, this simply substitutes any effective monitoring and evaluation mechanisms that should be considered as more purposeful (see the fifth element in this table).

An assessment against the set of PPP preconditions is presented in the following table.

Operational sub-questions	Indicators/assessment criteria	Assessment
<b>Precondition A: legal framework for public–private cooperation</b>		
Is the legal framework for public–private cooperation present?	Present if: the existing legal framework for PPPs enables their foundation (legal documents outlining public–private cooperation exist and are recognised by all involved parties) and implementing regulations are in place (the regulations are enforced and actors adhere to the rules)	Present: <ul style="list-style-type: none"> <li>■ Law on Public Private Partnership, 2015</li> <li>■ Law on State Property, 2011</li> <li>■ Rules for transferring state assets to trust management, 2015</li> </ul>
<b>Precondition B: fiscal arrangements for public–private cooperation</b>		
Are fiscal arrangements for public–private cooperation present?	Present if: financial incentives to develop PPPs are in place (e.g. identified in official documents) and the rules of how fiscal arrangements work are clear and recognised by all involved parties	Present: According to the legislation, if economic operators invest in PPP projects, they can receive loans with a lower interest rate or use PPP objects (e.g. the dormitory buildings) for commercial purposes to make an additional profit.



Operational sub-questions	Indicators/assessment criteria	Assessment
<b>Precondition C: tradition of social dialogue</b>		
What is the existing tradition of social dialogue?	<p>Are PPPs building on an existing social dialogue tradition?</p> <p>Can specific aspects or agreements be identified as supportive of PPPs?</p> <p>Long tradition with mixed outcomes: social dialogue is institutionalised, actors are aware of their roles and rules, yet social partners are not always consistently involved and examples of successful results are limited (e.g. to some sectors only)</p>	<p>The social dialogue is formalised (institutionalised) but there is little evidence of the social partners' influence on decision-making processes. Therefore, the traditions are more formal than really effective.</p> <p>The existing structures (National Council for the Preparation of Professional and Technical Cadres, regional TVET development councils, sectoral TVET councils, institutions' boards of trustees) are supportive of PPPs to a limited extent and again there is little evidence that they lead to PPP cases. Many of the latter are initiated regardless of the above boards' and councils' activities.</p>
<b>Precondition D: social partnership in VET and skills</b>		
What is the status of social partnership in VET and skills?	<p>Is current social partnership leading to outcomes? Is the social partnership leading to specific PPPs?</p> <p>Ad hoc: there are no well-defined rules on engaging social partners in VET and skills, yet they are engaged on a need basis.</p> <p>Institutionalised: social partnership in VET and skills is well-defined, the roles of social partners are clear and they are regularly engaged.</p>	<p>This best fits the category of 'Long tradition with mixed outcomes'.</p> <p>Thus, the current social partnership mainly does not lead to outcomes.</p> <p>The cases that can be approximated as PPPs are not directly derived from the existing social partnership.</p> <p>Institutionalised in form but ad hoc in terms of the results.</p>
<b>Precondition E: capacity of stakeholders to engage in policy dialogue and form sustainable partnerships</b>		
Capacity of stakeholders to engage in policy dialogue and form sustainable partnerships	<p>Are actors' capacities being built into the dialogue and partnership process?</p> <p>To be built: the roles of the actors are not perceived as clear, social partners are not aware of how they can engage in the policy dialogue.</p>	<p>To be built.</p> <p>The principal issue is the motivation of the actors and the limits of the authority shared with the social partners.</p>

## 2.3 Serbia

### 2.3.1 Overview of the legal aspect of PPP in Serbia

The Foreign Investment Promotion Incentive Strategy<sup>124</sup> was adopted in 2006 by the Government of the Republic of Serbia. It recognises public–private partnerships as a good mechanism for providing financing; building, renovating, managing and operating infrastructure; or providing services traditionally considered as functions of the state, within cooperation with the private sector in the use of its finances and management experience.

The Law on Public–Private Partnership and Concessions<sup>125</sup> adopted in November 2011<sup>126</sup> defines a PPP as long-term cooperation between a public and a private partner to provide financing; construct, reconstruct, manage or maintain infrastructure; and provide services of public interest. As a rule, a PPP project in Serbia may last from 5 to 50 years. From the legal perspective, PPP project procedures are governed by PPP Law and the Law on Public Procurement<sup>127</sup> (2013).

The purpose of the PPP Law is to create favourable conditions to encourage and promote PPP projects that are financed by private concessions; increase transparency, fairness, efficiency and long-term sustainability; and promote the development of infrastructure and public projects for the benefit of the Republic of Serbia. Some of the PPP principles are:

- efficiency: carrying out the procedure of choosing a private partner and concluding an agreement with the lowest possible cost;
- equality: prohibition of discrimination of participants on any basis and free market competition;
- transparency of intent to sign a contract;
- proportionality: any measure taken by the state body must be minimally necessary and proportionate to the public interest that is intended to protect such a measure.

The Law defines the following main elements of public–private partnership:

- the subject of PPP, which cannot be purely commercial use of goods in common use, other goods, or exclusively the delivery of goods;
- the form of PPP, which can be institutional or contractual;
- the obligation of the private partner to take over the construction, reconstruction or maintenance of a public infrastructure, or to provide services of public importance to the end users;
- the partial or full financing of the PPP project by the private partner;
- the ability of the public partner to transfer certain rights to the private partner for the obligations that are undertaken, to grant a concession, to make payments for the obligations that are undertaken or to allow the collection of a fee from the end users of the services;
- the risks shared and balanced between public and private partners.

According to PPP Law, the government, the regional and the local authorities are entitled to initiate procedures for implementing a PPP project. This is preceded by an economic analysis of the

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<sup>124</sup> [www.srbija.gov.rs/extfile/sr/47180/strategija\\_strana\\_ulaganja\\_cyr.zip](http://www.srbija.gov.rs/extfile/sr/47180/strategija_strana_ulaganja_cyr.zip)

<sup>125</sup> <http://jpp.gov.rs/content/Datoteke/pravni-okvir/Zakon%20o%20javno-privatnom%20partnerstvu%20i%20koncesijama.pdf>

<sup>126</sup> The law was amended in February and December 2016, to improve control over the fiscal and financial implications and risks of public–private partnership projects, and to ensure better conformity of the law with international standards and international best practice.

<sup>127</sup> <http://jpp.gov.rs/content/Datoteke/pravni-okvir/Zakon%20o%20javnim%20nabavkama.pdf>

proposed project, which should prove that implementation of the project through partnership with the private sector will ensure greater effectiveness and efficiency.

In 2012, the PPP Commission<sup>128</sup> was established with funding from the state budget. This structure is the only PPP unit in Serbia. It covers national and subnational PPP and concessions, and public sector enterprises. It is an independent public body that has nine members appointed by the government for a five-year renewable term. It assists procuring authorities in the implementation of their PPP projects and concessions. The commission is directly involved in the approval phase of any PPP and concession project, which cannot be implemented without the favourable opinion of the commission. At present, over 100 projects have been endorsed by the commission.

### 2.3.2 Overview of the TVET system and social partnership in VET

In Serbia, formal vocational education is implemented at secondary schools that can be purely vocational or mixed with gymnasiums for general education. At the start of the 2018/19 academic year, out of 252 108 students (including 124 574 or 49.4% women) in secondary education, 185 469 (84 987 or 45.8% women) were studying VET<sup>129</sup>. The distribution by groups of professions is shown below.

Professions	Students	
	All	Female
Agriculture and food processing	14 183	6 606
Forestry and wood processing	2 576	821
Geology, mining and metallurgy	1 023	350
Machinery and metal processing	22 492	3 019
Electrical engineering	28 425	2 528
Chemistry, non-metal work and printing	8 921	5 839
Textiles and the leather industry	3 294	2 676
Geodesy and construction	6 286	2 277
Transport	12 745	4 167
Trade, catering and tourism	19 951	10 555
Economics, law and administration	31 892	21 079
Hydrometeorology	211	133
Culture, arts and public information	5 925	4 070
Health and social welfare	23 846	18 160
Other (personal services)	3 226	2 561
Military schools	473	146
<b>Total VET</b>	<b>185 469</b>	<b>84 987</b>

<sup>128</sup> Member of the European PPP Expertise Centre (EPEC) since 2012.

<sup>129</sup> Upper secondary education at the start of 2018/2019 school year. Statistical Office of Republic of Serbia, 2019. <http://publikacije.stat.gov.rs/G2019/PdfE/G20195647.pdf>

The largest proportion of students are studying economics, law and administration-related professions (17.2%), followed by electrical engineering (15.3%). Other sectors with a high percentage of students are health and social welfare (12.9%), machinery and metal processing (12.1%), and trade, catering and tourism (10.8%). For female students, economics, law and administration is the most attractive field (24.8%) but the second is health and social welfare (21.4%).

VET in Serbia is mainly school-based with practical training whose effectiveness can hardly be considered satisfactory. Moreover, the curriculum content for different profiles does not match the demand of local and regional labour markets<sup>130</sup>. The piloting of 59 qualifications with a larger practical training component is appreciated as a step forward<sup>131</sup>, but this practice does not seem to be extended throughout the system.

The issue of the quality of practical training outside the classroom, accompanied by an absence of 'accredited jobs and instructors for carrying out work practice', 'incentives for companies to provide high-quality practice for students' and an 'insufficient number of companies interested in this kind of cooperation with education' is also mentioned in the Strategy for education development in Serbia 2020 and is considered one of the VET system's weaknesses.

The Ministry of Education, Science and Technological Development (MoESTD) is responsible for the development and implementation of state education policy in the country. The ministry supervises the area of secondary education, along with the local authorities. Other ministries are involved in VET governance, including the Ministry of Finance (financing), the Ministry of Youth and Sports (grants and scholarships for disadvantaged students) and the Ministry of Labour, Employment, Veteran and Social Affairs (labour market demand and support for skills development). However, 'cooperation between the ministries is not firmly institutionalised, meaning that some cross-sector issues are not addressed in a timely or appropriate manner'<sup>132</sup>. Among other tasks, The MoESTD is in charge of research, planning, development, and administrative and expert pedagogical supervision of secondary education; participation in the development, equipping and maintenance of facilities; and the professional evaluation and inspection of skills upgrade of staff at education establishments. The Regional Schools Administrations (RSA), which are structural units of the MoESTD, monitor and evaluate the work of secondary VET schools, coordinate in-service training of teachers, supervise the financial management of schools and participate in public-private partnerships for VET.

The National Education Council<sup>133</sup> established in 2009 is involved in the formulation of policy and strategy for all levels of education. The Council is a large body with over 40 members who represent a wide range of education stakeholders and beneficiaries. Among other tasks, it provides an opinion on secondary VET curricula and adult education for general education subjects and participates in the preparation of policies on development of the general and national curriculum framework<sup>134</sup>.

The Council for Vocational Education and Adult Education (CVEAE) was set up by the government in May 2010. The scope of the council's authority is defined by the Law on the Foundations of the Education System (2009)<sup>135</sup>. Initially, CVEAE had 21 members including representatives of the

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<sup>130</sup> Torino Process 2016–17 Serbia. Executive Summary. ETF, 2017.

[www.etf.europa.eu/sites/default/files/m/A55C44A221EC34F2C1258125005DE420\\_TRP%202016-17%20Serbia.pdf](http://www.etf.europa.eu/sites/default/files/m/A55C44A221EC34F2C1258125005DE420_TRP%202016-17%20Serbia.pdf)

<sup>131</sup> Ibid.

<sup>132</sup> Torino Process 2014 Serbia. ETF, 2015.

[www.etf.europa.eu/sites/default/files/m/45A40171227F354DC1257E4C003E8A0A\\_TRP%202014%20Serbia\\_EN.pdf](http://www.etf.europa.eu/sites/default/files/m/45A40171227F354DC1257E4C003E8A0A_TRP%202014%20Serbia_EN.pdf)

<sup>133</sup> [www.nps.gov.rs/en](http://www.nps.gov.rs/en)

<sup>134</sup> VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

<sup>135</sup> [www.paragraf.rs/propisi\\_download/zakon\\_o\\_osnovama\\_sistema\\_obrazovanja\\_i\\_vaspitanja.pdf](http://www.paragraf.rs/propisi_download/zakon_o_osnovama_sistema_obrazovanja_i_vaspitanja.pdf)

Serbian Chamber of Commerce and Industry, craftspeople, employers' associations, vocational education experts, representatives of labour, employment and social policy institutions, VET school teachers and members of representative trade unions<sup>136</sup>. In 2016, the MoESTD revised the council's composition and reduced the number of members to 16. Of them, six represent social partners (four from employers and two from trade unions) and ten are from governmental structures.

One CVEAE objective is to ensure VET and adult education development in accordance with the labour market's needs, particularly by establishing and strengthening links with employers. The council is formally involved in monitoring, analysing, giving opinions and coordinating the needs and interests of social partners. It does not deal with mobilisation of financial resources<sup>137</sup>. The CVEAE is not involved in the evaluation or review of VET policy. Moreover, our study suggests that even the recommendations made by council members who represent the private sector are usually poorly considered or simply neglected. Absence of any decision-making power makes the CVEAE weak and ineffective.

Two institutions play a key role in VET: the Institute for Improvement of Education (IIE) with its Centre for VET and Adult Education (VET Centre), and the Institute for Education Quality and Evaluation, which is responsible for tasks such as curriculum and programme development<sup>138</sup>. In 2018, some of the functions of IIE (and the VET Centre) were transferred to the National Qualifications Framework Agency, established by government decision<sup>139</sup> in the same year, along with the National Qualifications Framework Council. The Council is an advisory body, while the agency has an executive and coordination role, which includes supporting the sector skills councils (SSCs). In 2018, twelve sector skills councils were established, of which at least eight are supposed to deal with VET<sup>140</sup>. These SSCs are expected to create sector profiles and qualification standards. However, nominations of economic sector representatives have not been completed and the SSCs were not functioning by mid-2019<sup>141</sup>.

At institutional level, social partners are involved mainly in assessment (final exams) but not in the management of VET schools. Effectively, social partners do not influence schools' strategic development processes.

The legal regulation of VET is based on the Law on Education System Foundations and the Law on Secondary Education (2013)<sup>142</sup>, which define the main principles of VET organisation and provision. In 2017, the Law on Dual Education<sup>143</sup> was adopted. It will come into force from 2019/20 academic year. According to this law, the dual education model will be introduced in the VET system, with objectives to establish partnerships between schools and employers in which there is a clear share of obligations and responsibilities. The aim is to ensure a quality process of learning through work and form a social partnership at local level with the inclusion of all stakeholders in the process of planning, implementing

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<sup>136</sup> Dual vocational education and training in Serbia. Feasibility Study. GIZ, 2015.

[www.kooperativnoobrazovanje.org/wp-content/uploads/2015/07/GIZ-VET-Dualno-obrazovanje-STUDIJA-ENG-FINAL-PRINT-sadrzaj-ok-Web-s2.pdf](http://www.kooperativnoobrazovanje.org/wp-content/uploads/2015/07/GIZ-VET-Dualno-obrazovanje-STUDIJA-ENG-FINAL-PRINT-sadrzaj-ok-Web-s2.pdf).

<sup>137</sup> VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

<sup>138</sup> Ibid.

<sup>139</sup> Official Gazette of the Republic of Serbia, No 27/2018.

<sup>140</sup> In 2012, the IIE in cooperation with the Serbian Chamber of Commerce and CVEAE, and with the support of an EU-funded project, established four pilot sector skills councils (SSC) as mechanisms to ensure that education and training better meet current and future labour market needs. Unfortunately, after completion of the above project, the sustainability of the SSCs was not ensured and the councils became inactive, mainly due to a lack of resources. See: Torino Process 2014. ETF, 2015.

<sup>141</sup> VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

<sup>142</sup> [www.paragraf.rs/propisi\\_download/zakon\\_o\\_srednjem\\_obrazovanju\\_i\\_vaspitanju.pdf](http://www.paragraf.rs/propisi_download/zakon_o_srednjem_obrazovanju_i_vaspitanju.pdf)

<sup>143</sup> [www.tesla-jagodina.edu.rs/wp-content/uploads/2018/03/Zakon-o-Dualnom-Obrazovanju.pdf](http://www.tesla-jagodina.edu.rs/wp-content/uploads/2018/03/Zakon-o-Dualnom-Obrazovanju.pdf)

and monitoring the effects of dual education through the established institutional framework. To perform its obligations defined by the new law, the Chamber of Commerce established a Centre for Dual Learning that will assess whether conditions for learning through work are met at the employer's premises; train and license instructors in companies; and monitor contractual relations on the school-company-student relationship and the school-company-ministry relationship, among other tasks<sup>144</sup>.

One of the strategic objectives for VET defined by the Strategy for education development is the establishment of a sustainable system of social partnership in VET. This should be achieved through the strategic measure 'Involving employers in the programming, development and implementation of VET'. The action plan to implement the strategy foresees specific instruments for:

- developing the system of accreditation and certification of employers to provide work-based learning (practice);
- developing the model of financial incentives for employers to provide work-based learning (practice);
- including employers in the work of sector councils and exam commissions (external examiners) and in the implementation of work-based learning;
- adopting a legal framework for social partnership.

This should promote the relevance of VET. The indicator of progress is that at least 10% of employers are involved in exam commissions and the implementation of work-based learning, and a number of sector skills councils are established<sup>145</sup>.

### 2.3.3 Cases of partnership in VET

For this study, four cases of PPP in Serbia were identified by the ETF: the Institute of Field and Vegetable Crops (NS SEME), Education to Employment (E2E), Cluster FACTS and the HORES Academy. This section is focused on the specific characteristics of the above cases in relation to compliance with the PPP criteria established by the ETF.

#### Institute of Field and Vegetable Crops<sup>146</sup>

This is in fact a classic case of PPP in which the private partner provides services to the public party, i.e. the Institute of Field and Vegetable Crops (in Novi Sad), and remuneration is linked to performance<sup>147</sup>. This case is different from all others discussed in this study because skills development is not an objective *per se*. It is a concomitant need to achieve the primary goal of this cooperation, which is associated with business and science.

One of the institute's activities is producing and importing high-quality seeds of different crops. However, due to limited plots of its own land (only 700 ha in total), the NS SEME cannot grow as many plants as required to meet market needs. Selling seeds is profitable, and the income is used to develop the institute and support its scientific research. Therefore, the institute has formed partnerships with small farms and individual producers to grow crops on their land. With every partner, a contract is drawn up that contains a number of terms and conditions, e.g. which cultivars should be grown. Among other factors, the types of crops, production volumes and places and periods of cultivation are strictly defined. The institute provides partners with seeds that must be used to grow

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<sup>144</sup> VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

<sup>145</sup> The action plan does not define a quantitative indicator for the SSCs.

<sup>146</sup> The author is grateful for the interview with Dušanka Bugarski, Institute of Field and Vegetable Crops (NS SEME).

<sup>147</sup> See one of the PPP definitions in Chapter 1 of this paper.

plants. No other resources, such as fertilisers, plant protection products, machinery or tools, are provided by the institute.

#### INSTITUTE OF FIELD AND VEGETABLE CROPS (NS SEME)

- A state-owned institute (under the auspices of the Ministry of Science and Technological Development) that works on the development of field and vegetable crop cultivars including forage and industrial crops, medicinal plants, and spices and herbs<sup>148</sup>. The breeding programmes emphasise high yield capacity, tolerance to major diseases and resistance to unfavourable biotic and non-biotic factors.
- Over 1 000 cultivars have been developed at the institute. Of these, about 500 have been successfully registered and commercially grown abroad. The institute's cultivars compete in the seed markets of 26 countries including Argentina, EU countries, Ukraine, Russia, China and India.
- The seed market is subject to strong regulations and the institute maintains international standards of quality management ISO 9001 and environmental protection management ISO 14001.

The institute organises capacity building for the farmers so that they can ensure the necessary quality of the seeds. This training covers all agro-technology aspects and processes related to growing the plants that have been ordered. The institute permanently monitors all cultivation processes, with strict quality control measures.

As part of its contractual obligations, the institute trains farmers to increase the productivity of other crops whose seeds are not delivered to NS SEME but which form part of the farmers' normal production. This is done to improve businesses, support sustainability and ensure the opportunity for further cooperation.

The above illustrates another characteristic of this PPP: skills are developed not by, but for the private sector, although many of the farmers are individuals rather than structured businesses and can, to a certain extent, be considered public beneficiaries.

Two important elements of PPP are present here: private partners invest their own funds and they take considerable risks. Indeed, farmers purchase all necessary resources beforehand, including fertilisers, plant protection products, water, energy, machinery and tools, and they allocate large plots of their land to grow the plants ordered by the institute. Furthermore, the seed quality requirements are very high and if they are not met properly, the production will not be procured by the institute and remuneration will not be paid.

Dimensions	Sub-dimensions	Detail
Functional type	Production-oriented with elements of training-oriented PPP	
Scope and membership	Integration with the VET system: ad hoc PPP	
	Types and number of organisations involved: multiple private partners, single public partner	Businesses and state-owned enterprise (institute)
	Openness: open	Open to private partners

<sup>148</sup> [www.nsseme.com/en/](http://www.nsseme.com/en/)

Dimensions	Sub-dimensions	Detail
Source of initiative	Public	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Production/procurement of quality goods	
Key design features – mechanisms of effect	Contract-based cooperation	
	Payment: mixed	Private: initial investments Public: remuneration of production and provision of training
	Payment mechanism: payment for produced goods	
Dimensions of the incentive and accountability environment	Risk allocation: shared public and private	No investments are made
Policymaking framework	Policymaker functions: none	
	Industry functions: production of goods	
	Nature of industry–public sector interactions in policy design: contract on delivery of goods	
Outcomes	On learning outcomes: forms of mutually beneficial cooperation between the state and the private sector	
	On learning practices: practical training of producers (private partners)	
	On learning experiences: production of necessary goods for the public partner and commercial benefit for private partners	
Key contextual factors	Public authority capacity and experience: supervisory	
	Degree of market readiness: not relevant	
	Legal framework: none	
	Governance regime: contract-based	

### Education to Employment (E2E)<sup>149</sup>

The Education to Employment (E2E) project was launched in 2015 by joint initiative of the Serbian and Swiss governments and will last until the end of 2019. The second phase of the project is now being designed to cover the period 2020–23. E2E is co-funded by the Swiss Agency for Development and Cooperation (EUR 5.8 million) and the Government of Serbia (EUR 6 million).

The project has two components. The first is targeted at improving the national policy and legal framework to ensure better conditions for youth employability. The second is focused on skills development of unemployed young people. This is achieved through provision of the German model of dual education, adapted to local conditions, and career guidance. The project is active in five

<sup>149</sup> The author of this chapter is grateful for the interviews with Oliver Streit, Education to Employment (E2E) project, and Marija Stojadinović, Business Development Centre Kragujevac.



municipalities of Serbia: Novi Pazar, Knjaževac, Pirot, Kruševac and Kragujevac. The results of pilot activities should be replicated in other Serbian municipalities.

The E2E has a large range of partners involved in various aspects of project implementation. Partners include local municipalities, the National Employment Service, secondary VET schools, universities, private companies, NGOs (e.g. student associations or NGOs for women's issues), and regional centres for adoption and foster care (e.g. in Kragujevac).

The project has a distinct architecture. In every region, local partners (usually civil society institutions) are selected to act as mediators, or brokers as they are called in the project, between the E2E and other local partners, particularly those who provide dual education courses. The brokers are responsible for promoting the project and its activities, attracting and mobilising young people to get involved, training the practical training mentors (see the next paragraph), and monitoring and evaluating training, particularly in terms of trainee satisfaction.

Below are the main features of the dual education courses implemented within the second component of the project.

- The courses cover non-formal VET but indirectly influence formal VET. Many elements of the training programmes, which are strongly focused on the labour market and dual education, are designed to improve the contents of formal VET. In addition, involvement of VET schools in the provision of dual education courses provides opportunities to liaise with the private sector and for further cooperation.
- The theoretical part of the training is delivered by accredited VET providers. These could be public secondary VET schools or any private training providers that are authorised to offer the corresponding courses.
- The practical part of the dual education is implemented in private companies, by mentors who are trained beforehand. According to project policy, one mentor is responsible for training no more than three apprentices.
- Around 40% to 50% of costs related to the practical training are covered by the companies. This include allowances for trainees (minimum CHF 200 per trainee per month) and other expenditure, for example, on mentors' fees, materials and other resources<sup>150</sup>. The remaining costs are paid by the project from the E2E Opportunity Fund.
- The course programmes are developed jointly with the companies. Their duration is from two to four months (depending on the profession). Practical training constitutes 75% to 85% of the programmes.
- To date, 43 dual VET courses have been implemented and around 300 young people have been trained. In total, 118 companies and about 20 VET providers were involved in the delivery of these courses.
- The job placement of trainees is from 50% to 60% immediately after completing the course (mainly at the companies where they were trained) and up to 80% to 85% within 6 to 12 months.
- The courses cover fields such as tourism and hospitality, services, accountancy, metal processing (including welding, plumbing, blacksmithing, computer numerical control machine tools and automobile metalworks), graphic design, wood processing (carpentry, furniture production and installation) and textiles.

To launch a course, E2E shall receive an application from a local consortium consisting of the VET provider who will deliver the theoretical part, and the company where apprentices will gain the practical training. The development of training proposals and preparation of applications is also

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<sup>150</sup> The target for the project's second phase is to increase the share of employer's payments up to 70%.

assisted by the regional brokers. Every proposal is assessed and only accepted if it is considered relevant and credible. In this event, E2E authorises the broker to conclude a formal agreement with the VET provider and the company, in which the course duration, number of trainees, selection criteria, roles and responsibilities of the parties are clearly defined. Then, the training is financed by the E2E Opportunity Fund, again through the broker. This allows the broker to develop its capacities, become more financially independent and influential, and motivated to attract and promote more courses.

When the proposed training course has been approved, it becomes the companies' duty to select the apprentices, provide a skills-knowledge-attitude (SKA) analysis, and assess the trainees during and at the end of the training. Trainees who successfully complete the course are awarded a certificate. However, the formal status of the certificates is questioned, reportedly due to some legal issues related to non-formal education in Serbia. Most companies have a shortage of qualified labour force. Therefore, the competences of young people are appreciated more than certificates, and employers are not as concerned about the formalities. Nevertheless, it is expected that the new Law on Dual Education and the foreseen amendments to the Labour Code will help to improve the training provided by and at companies, and will lead to the issue of certificates.

At this stage, no final judgements can be made about the sustainability of this dual education scheme. However, we could be optimistic, as the scheme was derived from companies' demand for a qualified labour force and actually serves this purpose. Moreover, it is expected that the second phase of the E2E project will further improve the conceptual aspects and the practical tools and mechanisms to ensure the sustainability of the dual education scheme. An interesting example can be presented here. Local governments have their own employment policies and annual local action plans for employment. Therefore, one of the E2E objectives for the second phase is to make dual education a local action plan measure. This will ensure a certain degree of sustainable funding from the regional budgets.

#### KRAGUJEVAC MUNICIPALITY

- The broker is an association of two NGOs: the Business Development Centre and Business Innovation Programmes.
- Three VET schools (in Kragujevac, Čačak and Kraljevac) and around 50 companies of different sizes are involved in providing dual education courses.
- The main sectors covered by the courses are metal processing (welding, plumbing and computer numerical control machine tools), wood processing (furniture production and installation) and textile.
- Since 2017, around 170 young people have been trained. Others are still in the training process.
- Courses on metal processing are more popular among young people due to higher salaries in this sector.
- The most important companies cooperating with the project and providing practical training are Siemens Mobility, MIND Group – AMM Manufacturing, Wacker Neuson, Gorenje MDM, Trigano, Elektromontaža and Sunce Marinković.

Another driver for sustainability was proposed by project experts: establishment of a fund similar to the E2E Opportunity Fund (e.g. the National Training Fund, National Skills Fund or Skills Challenge Fund) in which both the employers and the government will invest. This idea will be developed during the second phase and more feasible options will be proposed.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed	Knowledge-oriented (policy advice) and VET provision-oriented (mainly on guidance and mediation between learners and providers)
Scope and membership	Integration with the VET system: elements of a permeating system exist – the aim of the project is to influence policy and provide direct outcomes	
	Types and number of organisations involved: multiple public partners, multiple private partners	VET schools, businesses, public authorities (local and national level), donors and civil society organisations
	Openness: open to private partners	Companies may join at any time
Source of initiative	Public	Serbian and Swiss governments
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve youth employability	
Key design features – mechanisms of effect	A cluster of VET providers, businesses and NGOs acting as mediators (brokers)	
	Payment: mixed	Private: in-kind + students' fees (40% to 50% of the costs) Donors: students' fees + other expenses
	Payment mechanism: mainly per capita, by trainee numbers	
Dimensions of the incentive and accountability environment	Risk allocation: private	Due to their investments in the organisation of practical training at enterprises
Policymaking framework	Policymaker functions: none	
	Industry functions: training provision	
	Nature of industry–public sector interactions in policy design: contract	
Outcomes	On learning outcomes: establishment of local networks of training providers, companies and broker NGOs	
	On learning practices: on-the-job learning at companies and theoretical instruction delivered by accredited VET providers	
	On learning experiences: contribution to local development	
Key contextual factors	Public authority capacity and experience: low	
	Degree of market readiness: trainees acquire skills relevant to the needs of local businesses	
	Legal framework: Law on Dual Education (emerging)	
	Governance regime: supportive attitude by the regional authorities	

## Cluster FACTS<sup>151</sup>

The Fashion Apparel Cluster Serbia (Cluster FACTS) is an association that unites 20 private companies from the fashion and garment production sector in Serbia, three higher education institutions (two from Belgrade and one from Novi Sad), and a fashion platform that includes 22 young fashion designers.

The cluster was formally established in 2010 but has effectively been active since 2009. The member companies, which all are local brands, have over 3 100 employees in total and around 400 fashion (clothing) shops all over the Balkans. In 2018, their aggregate sales reached EUR 70 million.

The cluster also has a network of partners which includes the Ministry of Economy and Regional Development, the National Development Agency, the Serbia Investment and Export Promotion Agency (SIEPA), the EBRD, the EU-funded project Enterprise Competitiveness and Export Promotion (SECEP), GIZ, regional development agencies and municipalities.

Establishment of the cluster had two main objectives: to promote member companies' exports and to bring together producers (and designers) and the education sector. The cooperation initiative for skills development came from the private sector. Like many PPP cases in different countries, it is conditioned by a considerable shortage of skilled labour force in companies. Usually, after hiring new personnel, even those who have graduated from education institutions in textile, design, garments or similar areas, companies spend 8 to 12 months retraining, on average.

### COLLABORATION AREAS IN THE FIELD OF SKILLS DEVELOPMENT

- Improve, with academic partners, the curricula/training programmes for corresponding professions such as garment design and production
- Mediate between companies and public authorities, e.g. lobby the MoESTD and CVEAE, revise the textile education profile, create training programmes for fashion design and advertising of fashion products
- Undertake a feasibility study for a 'design hub' that would include a training centre and lobby for the establishment of such a centre
- Organise students' master's course design projects with the private sector
- Support public VET schools in the development of training materials
- Create a virtual design centre – a virtual network of cluster members and webinars
- Provide career support, particularly through the organisation of career fairs and assistance in matching learners with designers and helping them to participate in all phases of creating a collection
- Organise study visits

According to FACTS's director, the main challenge was to motivate the educational institutions to get involved in cooperation, not simply as recipients of private sector sponsorship but as fully fledged partners who have responsibilities. Considerable support in establishing this cooperation was provided by GIZ, which delivered modern training equipment to the education institutions.

In 2017, a memorandum was signed with the Union of Textile VET schools that laid the basis for cooperation with this educational level and introduced dual education. At present, this modality of formal VET delivery is being implemented for over 100 students of three VET schools: in Ruma, Belgrade and Čačak. It is planned to be introduced at a textile school in Leskovac.

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<sup>151</sup> The author of this chapter is grateful for the interview with Slađana Milojević, Cluster FACTS.

In the dual education scheme, practical training is organised in FACTS member companies and covers at least 60% of the total curricula: two days a week during the first year of studies, three days in the second year and four days in the third year.

During the internship, trainees are paid by the companies. There are no regulations on this matter yet<sup>152</sup> and the amount paid is entirely up to the employers. For example, Tiffany Production Ltd in Čačak pays students approximately EUR 45 per month and provides free lunch and transportation. The employers carefully select the students who will complete practical training in their companies. In addition, a number of students from universities and VET schools are given the opportunity to be interns in member companies' shops, sometimes even with higher remuneration.

As a result of the FACTS lobby, in 2018 GIZ agreed to provide 14 VET schools with sector-related training equipment, such as smart tables, computers and computer-based garment modelling systems.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed	A wide range of services, from VET provision to resource provision and needs identification
Scope and membership	Integration with the VET system: ad hoc	
	Types and number of organisations involved: multiple private partners, multiple public partners	Businesses, public VET providers, a variety of other partners (not members) and a specific organisation (cluster) created as a result of collaboration
	Openness: semi-open	Any company may join but within the sector only
Source of initiative	Private	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Make learning outcomes (specifically practical skills) more relevant to employers	
Key design features – mechanisms of effect	Association of private companies	
	Payment: private	Limited investments from donors
	Payment mechanism: payment against training that is provided	
Dimensions of the incentive and accountability environment	Risk allocation: private	Due to their investments in organisation of practical training at companies
Policymaking framework	Policymaker functions: none	
	Industry functions: curricula development, mediation between companies and public authorities, provision of training, etc.	
	Nature of industry–public sector interactions in policy design: none	

<sup>152</sup> The Law on Dual Education has been in force since September 2019.

Dimensions	Sub-dimensions	Detail
Outcomes	On learning outcomes: forms of mutually beneficial cooperation between education, academia and the private sector	
	On learning practices: on-the-job learning accompanied with school-based theoretical instruction	
	On learning experiences: high job-placement rate of graduates and guarantee of a qualified workforce for companies	
Key contextual factors	Public authority capacity and experience: low	
	Degree of market readiness: trainees acquire skills relevant to the needs of the local businesses	
	Legal framework: Law on Dual Education	
	Governance regime: collective, by the association's board	

### HORES Academy<sup>153</sup>

HORES is a business association for hotels and restaurants (Пословно Удружење Хотелско Угоститељске Привреде), established in Serbia in 1967<sup>154</sup>. It brings together hotels, restaurants, casinos, suppliers and other entities to protect and promote the shared professional interests of its members. The association carries out activities such as marketing (market research and assessments of customer and employee satisfaction); organisation of tourism fairs in Serbia and abroad; publishing of hotel and restaurant guides, manuals and directories; connecting the hospitality industry with suppliers; and joint procurement. It represents members' professional interests before public bodies and other organisations. In addition to the above, HORES is involved in educational activities.

The permanent shortage of qualified labour force in the hotel and catering business is considered one of the main challenges for development of this economic sector in Serbia. A lack of professional personnel is identified at all levels: from chambermaids and receptionists to senior managers. Therefore, in 2014, to contribute to satisfying the skill needs of its members and the hospitality industry in general, HORES established its own training institution: the HORES Academy.

The main activity of the academy is one-day and multi-day seminars and longer courses for sector-specific occupations. At present, the academy offers the following courses:

- for individuals: cook, waiter, barman, receptionist, worker in the household sector, tourism entertainment organiser;
- for companies: cook, waiter, barman, pizza maker, baker and confectioner.

The content of the training courses was selected in cooperation with the Regional Development Agency Zlatibor. HORES and Zlatibor jointly analysed the needs of employers in the hospitality sector and developed and tested the corresponding training programmes. The training courses are free to participants.

<sup>153</sup> The author of this chapter is grateful for the interview with Dragana Bosnić, HORES Academy.

<sup>154</sup> Initially, the organisation was established under the name Ugoturist. It was renamed HORES in 2002.

HORES Academy training programmes are developed in close collaboration with employers to meet their needs, requirements and preferences. The training process takes place in a practical environment that provides trainees with an opportunity to experience real working conditions. Only small parts of the training courses are theoretical. The main focus is on providing the required practical skills. For example, the training course for waiters consists of 20 hours of theoretical and 138 hours of practical training (20 days in total) conducted in the academy, followed by 356 hours (45 days) of on-the-job training at a company. For chambermaid and cook's assistant courses, the total duration (in hours) is 31+41+72 and 30+140+356, respectively<sup>155</sup>. In both practical and theoretical areas, trainees are mentored by experienced specialists and taught by eminent lecturers. After training, the trainees receive a certificate stating the knowledge and skills that they have acquired.

The training sessions are organised on the basis of the Adult Education Law (2015). The Ministry of Education has accredited the HORES Academy programme, which means that it can apply for funding through Ministry of Tourism calls.

The main target group of the academy is unemployed people aged 18 to 45 years. The level of graduate employability is high. Since its establishment, the academy has trained 720 people of whom 550 (or over 75%) have been employed. Moreover, the employers involved in the HORES programme state that generally the specialists they employ through the HORES Academy are considerably better trained than those employed through other sources.

The main partners of the academy are the Ministry of Trade, Tourism and Telecommunications, the Regional Development Agency 'Jug' (South)<sup>156</sup> and GIZ. Together, they cover around 30% of training-related expenses. The remaining part is funded from the academy's own budget, collected from companies via membership fees.

For this PPP, an agreement has been signed between the parties. According to the academy director, the roles, competences, duties of partners (including financial) and implementation procedures are clearly defined in the agreement, and fully appreciated by all parties. The parties communicate and maintain a dialogue via the academy's council, which also approves the action plan, defines the quality indicators and monitors performance. The council's effectiveness was considered very high. In addition, some non-formal agreements have been made between the parties that affect implementation of the partnership positively.

Various points were mentioned by the academy director.

- The main factor of success is the permanent high quality of the training.
- Another decisive aspect of the academy's success is the involvement of donors who assist the HORES initiative.
- The main drawbacks are limited financial resources and lack of training infrastructure.
- The academy does not have enough capacities and resources to find or attract new private partners.

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<sup>155</sup> Academy HORES. The encouragement of the young people employment in Serbia. Professional training in the hospitality industry. Belgrade, 2017.

<sup>156</sup> The Regional Development Agency 'Jug' LLC (<http://rra-jug.rs/en/>) was established in August 2009 by the City of Nis, eleven municipalities of Niš, Pirot and Toplički districts, three economic entities and seven civil society representatives. The aim was to achieve comprehensive, sustainable economic development of the southern region by creating quality human resources, a healthy business environment and favourable ground for attracting foreign investments, and connecting and cooperating with other regional, national and international institutions, in line with the European integration process.

- Some companies that could be interested and would become partners have no resources to participate in academy activities.
- Development of curricula for new occupations has been the most important form of cooperation between the academy and the public sector.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed	Main focus on VET provision, however strong elements of knowledge-orientation and resource-orientation also exist. A truly comprehensive and multi-faceted collaboration.
Scope and membership	Integration with the VET system: elements of a permeating system. The idea of PPP is ingrained in the new VET system.	
	Types and number of organisations involved: multiple private partners, single public partner	Businesses and public VET colleges
	Openness: semi-open	Any company may join but within the sector only
Source of initiative	Private	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve the relevance of practical skills to employers	
Key design features – mechanisms of effect	Association of private companies	
	Payment: private	
	Payment mechanism: funds for private investments are collected via membership fees, and training fees are paid by individuals and companies	
Dimensions of the incentive and accountability environment	Risk allocation: mainly private, shared with public to a limited extent	
Policymaking framework	Policymaker functions: none	
	Industry functions: provision of training	
	Nature of industry–public sector interactions in policy design: none	
Outcomes	On learning outcomes: forms of mutually beneficial cooperation between education, academia and the private sector	
	On learning practices: strongly job-targeted practical training	
	On learning experiences: high job-placement rate of graduates and the guarantee of a qualified workforce for companies	



Dimensions	Sub-dimensions	Detail
Key contextual factors	Public authority capacity and experience: limited	
	Degree of market readiness: trainees acquire skills relevant to the needs of the business sector	
	Legal framework: Law on Adult Education	
	Governance regime: the academy's council	

### 2.3.4 Conclusions

The following cases of cooperation between education and the private sector were studied for Serbia:

- production and provision of goods by private farmers to the publicly owned Institute of Field and Vegetable Crops, which is accompanied by capacity building for the farmers;
- delivery of non-formal dual education courses to young people by public and private VET providers and private companies, partly funded by the E2E project;
- organisation of internships (practical training) for formal VET and university students in companies that are members of Cluster FACTS, accompanied by some contributions to the content (curricula) of formal education;
- provision of non-formal training courses by the HORES Academy to prepare professionals in the field of tourism and hospitality.

The first of these examples is probably that which best fits the category of PPP, although it is the furthest from the VET system. Indeed, in this case of cooperation there are important elements of public–private partnership: investments made by both parties, shared risks, clearly formulated objectives and terms, public control over results and quality, and performance-based remuneration. However, skills development is not the primary purpose of this partnership.

The table below assesses the compliance of Serbian PPP cases with the ETF criteria.

Element of PPP – Serbia		Defined criteria and assessment
Formulation	Existence	
Stable relationship between private and public partners	Significant	Criteria: the relationship is stable if communication between the private and the public partner is regular, well-established and recognised by all parties. Assessment: the involvement of private partners in CVEAE is limited and the council itself has a very limited influence on VET policy development or establishment of PPPs. In all the discussed cases of cooperation, the relations between the parties are stable, clearly contracted and derived from mutual interest. They all have good results in terms of skills development. However, the relations between public VET and the private sector still have to be expanded from specific and pilot (rather successful) cases to systemic level.
The private partner participates in funding or provision of other resources for the partnership	Present	Criteria: the private partner allocates its own funds or resources to implement the partnership. Assessment: in the partnership cases considered in this study, private partners directly invest their own funds and provide in-kind contributions.
The economic operator participates at various stages of engagement	Present	Criteria: the economic operator participates in the design, implementation and evaluation of the partnership through formal or non-formal mechanisms recognised by all parties. Assessment: the cases of partnership were established under the initiative of private partners or the latter were heavily engaged in all stages and aspects.
The partnership has clearly set objectives	Present	Criteria: the documentation related to the partnership mentions the objectives unambiguously and the partners can easily identify and present such objectives. Assessment: again, all the partnerships are based on formal contracts (agreements) and the objectives are clearly defined. Our study did not identify any issues related to the formulation or perception of the partnership's objectives.
The public partner defines the objectives to be attained in terms of public interest, service quality and pricing policy, and it is responsible for monitoring compliance with these objectives	Partial	Criteria: in an official agreement, the public partner has defined the PPP objectives in terms of public interest, service quality and pricing policy. The public partner has established a monitoring mechanism to ensure compliance with the defined objectives. Assessment: as mentioned above, the partnership initiative comes mainly from private partners and they propose the objectives. Moreover, private partners are responsible for monitoring and assessing the results. Only in the case of NS SEME, the objectives are defined by the public partner that monitors the processes and evaluates the results.
The distribution of risks is between the public and private partner, to whom the risks generally borne by the private sector are transferred	Present	Criteria: the distribution of risks between the public and private partners is defined. This distribution is recognised by all parties. Assessment: in all cases of cooperation, the private partner takes on a considerable part of the risk.
Responsibility can be transferred from the public partner to the private one, but accountability always remains with the public sector	Significant	Criteria: accountability mechanisms and descriptions exist that clearly delineate the accountable actors within the public sector. Assessment: in all the discussed cases, accountability to the public partner is in place but the mechanisms are different. Moreover, they cover slightly different aspects. In the case of NS SEME, private partners are fully accountable to the public party in terms of their performance; for FACTS, accountability to the MoESTD is associated with the involvement of public VET schools. However, all these mechanisms still need to be improved by introducing more legible descriptors and criteria. Solid monitoring and/or evaluation schemes seem to be lacking.

The table below includes the results of the assessment against the set of PPP preconditions. Once the Law on Dual Education comes into force, the situation may change, but probably not to a considerable extent.

Operational sub-questions	Indicators/assessment criteria	Assessment
<b>Precondition A: legal framework for public–private cooperation</b>		
Is the legal framework for public–private cooperation present?	Present if: the existing PPPs legal framework is enabling PPPs (legal documents outlining public–private cooperation exist, are recognised by all involved parties) implementing regulations are in place (the regulations are enforced and actors adhere to the rules)	Present: - Law on Public Private Partnership and Concessions, 2011 - Law on Public Procurement, 2013 - Law on the Foundations of the System of Education, 2009 - Law on the National Qualifications Framework, 2018 - Law on Dual Education, 2018
<b>Precondition B: fiscal arrangements for public–private cooperation</b>		
Are fiscal arrangements for public–private cooperation present?	Present if: financial incentives to develop PPPs are in place (e.g. identified in official documents) the rules of how fiscal arrangements work are clear and recognised by all parties	Not present: No clear fiscal incentive is available to private partners for investing in education
<b>Precondition C: tradition of social dialogue</b>		
What is the existing tradition of social dialogue?	Are PPPs building on an existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs? Long tradition with mixed outcomes: social dialogue is institutionalised, actors are aware of their roles and rules, yet social partners are not always consistently involved and examples of successful results are limited (e.g. to some sectors only)	Social dialogue is formalised (institutionalised) in the form of the Council for Vocational Education and Adult Education (2010) but there is no evidence of social partners influencing decision-making. Moreover, the scope of the council's duties does not cover VET policy-related decisions. Progress is limited in terms of effective social dialogue. There is no evidence of CVEAE or any social dialogue structure supporting PPPs or leading to PPP cases.
<b>Precondition D: social partnership in VET and skills</b>		
What is the status of social partnership in VET and skills?	Is current social partnership leading to outcomes? Does the social partnership lead to specific PPPs? Ad hoc: there are no well-defined rules on engaging social partners in VET and skills, yet they are engaged on a need basis. Institutionalised: social partnership in VET and skills is well-defined, the roles of social partners are clear and they are regularly engaged.	It best fits the category of 'Long tradition with mixed outcomes'. The current social partnership mainly does not lead to outcomes. The cases that can be considered PPPs are not directly derived from the existing social partnership. Institutionalised in form but ad hoc in terms of results.
<b>Precondition E: capacity of stakeholders to engage in policy dialogue and form sustainable partnerships</b>		
Capacity of stakeholders to engage in policy dialogue and form sustainable partnerships	Are actors' capacities being built into the dialogue and partnership process? To be built: the roles of the actors are not perceived as clear, social partners are not aware of how they can engage in the policy dialogue.	To be built. Social partners seem to be motivated but the principal issue is the limited authority that is shared with them.

## 2.4 Ukraine

### 2.4.1 Overview of legal aspects of PPP in Ukraine

In Ukraine, the Law on Public–Private Partnership<sup>157</sup> (No 2404-VI) was adopted on 1 July 2010. It defines PPP as cooperation between state or local communities represented by relevant public bodies or local self-government bodies (public partners) and legal entities, except state-owned and municipal enterprises or sole proprietors (private partners). It is based on a contract in the manner prescribed by the law. The main characteristics of PPP are formulated as described below.

- The private partner is authorised to acquire or create (construct, reconstruct or modernise) the object of the partnership and/or manage (use or operate) it. This authorisation is subject to acceptance and fulfilment of investment obligations by the private partner, in accordance with the agreement made for the public–private partnership.
- The term of the relationship is from five to fifty years.
- While the public–private partnership is implemented, part of the risk is transferred to the private partner.
- The private partner invests in the object of the partnership using sources that are not prohibited by law.

The PPP principles prescribed by the same law are equality of public and private partners before the law; prohibition of discrimination against public or private partners and protection of their rights; reconciliation of the interests of public and private partners to obtain mutual benefit; higher effectiveness of PPP projects than of those without the involvement of private partners; immutability of the purpose and ownership of facilities owned by the state or communities, transferred to the private partner during the period of the PPP contract; equitable distribution of PPP contract implementation risks between public and private partners; and selection of the private partner on a competitive basis, except as prescribed by law.

From 2000 to 2017<sup>158</sup>, more than 20 by-laws related to aspects of PPP were adopted in the country. For example, the Concept of PPP Development in Ukraine was in force from 2013 until 2018<sup>159</sup>. However, the current law is not considered to regulate PPP properly. Therefore, new legislation should be adopted in relation to the joint (public–private) governance of educational institutions, academic staff, curricula, occupational and educational standards, scholarships, vocational guidance and other issues.

### 2.4.2 Overview of the TVET system and social partnership in VET

The VET system in Ukraine has around 770 education institutions of different organisational types<sup>160</sup> acting under the Ministry of Education and Science (MoES), and over 260 000 students<sup>161</sup>. Four VET institutions (one VET high school, two VET schools, and one vocational lyceum) with over a thousand students are under the responsibility of the Ministry of Social Policy, the Ministry of Energy and Coal Industry and Kyiv Regional Council, respectively. In addition, eleven state employment services in

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<sup>157</sup> [https://mtu.gov.ua/files/for\\_investors/Law%20of%20Ukraine%20on%20PPP.pdf](https://mtu.gov.ua/files/for_investors/Law%20of%20Ukraine%20on%20PPP.pdf)

<sup>158</sup> The Law on Concessions (No 997-XIV), which was the precursor of the Law on PPP, was adopted in 1999.

<sup>159</sup> Government Decree No 739, 14 August 2013. <https://zakon2.rada.gov.ua/laws/show/739-2013-p>

<sup>160</sup> These are high VET schools, VET centres, vocational lyceums, VET schools, colleges, VET institutions that are divisions of higher education institutions, training centres within penitentiary institutions, vocational schools for social rehabilitation and VET schools within penal colonies, among others.

<sup>161</sup> Excluding the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone and including Makeevsky VET school of social rehabilitation (Kirovograd oblast).

Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Luhansk, Lviv, Odesa, Poltava, Rivne, Sumy, Kharkiv and Kherson regions have vocational training centres that act under the jurisdiction of the Ministry of Social Policy and train around 40 000 people annually. A large number of private VET providers offer training services to around 130 000 people in the country<sup>162</sup>.

The largest proportion of students is involved in industry-related professions (30.2%), followed by trade and catering (24.0%). Other sectors have considerably fewer students enrolled: transportation, 13.0%; construction, 12.3%; agriculture, 10.6%; and services, 9.5%. Only 0.3% of all VET students study professions related to communication, including information technologies.

VET institutions have around 31 400 employees, including 13 600 teachers and 17 800 practical training instructors, while vocational training centres have around 630 trainers.

The MoES, with its Directorate of Vocational Education<sup>163</sup>, is responsible for the formulation and implementation of public policy in the sphere of VET. The directorate has two expert groups, one on education content and one on governance and PPP. The General Department of Vocational Education (merged with the directorate in March 2019) is also involved and has three divisions: the Division of Organisational Activities and Social Issues; the Division of Content and Organisation of the Educational Process and the Division of Interaction with Social Partners and Industry. The Ministry of Social Policy also plays a considerable role in VET affairs. It participates in drafting legislation for the education sector and develops and approves the classifier of occupations (VET professions) and occupational standards.

Education and science departments form part of all regional (oblast) administrations. The role of these departments, under which the VET divisions act, is to ensure implementation of state education policy at regional level, in accordance with regional development strategies. In every region, a training-methodological or scientific-methodological centre of VET is functioning. These centres are under the jurisdiction of the MoES (Order No 856, 27 June 2013<sup>164</sup>) and provide education-methodological and scientific-methodological support for VET schools in the region through teacher training, curriculum design, development assistance for VET schools, inter-level communication, and analyses and research of VET sector achievements, among other aspects.

National policy documents such as the Strategy for sustainable development Ukraine 2020 (2015), the National education development strategy 2012–2021 (2013) and the Medium-term plan of government priority actions for the period till 2020 (2017) provide measures to improve the VET situation. Some of the main measures are strengthening cooperation with employers and attracting private investments to VET, particularly through the creation of modern educational and practical centres and the establishment of effective mechanisms for public–private partnership. Among other things, this is expected to result in considerable modernisation of the VET system, which would contribute to the training of a highly competitive workforce to meet current labour market requirements, and ensure equal access to vocational education.

Decentralisation of VET, including system governance and management of VET institutions, optimisation and modernisation of the network of VET institutions, and implementation of PPP in education with investments from employers and from the state budget are the main recommendations of the policy papers produced by the ETF, e.g. the Green Paper on Decentralising VET in Ukraine<sup>165</sup>

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<sup>162</sup> According to data provided by MoES; their number varies from 200 to 600.

<sup>163</sup> The directorate was established recently and has policy-related and strategy-related functions.

<sup>164</sup> <http://zakon0.rada.gov.ua/laws/show/z1189-13>

<sup>165</sup> ETF Green Paper 'Decentralising vocational education and training in Ukraine. Momentum for action', ETF, 2017.

(2017), the ETF PRIME report<sup>166</sup> (2016) and the Torino Process report Ukraine 2016–17<sup>167</sup> (2017). In these papers, it is proposed that PPP should be implemented in education by creating modern practical training centres for sectors with investment from employers and the state budget; establishing at least one modernised multi-functional VET centre in every region; strengthening the material and technical base of VET schools and integrating new technologies; introducing elements of the dual system in VET; and training teaching staff (internship) through sectoral practical training centres.

In the context of decentralisation of the VET system in Ukraine, a concept paper drafted recently by the MoES entitled ‘Modern vocational education: conceptual principles of reforming vocational education in Ukraine’ proposes redistributing authority in the field of VET at national, regional and institutional levels. At regional level, organisation of the functioning of regional VET councils and management boards of VET institutions is proposed to strengthen social partnership.

Regional VET councils were established in 2016 in all oblasts of the country according to the recommendations approved by Government Decree No 994-p, 14 December 2016<sup>168</sup>. They are the main structures for social partnership in VET. Their objective is to determine the regional order for VET and to undertake certain coordination functions to implement state education policy at regional level<sup>169</sup>. However, councils should not be considered merely as tools for putting into practice what has been decided centrally, at national level, or for translating regional labour market demand into indicators for VET students’ enrolment. Their role is much broader: they should serve as platforms for social dialogue and policy consultations, as VET promoters and channels of communication between the labour market and the VET system, and as a nexus between the regional authorities and the private sector to identify skills development issues and propose solutions. Thus, if properly operationalised, regional councils will unambiguously serve not only as a precondition but also as drivers for establishing new PPPs. Below, two cases are described in which the councils have multi-faceted roles and have already achieved certain progress in this direction.

### VET Council of Kyiv

In the past, representatives of Kyiv’s executive authorities and VET schools’ directors were predominant in the VET Council of Kyiv. However, the council was recently re-established. The presidents of 10 associations of enterprises (one from each of the 10 Kyiv districts<sup>170</sup>) have been made council members and now play the crucial role of connecting the VET system to the labour market. Over 50% of council members are representatives of social partners<sup>171</sup>. According to the Department of Education, Science, Youth and Sports of Kyiv state administration, formal approval of the regional order for VET is no longer the council’s main priority, although it is still far up on the agenda. Now the focus is to work out the strategy and action plan for Kyiv VET system development.

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<sup>166</sup> ‘Optimisation of the network of vocational education and training providers in Ukraine. assessment of options for policy action’, ETF, 2016.

<sup>167</sup> Torino Process 2016–17: Ukraine. Executive summary, ETF, 2017

<sup>168</sup> [www.kmu.gov.ua/control/uk/cardnpd?docid=249614493](http://www.kmu.gov.ua/control/uk/cardnpd?docid=249614493).

<sup>169</sup> Scepticism about the effectiveness of the regional VET councils can be found in some reports (see e.g. the National report on the state and prospects of education development in Ukraine. National Academy of Educational Sciences of Ukraine. Edited by V.G. Kremen. Kyiv: Pedahohichna Dumka, 2017). For many regions, this scepticism is unfortunately still well-founded. However, the cases of effectiveness and progress of the councils that are described in the text should be appreciated as positive examples that prove the advantages of social partnership in VET.

<sup>170</sup> The existence of such associations is specific to the city of Kyiv. In other regions they do not exist.

<sup>171</sup> The council has members from Kyiv Federation of Employers, the city administrator and the city council, and the employment service.

Members consider that the council is not only a decision-making structure, but also a platform for communication and information exchange. One of the council's main functions is to disseminate information about the VET system and promote it. This contributes to raising the VET system's awareness about enterprises with which they could establish partnerships, and employers' awareness of VET schools in which they could order the training of the future workforce and/or the retraining of existing staff. Other tasks of the council are to support vocational guidance, develop recommendations on VET network optimisation, and contribute to the improvement of VET quality and its relevance to labour market needs.

This council is not simply a collegial body with collective responsibility. It incorporates individual members who are influential in their areas, have a wide range of contacts and can contribute to establishing links and attracting partners. Examples of such liaisons are contacts established with some structural units of Ukrainian railways or with the Sova jewellery house.

### **VET Council of Rivne oblast**

The VET Council of Rivne oblast makes decisions about the regional order and attempts to do this based on reliable information about the situation in the regional labour market and the capacities of VET institutions. The council tries to undertake its own research or at least critically analyse the data received from formal sources such as the employment service. According to the VET and Tertiary Education Division of Rivne oblast state administration, the collective efforts of council members, who are predominantly employers' representatives, provide a more or less realistic picture of the skill needs in the oblast, to form a relevant regional order for the preparation of specialists with VET. The same source reports that many cases of establishing dual education in VET institutions have materialised due to the efforts of the council and its individual members, who manage to attract more private partners.

As in the case of Kyiv, this council also serves as a platform for business communications between members who represent the private sector. This improves the entrepreneurial climate in the region and has a positive impact on the VET system.

One of the recent tasks of the council was to develop proposals for centres of excellence in Rivne oblast. After endorsement at the council meeting, the proposals were submitted to the regional government for discussion and approval.

The MoES is confident that there is a trend to improve regional VET councils' effectiveness (although at different levels in different regions) by increasing members' motivation and perceptions of their role and improving capacities. The EU4Skills project, which will invest EUR 58 million in modernisation of the Ukrainian VET system, will also contribute to capacity building of the councils' members.

At institutional level, no structures exist that ensure social dialogue and multi-stakeholder governance. In our opinion, this represents a considerable gap in the formation of a comprehensive social partnership framework in the VET system. A draft law on VET foresees supervisory boards in VET institutions, but their role will be to observe and recommend. They will not have decision-making power.

### 2.4.3 Cases of partnership in VET

There are different forms of cooperation between the Ukraine VET system and private partners. In many cases, this cooperation goes beyond collaboration between an individual VET institution and a company, and it is formalised at national level. Thus, during 2016–18, the MoES signed a memorandum of cooperation with a number of partners, such as:

- Śnieżka-Ukraine, 2016<sup>172</sup>
- Knauf Hips Kyiv, 2017<sup>173</sup>
- Chamber of Construction, 2017<sup>174</sup>
- National Sectoral Partnership in Light Industry ‘Fashion Globus Ukraine’, 2017<sup>175</sup>
- Ukrainian Railway, 2018<sup>176</sup>
- ZIP Industrial Enterprise, 2018<sup>177</sup>
- Federation of Employers of Ukraine, 2018<sup>178</sup>.

The scope of cooperation with different partners is defined by these documents. However, the common feature is that they are all targeted at improving the material base of corresponding VET providers and modernising the education and training content and quality of provision. They will lead to innovations that should make specialists more relevant to labour market needs and increase employability.

Three PPP cases were identified by the ETF for this study: (1) training and practical centres (education and training centres); (2) donor-sponsored engagement in VET skills development; and (3) provision of company internships. All these cases are described in detail in a number of publications, including the report of the previous ETF study<sup>179</sup>. Therefore, here we only discuss some of the characteristics that we reviewed in our study to assess whether they complied with the PPP criteria suggested by the ETF and against the set of PPP preconditions.

#### Training and practical centres (TPC)

The establishment and functioning of training and practical centres (TPCs) in Ukraine is defined by a regulation approved by Order of the Ministry of Education and Science, Youth and Sport No 694, 14 June 2012<sup>180</sup>. According to this regulation, the TPC is a structural unit of a VET institution and its main goal is to improve the practical training of VET and university students, trainees (young and adult, employed and unemployed), teachers and trainers; introduce the latest technologies in the educational process; use modern equipment, tools and materials; and foster systematic cooperation between enterprises and vocational schools to promote educational and industrial innovations.

Thus, TPCs are merely improved workshops and laboratories (or other similar training facilities), which should be standard for the provision of quality training in any institution. Only TPCs that are established, supported or run by or with the involvement of private partners are the subject of a PPP-related study.

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<sup>172</sup> [Меморандум Про співробітництво між МОН і ТОВ ‘Снежжа-Україна’](#)

<sup>173</sup> [Меморандум Про співробітництво між МОН і ТОВ ‘КНАУФ ГПС Київ’](#)

<sup>174</sup> [Меморандум Про співробітництво між МОН і Будівельною палатою](#)

<sup>175</sup> [Меморандум Про співробітництво між МОН та громадською спілкою ‘Національне партнерство в легкій промисловості’](#)

<sup>176</sup> [Меморандум про співробітництво між МОН та ПАТ ‘Українська залізниця’](#)

<sup>177</sup> [Меморандум Про співробітництво між МОН і ТОВ ‘ЗІП’](#)

<sup>178</sup> [Меморандум про співпрацю між МОН та Федерацією роботодавців України](#)

<sup>179</sup> Public–private partnerships for skills development in ETF partner countries. ETF, 2018.

<sup>180</sup> <https://zakon.rada.gov.ua/laws/show/660-2018-p>



At present, out of over 100 TPCs that are operating in the country, 87 are funded or co-funded by private companies. The most common sectors for which TPCs are established with the assistance of the private sector are sanitary ware (sanitary engineering and plumbing) and construction materials. However, in both cases, the training is not for production but for the instalment and/or usage of the above goods. This reveals the main motivation of the private companies, that is, to promote their products in the market. There are also cases known to the MoES where similar cooperation between a VET institution and a private partner has been established<sup>181</sup> but not yet formalised.

The following facts about TPC are of interest.

- The first TPCs were established by private partners in the early 2000s. The state only began to provide funding for this purpose in 2016.
- In 2016, Swiss company Geberit, which is one the largest private partners of and investors in Ukrainian VET, allocated UAH 680 000 for a TPC. The cost of one TPC in Zakarpattya funded from state sources was around UAH 1.5 million.
- For the period 2016–18, UAH 200 million were allocated to establish 100 TPC over the country.
- Many TPCs are financed from three sources: a private partner, the state (region) and the institution's own funds. Usually, when private partners provide equipment for a workshop, the institution ensures that the venue is in good condition and it carries out any refurbishment works that are required.

#### LUTSK HIGHER VOCATIONAL SCHOOL OF CONSTRUCTION AND ARCHITECTURE

- The first training and practical centre at the Lutsk VET school was opened in 2005 by Henkel.
- In 2010, a similar centre was opened at the Lutsk VET school by KNAUF, and in 2015 by Śnieżka.
- The three companies are aware of each other's initiatives in the Lutsk VET school and in other VET schools around Ukraine. However, they do not cooperate with each other and do not share experiences.

An important issue related to TPCs should be discussed here. As mentioned, donor-sponsored engagement in vocational skills development is a specific condition in a PPP. An initiative of Geberit International Sales AG, supported by the Swiss Cooperation Office in Ukraine, is an example of it. Our understanding of this case, which is supported by the vision and position of the MoES, suggests that this cooperation should be categorised as a TPC. The initiative involves modern equipment provision and instalment in the corresponding workshop; development of a new curriculum for plumbers, new methodology and teaching materials; and training of VET school teachers and practical training instructors. However, the activities of curricula development and teacher training do not change the real nature of the cooperation, as they have been components of other cases of TPC establishment. Moreover, the participation of a foreign government actor, the Swiss Cooperation Office, 'weakens' the PPP nature of this cooperation. As this is the only case of this PPP model, we suggest that it should be considered an example of TPC establishment, although a slightly specific one.

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<sup>181</sup> These cases of cooperation mainly relate to the provision by private companies of materials and consumables that are required for students' practical training, but not equipment or other large items.

## THE TPC BY GEBERIT SUPPORTED BY THE SWISS COOPERATION BUREAU

- The initial memorandum of cooperation was signed by the Swiss Cooperation Office, Geberit and the MoES. GURT was the project's executing party.
- The project, officially called the PPP for improving sanitary and technical education in Ukraine, was launched in 2014 and initially aimed to achieve the following goals:
  - development of the new curriculum for plumbers and plumbing systems installers;
  - training of VET school teachers and practical training instructors;
  - provision of modern equipment for partner VET schools.
- Geberit staff wrote seven handbooks for plumbers that are used in the partner VET schools. A TPC was established in the town of Bila Tserkva, where practical training instructors from VET schools go to improve their qualifications.
- As part of the training programme, partners organise annual Ukrainian competitions for students mastering the profession of plumbing systems installer. The partners carry out information campaigns to increase the popularity of plumbing and related professions. The state has included the profession of installer of sanitary engineering systems and equipment in its list of priority professions. Due to this PPP, in 2016 in Ukraine the new VET state standard for the profession of installer of sanitary engineering systems and equipment was amended.
- According to the PPP participants, it is becoming increasingly difficult to carry out this project. Other businesses are reluctant to join, as they do not see direct benefits for themselves from investing in professional education skills development. The project lacks clear incentives for other partners to join.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed	Mixed type with elements of VET provision-oriented and resource-oriented. The collaboration entails provision of financial and non-financial resources and the training itself.
Scope and membership	Integration with the VET system: elements of a permeating system	The idea of PPP is ingrained in the new VET system
	Types and number of organisations involved: multiple private partners, multiple public partners	Businesses, public VET colleges and national authorities
	Openness: open	Any private partner may apply to establish a TPC in a public VET school
Source of initiative	Private	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Improve training quality	
	Promote own products	
Key design features – mechanisms of effect	Public VET schools in cooperation with private companies	
	Payment: mainly private	Some investments by VET institutions and by donors in specific cases
	Payment mechanism: private investments and the VET schools' contributions are mainly in-kind	
Dimensions of the incentive and accountability environment	Risk allocation: private	Due to their investments

Dimensions	Sub-dimensions	Detail
Policymaking framework	Policymaker functions: defining regulation and procedures	
	Industry functions: provide equipment and contribute to curricula design and training provision	
	Nature of industry–public sector interactions in policy design: memorandum of cooperation	
Outcomes	On learning outcomes: private initiative led to the organisation of a similar TPC by the state	
	On learning practices: practical training in properly equipped workshops at public VET schools	
	On learning experiences: graduates are equipped with relevant practical skills and the private companies promote their products	
Key contextual factors	Public authority capacity and experience: regulatory	
	Degree of market readiness: high	
	Legal framework: regulation approved by ministerial order	
	Governance regime: according to the regulation on public VET schools' functioning	

### Internship or practical training at enterprises

Practical training of VET institutions' students at the corresponding enterprises is an integral, obligatory part of all curricula. It is normal practice to ensure that learners' gain practical skills and competences. Practical training involves cooperation between the public VET system and the private sector and is based on mutual interest. While the motivation of VET institutions is obvious for the above reasons, company incentives are associated with an almost permanent shortage of labour force, which is specifically relevant to large industrial companies. A high demand for workers is also present in sectors such as hospitality and other services, IT, transportation and communication. Even a simple review of workforce demand on the employment service website suggests that there are tens of thousands of vacancies for specialists, including those with VET<sup>182</sup>.

Therefore, companies are strongly interested in having interns, and most interns are employed by the companies immediately after graduation. In Kyiv, reportedly around 40% of interns are hired before graduation, which may even jeopardise students' normal training process and successful graduation.

The partnership does not require direct investments in the VET system to improve VET institutions' facilities. However, companies invest in providing a base for students' practical training, allocating all the necessary materials and tools, and assigning company instructors. In addition, they pay fees to

<sup>182</sup> The demand on 6 April 2019 was (<https://ua.trud.com>): construction, 144 800; trading/sales, 13 537; IT, computers, internet, 12 091; transport, car services, 7 317; tourism, hotels, restaurants, 4 280; production, 2 181; telecommunications, 1 049; agriculture, 448, etc. In total there were over 271 000 vacancies. The official site of the State Employment Service records around 79 000 vacancies.

every student. Some companies allocate funds for the provision of vocational guidance, VET promotion campaigns and other activities in partnership with the MoES. In numerous cases, dual education has been introduced based on the experience of cooperation for internships in companies. For instance, in Kyiv, all 23 VET institutions have dual education for at least one profession.

### VET SCHOOLS' COOPERATION WITH METALLURGICAL COMPANY METINVEST HOLDING

While the core of collaboration is provision of internships, the PPP includes a wider range of collaborative efforts linked to knowledge and resource provision. Within the framework of this cooperation, Metinvest Holding provides selected public VET schools and the public sector in general with the following assistance.

- Students are invited to complete paid apprenticeships in the enterprise. Unlike other enterprises in the metallurgical and other hazardous industries, Metinvest accepts minors for apprenticeships in their plants. This situation is regulated by the Provision for Training of Minors.
- Under the acquired licenses, Metinvest Holding also provides VET for adults. In total, up to 60 000 training events<sup>183</sup> are registered that are delivered by the company.
- Teachers and practical training instructors from partner VET schools undergo training in Metinvest Holding enterprises. Until 2016, this cooperation took place in the form of pilot projects. Since 2016, there has been a special programme for teacher training.
- From their first year in the VET school, students are invited to participate in the Professional Start programme, where they learn about Metinvest corporate culture, values and safety measures. This programme is held in Metinvest plants and aims to help students with professional orientation and adaptation to the workplace. This way, students are more productive when they come to Metinvest as employees after graduation.
- Metinvest plants hold competitions for students on knowledge of safety standards. There are also games on first aid provision in the case of injury at work. The best students who participate in the Professional Start programme and win the competitions receive certificates from Metinvest.
- For the third time in the last three years, the company has been the main sponsor of Worldskills Ukraine. In 2019, over 1 300 people competed in specific skills and about 4 000 pupils participated in vocational guidance activities. These competitions are very attractive to young people. They increase the popularity of VET and expand the audience and number of general school graduates who chose the VET pathway instead of higher education.
- Metinvest advises the MoES on educational and occupational standards for relevant professions.
- Metinvest advises the MoES and the Ministry of Social Policy on educational and occupational standards for relevant professions and on modifying curricula and training programmes. The Holding is also involved in the development of over fifty occupational standards through a sectoral employers' organisation (the Ukrainian Federation of Metallurgists).
- The company assists partner VET schools with the renovation of equipment and facilities and equips classrooms with modern equipment.
- In total, Metinvest spends up to USD 25 million per year on the provision of education and training in PPP schemes.

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<sup>183</sup> One person may pass several training courses a year. Any corresponding event is considered a 'fact of training'.

Dimensions	Sub-dimensions	Detail
Functional type	Mixed	Main focus on VET provision, however strong elements of knowledge-orientation and resource-orientation also exist. A truly comprehensive and multi-faceted collaboration.
Scope and membership	Integration with the VET system: elements of a permeating system. The idea of PPP is ingrained in the new VET system.	
	Types and number of organisations involved: multiple private partners, single public partner	Businesses and public VET colleges
	Openness: open	Any private partner may be engaged in the provision of practical training
Source of initiative	Joint (public and private)	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Fulfilment of the curricula requirement	
	Satisfy labour force demand	
Key design features – mechanisms of effect	Public VET schools in cooperation with private companies	
	Payment: mixed	In-kind and students' fees
	Payment mechanism: per capita by number of students	
Dimensions of the incentive and accountability environment	Risk allocation: private	Private, due to their investments in organisation of practical training at enterprises
Policymaking framework	Policymaker functions: defining regulation and procedures	
	Industry functions: provision of training facilities and delivery of training	
	Nature of industry–public sector interactions in policy design: memorandum of cooperation	
Outcomes	On learning outcomes: transfer from the formal practical courses of the past to real apprenticeship at companies to master practical skills	
	On learning practices: on-the-job learning at companies accompanied with theoretical instruction delivered by VET schools	
	On learning experiences: proper implementation of national curricula and qualified labour force for private companies	
Key contextual factors	Public authority capacity and experience: regulatory	
	Degree of market readiness: high	
	Legal framework: a number of legal acts	
	Governance regime: according to the regulation on the functioning of public VET schools	

## Participation of the private sector in education content development

The MoES suggests that participation of the private sector in education content development is an independent type of cooperation. We largely share this approach. Indeed, employers' representatives participate in the development of occupational standards (coordinated by the Ministry of Social Policy), and of educational standards and curricula (a VET institution cannot approve its own curricula if they are not discussed and endorsed by the corresponding employer). This is an investment in VET development at systemic level. It is an investment because employers allocate their own time and human resources to this work and it is at systemic level because these are no ad hoc events initiated by individual VET institutions or companies, but a firmly established mechanism for the entire VET system.

When employers review the curricula of VET institutions with which they cooperate, they may require inclusion in the training programme of specific elements or even modules related to their corporate issues. For example, Energy Holding DTEK<sup>184</sup>, which is a partner of several VET schools, requires that all corresponding curricula include modules related to quality assurance at their company.

Dimensions	Sub-dimensions	Detail
Functional type	Knowledge-oriented PPP	
Scope and membership	Integration with the VET system: elements of a permeating system	
	Types and number of organisations involved: multiple private partners, multiple public partners	Businesses and national authorities
	Openness: open	Any private partner may contribute to education content development
Source of initiative	Public	
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	Ensure the relevance of education content to labour market needs through the development of occupational and educational standards and curricula	
Key design features – mechanisms of effect	Formally established working groups	
	Payment: none	In-kind contribution of public and private sectors
	Payment mechanism: not relevant	
Dimensions of the incentive and accountability environment	Risk allocation: joint	Public and private, due to in-kind investments
Policymaking framework	Policymaker functions: establishment of working groups	
	Industry functions: contribution to standards and curricula development	
	Nature of industry–public sector interactions in policy design: according to a ministerial order	

<sup>184</sup> DTEK won a success stories competition, organised by the ETF, for its virtual reality (VR) headset. Recently, this VR headset was transferred to a Ukrainian university.

Dimensions	Sub-dimensions	Detail
Outcomes	On learning outcomes: example of effective cooperation between the state and the private sector without financial investments	
	On learning practices: not relevant	
	On learning experiences: greater relevance of VET content to labour market needs.	
Key contextual factors	Public authority capacity and experience: strong	
	Degree of market readiness: not relevant	
	Legal framework: none	
	Governance regime: coordinated by the MoES	

### Other aspects of cooperation between VET institutions and employers

In addition to the PPPs systematised above, a variety of forms and cases of cooperation between VET institutions and employers were identified in another ETF survey. Of the 224 VET providers that were surveyed, 80.3% reported cooperation with private companies, 68.9% with state enterprises, 49.7% with public (municipal) companies, 16.4% with business associations and 35% with state authorities. Around 70% of VET institutions reported cooperation with over five companies.

Below is a summary of VET institutions' answers to a survey question on the main aim of cooperation with employers:

- VET school students undergo apprenticeships in the partner enterprise, 61.6%;
- VET school graduates are employed in the partner enterprise, 43.8%;
- cooperation to justify the volume of the state or regional order for qualified personnel, 41.8%;
- VET school students learn how to work with the enterprise's materials and technologies, 37.5%;
- increased efficiency of use of the institution's existing infrastructure, 33.6%.

Clearly, many cases coincide with those discussed under the first two partnership models. Surprisingly, none of the institutions prioritised cooperation to modernise education content (revise curricula), although this was mentioned. Assessment of labour market needs was considered the area of cooperation with the highest level of impact (5 points, 45% of respondents), followed by employment of graduates (44.3%) and improvement of teachers' capacity (40.2%). Material benefits for teachers (68.3%), financing of institutions' infrastructure (52.9%) and provision of methodological materials (52.4%) were reportedly the areas with the lowest impact (0 or 1 point).

In response to the question about the challenges for establishing PPPs, over half of VET institutions (55.2%) mentioned the limited financial resources of partners as the main obstacle, followed by limited motivation of partners (46.2%) and legislative barriers (23.8%).

An interesting role of public authorities in PPPs was identified in the survey results. They mainly act as mediators (31.9% of cases), helping public VET schools to find private partners and establish cooperation with them. Creation of favourable legal and fiscal conditions is the second (24.1% of cases) important role of the authorities, followed by financial, human resources or other direct support (17.8% of cases). Public authorities were only directly involved as a formal partner in PPPs in 5.9% of cases.

There was a notable difference in how public authorities interact with public and private VET institutions. In public VET institutions, most cooperation cases (51.1%) are supported by regional bodies, 45.9% by city or village councils and 18% by central authorities. In private VET institutions, 58% of cooperation cases are supported by central authorities and 25% by regional bodies. The remaining cases of cooperation with private VET schools are not supported by any public body.

Two specific issues should be mentioned here. The first is that, while discussing PPP in Ukraine, it should be considered that in this country there is a huge 'public business' sector. This includes state-owned (e.g. Ukrainian Railways or PrivatBank) or municipal (e.g. water supply and sewage) companies that act as businesses. They are large employers, can make serious investments particularly in VET but cannot be recognised as private partners due to their status as public property. This is a significant issue in terms of national legislation on PPP, and there are obstacles to the fully fledged involvement of public businesses in cooperating with and investing in the VET system.

The second relates to rather interesting cases of cooperation in the field of agricultural VET. These cases are not yet clearly arranged or systemic, therefore they have not been categorised. They are related to the fact that many agricultural VET schools have large plots of land but no capacity to cultivate them due to extremely limited or outdated agro equipment. Various forms of cooperation with private agro companies are now being initiated. This topic seems highly relevant for a specific study and the development of recommendations.

An additional, extremely interesting case of cooperation is that of the Odessa VET Centre and Fomalhaut-Polimin LLC, implemented in the framework of a social and educational project called Fomalhaut Building University. The main objectives of this project are:

- create a universal educational platform for continuing professional development of the person and lifelong learning, and for communication between VET institutions, employers, national producers, state authorities and local municipalities;
- develop and assist in the implementation of professional pathways for the economically active population (training of workers with a wide range of competences, vocational education, training and retraining of workers for the construction industry, motivation of young people to form start-ups);
- assist in increasing the prestige of construction workers' occupations in Ukraine;
- promote high-quality potential labour training for Ukraine.

These objectives obviously include elements that can be considered typical of centres of excellence. Indeed, the target of the company is to establish a CoE on the base of the VET Centre in Odessa<sup>185</sup>.

#### 2.4.4 Conclusions

As in the other countries discussed in this chapter, cooperation between the public VET system and individual VET institutions in Ukraine cannot be formally categorised as PPPs, according to national legislation. However, much greater correspondence with PPP characteristics can be found.

Based on our study, the main models of cooperation with PPP characteristics in Ukraine are:

- training and practical centres established and run by private companies;
- internships at enterprises (along with cases of dual education, when present);
- participation of the private sector in education content development.

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<sup>185</sup> More detailed information about this cooperation and achievements to date can be found at:

<http://polimin.ua/drugie-proektyi/fomalgaut-building-university/>



Similar to Jordan, Kazakhstan and Serbia, here we provide our assessment of whether the PPP cases in Ukraine comply with the PPP criteria suggested by the ETF.

Element of PPP – Ukraine		Defined criteria and assessment
Formulation	Existence	
Stable relationship between private and public partners	Significant	<p>Criteria: the relationship is stable if communication between the private and the public partner is regular, well-established and recognised by all parties.</p> <p>Assessment: private partners are involved in regional VET councils and will be involved in VET institutions' supervisory boards (another consultative body), which are foreseen in the draft VET law. In most cases, almost the only role of the councils is formal approval of the regional order.</p> <p>There are many examples of well-established, formalised partnerships between private partners and the MoES and between private partners and individual VET institutions. They all lead to tangible results in terms of PPP cases.</p>
The private partner participates in funding or provision of other resources for the partnership	Present	<p>Criteria: the private partner allocates its own funds or resources to implement the partnership.</p> <p>Assessment: in all partnership cases considered in the study, i.e. training and practical centres, internships in companies and development of education content, the private partners directly invest their own funds to establish the TPCs, allocate their base and specialists for internships, and pay fees to the students or invest their expertise and human resources to develop standards, curricula, etc.</p>
The economic operator participates at various stages of engagement	Present	<p>Criteria: the economic operator participates in the design, implementation and evaluation of the partnership through formal or non-formal mechanisms recognised by all parties.</p> <p>Assessment: almost all cases of partnership were established at the initiative of the private partners. Therefore, the latter were actually the designers of every single case.</p>
The partnership has clearly set objectives	Significant	<p>Criteria: the documentation related to the partnership mentions the objectives unambiguously and the partners are able to easily identify and present such objectives.</p> <p>Assessment: at both levels of partnership, i.e. national where private partners have signed a memorandum with the MoES, and institutional where private partners cooperate directly with VET institutions, the scope and objectives of cooperation and the responsibilities of the parties are clearly defined.</p>
The public partner defines the objectives to be attained in terms of public interest, service quality and pricing policy, and it is responsible for monitoring compliance with these objectives	Partial	<p>Criteria: in an official agreement, the public partner has defined the objectives of PPP in terms of public interest, service quality and pricing policy in an official agreement.</p> <p>The public partner has established a monitoring mechanism to ensure compliance with the defined objectives.</p> <p>Assessment: as mentioned above, the initiative for the partnership usually comes from the private partners and they propose the objectives. The public partner may offer some adjustments only.</p> <p>No formal monitoring mechanisms have been established specifically for the partnerships. However, within its normal supervisory functions, the MoES periodically reviews the functioning of TPCs or the provision of internships at the enterprises.</p>
The distribution of risks is between the public and private partner, to whom the risks generally borne by the private sector are transferred	Present	<p>Criteria: the distribution of risks between the public and the private partners are defined. This distribution is recognised by all parties.</p> <p>Assessment: in all cases of cooperation, specifically for TPCs or the provision of internships, the private partner takes a considerable part of the risk.</p>
Responsibility can be transferred from the public partner to the private one, but accountability always remains with the public sector	Significant	<p>Criteria: accountability mechanisms and descriptions exist that clearly delineate the accountable actors within the public sector.</p> <p>Assessment: due to public ownership of VET institutions, the MoES is the structure that supervises their activities, including cases based on partnership. However, this supervision cannot be considered as monitoring and/or evaluation.</p>

The following table demonstrates the assessment against the set of PPP preconditions.

Operational sub-questions	Indicators/assessment criteria	Assessment
<b>Precondition A: legal framework for public–private cooperation</b>		
Is the legal framework for public–private cooperation present?	Present if: the existing legal framework for PPPs enables their foundation (legal documents outlining public–private cooperation exist and are recognised by all involved parties) and implementing regulations are in place (the regulations are enforced and actors adhere to the rules)	Present: - Law on Public Private Partnership, 2010 - Over 20 by-laws related to different aspects of PPP adopted in 2000–2017
<b>Precondition B: fiscal arrangements for public–private cooperation</b>		
Are fiscal arrangements for public–private cooperation present?	Present if: financial incentives to develop PPPs are in place (e.g. identified in official documents) the rules of how fiscal arrangements work are clear and recognised by all parties	Not present: No clear fiscal incentives exist for private partners to invest in education. Moreover, when materials assets are transferred from a private company to an education institution, VAT must be paid.
<b>Precondition C: tradition of social dialogue</b>		
What is the existing tradition of social dialogue?	Are PPPs building on an existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs? Long tradition with mixed outcomes: social dialogue is institutionalised, actors are aware of their roles and rules, yet social partners are not always consistently involved and examples of successful results are limited (e.g. to some sectors only)	The social dialogue was formalised (institutionalised) in 2016 in the form of regional VET councils. There is still limited progress in terms of effective social dialogue. However, there are regional differences. Some councils (e.g. Rivne oblast, Kyiv city) are supportive of PPPs with noticeable results, including those leading to PPP cases. It best fits the category of 'Recently developed'.
<b>Precondition D: social partnership in VET and skills</b>		
What is the status of social partnership in VET and skills?	Is current social partnership leading to outcomes? Is the social partnership leading to specific PPPs? Ad hoc: there are no well-defined rules on engaging social partners in VET and skills, yet they are engaged on a need basis. Institutionalised: social partnership in VET and skills is well-defined, the roles of social partners are clear and they are regularly engaged.	Cases that can be approximated to PPPs were established before the formation of the present institutional framework of social partnership. Institutionalised in form but ad hoc in the results.
<b>Precondition E: capacity of stakeholders to engage in policy dialogue and form sustainable partnerships</b>		
Capacity of stakeholders to engage in policy dialogue and form sustainable partnerships	Are actors' capacities being built into the dialogue and partnership process? To be built: the roles of the actors are not perceived as clear, social partners are not aware of how they can engage in the policy dialogue.	To be built. The principal issue is the motivation of actors and the limits of the authority shared with social partners.

## 2.5 Overview and cross-cutting recommendations

None of the countries that were considered had cases of cooperation that could formally be categorised as PPPs in accordance with national legislation. The only exception is the dormitories in Kazakhstan. However, due to the characteristics described above it is absolutely reasonable to consider these cases through the prism of PPP.

The four countries' PPP elements can be compared by attaching conventional scores to the results of the assessment for each element's indicator<sup>186</sup>. The results show that Serbia and Ukraine are leading in this area, closely followed by Kazakhstan.

Element of PPP	Jordan	Kazakhstan	Ukraine	Serbia
Stable relationship between private and public partners	Insignificant (2)	Significant (4)	Significant (4)	Significant (4)
The private partner participates in funding or provision of other resources for the partnership	Insignificant (2)	Significant (4)	Present (5)	Present (5)
The economic operator participates at various stages of engagement	Absent (1)	Insignificant (2)	Present (5)	Present (5)
The partnership has clearly set objectives	Insignificant (2)	Significant (4)	Significant (4)	Present (5)
The public partner defines the objectives to be attained in terms of public interest, service quality and pricing policy, and is responsible for monitoring compliance with these objectives	Absent (1)	Partial (3)	Partial (3)	Partial (3)
The distribution of risks is between the public and private partner, to whom the risks generally borne by the private sector are transferred	Absent (1)	Present (5)	Present (5)	Present (5)
Responsibility can be transferred from the public partner to the private one, but accountability always remains with the public sector	Absent (1)	Present (5)	Significant (4)	Significant (4)
<b>Total</b>	<b>10</b>	<b>27</b>	<b>30</b>	<b>31</b>

In a comparison of the countries' PPP preconditions, the two leading countries are slightly behind the others.

This 'contradiction' is only in appearance, and the results of the above assessment should by no means be interpreted as a lack of importance of PPP preconditions. They reveal that even in the circumstance of recently institutionalised social partnerships or the absence of fiscal incentives, effective cooperation, if not a formal PPP, between the public VET system and the private sector (or government cooperation with private VET providers in Kazakhstan or capacity building for private farmers in Serbia) is possible if there are clearly perceived interests and proper motivation of the parties. Motivation can come from various factors.

<sup>186</sup> Absent = 1, Insignificant = 2, Partial = 3, Significant = 4, Present = 5.

Precondition	Precondition A: legal framework for public–private cooperation	Precondition B: fiscal arrangements for public–private cooperation	Precondition C: tradition of social dialogue	Precondition D: social partnership in VET and skills	Precondition E: capacity of stakeholders to engage in policy dialogue and form sustainable partnerships
Country					
Jordan	Present	Present	Long tradition with mixed outcomes	Institutionalised in form but ad hoc in the results	To be built
Kazakhstan					
Serbia		Not present	Recently developed		
Ukraine					

Analysis of the cases shows that a number of preconditions should be in place to establish sound public–private partnership in VET. The most important are discussed below.

Motivation of the private partner is the key to success in any PPP case. However, it is not necessarily based on fiscal incentives established by law or expectations of immediate income. Instead, it can take various forms:

- increased effectiveness and efficiency of staff recruitment (more competent staff due to training at their own enterprise and/or adapted curricula, decreased expenditure on postgraduate training or retraining, shortened induction period, etc.);
- use of VET institutions’ facilities to generate income;
- promotion of own products in the market;
- compensation of own expenditure from the state budget including a certain margin (pure income).

Nevertheless, motivation alone might not be enough to establish a proper PPP. The private partner has to be ready to take risks and invest, not necessarily money, but at least time and human resources or their own equipment, tools and materials. Some of the cases show that even in-kind contribution can have positive results (e.g. participation of the private sector in education content development in Ukraine). The introduction of effective management schemes *per se* can also ensure improved effectiveness and quality of VET provision (e.g. trust management in Kazakhstan). There are, however, PPP cases in which tangible financial investments are essential (e.g. centres of excellence in Jordan<sup>187</sup> or privately established training facilities in Serbia).

Another main issue is preparedness of public structures to share not only risks but also authority in certain areas (including those related to decision-making and fiscal management) with private partners and give them a certain level of autonomy and independence. Our analysis shows that conditions of strong centralisation negatively impact the effectiveness of PPP (the cases of PPP in Jordan) or considerably limit further development of the policy dialogue and establishment of new PPPs (the case of the VET Council in Serbia).

<sup>187</sup> Based on the stakeholders’ statements, no investments can be realistically expected from employers in the foreseeable future (as stated by most of the interviewees, due to the ‘weakness of the Jordanian economy’). The government (VTC) shares this opinion and believes that unfortunately, public funds cannot be made available to invest in SSCs. Donors are considered the only source of financing.

Contributions from donors should not be overlooked. In some cases, financial and/or technical support from development partners is a precondition for the appropriate conceptualisation of a PPP model in the given country and an impetus for its launch.

The following policy recommendations about PPP in skills development can be made based on the review and analysis of PPP cases implemented in the four selected countries and with a consideration of wider international practices.

- For any type<sup>188</sup> and case of PPP to be established, the cooperation needs must be clearly defined: which issue will be solved and which results and further impact of the cooperation can be expected in terms of improvement of a VET aspect.
- Conceptualisation of PPP types and modelling of the cases should be ensured. This is necessary for common understanding of the PPP typology in the country (and for the international community) and proper structuring of the PPP cases under the recognised typology. Adoption of legal acts that regulate the PPPs may also be appropriate. While these acts should not create any bureaucratic obstacles, they must ensure the rights and responsibilities of the parties.
- The motivation of both parties should be clearly identified. This is the minimum guarantee of success. For the private sector, the motivation usually relates to business benefits, while for the public authorities, it is associated with improved quality and relevance of VET provision and increased VET availability for wider groups of the population.
- Accordingly, possible risks and benefits, which are closely connected but not identical to motivation, should be forecast and described. They should be stated in the agreement drawn up for a PPP case. During the implementation of a PPP, the risks and benefits can be reviewed and, if necessary, revised based on mutual agreement but not unilaterally, e.g. by the government.
- Piloting of new PPP models before they are introduced throughout the country seems advantageous to define and design the most appropriate models for the given country. However, it should always be considered that a model that works well with a certain private partner might not apply to partnership with another one. This may depend on the size of the company or the economic sector to which it belongs. Moreover, considerable regional differences, specifically in large countries such as Ukraine or Kazakhstan, may appear.
- Effective mechanisms not only for proper accountability but also for monitoring and evaluation of PPP cases should be in place. This is a complex exercise and the expertise needed to introduce these mechanisms may not be available in all cases. Therefore, this should be considered an area for international technical support, provided with the donors' assistance.

The table below presents an indicative assessment of aspects of PPP cases in Jordan, Kazakhstan, Ukraine and Serbia. We believe it is helpful as it illustrates the reasons for at least some of the above recommendations.

In conclusion, we recommend an examination of the most interesting cases in each selected country, for discussion with the other partner countries:

- Kazakhstan – trust management of VET Colleges
- Ukraine – training and practical centres
- Serbia – Cluster FACTS
- Jordan – sector skills councils.

These cases might be valuable in terms of their achievements and drawbacks.

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<sup>188</sup> A typology of PPPs for skills development is elaborated in Volume I.

PPP cases	Initiative	Motivation	Investments	Risks	Conceptualisation	Sustainability
<b>Jordan</b>						
Sector skills councils	Donors	Donors: strong Private: poor Public: not confirmed	Donors	Donors, due to their investments in the establishment of SSCs	Non-formal: only developed by donors	Strongly questioned
Centres of excellence	Public	Private: labour force demand Public: improved facilities of VET institutions and higher quality of education provision	Donors	Donors, due their investments in the establishment of CoEs	Conceptual framework for developing model skill centres of excellence approved by the Ministry of Labour	Strongly questioned
Delegated management of workshops	Public	Public: improved workshop facilities Private: poor (unaware/undefined)	None	None	None	Strongly questioned
<b>Kazakhstan</b>						
Trust management	Public (regional authorities)	Private: labour force demand and commercial interest (opportunities for income generation) Public: improved facilities of VET institutions and higher quality of education provision	Private	Private, due to their investments Public, due to possible failure of TM and worsening of college conditions	Rather strong: there is a regulation and clear examples	Unknown due to limited experience
Dual education	Public	Private: labour force demand Public: improved relevance of learning outcomes (specifically practical skills) to employers' requirements	Private (in-kind)	Private, due to their investments in organisation of practical training at enterprises	Rather strong: there is a well-established practice	Rather strong
Dormitories and catering	Public (regional authorities)	Private: commercial interest Public: higher service quality	Private	Private, due to their investments	Emerging	Unknown due to absence of experience

PPP cases	Initiative	Motivation	Investments	Risks	Conceptualisation	Sustainability
<b>Ukraine</b>						
Training and practical centres	Private	Private: mainly promotion of own product Public: improve training quality	Mainly private Partially from VET institutions <sup>189</sup>	Private, due to their investments	Strong: there is a regulation and an established tradition	Strong
Internships at enterprises	Joint (public and private)	Private: labour force demand Public: curricula requirements	From the private sector: in-kind and students' fees	Private, due to their investments in organisation of practical training at enterprises	Strong: there is a regulation and long tradition	Strong
Participation in education content development	Public	Private and public: relevance of education content to the labour market	From the public and private: in-kind	Public and private, due to their in-kind investments	Strong: there is a regulation and firm experience	Strong
<b>Serbia</b>						
Institute of Field and Vegetable Crops	Public	Public: procurement of quality goods Private: production for additional income	Public and private	Shared public and private	None	Rather strong
Education to Employment (E2E)	Public	Public: improvement of youth employability (the state) and provision of paid training services (public training providers) Private: labour force demand (companies) and provision of paid training services (private training providers)	Private: in-kind and students' fees Donor: students' fees and other expenses	Private, due to their investments in organisation of practical training at enterprises	Expected when the Law on Dual Education comes into force	Unknown due to the project-based nature
Cluster FACTS	Private	Private: labour force demand Public: improved relevance of learning outcomes (specifically practical skills) to employers	Private and donor	Private, due to their investments in the organisation of practical training at companies	Expected when the Law on Dual Education comes into force	Rather strong
HORES Academy	Private	Private and public: labour force demand	Private and donor	Mainly private, shared with the public to a limited extent	According to the Law on Adult Education	Rather strong

<sup>189</sup> Cases in which the TPC is fully funded by the government are not considered here.

# ANNEX 1.

## METHODOLOGY TOOL – QUESTIONNAIRE TO ASSESS THE PRE-EXISTING CONDITIONS FOR PPP AND PPP CASES

### Part I. Pre-existing conditions for PPP, including the situation with social dialogue (SD)/ social partnership (SP)

#### 1. Legislation on public–private partnership:

- 1.1. Is there any legislation on public–private partnership (cooperation) in the country (Law, Government Decree, other)?
- 1.2. What are the principal provisions applicable to VET?
- 1.3. Is there any operationalisation mechanism and/or regulation on implementation?
- 1.4. Is there any monitoring regulation/mechanism?

#### 2. Fiscal arrangements:

- 2.1. Are there clear financial arrangements for PPP?
- 2.2. Are they legislated? How?
- 2.3. Are there real financial incentives (according to the above legislation or in any other manner) in place for the private sector to be engaged in PPP?
- 2.4. Are those incentives equally relevant to companies of different sizes (micro, small, medium, large; sole proprietors)?
- 2.5. Are the private companies sufficiently aware of those incentives?

#### 3. Social dialogue/partnership (in general and in VET and skills)<sup>190</sup>:

- 3.1. What are the traditions (previous experience) of, and the current situation with, the social dialogue/partnership (SD/P) in the country?
- 3.2. Is there any legislative act on SD/P?  YES  NO **IF YES:**
  - 3.2.1. What are the principal provisions?
  - 3.2.2. Are they agreeable to (acceptable for) [*the party being interviewed*]?
- 3.3. Are there any structures for implementing SD/P?  YES  NO **IF YES:**
  - 3.3.1. At which level:  
 National       Regional       Local (municipal)  
 Sectoral       Institutional       Other (please specify):
  - 3.3.2. Is there regulation on those structures?

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<sup>190</sup> All question under this title should be considered as 'in general and in VET and skills' unless otherwise is specified. 'In general' may mean for example Social-Economic Councils, etc.



- 3.3.3. Are the objectives, authorities and tasks clearly defined? Are they agreeable to (acceptable for) [*the party being interviewed*]?
- 3.3.4. Is the membership clearly defined/regulated? Is it agreeable to (acceptable for) [*the party being interviewed*]?
- 3.3.5. Are those SD/P structures effectively operational? To what extent? What are the (performance, achievement) indicators/outputs?
- 3.3.6. Other details on each of the SD/P structures:
- 3.4. Does SD/P in VET lead to any specific PPP in VET?

#### 4. Capacity of stakeholders:

- 4.1. Do the representatives of stakeholders have any incentives (motivation) to participate in SD/P and the corresponding structures for VET?
- 4.2. Are those actors well aware of their roles and responsibilities within the SD/P framework/structures?
- 4.3. Do they demonstrate any commitment and initiative?
- 4.4. Are their capacities appropriate for providing SD/P at the necessary level?

#### 5. Further developments:

- 5.1. What are the issues in VET where PPP projects could be (are) relevant and beneficial?
- 5.2. What could be (are) the objectives of those projects?
- 5.3. Who should be involved?
- 5.4. What is necessary to do for launching these initiatives?

## Part II. Overview of a specific PPP case

### 1. Please indicate the name of your organisation:

### 2. What is the type of the organisation that you represent?

- Public
- Private
- Other (please specify):

### 3. The role of the interviewee:

- 3.1. Please indicate your name:
- 3.2. What is your position in the organisation?
- 3.3. What is your role in the PPP case (hereinafter 'case') related to the skills development?

### 4. Level, purpose and scope of the case:

- 4.1. What is this case about? Please describe how the partnership for skills development (vocational training) is organised and functioning

4.2. At which level is it being implemented?

- National
- Regional
- Local (municipal)
- Other (please specify):

4.3. What is the scope of the case?

- Sectoral
- Institutional
- Other (please specify):

4.4. To which sectors of the economy does the case relate (e.g. Tourism, Catering, Hotel, Transportation, etc.):

4.5. What is (are) the objective(s) of the case? Who has defined it (them)?

4.6. Who (private sector, public institutions, national, regional, local authorities) has initiated the dialogue and how the process evolved (time, role of other partners involved)?

## 5. Involved parties:

5.1.1. What actors are involved in the implementation of the case (public, private, NGO, individual experts, etc.)?

What is (was) the role of each partner (e.g. Skill needs analysis; Curriculum development; Investment in training infrastructure/learning materials; Governance (e.g. private sector serves on school management board); Training provision; Career advice, counselling and guidance to students)?

At what stages are they involved (e.g. design, implementation, evaluation)?

No	Name of the organisation (person)	Role	Stage of involvement
1.			
2.			
3.			
4.			
5.			
6.			
7.			

5.1.2. Do (did) any of them provide funding? How much? What is the funding scheme and the principles?

- 5.2. Which of the following types of public bodies are involved?
- National authorities
  - Regional authorities
  - Local authorities
  - Other (please specify):
- 5.3. What is the role of public authorities in your cooperation with the private sector?
- Enabling role: they create favourable systemic conditions (legal, fiscal and other arrangements)
  - Intermediary role: they help find and engage private partners
  - Direct engagement: they participate in cooperation activities with the private sector themselves
  - Indirect support: they provide financial/human resource/other support for cooperation
  - Other (please specify):
- 5.4. Whose involvement was particularly important to you? Who else do you think could be involved?
- 5.5. What are the target groups/beneficiaries of the case?
- 5.6. What are the expected outputs/outcomes of the case?
- 5.7. Is there any specific Action Plan?
- 5.8. Are there clearly defined performance and quality indicators? Who has defined them?
- 5.9. Who monitors compliance with those indicators?
- 5.10. What are the achievements (outcomes) to date?
- 5.11. What do you think will (should) be the impact of the case?

## 6. Reasons and incentives:

- 6.1. Why do you think the public partner(s) invited the private actors to be involved in the case? What was the need (for change)? – *if relevant* –
- 6.2. Why do you think the private partner(s) decided to contribute to the implementation of the case? What were the incentives/motivation? – *if relevant* –
- 6.3. What incentives do you think could help other bodies (private or public partners) to also be involved in this case or in PPPs in general?
- Financial
  - Non-financial
  - Both of the above
  - None

## 7. Legal base, mechanism and scheme of the case:

- 7.1. Which legal act (Law, Decree, Regulation, etc.) is the case based on or regulated by?
- 7.2. Is there any legal act (any other official document) related to this specific case?
- 7.3. Is there any Agreement or other similar documents signed between the involved parties?
- 7.4. Are the roles, competences, duties of the partners (including financial) and the implementing procedures clearly defined in those documents?

7.5. Are they accepted (appreciated) by, and clear to, all parties?

7.6. Are there any non-formal agreements between the parties? Do they (positively or negatively) affect the implementation of the case?

**8. Communication and dialogue:**

8.1. How is the communication and dialogue between the parties organised?

8.2. Is there any coordination (executive, consulting, conciliation) body?

8.3. Is the dialogue based on the principles of equality, parity and mutual benefit?

8.4. How effective is it?

**9. Success factors and drawbacks:**

9.1. In your view, what are the main factors for the case's success?

9.2. What are the main drawbacks?

9.3. What specific obstacles/challenges do (did) you face?

Legal obstacles

Financial difficulties

Difficulty in finding partners

Other (please specify):

None of the above

9.4. In what ways have you tried to overcome these obstacles? Did you succeed?

**10. Why is it difficult to find private partners?**

Limited motivation of the private sector to cooperate

Limited capabilities of interested private partners to engage

Lack of skills and/or resources to find private partners

Other (please specify):

**11. Please describe the most interesting/important cooperation between your organisation and the public sector.**

**12. In your experience, what are the main benefits of such cooperation?**

# LIST OF ACRONYMS

<b>BIBB</b>	Federal Institute for Vocational Education and Training (Germany)
<b>CAQA</b>	Centre of Accreditation and Quality Assurance (Jordan)
<b>Cedefop</b>	Centre européen pour le développement de la formation professionnelle (European Centre for the Development of Vocational Training)
<b>CEO</b>	Chief executive officer
<b>CGEM</b>	Confédération générale des employeurs au Maroc (General Confederation of Moroccan Enterprises)
<b>CoE</b>	Centre of excellence
<b>CVEAE</b>	Council for Vocational Education and Adult Education (Serbia)
<b>DMIs</b>	Delegated management institutes (Morocco)
<b>E2E</b>	Education to Employment project (Serbia)
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ETF</b>	European Training Foundation
<b>E-TVET Council</b>	Employment and Technical and Vocational Education and Training Council (Jordan)
<b>EU</b>	European Union
<b>EUR</b>	Euro (currency)
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (German development agency)
<b>HPE</b>	Higher professional education
<b>ICT</b>	Information and communication technology
<b>IFMIA</b>	Institut de formation aux métiers de l'industrie automobile (training institutes for professions in the automotive industry – Morocco)
<b>ILO</b>	International Labour Organisation
<b>IT</b>	Information technology
<b>JCI</b>	Jordan Chamber of Industry
<b>JOD</b>	Jordanian dinar (currency)
<b>KZT</b>	Kazakhstan tenge (currency)
<b>LLC</b>	Limited liability company
<b>M+E</b>	Metal and electrical engineering
<b>MCI</b>	Monthly Calculation Index
<b>MoE</b>	Ministry of Education

<b>MoES</b>	Ministry of Education and Sports (Kazakhstan)
<b>MoES</b>	Ministry of Education and Science (Ukraine)
<b>MoESTD</b>	Ministry of Education, Science and Technological Development (Serbia)
<b>MoITL</b>	Ministry of Industry, Trade and Labour (Israel)
<b>NGOs</b>	Non-governmental organisations
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OOF</b>	Training Office for Oil-Related Trades (Norway)
<b>PBT</b>	Platform Bèta Techniek (Science and Technology Platform – the Netherlands)
<b>PPP</b>	Public–private partnership
<b>RIF</b>	Regional Investment Fund (the Netherlands)
<b>SD/P</b>	Social dialogue/partnership
<b>SIB</b>	Social impact bond
<b>SMEs</b>	Small and medium-sized enterprises
<b>SSCs</b>	Sector skills councils
<b>STEM</b>	Science, technology, engineering and mathematics
<b>TAFE</b>	Technical and further education (Australia)
<b>TM</b>	Trust management
<b>TPCs</b>	Training and practical centres (Ukraine)
<b>TVET</b>	Technical and vocational education and training
<b>UAH</b>	Ukrainian hryvnia (currency)
<b>UK</b>	United Kingdom
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>VET</b>	Vocational education and training
<b>VTC</b>	Vocational Training Corporation (Jordan)



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