

PUBLIC-PRIVATE PARTNERSHIPS FOR SKILLS DEVELOPMENT

A comparative analysis from the
governance perspective

PUBLIC-PRIVATE PARTNERSHIP CASES STUDIES

N.	Country	PPP title	Functional type
1	Italy	Excelsior – Skills and occupations information system	Knowledge-oriented
2	The Netherlands	Public private partnership in VET and Higher education	VET-provision oriented
3	Norway	Education Office of Oil-related Trades	VET-provision oriented
4	Morocco	Delegated management model of VET institutes	VET provision- and resource-oriented
5	Israel	Amal Educational Network and its entrepreneurial centre	VET provision-oriented
6	Australia	School industry partnerships	VET provision-oriented with some elements of resource-oriented
7	France	Campuses of professions and qualifications	Mainly VET provision-oriented with strong elements of Resource- and Knowledge-oriented
8	Sweden	Teknikcollege – A network of advanced training providers	Mainly VET provision-oriented with elements of Resource- and Knowledge-oriented
9	Germany	Gesamtmetal – Skills development for metal and electrical engineering industries	VET provision-, knowledge- and resource-oriented
10	Belgium	Integration and employment for young immigrants programme	Transition to work's coaching provision-oriented
11	Jordan	Sector Skill Councils	Knowledge-oriented
12	Jordan	Centres of Excellence	Resource- and VET provision-oriented
13	Jordan	Delegated management of workshops	Resource- and VET provision-oriented
14	Kazakhstan	Trust Management	Resource-oriented
15	Kazakhstan	Dual education	VET provision-oriented
16	Kazakhstan	Dormitories and Catering	Resource-oriented
17	Serbia	Institute of Field and Vegetable Crops	Production-oriented with elements of provision-oriented
18	Serbia	Education to employment “E2E”	Knowledge and VET provision-oriented
19	Serbia	Cluster FACTS	VET provision-, resource-, and knowledge-oriented + a number of other services
20	Serbia	HORES academy	VET provision-, knowledge-, and resource-oriented
21	Ukraine	Training-Practical Centres	Resource- and VET provision-oriented
22	Ukraine	Internships at enterprises	Mainly VET provision-oriented with elements of Resource- and Knowledge-oriented
23	Ukraine	Participation in Education content development	Knowledge-oriented

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PREAMBLE

The European Training Foundation (ETF) work in the area of vocational education and training (VET) and skills governance aims at effective and efficient delivery of public policy on human capital development. Part of this work involves advising country stakeholders on how to design, formalise and implement coordination mechanisms, to actually implement the reforms that have been approved in the field of skills development.

In doing so, the ETF promotes adaptation and differentiation of institutional arrangements, to match context and traditions in each partner country (PC). In the ETF's work, multilevel governance is an approach to map, discuss and identify strengths and gaps in VET governance, rather than a supply driven blueprint.

The present study on public-private partnerships for VET and skills development (hereafter, PPPs for skills development) builds against the background of the ETF work on multilevel governance. It zooms on PPPs as a form of inter-institutional and actors' coordination and cooperation, notably between governments, social partners and other relevant actors on skills development.

This study contributes knowledge on the PPP concept and its operational implications, and aims at feeding the international debate on human capital development policies, stimulating exchange of practice internationally, and policy learning from the case studies' analysis.

The results can represent a source that the European Commission, partner countries, and international agencies may use for:

- establishing or strengthening PPPs aimed at skills development, higher relevance of skills provision, expertise development in a given sector, work on social inclusion, motivating companies to invest in skills, among other options;
- technical advice into the design and monitor of relevant interventions on skills development, in many countries beyond those actively participating in the study.

The Introduction focuses on the crucial shift in the understanding of PPPs from the classical definition associated to public infrastructure project operations, to a more blended understanding of partnerships at the level of programme and policy long-term outcomes.

Chapter 1 provides an overview of the ETF study rationale and assumptions, along with a discussion of the PPP concept from the classical definition to others that better match the sphere of skills in context of human capital development.

Chapter 2 summarises the study methodology, and in Chapter 3 the methodology's analytical categories are utilised to present the typology and modalities of PPPs for skills development.

In Chapter 4, the reader will find an evaluative analysis of all case studies addressing in particular the effectiveness of the PPP case studies. The governance dimensions are in this chapter further assessed and reformulated in an enhanced manner as result of the ETF study.

The Part II contains all the individual case studies, described and reviewed according to the pre-conditions identified in Chapter 1, and the analytical categories of Chapter 2.

INTRODUCTION¹

Public Private Partnership for policy implementation

Over the last twenty years, in order to win the challenge of 'doing more with less', i.e. sustaining economic and social development needs in a context of curtailed budgets, public authorities have been experimenting with several mechanisms, among which public-private partnership (PPP) contracts which facilitate the leverage of capital and the (potential) innovation capacity of the private sector.

Subsequently, the long-term infrastructure PPP model has been prominent (Hodge & Greve, 2017). This model, used for contracting-out the delivery of modern physical facilities and as a political alternative to privatization, originated in the UK in the early 1990s in the framework of the New Public Management (NPM) movement (Broadbent & Laughlin, 2003). The long-term infrastructure PPP model is primarily a financial contract, where a special purpose vehicle raises the necessary funds to build a capital-intensive project and uses the cashflow to repay the funding, which is mainly debt. In recent years, this model has been considered a possible relevant asset class for offering investment opportunities to long-term investors, such as pension funds. Its results remain widely contested (Hellowell & Vecchi, 2015; Reeves, 2013; Siemiatycki, 2011), apart from the capacity to achieve on-time, on-budget and on-quality constructions (Vecchi & Cusumano, 2018).

However, the meaning of PPP is more extensive (Vecchi, Caselli, & Corbetta, 2015), encompassing policies, programs, and projects (Rosenau, 1999).

Policy formulation often comes from public-private, or better, business-government relations, with a salient role played by formal and informal lobbying. At program level, partnerships can take the form, for example, of guarantee or public-private venture capital schemes; public programs conceived to support the economic development in case of market failure, through a fund matching approach. At project level, the most common partnership is the delivery of infrastructure-based services, but also the nascent of social impact bonds.

The rationale of partnering for the implementation of policies and programs, such as in the case of vocational training, is not necessary to overcome financial constraints or to increase efficiency, which has been the dominant motivation in the New Public Management era. In this case, the primary goal of the partnership is to increase effectiveness, i.e. to improve the outcomes derived from the delivery of services. This could be achieved not only due to the superior competence and innovation capacity of the private sector but, above all, from the fact that the partnership allows institutions and stakeholders that have mutual goals to gather together, which would not be possible without such a partnership agreement.

The main differences between a policy/program PPP, *vis-a-vis* the traditional long-term infrastructure PPP, are the size of the investment, the time horizon, the financial return, the number of partners involved, and the type of goals.

In general, in the former, there is no capital expenditure, or no relevant capital expenditure, to dictate a long-term contract and a minimum return on the capital invested. Furthermore, in many policy/program partnerships there is no synallagmatic contract, but a multi-stakeholder agreement, without a price to be paid by the competent authority or by the final users, but rather the definition of a path of collaboration and joint goals to be reached. These goals in general relate to social outcomes (i.e. increased and better employment opportunities, or reduced social divide). On the other hand, in traditional long-term infrastructure PPPs, the achievement of outcomes has never been incorporated into the contract, there

¹ Prof. Veronica Vecchi, Bocconi University School of Management

the aim instead is to deliver an infrastructure or a public service, and the private operator is measured mainly in terms of efficiency and quality.

However, it must be noted that, also in the context of policy/program PPPs, it may be useful to have a clear understanding of the monetary and non-monetary resources activated by the parties involved, the risks to confront and their allocation, and the measures for monitoring and evaluating the partnership.

Concepts such as value for money and risk allocation are the main drivers beyond infrastructure-based partnerships and there is not always a good fit with policy/program partnerships. Actually, the need to develop a partnership at this level is mainly due to reasons of effectiveness, because these policies and programs generally relate to the development of the market or businesses. On the contrary, PPPs applied at service and infrastructure level relate to a core competence of the public sector.

Even though the concept of value for money is not fitting in this context, because in general the partnership is meant to mobilize more resources and competence than those available in the public sector, risks are worth discussing. In a traditional infrastructure-based PPP risks that are generally borne by the public sector are transferred, via contract, to the private counterpart and risk management acts as an incentive to achieve a financial return for the private sector, and hopefully, provide more efficiency for the public sector. In a policy/program partnership it is not a matter of risk allocation per se, because its efficient management does not generate a short-term return. A policy/program partnership is meant to achieve long-term economic development benefits with win-win/lose-lose results. For the private sector it is not necessarily an opportunity to generate short-term financial results, but the commitment to shape the economic and social environment in a way that could generate more opportunities for growth.

As said, they are not contractual agreements with a single private company. Rather, they often involve a plurality of businesses, or their associations, and the value generation is not measured only in monetary terms but also through mid/long term values, such as more business opportunities or a favourable ecosystem to leverage for growth and competition.

Despite the different nature of policy/program PPPs compared to long-term infrastructure PPPs, in recent years a new perspective has been raised with regards to the role of the private sector in the achievement of public goals. This changed paradigm is mirrored in the academic debate about the shift from NPM to the concepts of New Public Governance (NPG) (Osborne, 2010; Osborne & Stokosch, 2013) and Public Value (PV) (Moore, 1995; O'Flynn, 2007), which reconsider the way in which the public and private sectors are engaged in the delivery of public services to achieve superior social impacts. In this context, new forms of PPP have been emerged timidly, to try to gather the achievement of greater economy and efficiency, with the generation of effectiveness in terms of higher benefits (such as employment or social inclusion) for the society.

This new approach has been endorsed by the private sector, which, in recent years, has more and more incorporated society and environment into its investment decisions. This has brought about the emergence of different social impact investment approaches, such as venture philanthropy, impact investing, responsible or ESG (environmental, society and governance) investments, and shared value creation (Bénabou & Tirole, 2010; Buckland, Hehenberger, & Hay, 2013; Freireich & Fulton, 2009; Grabenwarter & Liechtenstein, 2011; Porter & Kramer, 2011) (Bénabou & Tirole, 2010; Buckland et al., 2013; Freireich & Fulton, 2009; Grabenwarter & Liechtenstein, 2011; Porter & Kramer, 2011).

An example of such new forms of outcome-based PPP is the Social Impact Bond (SIB), which can be defined as a public-private plural partnership, to use the words of Henry Mintzberg (Mintzberg et al., 2005; Mintzberg, 2015), with a contractual structure very similar to the traditional long-term infrastructure PPP model (based on the payment of a fee for success by the authority), aimed at financing and delivering welfare services (Jackson, 2013; Stoesz, 2014). SIBs, indeed, have been conceived not only to overcome the shortcomings of traditional public and third-sector service provision, i.e. lack of capital, performance management, efficiency and accountability, but also to bring about more innovation in service design and delivery, and encourage key stakeholders to focus on the achievement of higher social outcomes (Fraser,

Tan, Lagarde, & Mays, 2018; Leventhal, 2012). However, despite the general hype, the rate of adoption of SIBs is still modest and their results are questionable, especially in terms of social innovation (Vecchi & Casalini, 2018).

Public-private boundaries have evolved in the last thirty years, and the creation of public value is not just governmental (Jørgensen & Bozeman, 2007; Meynhardt, 2009). A growing number of players are involved in the design and execution of local development policies (Agranoff & McGuire, 1998), which very often lie outside of traditional jurisdiction and operate according to network governance models (Agranoff & McGuire, 1998; Ansell, 2000; Cooke & Morgan, 1993), providing a stimulus for the development of various form of partnerships (horizontal or inter-organizational, and vertical or inter-governmental) where collaboration is the main determinant of successful implementation (Ansell & Gash, 2007; O'Toole, 1995, 1997).

Forms of collaboration and partnership are essential to support economic and social development (Waits, Kahalley, & Heffernon, 1992). In specific domains, such as vocational training, program-partnerships are probably the most effective implementation way for policies, for their goals and features of the sector. In order to leverage PPPs and to make them work, it is fundamental for the public sector to understand their new role as a catalyst, and to develop competencies and skills that are more consistent with a changed environment, as well as the request to be accountable for social outcomes.

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DRAFT

CHAPTER 1 – STUDY RATIONALE²

Background and rationale

Motivated by the shortage and mismatch of relevant skills in the labour market, stakeholders' cooperation and coordination has been growing in the ETF partner countries. The ETF's governance analyses have documented enhanced and result-oriented dialogue between public and private sector actors at national, regional, sectoral and local level (e.g. ETF, 2016, 2018 and 2019).

Such an enhanced cooperation may be conceptualised as moves from predominantly centralised systems towards multilevel governance⁽³⁾ approaches in VET and skills development. In the EU context, multilevel governance is associated with the good governance principles of participation, transparency, accountability, coherence, efficiency, and with subsidiarity. It is also associated with experimental dimension in governance, since it allows social actors to engage in new initiatives at various levels with open outcomes (Zeitlin and Sabel, year). Consideration for an experimental phase is an essential component in change processes, whether they are intended at project, programme or policy level.

Further progress on public and private sector cooperation in the ETF partner countries, however, would require learning through regular practice. Negotiating agreements on skills or discussing respective responsibilities are good practices and source of learning. The experience shows that often cooperation starts in an un-structured manner, it progresses through successes and failures, until mechanisms are tuned and institutionalised by mutual consensus. At an A) initial foundational stage, coordination mechanisms include planned meetings and agendas, debates about respective roles; in later B) phases, they evolve towards sharing of responsibility, creation of bodies at national, sub-national or sectoral level, as well as cooperation formats such as public-private partnerships to develop skills.

The review of experiences done by partner countries and EU representatives at the workshop "Government and social partner cooperation. From dialogue to partnership" (ETF, 2016) led to the following conclusions and lessons learned:

- Over the years 2010s, the large majority of the ETF partner countries have initiated experiences of public and private cooperation in VET and skills development. Often these experiences were project-based, while generalisation or institutionalisation has proven difficult. Candidate countries in South-East Europe and some of the Eastern Europe countries appear ahead of the South and East Mediterranean region with the exception of Morocco.
- Social partnership for skills development is more likely to develop and become operational where broader social dialogue is established. In other words, where government and social partners have gone through the process of finding the terrain for dialogue, and learned from experience. Inter-institutional trust is critical, and it can only develop progressively over-time.
- In the VET and skills sector, social partnership involves various employer, employee and civil society organisations (CSOs), besides the officially recognised social partners. They are important to reach out people in non-formal and informal settings, outside the school system. Often CSOs are the source of innovative approaches. Independent analytical centres may usefully contribute policy evaluation and reviews.
- For skills-related social partnership to advance, social partners and other organisations need to gain strong expertise of the VET sector and its processes, to interact and contribute with confidence. For

² Author: Siria Taurelli, ETF

³ This can be defined as an arrangement for making binding decisions that engage a multiplicity of politically independent but otherwise interdependent private and public actors at different levels of territorial aggregation in more or less continuous negotiation, deliberation, and implementation. It does not assign exclusive policy competence or assert a hierarchy of political authority to any of these levels (Schmitter, 2004; Marginson, Sisson, 2006; Hoghe, 2001). Furthermore, a multilevel governance approach in VET should respect the principles of good governance, understood as ensuring that public resources and problems are managed effectively, provide value for money and respond to the critical needs of society and the economy.

example, how to draw a sector report, define occupational standards, update qualifications or participate in student assessment, what is expected from school board members, and so on.

- Non-financial incentives are important for the motivation and mutual trust. These entail increased responsibility to the private sector, social partners and other organisations. In national tripartite councils, social partners are expected to provide informed advice on new strategies or legislation. Sectoral council are entrusted with relatively more operational tasks, such as assessing sector trends and anticipate future skills needs. Local associations or individual enterprises may be engaged in school management, internships and apprenticeship schemes, student assessment, or being part of regional skills boards.
- Financial incentives are crucial to support skills policies. Fiscal policies including levy, national or sectoral training funds, delegated school management (see later for this type of public-private partnerships). Financial incentives should be designed together with the private sector, and coherently with policy objectives, as opposed to ad-hoc approaches that are to be avoided.

In summary, the practice of social dialogue, the broad range of capacities, and both financial and non-financial incentives were identified as relevant ingredients to advance and consolidate government and private sector cooperation in the VET and skills sector. The ETF assessment of partner countries progress in VET provides recurrent evidence that these three elements lay the foundation for government and private sector cooperation. At the same time, there is a mutually reinforcing effect: any instance of cooperation is making the social dialogue practice more convincing, it expands actors' capacities, and is paving the way to a set of agreed incentives to cooperate.

Study objective and hypothesis

Building on the above conclusions and lessons, the ETF went on to explore what specific practices had been adopted for the cooperation on skills development. Among those, PPPs have emerged as an instrument often referred to by public authorities, social partners, chambers, individual companies across different countries. The ETF thus initiated the study to learn more about the PPP concept, implementation modalities, fields of application and whether the PPP instrument is ultimately contributing to the quality and accessibility of skills development.

The **study objective** was to fill in a knowledge gap about the concept and practice of PPPs in the field of skills development, through the analysis of case studies in countries with established tradition of education-business cooperation, and in countries with recent tradition of it.

A **twofold hypothesis** has guided the analysis, namely:

- exploring the existing practice of PPPs for skills development will bring to light how factors that originate PPPs may explain differences between types and modalities;
- the ETF partner countries are testing own PPP modalities in the field of skills development, which compare but are not equal to established international practices.

Scope of the analysis

Overall, the study has explored examples of existing PPPs to deliver an overview of:

- types of PPPs that support skills development;
- PPPs formats, depending on the context, policy area, available incentive, or governance level (national, sub-national, sectoral, international networking); and,
- if and how PPPs steer innovation in skills development.

The considered PPP examples are rooted in two major context types: either in countries that rely on well-established traditions of education-business collaboration and social partnership, or in countries where the experience is relatively recent. The first group has been formed by identifying case studies from EU member states, Israel and Morocco through desk-work. The second group includes Jordan, Kazakhstan, Serbia and Ukraine.

The analysis has been built on case studies, a method opted for due to the scarcely available literature including evaluation reports specifically dedicated to PPPs in the skills development field. Through the

case studies, evidence as regards the PPPs impact on quality and accessibility of skills development, whether actual or potential impact, has been collected where possible. Questions in this respect have included: would the same quality and accessibility be achieved without PPP? What is the added value of it? What does make the PPP relevant for the context? Are PPPs possible in largely informal contexts? And what can be learned from the initiatives thus far taken, both in terms of governmental approach as well as in terms of the learning outcomes for the schools, companies and students involved. Not always have the available documentation and interviews allowed to draw lessons of this type.

Areas of skills development where PPPs are established

The experience shows that PPPs exist and develop in the following areas:

- *Skills intelligence creation and management.* This typically includes: skills needs and trends analysis in sectors, sectors' perspective and other sectoral analyses.
- *Lifelong learning provision.* This may include a wide range of purpose-oriented partnerships: national or local agreements for work-based learning, industry-led training delivery, continuing training provision, enterprise participation in certification, among others. National and sectoral skills funds are often the instrument of the partnership.
- *School and training centres management.* This can range from membership in school boards to autonomous management of training institutions. The model of VET Centre of Excellence currently being applied in Eastern Europe, e.g. in the Republic of Moldova and Ukraine, can be potentially evolve as a new type of PPPs in the region.
- *Investment in training infrastructure.* This can involve equipment and more relevant investments.
- *Policy evaluation and review.* This can cover: assessment of skills policy measures effectiveness, initiation of proposals for improvement, and so on.

Areas permeated by innovation are less frequently a ground for PPPs, for example:

- *Knowledge or technology hubs* that embed a skills dimension.
- PPPs aimed at *social enterprises and social economy.*

Conditions that enable PPPs for skills development

While in countries with an established tradition of PPPs for skills the enabling conditions are in most cases in place, see Table 1, the same may not apply to all other countries. In the four selected countries where PPPs for skills are more recent, the case studies' common elements will be cross-referenced with the enabling conditions in the respective environment. The aim was to make the analysis, and subsequent policy and technical advice, as much as possible conversant with the diversity of country situations.

TABLE 1. CONDITIONS AFFECTING PPPs FORMATION AND IMPLEMENTATION

(Pre-)Conditions, context's key features	Status	Relevant review questions
Legal framework for public-private cooperation:	present/absent	Is the existing PPPs legal framework enabling PPPs? Are implementing regulations in place?
Fiscal arrangements for public-private cooperation:	present/absent	What type of financial incentives is in place?
Tradition of social dialogue:	Social dialogue recently developed/long tradition of social dialogue with mixed outcomes / long tradition of social dialogue with outcomes well recognised by all sides	Are the PPPs building on existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs?
Social partnership in VET and skills:	Not present at all/present but ad hoc/institutionalised: - at national level only - at national and/or sectoral and/or local levels - only social partners involved - diverse actors involved	Is current social partnership leading to outcomes? Is the social partnership leading to specific PPPs?
Capacity of actors to engage in social dialogue and in partnerships	to be built/well developed/very high	Are actors' capacities being built in the dialogue and partnership process?

The challenge of defining PPPs

The PPP concept has been prominently associated to contracts that leverage the private sector's capital and innovation capacity to finance and maintain long-term infrastructure projects. As highlighted in the Introduction, however, over the last decade new PPPs models have been shaped to cater for the broad range of outcomes that the public sector is expected to deliver. Besides the efficiency concern, the public sector is mandated to be effective i.e. to deploy the means to address social demands, face environmental challenges, and plan for future development with a view to sustainability, in context of the agreed policies.

The notion of PPP is thus 'in transition' or being contaminated to encompass common goals, shared interest in attaining win-win situations, wider returns beside the re-payment of the initial investment. This evolution is pointing to an extended notion of PPPs, but it has not led yet to a revised definition or forged a new consensus on the concept. The divergent understandings become possibly more visible when zooming into a sectoral policy like VET and skills development. At present, not only is a common understanding of PPPs in VET and skills missing, but using the concept is in itself controversial.

This is only partially explained by the diversity from country to country⁴. Despite the different practices, in fact, the concept of education-business cooperation including structured social partnership in the VET and skills sector are generally understood in the same way. There exist defining elements to help distinguishing social partnership processes from occasional consultations. Whereas the cooperation processes' instruments, like PPPs and others, seem to have not found their defining elements yet.

The present study has taken PPPs as an instrument that government and private partners use to co-design and co-finance endeavours, or projects, of common interest, and contributed the identification of

⁴ The ETF has documented the diversity of social partnership practices in the partner countries' VET systems. See e.g. VET governance inventory; Government and social partner cooperation in VET concept note; Capacity building of social partners working paper.

PPP defining elements. It has categorised what PPPs are used for in context of skills development policies, and cleared some of the ambiguities to advance towards an updated definition of PPPs.

We will now provide a synthetic overview of internationally used definitions of PPPs, to comment differences as well as the competing and controversial aspects. After we move to preliminary conclusions and the operational definition that was taken as basis for the study.

International definitions of PPPs

Across internationally accepted definitions, PPP is understood as a long-term cooperation between one or more public partners and one or more private partners, for implementing projects related to financing, construction, reconstruction, taking out of service, management or maintenance of infrastructure and other facilities, and provision of services, of public interest or those within the scope of the public partner's competency. An UN-DESA report provided an overview of national and international PPP definitions (Jomo et al. 2016).

The definitions from the OECD, the World Bank and the EIB reflect this understanding represented by the core, common elements. They largely overlap in highlighting the character of PPPs as long-term contractual arrangements, aimed at delivering public infrastructures or services. Table 2 shows the commonality and, in the last column, the elements that are specific to each organisation.

TABLE 2. INTERNATIONAL DEFINITIONS OF PPPs

	Time horizon	Public entity and private party arrangement	Aim	Additional aspects in the organisation's definition
OECD (2012)	Long-term	Contract	Deliver a public infrastructure, asset, or service	The private party shares the risks. The definition includes concessions aimed at public service delivery, but excludes concessions such as licences on public assets that which are source of government revenue e.g. mining
World Bank (2018)	Long-term	Contract	Deliver a public infrastructure, asset, or service	The private party bears significant risk and management responsibility. The remuneration is performance-based
EIB (2019)	Long-term	Contract	Deliver a public infrastructure, asset, or service	

These definitions are found to inform national laws of countries with a long tradition of public-private cooperation, as well as of those with a recent experience of it. The definitions embed the necessity for contractual arrangements e.g. concession, Build-Operate-Transfer (BOT), and risk sharing models. Quite often the main motivation of the private partner is direct financial gain. The OECD for example explicitly excludes from the definition a wider array of arrangements where non-governmental organisations are involved in the development and delivery of public services.

The challenge for the present study was that the international understanding of PPPs rarely fits the skills development area. Here, the private sector motivation often relies on the perspective of productivity and competitiveness, hence of an indirect financial return in the medium to long-term. It is also common that the partnerships initiate informally based on trust rather than through procurement. And, although they may be highly formalised, the mutual obligations may not be framed by a contractual arrangement.. Country databases of PPP projects often do not include skills development projects except for PPPs oriented to the construction of colleges, dormitories or other buildings.

PPPs in education and the human right perspective

The transposition of the traditional definition and model of PPP in education has originated contrasts and areas of ambiguity. The view of education as a fundamental public good is under many respects at odd with the PPP model in education. Education as a human right is in association with universalistic

education supply, free and facilitated access to quality education for all, including dedicated efforts to be deployed to bring education close to people at disadvantage.

Oponents to the approaches that incentivise a prominent role for the private initiative in education have documented the negative implications. On one hand, these approaches enhance the status of the business from supplier to partner. On the other hand, they confine the state role to that of regulator and service procurer, whereas the hold on shape and content of education becomes progressively loose to the advantage of the new supplier-partner (Steiner-Khamsi and Draxler, 2018).

Many authors connect the emergence of the PPP model in education to the states' shrinking intervention in this fundamental public policy. In the literature, Chile and the USA are often referred to among the countries that have created favourable conditions for private operators within their education system. Such an expanded private space in a public policy has been justified and incentivised as effective and efficient PPP approaches. In the long-term, the position of the private suppliers has become remarkably strong, in fact changing the interaction between public and private initiative in the direction of a significant rate of privatisation of the education system.

This shift has been underpinned by the new public management paradigm, which in the '80s of the last century has become hegemonic in public policy governance. With this, state functions have decreased and ample space was granted to private initiative. In the education sphere, the raise of the new public management paradigm has been communicated by enthusiast rhetoric about breaking the state monopoly, enlarging families' choice in education, and claimed efficiency of non-state operators in achieving results that the state alone would never attain. PPPs were therefore invoked as alternatives to bureaucratic public services, often for the promotion of privatization (Jomo et al. 2016).

Subsequent research and evaluation studies have highlighted the concern with PPPs in education, primarily in respect to accountability and equity. PPPs may create inequalities and reinforcing segregation in education by raising barriers to access, may develop provision outside the state regulatory framework, depress teachers' pay among other effects, and generate negative impact in fragile contexts (de Koning, 2018).

A range of stakeholders have engaged in addressing the possible negative consequences of the PPP model and even more of the long-term effects of significant rates of privatised education provision. Since 2013, a number of civil society organisations have jointly explored the application of the human right framework to the increased participation of private actors in education. In coalition with international commissions, UN agency and global initiatives on the right to education, their work is oriented to a normative framework applicable to the private provision in education and its impact on the universal right to education, and to accountability standards notably in relation to the equity of access to education (de Koning, 2018).

The research line has already proven its worth by investigating the risks brought about by the participation of private providers in education, in the short and long-term, and it is evolving further. The human right perspective offers an opportunity for creating stronger awareness around the issues at stake with the private participation in education. The human right lens is moreover valuable for assessing the diversity of PPPs in education and uncover the areas of actual and potential ambiguity.

Specificity of the VET and skills development sector

The public and private cooperation in VET is rooted in historical and cultural tradition. In European countries, the public and private relationship on skills formation and development dates back to the age of guilds in the middle age. Albeit with variations, the VET model lends its benefits through the combination of theoretical or knowledge-based education with practical learning. Such a model calls for, or impose, close collaboration between schools and companies throughout the entire learning process, from planning to implementation and assessment of learning outcomes. Rather than being an option, in context of VET

and skills development more in general, public-private cooperation has appeared as an intrinsic feature of any system.

The programmes that blend school and work-based learning are often a reference to illustrate the type of common engagement the public and private sides can achieve in skills development policy and practice. Yet, public-private cooperation in VET is more than that, it concerns planning of learning processed and content design, monitoring and assessment of outcomes, drawing lessons and adjust subsequent cycles of programmes. The apprenticeship model itself stems from evolutions over time, and can trace its origin back to corporations or guilds in the middle-age age while it is maintaining elements of the tradition.

Seen from the angle of educational theory, scholars argue that boundary crossing between societal sectors, public schools and private companies in various domains requires effort and leadership from actors involved but may yield unforeseen forms of collaborative learning and educational results not only between disciplinary domains within the school but also in bridging the gap between the school practice and the innovation frontier in networks of companies (Bakker and Akkerman, 2011; Van der Meer, 2017).

Revisiting public policy governance, or new rhetoric?

In response to the crisis of social partnership throughout Europe and the increase in liberalisation of markets (Baccaro and Howard, 2018), the EU approved the Social Pillar in 2017, where enhanced social partnership is seen as a condition for realising lifelong learning to ensure people employability in the course of their active life. The Social Pillar calls for engagement in real terms, resource mobilisation and capacity enhancement, for actors to upscale their level of commitment.

In the international cooperation landscape, some of the international and national agencies including the OECD, ILO, World Bank, the German and Swiss cooperation agencies, and the UNDP resort to two definition types depending on the context. On one hand, the traditional definition outlined above. On the other, a wider notion involving forms of collaborations on any undertaking of common interest, provided a set of conditions are fulfilled.

The latter definition is e.g. applied by these organisations in the four countries of recent tradition, which this study has analysed. The OECD uses the wide definition in its handbook on PPPs for skills development in Kazakhstan's IT sector; GIZ uses the term PPP or PSPP (private-social-public partnership) in relation to "Education to Employment" project in Serbia; in Ukraine, the Swiss cooperation uses the term PPP or PSPP in its project in the sanitation sector. Here the terminology is however at odd with the respective national PPP units, which do not recognise any of these cases as PPP according to the national taxonomy. UNDP uses the same wide definition in a variety of aid efforts in Africa and elsewhere.

The terminology and meanings of PPPs in the skills field, thus, are open rather than consistent, the ETF study found. This seems to reflect the varying terminology in national legislations and common language across countries. A workable definition, to embrace also the less formalised collaboration instruments, would improve clarity within and between country and sectoral contexts.

The SDGs perspective on partnerships

The Agenda 2030 agreed upon at UN level has set an ambitious development agenda that concerns all countries in the world. The Agenda 2030 articulates a set of seventeen global goals, which build on and expand the Millennium Development Goals. One common feature is the sustainability i.e. the cross-cutting commitment to the environmental, social and economic sustainability of the development models, in each country and globally. Education and employment play a relevant role in the Agenda, individually and as matter of fact as necessary conditions to realise other key goals, like the poverty reduction, good health and well-being, but also innovation and responsible production, among others.

The sustainable development goal on education (SDG4) aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, by the year 2030. The SDG4 insists on the

lifelong learning perspective in education, not so emphasised in the Millennium education goal. It moreover highlights a holistic view entailing pre-school and basic education, general, technical and vocational education, in formal and non-formal settings at all level of attainment and all ages. Last but not least, the scale of the commitment is higher compared to the previous decade; the targets and indicators are however clearer, progressive i.e. assessable year after year, and achievable.

The accent on VET, youth and adult learning, formal and non-formal actually matters in our analysis, in that the SDG4 recognises the centrality of skills, which are learned through theory and practice, within schools and later at work or in other non-formal and informal settings, and which can become obsolescent thus require up-skilling and re-skilling with age. There are several implications for the national and supra-national education policies, given that the goal concerns all countries, globally.

The SDG4 on education links to the growth, employment and work sustainable goal (SDG8). The latter is set to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, by 2030. The key targets span over issues that depend on education and training, or that can be more effectively attained if supported by education and training, like: the productive activities, decent job creation, entrepreneurship, creativity and innovation; full and productive employment and decent work for everyone; sustainable tourism that creates jobs and promotes local culture and products; drastic reduction of the youth not in employment, education or training; and the implementation of a global strategy for youth employment.

In the light of the above, the systemic issues' targets under the global partnerships goal (SDG17) have their own application in the SDG4 and SDG8 context. Notably, for purpose of this study we look into the target 17.17 to promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

In the Table 3 we show the inter-relations that emerge from the transversal reading of three mentioned SDGs, considering for each goal only a selection of the respective targets. The interactions between the SDG4 and SDG8 help shading light on the meaning of the partnerships' targets of SDG17, as they apply to VET and lifelong skills development. Table 3 offers an interpretation of relevant partnerships' aim in relation to quality and equitable education for all, and sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

TABLE 3. INTERACTION OF SELECTED SDG4, SDG8 AND SDG17 TARGETS

<p>SDG8 by 2030 ensure:</p> <hr/> <p>SDG4 by 2030 ensure:</p>	<p>Target 8.3 Productive activities, decent job creation, entrepreneurship, creativity and innovation (...)</p>	<p>Target 8.5 Full and productive employment and decent work for all women and men, including for young people and persons with disabilities</p>	<p>Targets 8.6 and 8.B Reduce the proportion of youth not in employment, education or training. Implement a global strategy for youth employment</p>	<p>Target 8.9 Devise and implement policies on sustainable tourism that creates jobs and promotes local culture and products</p>
<p>Target 4.3 Equal access for all to affordable and quality technical, vocational and tertiary education, including university</p>		<ul style="list-style-type: none"> ■ partnerships on school-to-work transition for all 	<ul style="list-style-type: none"> ■ partnerships on quality VET, early school leavers, youth employment 	
<p>Target 4.4 Increased number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<ul style="list-style-type: none"> ■ partnerships on skills for jobs to be created, entrepreneurial skills, creativity and innovation 	<ul style="list-style-type: none"> ■ partnerships on increased skills relevance 	<ul style="list-style-type: none"> ■ partnerships on well targeted transitions to work 	<ul style="list-style-type: none"> ■ partnerships on new learning programmes for sustainable, non standardised tourism industry
<p>Target 4.5 No gender disparities in education, and equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>	<ul style="list-style-type: none"> ■ partnerships on skills for jobs to be created that have no gender or vulnerability bias, and on social enterprise 	<ul style="list-style-type: none"> ■ partnerships on skills for existing jobs that have no gender or vulnerability bias and on every enterprise social responsibility 	<ul style="list-style-type: none"> ■ partnerships on dedicated and well-targeted active measures 	

Source: author's elaboration on SDGs targets from UN Knowledge Platform online

In the above table, we find what partnerships may mean in VET and skills, rather than the partnership types and formats. These rather depend on actors involved, on context conditions, on motivation of stakeholders, and last but not least on financing. What matters here is the fact that partnerships for enhancing learning, full employment and decent work for all must be diverse. They may be involving government and non-governmental actors, can be mostly public-oriented or mixed, have different scope and width, and so on, based on the needs.

The instruments and modalities to form actor partnerships cannot be confined in one format. In the field of skills development including vocational education and continuing training in formal, non-formal and informal settings, it is recognised that bridging learning and work in practice requires alliances between public and private, between the world of public policies on education, employment and economic development policies and the world of business, entrepreneurship and job creation.

This report makes a selection of these partnerships that bridge learning and work. Many more partnerships exist and this report is not meant as an inventory. The reason for the selection was to illustrate the diversity of public-private partnerships for skills development aimed at quality employment and work, and of the environment conditions that enable their effectiveness.

In fact, two important messages of this study are, first, that such a diversity of PPPs for skills development is necessary, there cannot be one type or format to fit all situations. Second, the PPPs are not the default answer in all circumstances; they must have a motivation and a purpose, depending on the policy, the SDG and the environment, because PPPs are an instrument to attain effective policy delivery rather than an aim in itself.

ETF study operational definition

At this stage, we turn to the operational definition that the study adopted, upon recognition that there is no uniform PPP concept in the EU. The term public-private partnership (PPP) for skills development indicates here mechanisms for coordinating action and sharing responsibility between public and private stakeholders in VET, with a view to **formulating, designing, financing, managing or sustaining engagements of common interest**. Public stakeholders may include public institutions or semi-public organisations such as state enterprises; private stakeholders may include individual businesses as well as associations and chambers of commerce; and partnerships may include any type of engagement related to skills development, regardless whether it is on project basis or a continuous engagement.

While the operational definition was mainly used to identify the case studies, the following **common elements** proved particularly useful for the analysis. These common elements were mapped by a recent study of the EU social partners (ETUC-CEEP-EFEE-ETUCE, 2017):

- Relatively stable relationship involving cooperation between the public and private partner on different aspect of the planned project,
- The method of funding the project, in part from the private sector,
- The economic operator participates at various project stages (design, implementation, funding),
- The public partner concentrates primarily on defining the objectives to be attained in terms of public interest, quality of services provided and pricing policy, and it takes responsibility for monitoring compliance with these objectives,
- The distribution of risks between the public partner and the private partner, to whom the risks generally borne by the private sector are transferred.

These common elements show that PPPs do not exist in a vacuum but require an enabling environment where a number of conditions are effectively in place. The first element refers to a relatively stable public-private relationship, which implies that by negotiating and overcoming possible misunderstandings or disagreements the two sides have found a terrain for cooperation. Similarly, the co-funding principle implies cost-sharing and risk distribution rules that rely on pre-existing legal arrangements.

The lessons learned through the EU practice point to institutions and actors' coordination and cooperation as enablers of partnerships. Such an institutional and actor cooperation seems therefore to precede the formation of individual PPPs for skills development. Depending on the intensity of government and social partner cooperation on VET and skills, a diversity of PPPs on skills may be forged.

Once established, PPPs are means to experiment coordination and cooperation in practice, so in turn they help reinforcing government and social partner cooperation. As long as they build on transparent agreements and ensure both sides' accountability on a given skills development project, PPPs are governance mechanisms to define responsibility on financing and action on skills development. As there are risks involved, assessment of results and impact must be devised on a regular basis with a view to ensure accountability and make adjustments as needed.

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CHAPTER 2 – METHODOLOGY AND PPPs TYPES⁵

2.1 Study methodology

The overall study approach was performed in two stages, data collection and analysis, aiming to:

- Identify examples of PPPs in countries with consolidated tradition of public-private cooperation and social partnership in the field of skills, and countries with recent experience of it;
- Build their typology and compare types/modalities of PPPs within and between the two country groups;
- Match pre-existing conditions that affect the formation and implementation of PPPs between the two country groups;
- Assess the potential impact of PPPs;
- Facilitate action learning and policy learning.

Mapping PPPs for skills development

The research team used the wide definition of PPP. As a first step, we worked on mapping the existing PPPs in skills development in countries with either an established or a recent tradition of public-private cooperation and social partnership processes on skills. As discussed in Chapter 1, the research team used the wide definition of this term, as opposed to the traditional PPP definition.

The framework for the identification of PPPs included:

1. the identification whether the **common elements of PPPs** mentioned at the end of Chapter 1 exist in a long-term partnership/relationship;
2. descriptive qualitative information, which formed the basis of building the typology of PPPs. This included e.g. level of PPP implementation, actors involved and their roles, purpose and scope, incentives available, membership modalities, social partnership tradition etc.

In **countries with consolidated tradition**, we identified PPPs (as defined in this study) through desk research. As there are hundreds of various scale PPPs, certain principles of selection were applied to limit our scope to those most relevant. We selected **good practice examples** of PPPs in VET, particularly those described as either having **positive results/impacts on skills development or steering innovation in VET**. To allow for thorough description and comparison, we focused on cases that are **well-documented** in credible academic articles or applied research reports, including those of international organisations and their agencies (UNESCO, WB, EC, ETF, Cedefop, etc.) as well as other sources of information (including websites, conference and work group materials).

We applied the **biggest variety principle** to allow to develop a comprehensive typology of PPP modalities. We particularly attempted to include PPPs implemented at **different levels** (e.g. national, regional, sectoral, local), having different functions (e.g. skill forecast, VET delivery, school management, career development support), relying on **different financial arrangements** (e.g. voluntary contributions, levy-based schemes), including **different governance structures** (e.g. sectoral councils, regional steering groups, multi-lateral school boards) and those of **different scope** (e.g. systemic vs ad hoc partnerships).

In **Jordan, Kazakhstan, Serbia and Ukraine**, National Committees (NC) composed of public authorities, social partners, and other actors, assisted our effort by helping identify the PPPs and map their modalities according to our framework. A key function of the NCs was to provide information to the research team on the variety of PPPs for skills development present in their respective country. The research team provided

⁵ Author : Donatas Pocius, PPMI. Edited by Siria Taurelli, ETF

in advance to the NC members the set criteria to guide the identification and shared the research questions with both the NC and the selected case studies.

Field visits were organised to fine-tune with the NCs and carry out interviews with relevant informants in the selected PPP cases. We considered the national definitions of PPPs as outlined in the legal frameworks of countries analysed during the identification phase. The assistance of native speaker PPP experts or members of the NC was used to ensure that the terminology was understood in the same way by all parties involved.

Typology of PPPs and comparison of modalities

The key types of PPPs were distinguished by looking at their internal homogeneity (having common / similar attributes) and external heterogeneity (separate types of PPPs will have strong differences among themselves). The typology included different attributes as described in detail in the following chapter of the report.

After building the PPP typology we proceeded with matching the pre-existing conditions that affect the formation and implementation of PPPs with the identified cases. In other words, we checked whether certain PPPs could be attributed to certain types according to e.g. certain legal framework, fiscal arrangements, social dialogue tradition, or capacity of stakeholders.

On the one hand the findings allowed us to provide insights on whether the pre-existing conditions have similar effects on PPP implementation in countries with consolidated tradition and in countries with recent tradition. On the other hand, we were able to give practical insights on selecting what types of PPPs can be implemented in countries where certain pre-existing conditions are missing.

Assessment of the added value of PPPs in skills development

In order to facilitate mutual learning on types of PPPs supporting skills development, steering innovation in VET policies, inform on possible formats, it was necessary to identify potential added value of identified PPPs. We assessed the added value of different types/modalities of PPPs, with focus on such areas as innovation in VET and skills policies, quality and accessibility of skills development. We also analysed the potential drawbacks and negative effects of the PPPs in skills development. To estimate these positive and negative effects, we relied on interviews with stakeholders and desk research, following clearly operationalised indicators.

Action learning and the way forward

After building the typology of existing PPPs in the two country groups and matching with conditions, we organised a second field visit to Serbia and Ukraine. The aim was to organise action learning workshops, to have the opportunity to present and discuss the PPPs typology and other study findings and to learn through exchange of international practice.

Based on the outcomes of the workshops, the research team built a set of tailor-made recommendations for establishing or strengthening PPPs that can contribute to increased skills provision and quality, improve expertise in sectors, contribute to better social inclusion, or motivate companies to invest in skills. Based on typology, matching with conditions, and action-learning workshops we identified policy pointers on how to overcome the absence of “necessary conditions” and solve some of the lasting cooperation challenges. The tailored policy pointers focused on:

- Development of public-private cooperation legal framework;
- Development of financial incentives;
- Ways to engage in more effective social dialogue in VET and skills;
- Ways and methods for action learning of social partners, government representatives, VET schools and other relevant actors to engage in dialogue and effective partnerships.

2.2 Identified types and modalities of PPPs in skills development

There are different ways how the PPPs in the area of skills development can be typologised, as there are many dimensions and characteristics at play. At the same time, creating a clear-cut typology is challenging, because each partnership combines elements from different types – e.g. it has multiple purposes, mixed financing arrangements or several contract types. A PPP mainly oriented at VET provision may also be strongly connected to solving resource issues; the leadership of the PPP can be joint or changing (project started by one partner as a leader and leadership taken over later).

The structure of the presentation of long-tradition PPP modalities is as follows: first, a given dimension and its potential modalities is presented; second, a consideration is provided how this dimension could influence the functioning, impact and innovation potential of the PPP; third, the examples from consolidated countries are given.

Afterwards, we provide the detailed mapping of the framework conditions of the analysed cases in the countries with strong records of public-private cooperation.

Functional families and types of PPPs

One of the major dimensions of PPPs is their function or purpose. The mapping effort shows that PPPs in skills development are implemented for three large families of functions or purposes:

1. **Knowledge-oriented PPPs.** These are oriented at better understanding of VET systems, labour markets, and demand for skills, competences and qualifications. These can include collaborations such as sector skills councils, work on qualifications frameworks, etc.
2. **Resource-oriented PPPs.** PPPs oriented primarily at improving the level of financing of VET, infrastructure, or human resources. The traditional perception of PPPs as large-scale infrastructure projects falls under this category – however, so do smaller scale initiatives aimed at assisting the funding, infrastructure or equipment of PPPs.
3. **VET provision-oriented PPPs.** These include not only apprenticeships and other types of VET provision, but also guidance and career services.

The influence of the functional types / purpose on the impact and innovation of PPPs is linear – the chosen objective and area of action determines the outcomes of the collaboration.

Annex 1 provides the preliminary taxonomy of PPPs that was proposed at the beginning of the study.

Scope / integration with the VET system

In some countries, the principle of close public-private cooperation permeates national VET systems as a whole, and in fact it structures the relationship between VET and the labour market. For example, in Denmark the trade committees are a backbone structure that actively contributes to curriculum development, quality assurance systems and approves companies for apprenticeships; there is also an employer reimbursement scheme that serves as a financial arrangement for businesses and public sector to share VET costs, the result of which is the dual IVET programmes.

Such permeating systems may be difficult to ascribe to a single functional type (as presented above), as they focus on a variety of purposes at once, or focus on one function as a process and the other function as an end result (in the case of Denmark, the trade committees are a vehicle to implement the dual programmes). The following main modalities could be distinguished from this dimension:

1. PPPs permeating the whole or part of VET and skills development system.
2. Elements of permeating system exist. In this case, there may be an aspiration towards a permeating system (PPPs may be considered as the guiding principle in theory but not implemented in reality) or there may be a smaller-scale connection between two PPPs.

3. Ad hoc / isolated PPPs. In these cases, the PPPs exist but are not part of the overarching principle within the VET system.

The examples of permeating systems are not many. Denmark and Germany, with a strong dual education system are examples difficult to replicate. In countries such as United Kingdom and Morocco, only specific connections exist – e.g. the British sector skills councils carry out a variety of functions from occupational standards to skills needs analysis and development of qualifications; the Moroccan PPPs include curriculum development, recruiting teachers and trainers, provision of training, implementation of examinations and other tasks in addition to overall management of the colleges.

There is evidence that creating a permeating system, or at least elements of it, can lead to strong outcomes of the PPP. The more embedded the principle of PPP is within the VET system, the more private sector feels the ownership of skills development. Therefore, it is relevant to look beyond the ad hoc collaboration, and assess how to build on success in a certain area to expand the collaboration.

Membership modalities

These are quite straightforward modalities related to what partners and how many of them can or do participate, and what are the possibilities of involvement.

Number of partners:

1. Single public partner, single private partner
2. Multiple public partners, single private partner
3. Single public partner, multiple private partners
4. Multiple private and public partners

Types of organisations involved:

1. VET colleges
2. Businesses
3. Public authorities (national, regional, local)
4. Other private organisations, business representatives and associations, chambers
5. Other organisations (trade unions, NGOs, tripartite councils)
6. Organisations built on purpose for the PPP (sector skills councils, knowledge or managing bodies)

Openness of the PPP:

1. Open - New partners can join
2. Closed - New partners cannot join (e.g. a strict contract is signed)
3. Semi-open - Only some types of partners can join (e.g. new private partners but not new colleges)
4. Semi-open – Partners can join at specific time (e.g. after a stage of collaboration is complete; in a new academic year)

The influence of these characteristics on innovation and impact of PPPs is quite small, but in some cases can be relevant. The main issue here is the potential for expansion / replicability. The closed examples with one public and one private partner may offer a good practice case, but replication of such a case by other parties can be problematic. This is clearly evidenced by the examples of large-scale industry school in Iceland or the Coop Food School in Denmark – there is low potential for expansion and the replicability is doubtful. Generally, this happens when either the private partner or the VET college is particularly strong – issues such as competition come into play. In the majority of cases analysed across the consolidated countries, however, the multi-actor collaboration dominates and the participation is open – see most of the other case descriptions.

The desk research shows that the **variety of types of organisations** involved (rather than just a large number of partners) can bring significant benefits to PPPs. The role of social partners will be discussed in

more detail in the further sections; however, actors such as NGOs can bring significant innovation into the collaborations, particularly if a social dimension is considered like in the Israel case. Involving both individual businesses and associations, or both individual colleges and public authorities which manage them, brings in a range of perspectives to the PPP and leads to stronger multilevel governance.

The creation of specific bodies and then their involvement in the PPP is an important element of innovation. This membership modality could be considered a facilitation mechanism for collaboration. Important examples include the apprenticeship governance body in the Norwegian oil sector, or the knowledge multiplier Katapult in the Netherlands.

Legal arrangements

The first dimension noted across the consolidated countries concerns the context of laws, by-laws and other applicable regulations:

1. **PPP law and related laws and by-laws** – this is more usual in traditional PPPs dealing with large-scale infrastructure projects and usually implies participation of the national PPP unit.
2. **VET / education law and related laws and by-laws** – more often applicable for PPPs in skills development.
3. Laws, by-laws or regulations **specifically regulating a concrete PPP**.
4. Collaboration exists **without a clear regulation**.

One of the hypotheses of our analysis was that the type of legal arrangements influences the effectiveness of PPP, its operations, and accountability including the monitoring of possible abuses or misuse of funds. The desk research shows however that whether the PPP is regulated by PPP law, the VET or education law, has quite little importance as this has not been discussed in depth in sources documenting the PPPs. An assumption could be made that a law specific to the PPP in question would be more favourable than a generic law; however, no examples of such specific regulations were identified across the consolidated countries.

Geographic dimension may also be at play, as the laws may be **national, regional, or local**. The geographic dimension of regulation can be important mainly in the countries where the detachment between the local level and the central government is large (e.g. federal or regionalised countries). The main difference however is that the processes at the national level are slower and the regional or local regulations may be better targeted to the specificities of the region or locality. There are examples of both regional and national legal frameworks applicable to PPPs identified; however, this made little difference for the functioning of PPPs.

A more relevant issue is the mere **presence or absence** of legal framework. It should be noted that in all consolidated tradition country cases, the legal framework was present and no legal uncertainty of how the collaboration should be regulated existed. This uncertainty however is often a reported obstacle in countries with recent experience in public-private cooperation.

Another dimension of the legal framework is the **type of contract** between the partners. These can include:

1. Memoranda of understanding
2. Long-term contracts
3. Fixed-term contracts (e.g. annual)
4. Large scale traditional PPP contracts
5. Other types of documents are signed (pledges, commitments, statements)
6. No formal contract exists.

Similar to the type of legal regulation, we have not identified evidence via desk research that the type of contract significantly influences the PPPs. The other types of documents such as pledges and commitments, however, can be an important factor. Instead of setting up the rules, these documents provide a sort of 'peer pressure' from the other signatories of the commitment. Examples of pledges or commitments include statements of action, and agreements on cooperation for VET development.

There are identified cases where no formal agreement exists between the parties involved. In Queensland, Australia, while the public authorities and the private partner signed a contract, no agreement was signed with over 70 participating VET schools. Rather, the partnership was based on long-standing trust and prior connections.

Financial arrangements

The identification of modalities of PPPs in consolidated countries has shown that the financial arrangements are among the most relevant characteristics of PPPs with the largest influence on their functioning and the largest variety of modalities across the consolidated countries.

There are generally two main sources of funding in a given PPP, namely the public and the private funding. By definition, some resources must be contributed by both sides for the collaboration to be considered a PPP. On each side, the sources of funding have their own modalities.

One of the main modalities related to public funding is its **source**. Generally, the sources include:

1. State budget
2. Regional or local budget
3. Public VET provider's own budget
4. Special dedicated funds (specific funding programme)
5. Donor support (where relevant).

In countries with public-private cooperation tradition, the main source of funding is the public budget, from the state or less often the region. This characteristic points to a difference between the two country groups. In comparison, the state is less likely to provide direct budget support to PPPs in Jordan, Kazakhstan, Serbia and Ukraine. Here frequent alternatives are either donor support or VET provider's own budget. There are important implications for the PPPs, in fact, where the state funding is limited, it is more difficult not only to launch them, but also to expand and upscale the successful collaborations. Moreover, state support can more easily be connected with national priorities: the case in Morocco shows how important it can be to develop PPPs taking into account national strategies.

Method of distributing the public funding:

1. On a competitive basis (e.g. via tendering procedure)
2. On a grant basis
3. On case-by-case basis
4. Decision is made by public VET providers from their own budget.

There exists a variety of methods for distributing public funding. These include government grants (non-competitive) given to specific partnerships. Funding may also be allocated on a case-by-case basis – in practice there are schemes for distributing funding for which the PPPs may be eligible.

The competitive distribution of funding may be important in fostering innovation via PPPs. One example is the scheme for innovative VET partnerships in the Netherlands. This gives the public sector a chance to steer innovation in the partnerships, set clear requirements on partners, insist on strong monitoring and evaluation etc.

Where the decision on distribution of funding can be made by the VET provider, there are both potential advantages and drawbacks. On the one hand, there is more autonomy for the provider to implement PPPs. On the other, the scope of such PPPs can be limited as the funding is a constraint. Often, this signifies that the college wishes to engage in PPP but does not have access to other sources of funding, as it was observed in the case study in Sweden.

Method of ensuring the private funding / incentives for private investment

Convincing the private sector to invest its own funds is one of the most challenging tasks in a PPP project, unless the private partner is the initiator of the partnership. There are different ways which are applied in attempts to do that:

1. **There is a clear financial gain for the private sector** (classic PPP model, whereby money is collected by selling goods or services, tuition fees etc.). Because there is a clear business case, there is no shortage of potential partners and the selection of partner can be made on competition basis, which has significant advantages. However, many of the services related to skills provision are difficult to monetise. The models based on direct financial gain are more suitable to traditional infrastructure PPPs, but PPPs in skill development require also the knowledge of the context and the benefits are less tangible and more long-term. We could not identify examples where classic PPP models would be applied specifically for skills development (rather than infrastructure).
2. A **clear requirement for contribution is established** (e.g. the private partner must fund 50% of the collaboration's budget). This, again, has advantages and disadvantages. On the one hand, this leads to better sense of ownership of the collaboration by the private partner, and likely more responsibility for the end result. On the other hand, difficult entry requirements may complicate the search for partners – the businesses truly need to believe in the benefits of the collaboration to join. Such requirements exist, for example, in the vocational and higher education PPP centres in the Netherlands and in the dual study programmes in Germany.
3. The funds are taken from a **levy-based training fund** (national, sectoral or another level) or another mechanism of automatic collection. The advantage is of course the automatic collection which makes the gathering of the budget easier. However, in such cases not all contributors may benefit and there is a need to justify the expenses. This applies to different extents and levels in the VET systems of Denmark, France, Morocco and UK.
4. **Other cost-sharing mechanisms / incentives** are in place: tax incentives, payback clauses, loans. Similarly to training funds, these mechanisms can significantly ease private investment in training. However, in some countries such incentives may be a burden for the state or not feasible politically in certain situations, e.g. in countries with a large budgetary deficit it is politically difficult to introduce tax deductions. Most EU countries have various such mechanisms in place (see e.g. Cedefop database 2010-2013). For example, in the Netherlands sectoral training funds exist in 116 different sectors. They are regulated by collective sector level agreements and generally are based on levies collected

from the participants (Eurofound, 2018). In Italy there are inter-sector training funds. Among the analysed PPP cases, however, they are explicitly referred to only under the school-industry partnerships in Australia.

5. Reliance on **good will / perception of long-term benefits** by the private partners without particular incentives or rules. In cases where there are no formal requirements to contribute or appropriate financing mechanisms, usually sustainability relies on motivation and financial strength of the private partner. In such a context, usually only large companies with a strong capability to invest in skills development are involved. There are some advantages, as the funding which is secured without particular incentives signifies a genuine interest by the private partner and a perception of true value of collaboration. Nevertheless, there may be less security in case the private partner loses its interest. There are a variety of such cases, in fact, the reliance on the interest of the private partner is the most common practice.
6. **Private VET provider's own budget.** There was only one case identified, namely in Kazakhstan.

Risk management

As any other type of collaboration, PPPs may fail. In the traditional PPPs focused on large scale infrastructure developments, the risk is first of all financial, from wasted money to corruption. In case of failure the public funding side may face situations where the funds have been spent without any benefit to the society. Here, the international practices mainly focus on types of contracts and the risk-free ways to ensure money flows (Nathan Associates, 2017). These can include performance-based contracts, where there are incentives for good performance or sanctions for poor performance, like e.g. in the E2E project in Serbia. Demand-led financing is another good way to ensure that there is no waste – in such situations, as in the delegated management VET centres in Morocco, the financial gain of the private partner is decided by the paying end-users. Quantification of all costs is also crucial and closely related to strict monitoring of all spending (Open Society Foundations, year tbd).

In context of skills development specific risks not related to financial matters may arise. They include quality assurance issues, lowering levels of government accountability in VET and other detrimental issues. A third risk type for skills-oriented PPPs is related to the collaborating actors' mind-sets. Track record of collaboration is extremely important for ensuring continued collaboration. If a PPP fails, the partners suffering from the negative experience may be reluctant to try such type of collaboration again. In VET, where the number of stakeholders depend on the given number of colleges or employer associations, this may lead to a hostile environment for the development of PPPs.

Leading international knowledge providers discuss different risk management measures proper to the skills domain. The World Bank mentions an effective quality assurance system, a clear place of private sector in the national education system, and clear, objective and streamlined criteria for private partners as main risk management elements (World Bank, 2009). UNESCO mentions strong regulatory and management capacity of the public side of partnership as a crucial element of risk management, to ensure accountability and state control over areas such as school facilities, teacher training, staff working conditions, democratic school governance and the like (UNESCO, 2017).

It can be therefore seen that for the management of non-financial risks the solutions can be related to modalities analysed under other dimensions of our analytical approach, e.g. monitoring arrangements or capacity enhancement. We will thus focus on the financial side of risks under this modality.

PPPs by definition entail resource sharing between public and private actors, usually bringing also a certain **division of risks**, financial and non-financial. The possible modalities here include:

1. The risk is mainly carried by the public body;
2. The risk is mainly carried by the private body;
3. The risk is shared equally;
4. There is little risk involved.

In addition to the division of risks, there may be **specific risk management measures** in place in case of failures, fund misuse, corruption etc.:

1. Strict monitoring and quantification of spending (see also monitoring arrangements below);
2. Performance-based contracts (see also type of contract);
3. Demand-risk mechanisms – the private partner's payment comes not from the public sources;
4. Other mechanisms such as guarantee funds, insurance etc.;
5. No risk management measures in place.

In comparison with the traditional PPPs in other sectors, PPPs in education or other socially-oriented areas are constrained in balancing risk and responsibility. The state always remains ultimately responsible for providing services widely considered as social and human rights. A failure by the private partner calls for the state to step in, to ensure these services and avoid societal crisis. The PPPs in a social sphere often lean to 'cream-skimming', e.g. with the most profitable parts taken up by the private partner while the public side is to deal with the unprofitable activities (UNESCO, 2017).

Monitoring, follow-up and sustainability

In the identification exercise of PPPs, we noticed that the identified cases differ strongly in terms of their outlook towards the future – namely, in how they are considering the monitoring and evaluation system as well as the sustainability of the partnership.

The main identifiable modalities of monitoring and follow-up system include:

1. **Heavily controlled** (e.g. audits, formal evaluation). This is typically associated with high-value contracts and investments, for large-scale infrastructure PPPs and distribution of funding based on tender procedures or grants. Unsurprisingly, among the analysed cases this is particularly notable where public funding was distributed on a competitive basis, e.g. in the Netherlands.
2. **Present, but not strict** – e.g. monitoring and evaluation is targeted more at collecting information for improvement rather than control over spending. This is the case, e.g., in the dual study programmes in Germany.
3. **Not present**. This was quite rare among the cases in the consolidated cooperation countries.

We have noticed that the modalities related to **sustainability model** may include:

1. **Well-defined sustainability model** – a very clear plan is foreseen how the PPP will become self-standing, e.g. how the reliance on public sector will be transformed into predominantly private investment. This may still fail, but the probability is low as it is based on logical and tested assumptions. This is the case in Morocco's delegated management of VET centres and in the Dutch centres of excellence.
2. **Sustainability model is not considered**; the model currently applied is planned for an indefinite period (perpetual PPP). This can be a valid model if there are clear benefits for all sides and a continued commitment. Often, however, pilot PPPs are implemented without taking this into account. The sustainability model is not considered in contexts of long-standing cooperation tradition, where likely the PPPs have already proven their sustainability, while currently continue to evolve in a framework of stability.
3. **Loose model** – sustainability is in the thoughts of the partners, but there is no exact date for implementation or explicit agreement how this could be carried out; collaboration first, sustainability later. Or – sustainability plan exists, but it is based on untested assumptions or experiences of countries with different framework conditions. This can significantly hamper the longevity of collaboration. This situation is more typical of countries where cooperation on skills development is an emerging practice.

Source of initiative / leadership

All the PPP arrangements emerge as someone's idea, and there are implications based on who is the leading party behind the PPP. There are also clear advantages and drawbacks associated with all sources of leadership:

1. **State initiative.** Public authorities at any level can decide that a PPP could help the VET system. The result of such initiative can vary from simply direct engagement with potential partners to legislative changes or specific fund allocation. The advantage here is that there are no issues with the legal framework and frequently there are public funds associated with the collaboration. The drawback is that the readiness of the other partners is not always considered, e.g. whether the capacity of colleges and private partners is sufficient. Among the analysed cases, the state is the initiator of collaborations in Italy, France and others.
2. **VET provider's initiative** – VET providers, their informal or formal groupings actively seek partnerships. The advantages in this case include on-the-ground perspective – the needs may be very clearly identified and concrete. The issues maybe that the legal framework may not be properly aligned; VET providers may also have limited resources and limited leverage to attract more resources. This source of initiative, while not encountered among the consolidated examples, is quite often seen in the other country group.
3. **Business initiative.** This can be a single business, an informal grouping of businesses or a sectoral/regional/other level business association, chamber or other organisation. The main advantage is the level of engagement of the private partners. At least initially, there is a strong drive towards good project results from their side and strong commitment – which would be difficult to have otherwise. However, businesses may overestimate their capacity to carry out PPPs, e.g. knowledge on how to develop a curriculum, train instructors, identify their skills needs. Both businesses themselves and their associations sometimes assume that a successful business 'automatically' can fruitfully contribute to skills development. Further, encountered setbacks may lead to disappointment by the private partners and decreasing motivation. In some cases, businesses take the lead to disappointment with public VET provision. This may cause trust issues and make it difficult to achieve results that are recognised by all sides. This situation is more frequent where cooperation is an emerging rather than consolidated practice.
4. **Donor initiative.** As long as the project lasts, there is a secure funding, which allows a grace period for the PPP to start achieving its objectives. Donor involvement is usually based on strong expertise, well-developed theoretical background and use of international best practices. However, the secure but time-bound funding is a double-edged sword: this often leads to discontinuation of activities after the project ends, as the project partners do not find a sustainability model.
5. **Mixed initiative** – e.g. donors lead the development, but the main idea is formulated by the state; state issues a call for proposals where businesses have to submit their own ideas for collaboration to receive funding. Mixed initiative projects may be able to minimise the drawbacks and maximise the advantages.
6. **Other source of initiative** e.g. on the part of trade unions, NGOs, other associations.

Social partnership

Social partnership and dialogue may prove important framework condition for PPPs. There are several dimensions at stake, here we consider social partnership's length and outcomes:

1. **Long and positive** – this is a strong indicator that the experience with partnership will lead to strong outcomes again. This is the dominating experience in the consolidated countries.
2. **Long, but negative / mixed** – social dialogue either failed to achieve significant outcomes or it achieved significant outcomes but failed to make an impact (e.g. due to lack of power). The more negative a long experience is, the more sceptical the previously involved parties may be about further collaboration.

3. **Short (either negative or positive)** – there is likely to be mistrust, which may hamper the collaboration.

Capacity

Level of capacity of partners involved can make or break the PPPs. The capacity of both public and private partners is important – poor performance by at least one of the involved parties can lead to disappointment which may hamper the implementation of PPP projects for years to come.

The following modalities related to capacities of different actors could be identified:

1. There is **evidence of existing high-level capacities** (e.g. there is prior experience, the partners represent an industry-leading company). There is of course no guarantee that the persons supposed to have high capacity will perform – but the likelihood is higher.
2. The **question of capacity is not relevant**. This may be the case if e.g. the partner is just providing funding, or receiving training.
3. There are **doubts about the capacity**, but there is no consideration of capacity building. This is a risky situation which may lead to negative outcomes of collaboration.
4. There are **capacity building mechanisms connected to the PPP**. This may diminish the risk if properly implemented and if capacity building is well-targeted.

There are two dominating modalities across the consolidated countries for both private and public partners – either the capacities are very high, or they are not relevant and the question is not raised.

Long cooperation experiences demonstrate that capacity forms progressively through practice, experimented successes and failures on both public and private side. It would be inappropriate to identify a linear path in capacity building, as much depends on context factors, actor motivation and actual practice, making in each country a unique story.

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CHAPTER 3 – PPPs COMPARISON ACROSS COUNTRIES⁶

In this chapter we compare modalities of PPPs for skills development in fourteen countries. Ten are characterised by an enduring legacy of public-private cooperation on skills; four have a relatively recent tradition of it. The comparison builds on twenty-three case studies that were selected mainly due to their diversity, with a view to represent the PPP concept wide applicability in the skills domain.

In this chapter we present the transversal analysis based on the categories in the study methodology, which are presented in detail in Chapter 2. The next chapter will provide a different transversal analysis, one more focused on the effectiveness of the PPP instrument for attaining good quality learning and relevant skills acquisition. The individual case studies are described and analysed in depth in this report Part Two.

Functional families and types of PPPs

Nine of ten analysed PPP cases are provision-oriented, in the countries of long-standing tradition of private education and private business cooperation. Eight of them focus on vocational and/or higher professional skills; they often implement elements of other PPP functional families. E.g. knowledge input for curriculum development can be found in a school- and work-based learning provision PPP, along with inputs of resources. One PPP provides guidance to match skilled unemployed with jobs. There is one case of knowledge-oriented PPP, aimed at a systematic information system on skills and occupational profiles needs, at national level.

Similarly, the four countries that feature emerging public education and private business cooperation show a majority of **VET provision dimension** of PPPs. Although provision was predominant, often the identified PPP cases have a mixed character. The resource-oriented PPP examples were quite rare, which may signify that the interest or ability of private partners to invest in infrastructure or resource provision remained below its potential.

Scope / integration with the VET system

Only the countries with a strong dual education system were examples of permeating PPPs. In these cases, the PPP term seems unfit, given that partnership is an intrinsic characteristic of the entire skills development system, rather than an implementation modality that may or may not apply. The highly-developed dual education that exists in Germany, and Denmark alike, is difficult to replicate in other countries. For purpose of mutual learning, which is the aim of this analysis, it seemed more appropriate to single out a specific mechanism or case from within the system.

Five cases in the first country group showed elements that could in future become integral part of the whole skills system. The case from Morocco, for example, features structural cooperation with sectoral organisations that has the potential to become a model for the whole country VET system. This PPP covers curriculum development, teacher and trainer recruitment, training provision, student assessment and other tasks, in addition to overall management of the colleges.

Four cases were dedicated to a specific purpose with a defined area of work, thus labelled as ad-hoc.

No examples of permeating PPPs were found in the four countries with emerging cooperation practices. So far, there are no situations where the distinction between the PPP instrument and the main features of the entire VET system can be questioned. At the same time, new VET laws in Serbia and Ukraine have this ambition, respectively by establishing cooperative or dual education in Serbia's secondary VET; and

⁶ Authors : Donatas Pocius, PPMI, and Siria Taurelli, ETF

PPP as the guiding system for VET in Ukraine. The cases of the sector skills teams in Jordan and E2E project in Serbia are pointing to efforts to influence the whole country VET.

Membership modalities

In the ten countries of the first group, most of the PPPs included **a wide range of partners**. Such diversity was clearly justified, e.g. NGOs taking part in PPPs with a social element. The assessed cases showed open partnerships usually. But sector-specificity was important too, like in Norway, Morocco, France and Germany. From the literature review carried out at the beginning of the study, we moreover acknowledge examples of PPPs in specific industry e.g. the Coop Food School in Denmark. New organisations were created to enhance the effects of the collaboration, such as the oil sector apprenticeships body in Norway and the multiplier spin-off Katapult in the Netherlands.

In terms of membership modalities, the countries in the other group have **tried to involve varied partners**. Apart from the businesses, VET colleges and public authorities, NGOs, social partners, business development agencies, and chambers were involved.

There were **three closed PPPs** and few single public-single private partner collaborations which are difficult to expand or replicate. The closed PPPs included Kazakhmys corporate college in Kazakhstan and the delegated management of workshops in Jordan. In the former case, this happens due to the strength of the private partner/VET college, which here is the same.

It is worth mentioning that some cases led to the **creation of new organisations**. It was so for the sector skills councils in Jordan and the management council of the German Agribusiness Centre in Kazakhstan.

All these examples show analogous experiences between the two country groups. There is therefore no evidence that membership modalities could be a defining difference between the two groups.

Legal arrangements

In countries of long-established cooperation, the case studies show that VET laws are adequate legal framework for governing PPPs in skills development. There was no need to resort to PPP laws to operationalise cooperation mechanisms in the skills field. In general, no legal gaps were found throughout the cases.

Types of contracts mainly included memoranda of understanding and simple fixed term or long-term contracts, but also pledges and commitments signed by various partners. There are some examples of partnerships happening without any contract, based on trust.

Similarly, the four countries of the second group **regulated their PPPs mainly via VET laws and regulations**. A notable exception was the 'trusted management' of the VET colleges in **Kazakhstan where the PPP law was directly applicable**. This had an impact on how the PPP was organised, notably the private partner selection was formalised and launched via a public tender procedure. This selection, while sound from the procedural point of view, was not well regarded by interviewed stakeholders who questioned that a partner knowledgeable in VET could be selected as an outcome.

A difference with the long-standing cooperation countries was that **the legal frameworks were not always well developed** and sometimes this created legal uncertainty. According to various interviewees, the legal uncertainties were the result of slow-reacting legislative systems.

In terms of agreements or contract signed, simple fixed-term or long-term contracts and memoranda of understanding were predominant, a situation comparable between the two country groups. In contrast, however, there were no pledges or commitments identified and there were no trust-based relationships without formal agreements.

It is worth noting that the E2E project in Serbia was the only case using **performance-based contracts** between the project management team and the business development centres involved in the implementation. This was a unique example across all the fourteen countries.

Financial arrangements

The ten countries in the first group attributed significant public budgets to their PPPs, be it from the national, regional or local budget. Specific funding programmes available for developing PPPs were relatively common. In general, there was a variety of funding mechanisms, including distribution based on competition e.g. call for interest or public tenders.

Well-developed financial incentives for private sector involvement are common, such as tax deductions, loans, training funds. However, for attracting private funding there was a lot of reliance on good will and perception of usefulness by the private companies.

The other four countries differ from the above notably with regard to the **availability of state (or local/regional) budget funding**. Only rare examples like the E2E project in Serbia and donor-sponsored project in sanitation sector in Ukraine received direct public support. Conversely, own budgets of the VET providers were used in a number of cases in recent tradition countries; this was rarely observed in consolidated countries. Naturally, the donor funding was much more prominent, playing a significant role in Jordan and Serbia, and a less prominent role in Ukraine and Kazakhstan. The dominating sources of funding have their own implications. Donor support is helping projects to take off and bring in expertise, but their sustainability is often questionable. Meanwhile, PPPs funded by colleges usually have a stronger autonomy, but at the same time signify the weakness of public sector in supporting these collaborations.

The methods of public funding distribution differed as well. Where VET providers were responsible for their own budget, they could apply **discretion to distribute it**. The competitive mechanism in fund distribution was not noticed in any of the cases in the four countries.

The method of ensuring the private funding or type of incentive for private investment, quite surprisingly, was **more often based on direct financial gain**. This was noted in the 'trusted management' case and Kazakhmys corporate college in Kazakhstan, which in fact referred to the classical PPP law. The closest example from the first country group was Morocco that focussed on training centre management, which was another similarity. The direct financial earning was found also at the Institute of field and vegetable crops in Serbia; here however the returns were feeding into the Institute's research activities, which was public research hence making this case a unique category in its own.

The balance between public and private funding would be interesting to explore more. The possible explanations can only be formulated in terms of hypothesis at this stage, including e.g. legislative slowness, increasing motivation of private parties due to skills shortages, and/or insufficient awareness of technical modalities to implement financing incentives.

The reliance on good will and perception of benefits by the private partner was still widespread, but not as dominant as in the consolidated countries – this may point to a lower level of motivation and involvement of private partners in recent tradition countries.

Risk management

The long experience of cooperation seemed to lead to balancing risks between the public and private parties, since risk sharing was observed in six out of ten cases. Where one side carried more risk, it was more often the public side. Risk management measures are widespread; they include strict monitoring systems, performance-based contracts, indirect collection of contributions, or specifically designed fund sharing mechanisms.

In seven out of thirteen cases the private sector borne the risks among the countries of the second group. This was consistent with the observation that in these countries PPPs were often initiated by the private sector; yet, it was a notable finding. In other cases the risks were either shared between two sides or carried by donor organisations. Risk management or mitigating measures are however often not spelled out or absent.

Monitoring, follow-up and sustainability

Well-developed PPPs almost always planned for regular monitoring. In some cases, evaluative measures were in place, including auditing where the PPP was competition-based link in the Netherlands. Control mechanisms may be more or less stringent, however generally present and aimed at lesson learning and adaptation.

The successful PPPs rarely had observable sustainability plans. This can be explained by the absence of foreseeable risks of discontinuity, considering the long-term experience.

The application of monitoring and evaluation in the recent tradition countries lagged far behind. In these countries, only donor-supported endeavours had any monitoring or evaluation follow-up. For example, in Serbia the E2E project managers applied a strict but innovative monitoring system. It is important to note that lack of monitoring significantly damaged the partnership sustainability; with no clear way to follow the results, there was little evidence about the collaboration achievements.

Many projects in recent tradition countries **had sustainability plans; however, these plans were often based on untested assumptions, of uncertain nature or undeveloped**. This points to an area for improvement particularly for time-bound projects, e.g. with donor involvements. The interviews shed light on good collaboration cases that had dissolved as the donor support came to an end.

Source of initiative / leadership

Whereas all parties are involved, public authorities was very often the source of initiative in the ten experienced countries.

The state or regional authorities were the source of initiative also among the other country group cases, sometimes with the additional initiative of a (public) donor initiative. Importantly, the VET providers were the initiators in several cases, which may point to innovative practice at institutions' level, and/or lack of other opportunities pushing them to take initiative.

One significant difference was however observed between the countries; namely, Serbia and Ukraine leaning towards more private sector initiative compared to Jordan and Kazakhstan

Social partnership

Social partnership processes in the field of vocational and higher professional education and training **were well-rooted in the first country group**. In their PPP cases, social partnership formed part of the underlying structure of long-term relationship between public and private sector on skills development. The evidence confirmed the study background hypothesis that effective and relevant social partnership processes can make individual PPPs effective and sustainable. Pre-existing social partnership had forged the language and understanding about the necessity to teach professional competences and skills, keep them relevant through continuing learning, and up-skill or re-skill employed and unemployed people along with changing circumstances in the labour market.

The analysed cases were founded on a long-term, institutionalised social partnership with good outcomes. Usually social partners had a clear role in implementing the PPPs. It must be noted that beside the recognised social partners, the vocational, higher and continuing skills development's social partnership

processes involve also chambers, teachers and teacher associations, experts and researchers as relevant.

It cannot be neglected, however, that the social dialogue and partnership crisis evoked in Chapter 1 has had its effects in the skills field too. Economic lows, enterprise restructuring, and the emerging of large areas of precarious and un-protected work have reduced the extent of, and access to skills development opportunities. At present, a new momentum for renew social partnership with changes and adaptations seems to be in the horizon, as it will be discussed in Chapter 4.

In the other four countries, the social dialogue has different characteristics and **in general does not extend to the skills development area**. The partnerships processes based on regular consultation on skills including skills intelligence, negotiation on how needs should be met, awareness of each side role and responsibility on skills provision, co-decision on given issues are not necessarily part of the country practice. This makes a defining difference between the two country groups, which was taken into account in the study methodology and which the analysis has further confirmed.

In Serbia and Ukraine, a stronger cooperation could be observed especially at sector level. Results were mixed, though, including in Ukraine where the cooperation has been ongoing for a relatively long period. Some important failed collaborations were found in Jordan, notably with regard to various attempts to form sector skills councils. Serbia has as well been engaged in a number of stages towards the sector councils' formation, which has included a number of failures. In these countries, the role of social partners in the dialogue around skills does not seem to have reached clarification. Against this background, it was not entirely surprising to find not high degrees of conceptualisation and institutionalisation of individual PPPs for skills development.

Capacity

Capacity to engage and manage PPPs for skills in the countries of strong tradition was high. The partnerships require a shared rationale underpinning the need for skills quality, an understanding about roles and areas of respective contribution, a knowledge of and negotiation about the financing instruments that can be devised, technical and analytical capacities, managerial experience and so on. The observed PPP cases showed no particular issue with the actors' capacities to contribute.

In countries of emerging public-private cooperation, some interviewees raised doubts about the levels of capacity within the analysed PPPs. The research also found evidence of good capacity indicators, in managing dialogue with the partners, in relevant learning content design, in innovative problem-solving and fund raising among other key PPP aspects. This evidence of progress actually confirmed that capacity to engage in productive dialogue and partnership builds on practice and, often, on lessons from failed experiences. It was unexpected to find no example of planned capacity building measures among the analysed cases.

Which PPP types may function better in context of emerging education-business cooperation?

Motivation on both the public and private side is of utmost importance to enter into a partnership, and initiate and maintain a specific PPP. Motivation alone however cannot suffice to consistently work on skills development at a high quality level. The comparative analysis has pointed to the following PPP types and modalities that have better chances in context of recent education-business cooperation, if conditions do not change.

Training and employment-related service provision PPPs were the most common functional type, and are likely to remain the majority in the near future. Knowledge-oriented PPPs were rare, however there are no reasons why they could not grow in number. Expert services and skills intelligence are typical of sector councils, which represent an exemplary case of knowledge-oriented PPP. The resource-oriented PPPs are in the given circumstances the least likely to advance in the short-term.

PPPs with well-planned risk prevention and management are more likely to survive. These can include e.g. performance-based contracts, sound partner selection procedures, monitoring mechanisms. The PPPs which are well-monitored are not only more likely to survive but also to expand and be replicated, as their cost-benefit ratio is transparent.

The design of financial incentives matters for the sustainability of PPPs. The best situations are found where the financial incentive matches the private partner motivation for skilled workforce as an asset for their business in the long-term.

While at present particularly large contributions from the private sector cannot be expected, there is room for piloting a range of financial instruments such as the training funds, or modulate the use of training levy to make the creation of more stable PPPs a viable option.

The examples of Serbia and Ukraine show that PPPs led by strong sectoral organisations or clusters can have a particular longevity.

Donor initiatives will remain important to launch PPPs, but the state-supported PPPs are surviving longer. Donors also contribute expertise, innovative design and capacity enhancement. The joint planning and design of new PPPs i.e. a state-donor common endeavour from the onset would be advisable as an approach to sustainability, rather than the postponement of such synergy till the last leg of a donor-led project.

The permeating PPPs, which require long and successful cooperation history as a pre-condition, are unlikely to be grounded for success. Also to be avoided are the PPPs whose sustainability plans rely on unproved assumptions, e.g. optimistic reliance on the proposed services' market success.

Potential positive impacts of PPPs

One of the most challenging issues in assessing the impacts of PPPs lies in the diversity of modalities identified. PPP frameworks and their impacts are often context-specific, which cautions against generalisations. We thus elaborate on broad-nature impact dimensions rather than a detailed and exhaustive list of potential positive impacts. Per each dimension, we assess the impact of a few PPPs from old and new public-private cooperation experiences. We also briefly elaborate on the possible limitations to positive impacts in contexts of informal economy.

VET governance

PPPs for skills development can contribute to better system-level governance in VET. Built against the background of multilevel governance approach, PPPs can contribute to matching skills provision and labour market needs. In so doing, they represent governance instruments for effectiveness and efficiency of VET and skills policy implementation.

First, PPPs help to institutionalise public-private cooperation in skills policy, which is considered key for VET resilience against the pressure of rapidly evolving economies and technology, globalisation and uncertain labour markets. In this way, PPPs contribute to fostering social dialogue and partnership on skills, which in turn serves as a basis for stable and responsive PPPs.

Second, PPPs have the potential to build stakeholder capacity to engage in decision-making in VET. While cooperating, public and private stakeholders may enhance their skills to negotiate, design, implement and attract funds to common projects. Aside from that, public and private partners may gain commitment, build trust and find better ways to work together at different levels.

In Europe, sector skills councils (SSCs) exist in a variety of forms from the United Kingdom to the Netherlands and, with different profiles, in France, Italy and elsewhere. Through their contribution to VET quality assurance, SSCs have proved to have a positive impact on the delivery of high-quality vocational training. At EU level, the sectoral alliances are new, supra-national bodies that aim at capturing the broad trends that concern all countries that participate on a voluntary basis.

SSCs in countries with emerging cooperation experience may be the way private sector engage in skills planning and policy dialogue, even if no formal role for social partners at the national level exists. Among the analysed cases, the sector skills teams in Jordan and in Serbia play a similar role of influencing policy.

Innovation in VET

PPPs for skills development can spur innovation in vocational and higher professional skills policy and delivery. We rely on OECD's definition of educational innovation as a change in an educational context that is introduced with the aim of improving the operation of education systems, their performance, stakeholder satisfaction or all of these at the same time. However, perceptions of innovation in education can vary across countries, depending on their VET system, tradition of social dialogue and partnership in VET as well as other factors. Even the very principle of involving private sector in VET provision can be innovative in countries with recent tradition of it.

In the light of the above, we consider that PPPs on skills can steer innovation in following ways.

Innovative forms of collaboration

Some of the PPPs signify innovative forms of collaboration. Among the emerging cooperation experiences, the cases in Serbia are quite innovative in their form of collaboration: the E2E project deals with a multi-level network for improving non-formal training; FACTS includes education providers in the sectoral business cluster; NS SEME is an unusual arrangement of training provided by public sector to private service providers for quality assurance purposes. Similarly, the German Agricultural business centre in Kazakhstan offers an interesting example of an association promoting the products of its member companies to farmers via training, while also giving an opportunity for public college students to engage.

Innovative financial arrangements

Some of the PPPs also suggest innovative financial arrangements for cost-sharing, efficiency and risk distribution in VET. In Europe, various cost-sharing mechanisms have led to increased employer ownership of skills and resulting accessibility and quality of VET. Among other examples, levy-based training funds can be used to finance initial VET programmes as well as continuing VET. Since there exists consolidated international practice of it, these schemes can be an accessible source of learning in countries where they have been so far rarely implemented.

Innovative governance arrangements

PPPs may suggest new and innovative governance arrangements at national, regional, sectoral or local level. Some PPPs have spurred the creation of specific institutions or other arrangements for VET governance purposes. For instance, delegated management schools in Morocco are proving a successful arrangement to increase graduates' employability and overall attractiveness of VET. Also, the Teknikcollege in Sweden suggest a way for governing VET at regional level through steering groups. Similar approaches are now attractive in Kazakhstan, where an increasing number of public VET colleges are entering in 'trusted management' arrangements with the private sector.

Innovative content

One of the key aspects of innovation in skills nowadays is the attention to and use of technology, and PPPs may help addressing the challenge of keeping-up with the rapid developments. The Entrepreneurship Centre at the Hadera Multi-disciplinary School as a partnership involved private provision of up-to-date technology that is further used to develop innovative solutions. The FACTS cluster in Serbia should be mentioned for it has worked very positively on developing new innovative training programmes in the fashion sector. The Centres of Excellence in the Netherlands deserve a specific mention, and they will be further commented in the Chapter 4 Also, the case study in Part II has been extensively elaborated to make available the needed extra information.

Accessibility to skills and employment

PPPs for skills development can contribute to ensuring broad access to training opportunities for all. There are two aspects to it. First, cost-sharing between public and private partners helps to increase the provision of skills. This is particularly important given the tight public funding of VET in a number of countries. Second, certain PPPs also have the potential to enhance social inclusion in VET as they target academically weak students.

In fact, a number of PPPs identified within this study helped to increase the reach of VET provision, thanks to the complementary private funding, which is one of the key elements defining PPPs as such. The exemplary cases were the Duo for jobs programme in Belgium, a very innovative partnership with a not-for-profit partner; and the E2E project in Serbia, which has targeted thousands of vulnerable young persons in less developed regions of the country as well.

Quality of VET

PPPs can play a role in shifting from a supply-driven to a demand-driven VET provision, which is expected to contribute to the VET attractiveness and relevance. Although VET quality has different dimensions, PPPs may facilitate the attention on anticipating and developing skills for future needs, in so doing building bridges between the world of work and training providers.

Increased employer ownership through PPPs can help better alignment between VET standards, qualification frameworks, curricula and individual programmes with labour market needs, increase practice orientation and ensure timely development of VET systems overall. Such PPPs' contribution to skills matching is particularly important in sectors challenged by skill shortages as well as in newly emerging sectors.

Relevant cases in this respect include the Campuses of professions and qualifications in France and the Centres in the Netherlands, among others. Company internships and donor-sponsored engagement in Ukraine, Centres of Excellence in Jordan and HORES Academy in Serbia should also be mentioned as strong contributors in this regard.

Youth transition to employment

Successful PPPs can contribute to better youth employment rates, through alignment of VET provision, cooperation on school-based and work-based learning, career guidance and services to smoothen the transition to the labour market. When skills are aligned with labour market needs, employers are more

willing and able to hire young graduates, even with scarce work experience, as they no longer require extra mentoring and training and can more quickly become productive.

Limitations of positive impact in informal economies

While PPPs have a good potential for quality, accessibility of skills development opportunities, the context of informal economies may pose significant challenges to PPPs successful implementation. The private sector engagement in VET policy and implementation is based on formal communication channels, between ministries and employer organisations or individual employers. Moreover, informal economies suggest an increased risk of private sector's exploitive behaviour when using public funds within the partnerships. However, in informal economies PPPs can still be encouraged and create impact, if implemented at the local level with a focus on individual school-firm cooperation arrangements. These local level partnerships could play a role in identifying skills needs in the local environment, thus being effective in helping the VET provision responsiveness to needs. Also, the engagement not-for-profit operators in PPPs could be valuable in preventing undesired externalities stemming from private sector's inherent orientation towards profit-making.

Developing PPPs in the recent tradition countries

In general, the following policy options may be considered by the EU Commission and agencies:

- Trust enhancement measures, including not only meetings or events where partners could work together, but also pledges and commitments, with a clear follow-up and monitoring framework, to initiate partnerships. Trust is building via positive experiences, so developing new partnership ideas on top of existing ones or expanding them in terms of scope or membership is feasible.
- PPPs developed by donor organisations are highly important for their experimental and demonstration function. Countries may also take their own initiative to create funding opportunities, seeking inspiration via mutual learning for legislative and financing mechanisms.
- The motivation and awareness issues could be addressed by developing strategies addressed to the private sector, where the EU and the partner countries could work together. This implies engaging business development agencies, clusters, employer associations and offering concrete methodological promotion tools is important. Private companies are particularly difficult to engage due to their strong profit orientation, but matchmaking opportunities could be of help.
- Development of monitoring and evaluation frameworks and systems. Tracking of learners engaged in PPPs and matching with spending would create strong data for cost-benefit analysis of PPPs and could significantly help in assessing their real impact, making adjustments, and attracting new partners or developing new partnerships.
- In most successful PPPs, the expertise of all parties involved is mapped and the decisions are made taking that capacity in mind. For example, while the businesses may know better what skills are necessary for the labour market, they may not be specialists in developing curricula this requiring structure collaborative efforts.
- In countries with large informal economies, local level partnerships and participation of not-for-profit organisations could be assisted as specifically targeted measures.

CHAPTER 4 – ASSESSMENT OF THE PPPs EFFECTIVENESS⁷

In this chapter we provide an assessment of the PPPs for skills development in a transversal manner, across all case studies. We will continue to refer to the either strong or recent tradition of public-private cooperation, given that we found that the level of this cooperation influences significantly the maturity and sustainability of PPPs for skills development.

Introduction

Vocational education and training (VET) and higher professional education (HPE) are systems of skill provision that alternate from general education in the sense that they are practice-based, the contents of work-practices are being thought not only in class, but students are reflexively learning aspects of the labour process in authentic working environments in companies or work-places. Within and between European countries, VET and HPE systems show large variation with respect to the role of private business and the allocation of private resources in the organisation and contents of the skill formation. In some countries the route to apprentices schemes and work-place learning occurs at relative young age (early tracking in the Netherlands and Germany), whereas in other countries general education is first terminated before students enrol as apprentices in work-environments (UK, Sweden). In other words, the structure and contents of the curriculum and thus the transition from school to work students take varies widely across countries.

The current study introduces another element, which is the role of private initiative in the planning stage and the implementation of upper secondary, higher and continuing professional skill-formation, as well as employment matching services. All these elements on boundary-crossing and collaborative learning are relatively new in the literature in comparison with traditional infrastructural PPP-forms. Here, private actors bring not only financial resources (via taxation or via direct investment), they can also join the governance structures of educational systems, or add ideas, equipment and expertise to cooperative efforts which leads to novel training and instruction programmes. This study systematizes these forms of cooperation, by analysing the legal basis and institutional conditions for joint practices.

The underlying notion of cooperation between public and private organizations is strongly institution-based and largely cultural, as it builds on mutual understanding of and trust between social actors involved. To account for the fact that institutions and cultural dimensions influence the shape and effectiveness of PPP, the study has distinguished between cases in countries with a long tradition of public and private cooperation, and those in countries where this practice is rather recent.

In many continental European countries the mutual cooperative relations between companies and schools often have origins that date back even to the guild structures of the late mediaeval period. Many of the efforts of established practices described in this study find their foundational efforts in the immediate After-War period when (associations of) employers and employees together with the schools developed joint practices in vocational training and professional education.⁸

The rise of new Public Management and the liberalization of the economic policies have redefined the position of social partners in public domains in the period around the Millennium. The Great International Recession after the fall of Lehman Brothers, and the transformation of the economic processes due to the introduction of new technologies, automation and robotisation, have given new momentum to the joint efforts of states and social actors in the field of training. The economic recession and related austerity in public finance, resulted in public funds for training that have been curtailed, budget were reduced or came under pressure. In labour markets however there is ample need of modernisation of teaching materials,

⁷ Author : Marc van der Meer, Tilburg University. Edited by Siria Taurelli, ETF

⁸ The case-study of Israel even starts in 1928.

and of upskilling of the work forces. In many countries particular mismatches between supply and demand occurred or needed to be solved. So when states ran out of budget, and when the economy is profoundly transforming private initiative is desperately needed. From this moment, private actors have encouraged new initiatives of joint practice and governments have started to experiment to facilitate the leverage of capital and to enhance the innovation capacities of the private sector in the field of work place-related training and upgrading of work practices.

A brief reflection on governance

The PPP-skill initiatives discussed in this volume are widespread and to a certain extent uneven, as they provide examples of practices that are currently occurring in countries in various domains of economic sectors and branches. The methodological approach, in fact, was to maximise diversity in order to represent a wide range of PPP types, rather than picking best or most representative practices or serving a neatly fitting comparative analysis. Moreover, the latter would prove impossible given the very large number of existing PPPs for skills development and lack of international mapping of these.

Many school initiatives occur at the local or regional level for particular branches and industries. We have shown in this study how social actors deal with particular **cooperation dilemmas** in setting up public-private partnerships. First, the relation between states, schools and private actors creates the opportunity structure for joint practice. Actors need to express their will and ambition to work together and share their capabilities and resources to invest in a joint programme that continues over a longer period of time. Often companies express the willingness to change practice given their need for skilled labour or governments aim to improve the level of education. In many cases there are public broker-organisations that intermediate interests and enhance innovative cooperation. Also the number of partners involved matters in initiating joint programmes. Are they large enough to invest and well organised in associations and how do they achieve a common perspective? In some countries a particular tradition of social partnership, and thus of defining shared analysis and joint common long term goalsetting for social and economic policy-making exists, whereas in other countries such a perspective is relatively weak or lacking. Where the social partnership perspective is well-rooted, expectations about each side's commitment are clearer because the actors may refer to previous experience. Second, the issue of how social actors engage in mutual endeavour, evaluating whether the joint experience of the past is strong enough to continue joint initiative, or that new forms of public-private entrepreneurship are needed to initiate new practices, independent from the existing school system. Third, in each country case the question arises what comes first, companies that need to solve their staffing problems or schools supported by governments that enhance training policies? In some case the initiative can be supported from donor organisations. It should be clear that when parties fail to invest there will be a skill shortage and matching problem in the labour market.

In all countries under scrutiny, (VET-) **legislation** defines the condition to establish schools and the criteria for schooling, but the legal framework for partnership and joint initiative is often diffuse and open for interpretation and industrial initiative depending upon the context of political debate and local culture. Apart from financing education, the legislator also defines the budget rules for public private partnership, by granting public money or by setting the criteria for financial allocation of private resources, either via competition or via subsidising projects (provision of grants). In general, cost-sharing will reduce the burden of public investment, but private parties will estimate the time horizon to get something in return. Thus risk-sharing and quality-assurance mechanisms and monitoring and follow-up systems will be installed to evaluate the progress and the societal costs and benefits of projects. Given the ambiguity of goals and the need to draft joint ambition in PPPs, also the criteria for goal-setting and for conflict resolution when norms diverge, will be relevant in the contracts underlying public-private partnerships.

The cooperative relations may also have the nature of **experimental governance** that is allowed for at multiple levels of interaction. In the starting phase of new projects, the definition of joint ambitions and common goals is crucial. Often these goals are ambivalent or need further concretisation. In such cases, means and ends can be kept relatively open at the start of initiative. In next stages, the government

creates opportunities for new initiative, to learn from the pilots and to allow actors to mutually adjust their ambitions. Apart from the funding question, in the process of further institutionalization of an PPP, the issue of division of tasks and responsibilities over time comes up and the assessment of the results based on pilots and joint effort. It is likely that given the different opportunity structures in particular sectors of the economy, divergent strategies for upper secondary and higher professional will be achieved leading to varying outcomes.

Overall the core question is to evaluate the pattern and stages of formulating, designing, financing, managing, and/ or sustaining engagements of common interest. In sum, two types of conclusions should be compared: first, the foundation, institutionalisation and evolution of the governance of public private partnership, within the context of a particular system of vocational training. And secondly also the impact of public private partnership on the contents of the vocational training/ professional education. The core issue always is: do the PPP result in a more elevated number of qualitatively better trained students? So how do teachers and pupils benefit from the result of the investment, or could the money have been spent better?

Reflection on the case studies in long-standing public-private cooperation countries

Germany is internationally seen as the outstanding case of dual training, where the private sector labour market permeates the public system of skill provision. This country is an exemplary case of PPP that imbues the whole system of training, much beyond PPP as a single instrument. Here social partners are strongly involved in policy making at both the regional Laender as well as Federal level. The governments fund public VET, but private capital is involved in the provision of apprenticeships, where on the job training occurs. The rates are laid down in the sectoral collective agreement and apprentices are paid accordingly. All companies follow the regulation which include the occupational standards that define the set of competencies for a given qualification. This contains also the minimal training standards and the standards for examination, i.e. the level of competency to pass an examination. The dual system, though widespread in Germany, is also facing challenges: the access to companies is sometimes limited and more men than women participate in the system.

Also in **the Netherlands** there is a long tradition of social partnership, where in secondary vocational education business associations and trade unions cooperate to define the qualification structure and participate in examination boards. The recent growth of PPP in the Netherlands, driven by the need to level-up the number of MEST-students and to improve training practices, grants a new dimension to the existing model of social partnership with now over 160 joint initiatives in sectors and regions, not only at the VET level but also at higher professional level (HPE). The PPPs (or 'Centers') are initiating activities for about 10% of all students and substantial number of front-running larger and medium-sized companies. The PPPs form a new layer of joint action, placed partly outside, though in connection with, the traditional initial training programmes. Several Ministries and Industry are engaged (with an encouraging role for captains of leading companies) to close the relations with public education at all levels. The initiative gained further momentum when in 2010 the national industrial policy was changed into a Topsector approach (agrifood, biobased economy, chemistry, digitalisation, smart economy et cetera). Then financial resources were made available, in the form of open competition to grant subsidies to engage in public private partnerships with joint partnership and shared ownership, that should generate their own benefits and thus become independent from government subsidies. In this new system, mutual learning is enhanced via collaborative efforts of various partners that are initiating joint practices. Single experiences are levelled-up in national meetings and via in between-assessments by evaluation committees with strict guidance on how to proceed. At the same time the governance of each of these initiatives is open to adapt to changing conditions. The result of this new approach is a widely varying practice of Centres in various stages of development, where the foundational financial incentives can be perceived as a necessary but not sufficient condition, and learning processes about the feasibility and pitfalls of cooperation emerge over time in a merely cyclical way. Clearly, most changes are needed on

the work-floor to engage in a development-focused culture in the participating schools and companies, so educational leadership that transcends boundaries is asked for. Currently virtually all VET and HPE-schools in the country are involved in setting up these centres, though the precise learning results and impact for students remain merely implicit, so more evaluation is needed about the results. The participants claim however that activities lead to transformation and innovative boundary-crossing activities between companies and schools.

The example **from France** concerns a joint training initiative where the benefits of the campuses embrace not only larger companies, but also small and medium-sized firms. The governance is entirely delegated to the regions' level. Private companies grant both cash money and in kind services such as staff, tools and equipment. The campuses are directly linked to industry in area such as digitalisation, computerisation and provision of high-technology. Employers are thus deeply engaged in the campuses to translate the national curriculum into local skills needs. The government's assessment was that the Campuses contribute to competitiveness, in two ways. First, their optimal knowledge of the sector makes them capable to appraise specialised needs, namely of all companies in the supply chain, large and small ones. Second, the Campuses' business model relies on close connection with the sector, which allows the training provision tuning in a timely manner. The public and private side cooperation has deepened over time, so to become itself a model within the French VET and HPE system. Having identified the value added for competitiveness, the government has planned for increased allocations to the Campuses. The additional investment will focus on priority sectors that drive innovation, an approach resonating the Netherlands' Katapult approach.

In 2004 in **Sweden**, the Teknikcollege have been established by Council of Swedish Industry as a network of "competence centres". These consortia of municipalities (regional and local authorities), training providers (mainly secondary and post-secondary VET schools but sometimes also universities) and private companies, aim to match labour market demand and education curricula. A Teknikcollege needs to meet 8 quality criteria including the availability of appropriate equipment, training in real work environment and continuous contacts between students/teachers and companies. Creative and stimulating learning environment, quality assurance and the guarantee of constant development of the Technical College in line with industry requirements is also assessed to enhance attractive learning environments that contribute to facilitate student careers with appropriate skills in the interests of the entire society.

In **Norway**, the case of oil and gas industries' cooperative effort has its origins some 25 years ago when companies started to plea for well-trained apprentices that could be recruited afterwards into their internal labour markets. Perhaps more than other country cases in this volume the Norwegian case shows how involved parties have improved the allocation and matching of students in companies and how the guidance of students has improved during their two-year apprenticeship period. Student drop-out is reduced to a minimum due to the cooperative nature between oil and gas companies and the schools with help of an intermediary organization. In this overview of PPPs, this represents one of the best controlled case-study: a clear example of cooperative effort and clear policy lessons.

In **Belgium**, the Duo for jobs programme was realised through a social impact bond (SIB) scheme, the first one ever implemented in the country. As such, the case study accounts for a governance arrangement at experimental stage and lessons that may be drawn from the achieved results are only preliminary. From the public side perspective, SIBs are a form of payment by results, which removes the upfront costs of service delivery from government and shifts the financial risk to private investors, who lose their investment if interventions do not improve outcomes. In addition, SIBs can enhance cross-sector and cross-authority cooperation, providing integrated solutions to long-term challenges. Another significant benefit to public-sector bodies is the opportunity to explore innovative solutions, which pose great risks but here too the risk of social innovation is transferred to the private-sector. In the analysed case study, the long-term challenge was the unemployment rate among youth of immigrant families and failure of traditional active labour market measures, while the risk consisted in introducing a new type of active measure, with no prior experience and no guarantee of success. The Duo for jobs programme managed

the long-term challenge and the risk of an unprecedented active measure, which eventually succeeded improving the employment rate.

The case study of **Australia** provides some new ideas about the importance of contracting. Here the purpose is to improve the career paths for students in building and construction. In this process multiple partners are involved; one of the largest construction companies in the country, schools (skills bodies) and public investment. The interesting dimension in this case-study is that at the school level no formal contract had been negotiated; all exchange gets shape with help of the pre-existing linkages between the project-management, industry and the 73 schools that are participating. Budgets on their turn are allocated on a competitive basis, which lead to performance based contracts between the partners with the aim to improve the labour market opportunities for students and to support the professional development for teachers. The lesson of TAFE, Queensland, over time has been that learning based on public-private cooperation has significantly increased VET attractiveness. The programmes have fostered the value of skills socially and economically. The case study in this report refers to several examples of PPPs, showing how the same concept may generate a diversity of agreements on programmes.

The **Israeli** initiative AMAL school for entrepreneurship, excellence and technology dates from a trade union initiative in 1928. Currently some 40.000 students follow education in high schools and technical colleges which belong to the municipalities at local level. Companies pay no investments since they do not consider school leavers as direct recruits, who first go to obligatory army service. The social responsibility of the private sector to offer services to schools leads to higher reputation. In the schools advanced teaching and learning methods are being applied, though formative and summative assessment still occurs in relatively traditional ways. Apart from introducing novel ways of assessment, also entrepreneurial skills including Innovative Thinking methods are enhanced for the integration of schools with industry.

In **Italy**, the government is the central actor in the public private partnership, where the importance of accurate data-collection for labour market forecasting is essentially seen as a public task. The quality of data collection however is dependent upon the collaboration with companies to get access to their strategic information. This case represents a knowledge-oriented PPP, of which there are not as many as the provision-oriented PPPs, hence the interest for this study. The innovative dimension in the Italian case is related to the collaboration of the Ministry with the regional Chambers of commerce, where private companies operate. This result in an update of and better application of the various forms of data collection and forecasting models. The cooperation dilemma at the origin of the Excelsior skills' intelligence system related principally to the private partner identification. The establishment of the cooperation with the Chambers involved the risk of alienating the commitment of the sectoral employer organisations. Such a risk was mitigated through a strategy of intensified dialogue between the Chambers and employers' organisations, with a view to define the benefits of Excelsior for all actors in the skills development system. The data collection instruments, periodicity, and dissemination were therefore adjusted over time, to match the various sectors' demand for intelligence on occupational profiles and skills needs.

The **Morocco** case study is characterised by innovation in the governance arrangement, which is an example for all countries including those with tradition of public-private cooperation, and by the sector dimension that is prevailing in the format of this PPP. The leadership of inter-ministerial cooperation at national level has well combined with key employer stakeholders' engagement. This has created the ground for participation of sectoral actors that, in turn, have been able to channel the needs of national and international companies for win-win partnerships on skills development. A lesson from this case seems to be that the PPP effectiveness is enhanced when public policy goals are fully shared by both the public actors and private side. The benefits of shared vision by different actors are even clearer when involvement of private actors is from the early stages of policy cycle, beyond individual PPPs. This helps the sense of ownership and incentive for change on both sides. The case further illustrates how legislation and by-laws has supported the partnership's institutionalisation. What was initially experimental governance has formed an ecosystem where VET Centres could be governed in partnership, with public

and private actors managing a network in a manner coherent with national policy goals. Diversification of financing tools, accountability mechanisms and quality assurance have been key in inter-twining together the VET provision- and resource-oriented dimensions of the PPP.

Preliminary conclusions in terms of policy lessons learned

Public private partnership in the field of vocational and professional education is driven by one underlying ambition: it helps participating organizations to fulfil in the need of skilled labour. This requires a sound analysis of the underlying trends in the demand of skilled labour and the quantity and quality of its supply. When the government or companies fail to invest, skill shortages and matching problems in the labour market may emerge. These problems have a wicked, multiple causative nature, since various conditions are relevant to improve or solve the issue. Cooperative efforts and joint action at different levels of aggregation may overcome this problem, first in local labour markets, to be determined by the companies in particular branch of the economy, but always in the context of the education system and labour market as a whole. What is needed and what can be achieved is determined by institutional conditions in a particular country, which makes the issue of a skill mismatches one of national concern.

Both fast changing technological requirements in work processes, unevenly spread labour mobility and austerity in government spending have posed public education for the need to adapt its study programme and have made the issue of public private partnership in training and education more urgent. In some countries, also other related 'wicked' policy problems are addressed: such as the issue of digitalisation of work places, the rising costs of health care, the lack of IT-competencies, the need to update training facilities, the plea for further labour market innovation, but often these examples relate to a skill-challenge and mismatch between supply and demand. To summarise: in the various case-studies, a variety of prominent examples have been discussed on joint public-private action regarding the improvement of labour market statistics and analysis, private participation in the education provision and management of school for initial and further training, and in labour market matching. Only in a minority of examples the emergence of social enterprises and the role of management in technique hotspots of innovation hubs have been mentioned.

We can relate these case-studies to the model introduced in this report:

The **Knowledge-oriented PPPs** help to arrive at a better understanding of the dynamics and interplay of VET systems, labour markets, and demand for skills, competences and qualifications. Throughout the text, mainly in the Italian, French, Swedish and German case studies, we have described the role of skill intelligence, surveys, demand articulation by sector skills councils, and work on qualifications frameworks in PPP-settings. These ideas have been taken up by many countries to justify the skill intervention and understand the changing labour market needs. Sound evaluation and monitoring and strategic planning come next to this.

When the institutional conditions for PPPs (investment climate, reliable data, trust relations) are positive, also **resource-oriented PPPs** may emerge. These are primarily oriented at improving the level of financing of VET, infrastructure, or human resources fitting within this idea. In the text large-scale infrastructure projects have been mentioned, but also the funding of equipment and training programmes in PPP have been discovered as part of this approach. In many countries, Australia, France, Germany, Morocco, Netherlands, Norway, Sweden, the characteristics of this model, go hand in hand with a change of VET-programmes.

VET provision-oriented PPPs reach wider and have an eye on the value added of collaborative learning and transformation of VET and HPE-systems. Case studies include Belgium, Germany, Israel, and the countries mentioned under resource-oriented model. The approaches reach beyond the traditional forms of work-place learning, apprenticeships and other types of VET provision, and also include innovative forms of hybrid organizations with educational renewal, student guidance, career services and competency development in line with the application of new technologies in workplaces. Here the ambition

is to align the contents of collaborative work, teaching, researching and working. Successful boundary crossing requires a combination of educational leadership, a good research and investigation climate, labour market matching and sound investment by governments, schools and companies in the skills of learners.

Overall, PPP-experiences may serve as inspiring example for further cooperation and learning experience in other policy contexts. As a general rule, however, it will be necessary to understand the underlying conditions and the various dimensions in the PPP: some ideas can be 'exported' or 'transferred', but the implementation will lead to change and adapt of concepts from one country to another. Policy learning should take these differences into account and consider who the stakeholders are and what they are motivated to do. Countries can get inspired by the experiences in other countries and draw lessons from good practices, but when VET and HPE systems are built on permeating models of training and labour markets, that are strongly context-bound and imbued with tradition with policy initiatives and trust-enhancing cooperation, it becomes more difficult to think about policy transfer from country to country. Reversely, new developing countries may have the institutional niches to engage in new experience and initiative, either in the form of work-based learning, industry-led training delivery, continuous training leading to joint initiatives of school and management, or to participation of companies in modules or elective courses and related certificates in particular branches of the economy.

Reflection on the case studies in countries of recent tradition of public-private cooperation

In the ETF partner countries, public private partnerships are on the eve of emergence. In the four countries under scrutiny, there are sufficient legal opportunities to create the institutional conditions for PPP, in spite of the more restricted access to financial resources and limited evidence, motivation and consciousness of formerly established traditions of mutual cooperation and joint social partnership. In response to the **hypotheses** raised in this study we conclude that the mechanisms of development vary according to the local contingencies.

In the development of PPPs several phases of enactment may be distinct. First: parties need to gather ideas; second, institutional conditions need to be met (legislation, infrastructure, intellectual capital); third, financial incentives/ money needs to be collected; fourth, pilots can be initiated under accurate educational leadership; fifth: assessment, monitoring and evaluation needs to be strengthened; sixth, some initiatives can be sustained, others will fall- down or receive a new start; seventh, parties can develop the quality of the their own practices and improve the coverage and learning potential of students and companies. These phases not always are linear, they also occur in a cyclical way, as follows from the four country studies.

Jordan: in various sectors sectoral skills councils have been set-up (in the garment, chemicals and beauty, tourism and hospitality, water and energy, logistics, and ICT-sectors) with the aim to improve labour market intelligence, to match demand and supply and to raise productivity and to monitor and evaluate the progress and results of training. To meet these ambitions various organisational forms are perceived to be successful. In each case it is considered whether the particular labour market needs are being met, whether there is enough input from the participating stakeholders, and most importantly whether the training is relevant, efficient and up-to-date meeting international standards, with sufficient equipment, training material and sources to facilitate learning practices. Next to all this come the governance structure with quality assurance provision and flexible mechanism to get to further adaptation of skill provision.

In **Kazakhstan** the starting conditions for public-private partnership are less favourable due to a number of reasons. Lack of staff, the brain-drain of expertise and minimal professional standards lead to low motivation of personnel and skill shortages in infrastructure, materials and technical base. The ineffective management structures hardly enable competitive skills standards, and result in lack of financial resources. Public partnerships programmes are generally considered to be underdeveloped. Here the law

stipulates that employers may participate in the development of the state obligatory standards of education, model curricula, programmes. Private partners are involved in various national bodies. Employers also may take a role in teaching processes at colleges in quality assurance and the assessment of professional degrees. The employers have no role in the governance of TVET. There are some polytechnics, such as the Kazakhmys corporation which is training some 580 students on an annual basis in the mining sector and Ural college for gas, oil and industrial technology which guarantees dual training in the public utilities. There is also a partnership Ust-Kamenogorsk for the Building industry. In addition, a small number of five cases of trust management where public VET colleges receive private support. Here companies make monetary investments, provide equipment, and ensure the practical training of the students, as well as the retraining of teachers, and thus is involved in the redesign of the curriculum, the participation of student training and assessment of the learning results.

In Serbia, there is a firm legal base for PPP. Besides the laws On the Public Private Partnership and Concessions and On the Public Procurement, some Education-related laws (On the Foundations of the System of Education; On the National Qualifications Framework; and On Dual Education), also include statements regulating PPP in education. These, however, do not elaborate clearly on the education and training field, regarding the width of the scope of PPPs and regarding clear fiscal incentives for the private partners for investing at least in education. In general, the social dialogue in the field of VET and skills development is not well-developed. Despite formal structures are institutionalised in the form of Council for Vocational Education and Adult Education, the social partners' actual influence on the decision making, specifically on the VET policy, is limited. The PPP cases in this country are mainly VET provision-oriented with more or less strong Resource- and Knowledge-oriented elements, which develop at local level. They are conditioned primarily by the labour force demand and the need to improve the relevance of the learning outcomes (specifically practical skills) to the requirements of the employers. Only one case (Institute of Field and Vegetable Crops) is production oriented and development of skills is an associated need. For two PPP cases (one related to preparation of specialist for the fashion industry – Cluster FACTS, and another using an innovative scheme for transition from education to employment – “E2E”), conceptualisation is expected upon entering in force the Law on Dual Education. The other case (training of hospitality sectors specialist – HORES Academy) is based on the Law on Adult Education. For all cases, PPP is formalised via contracts or at least Memorandum on Cooperation. Strong motivation of both parties – private and public – is in place for all PPPs and the level of their sustainability is high. Private sector's investments are principal for all cases, while the public funds are invested only by the Institute of Field and Vegetable Crops. The assessed PPP cases show a good potential for enhancing social partnership in VET at a system level. In fact, not only are institutionalisation elements present (conceptualisation, legislation, formal basis), but the actors have significantly learned to play their role by engaging in policy dialogue through practice. The motivation for skilled workforce is an effective driver, especially on the private sector side. The Cluster FACTS has a potential to lead the way to the newly emerging sector councils in Serbia.

PPPs in **Ukraine** are not built on existing social dialogue traditions: there are only Regional VET Councils in the country which have rather limited scope of responsibilities, while the VET institutions' Supervisory Boards are still emerging. At the same time, there are many examples of well-established and formalised partnerships between the private partners and MoES as well as private partners and individual VET institutions. They all lead to tangible results in terms of PPP cases. Two main types of PPPs are the Internship of VET students at enterprises and Training-Practical Centres (TPC), both well conceptualised, regulated and formalised via agreements and memoranda. Private sector is strongly motivated for partnership, either due to the labour force demand (for the former type) or for promoting own product (for the latter type). Internship of VET students at enterprises is requirement of the curricula, therefore actually all VET students, more or less productively, are involved in this scheme. When it comes to TPCs, presently more than 100 such centres are acting in the country, of which 87 are funded or co-funded by private companies. Another type of PPP is participation of employers in the Education content development through formally established Work Groups, where the private sector invests its time and knowledge (no remuneration is foreseen). A specific case of cooperation between the Odessa VET Centre

and the “Fomalhaut-polimin” LLC, implemented in the framework of an innovative social-educational project “Fomalgaut Building University” with objective to promote preparation construction sector specialists, can be considered for studying and possible further dissemination.

Preliminary conclusions and policy lessons learned

In none of the four countries with recent traditions, there are cases of cooperation which could formally be categorised as PPPs in accordance with the national legislations. The only exception is the case of dormitories in Kazakhstan. At the same time, due to their characteristics described above, it is reasonable to consider all the cases through the prism of PPP.

The comparison of the four countries in terms of the PPP's strengths done in Part II showed that Serbia and Ukraine are leading on institutionalization, closely followed by Kazakhstan. At the same time, in the analysis of PPP preconditions, these two leading countries were slightly behind the other two. This was only an apparent contradiction. They only prove that even in the circumstance of recently institutionalised social partnership, or absence of fiscal incentives, an effective cooperation (if not a formal PPP) between the public VET system and the private sector (and, alike, cooperation of the government with the private VET providers in Kazakhstan or capacity building for private farmers in Serbia) is possible if there are clearly perceived interests and a proper motivation of the parties.

Preconditions or foundational conditions

The analysis of the considered cases resulted particularly in a number of lessons learnt at the policy level. They are mainly associated with the preconditions which should be in place for establishing a sound public-private partnership in VET, as well as with the elements ensuring sustainability and further development of different PPP cases:

- Motivation of both parties is the key for success of any PPP case. For the private partner, the motivation usually relates to “business benefits”, however, it is not necessarily based on the fiscal incentives established by law or on expectations of immediate income. Sometimes it is associated with other interests, e.g.:
 - Increased effectiveness and efficiency of staff recruitment (more competent staff due to training at own enterprise and/or adapted curricula; decreased expenditures for post-graduate (re-)training, shortened induction period, etc.);
 - Use of VET institutions' facilities for income generation;
 - Promotion of own products in the market;
 - Compensation of own expenditures from the state budget including a certain margin (pure income).
- For the public authorities, motivation is typically about the improved quality and relevance of VET provision and its increased availability for wider groups of population. Decrease of the public budget burden is another stimulus for the Governments to establish PPPs.
- Therefore, the cases where the needs around which the cooperation is established – what issue will be solved and what results (and further impact) of the cooperation can be expected in terms of improvement of VET system or its aspect – are clearly defined and accepted by the parties, seem the most successful and sustainable PPPs.
- Furthermore, the level of mutual trust increases when parties get known to one another and project the possible risks and benefits (the latter is closely connected but not identical with the motivation) and translate these in a for example in a clearly stated agreement drafted for a certain PPP case. Under such conditions a first step in cooperation tends to become even more effective and sustainable.
- Nevertheless, only motivation is not always enough for establishing a proper PPP. The private partner has to be ready to take risks and be able to invest (not necessarily money but at least time and human resources, or own equipment, tools and materials). Some of the discussed cases show that even in-kind contribution may lead to considerable results (e.g. participation of private sector in

education content development in Ukraine). 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 types where tangible financial investments are essential (e.g. Centres of Excellence in Jordan or privately established training facilities in Serbia).

- Another principal issue is preparedness of the public structures to share not only the risks but also certain authorities (including those related to the decision making and fiscal management) with the private partners and give them a certain level of autonomy and independence. Our analysis demonstrates that the role of the state is important in creating conditions for a take-off of PPPs, though sometimes strong centralisation of governance negatively affects effectiveness of PPPs (the cases of PPP in Jordan) or considerably limits further development of the policy dialogue and establishment of new PPPs (the case of VET Council in Serbia).
- Very often, contributions from the donors are crucial. In different studied cases, financial and/or technical support from the development partners was a pre-condition for both appropriate conceptualisation of a PPP type in the given country and an impetus for its launching.
- Conditions for further institutionalization
- Conceptualisation of PPP types and modelling of their cases may strongly contribute to common understanding of the given PPP type throughout the country (also for the international community) and to proper structuring of every PPP case under this type. Existence of appropriate legal acts regulating the given type of PPP and specifically ensuring the rights and responsibilities of the parties, is considered supportive, too.
- Piloting of PPP types before introducing them throughout the country, seems advantageous for defining and final design of the most appropriate models for the given country. However, it should be always taken into consideration that a model which works well with a certain private partner might not be applicable for partnership with another one. This typically depends on the size of the company or the sector of economy to which it belongs. Moreover, considerable regional differences, specifically in large countries such as Ukraine or Kazakhstan, appears. Long-term traditions of a certain type of partnership (e.g. dual education in Germany) make this type of PPP rather country-specific and its “replication” in other countries, specifically in those with recent traditions, can only be made via heavy adaptation processes.
- Effective mechanisms for proper accountability and also for monitoring and evaluation of the PPPs are extremely important and are the guarantee of quality, specifically in the countries with consolidated traditions. This is a complex exercise indeed, and not in all countries the expertise necessary for introducing those mechanisms is available. Therefore, this is the area to be considered for international technical support provided particularly with the donors’ assistance.

Final evaluation

The PPP-experiences analysed in this study, contains two focal issues to draw lessons from. First, the **dimension of policy learning** referring to the question how to build a successful PPP, that can develop over-time and is sustainable. We may conclude that PPPs emerge in stages, initiated by various actor constellations, with varying time horizons to address the following three key issues which have been addressed in this report: the cooperation dilemmas between actors involved, the requirements and conditions of government legislation and coordination, and the nature of experimental governance including an assessment of its results. Not all these dimensions can be transferred from one policy context to another, but the various ingredients can be used to prepare a good proposition.

The second dimension is that of **granting effective public value** for the exchange between student/learners, teachers and companies themselves. This second learning dimension remains more implicit in the analysis and requires a research methodology which digs deeper in terms of the learning outcomes for the actors involved. Though ultimately, the success of any joint effort is determined by the shared results and the sustainability of learning outcomes that can be achieved.

PART TWO – CASE STUDIES OF PUBLIC-PRIVATE PARTNERSHIPS FOR SKILLS DEVELOPMENT

DRAFT

CHAPTER 5 – PPPs IN COUNTRIES WITH TRADITION OF PUBLIC-PRIVATE COOPERATION

Excelsior: sound statistics in cooperation with the chambers of commerce in Italy⁹

In Italy, the VET system occurs both at national and regional level, with specific programmes initiated at the regions and autonomous provinces (see Cedefop, 2016). The Ministry of Education, University and Research regulates the framework for VET in national school programmes for secondary and higher technical training. It sets the national framework for VET at upper secondary and tertiary level in national school programmes (higher technical schools: *Istituti tecnici superiori*, ITS) and higher vocational schools: *Istruzione e formazione tecnica superiore*, IFTS) for the services sector, industry and handicraft sector. The Ministry of Labour and Social Policies defines the framework for courses at the regional level, while these regions are responsible for the planning, organisation and provision of the courses, as well as for apprenticeship-schemes and continuous vocational training. There are both technical school programmes (*Istituti tecnici*) and vocational school programmes (*Istituti professionali*) for agriculture, health care, and social services, leading to an upper secondary education degree (level: EQF-4).

The case study of Excelsior in this chapter is relevant since it shows how the issue of data-monitoring is improved with help of public sources that align with private companies organised in the Chambers of commerce. As such, Excelsior shows how the knowledge function of VET-provision is improved in a public-private partnership framework.

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 a period of more than 20 years through the Excelsior system. Excelsior was established 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 (*Unioncamere*), upon advice of the European Social Fund that recommended to create a skills intelligence system, to better align the skills supply to the demand at planning stage.

The collected data were describing the labour market performance at the level of provinces and sectors. Excelsior started as an annual sample survey of companies' recruitment and skills needs. Today, data collection on companies' occupational and skills needs is carried out through monthly sample surveys with a structured questionnaire transmitted and compiled via the web (C.A.W.I technique, Computer Assisted Web Interviewing) and filled out by around 450,000-500,000 enterprises during a year.

The observation field consists in all the companies recorded in the Italian Business Register, with at least one employee employed in the various economic sectors (excluding Agriculture and Public Administrations). The Business Register of Italian Chambers of Commerce contains all the main information relating to companies integrated with occupational information from the National Social Security Institute (INPS).

The survey has a national coverage and is compulsory, which helps keeping the answer rate high, with a rotating sample build on sectoral and territorial (at the level of provinces) layers. Excelsior generate monthly, quarterly and yearly reports, and short-term and long-term forecasts of skills and occupational needs.

⁹ Author : Marc van der Meer. The author acknowledges as sources: for Italy, Cedefop published its most recent report in 2016. A summary (2017) is to be found in: https://www.cedefop.europa.eu/files/8123_en.pdf. Excelsior and Unioncamere have their own website. Interviews with Mr Claudio Gagliardi and Mr Luciano Abburrà and help of Ms Siria Taurelli are much appreciated.

The results are available at national, regional and sub-regional level (105 provinces and employment centers), for 28 economic activities and for different companies' size (1-9 employees, 10-49 employees and over 50 employees).

The Excelsior Information system for employment and training contains information on the demand of labour, the supply of labour and the mismatch between demand and supply. Larger companies are either directly approached by a written survey that has been circulated by the regional and sub-regional chambers of commerce, or companies are approached directly for a telephone interview following the CATI (Computer Assisted Telephone Interview) methodology. Following this approach, companies with several units or entities are breaking down their data on a provincial level.

Applications

This Italian initiative Excelsior is a skill-needs assessment-system that generates quantitative and qualitative data, covering all regions and all sectors in Italy. For each of the companies information has been collected about their economic activity, number of employees, localisation, and legal form. Data contains information on inflow and outflow, atypical contracts, number of managers, clerks and workers, and gender. The survey also provides information on the type of training activity: internal and external courses, on the job, self-learning.

Excelsior has been assessed by the OECD as a positive model. The classifications of Excelsior fit with international standards of economic activities: ATECO 2007, which is the Italian version of the NACE; classification of occupations: ISTAT CP 2011 which is the Italian classification of occupation based on ISCO-2008; classification of education: ISTAT 2003 (Italian classification), which is comparable to the ISCED; classification of territories: ISTAT, which corresponds to the NUTS-classification.

The survey covers the total population of Italian private enterprises, that in 2018 were evaluated around 1.3 million of companies, with 11.8 million of employees. As mentioned above, agricultural enterprises, operative administrations units, public enterprises in the health sector, public educational units in primary and secondary schools, public University units and other non-profit organizations are not covered.

The survey assesses the demand for professional profiles, which is enriched with qualitative information about skill needs, to allow for the planning or updating of qualifications. On the basis of this survey it has become possible:

1. To monitor developments at provincial level, sector level and enterprise level, and thus to feed the strategic agenda of public employment service and vocational training schools;
2. To build an econometric forecasting model, with particular scenarios for a period of five years;
3. To execute bi-lateral, ad hoc analysis, for particular sectors above all in the metal and metallurgy sectors, as well as in fashion, design and industrial design sectors.

In principle, the survey is accessible to multiple types of users: policy makers and the VET planners at national level and in the Italian regions, the employment services and labour market operators who need to guide workers and companies in job matching, as well as companies and the employers' federations with whom there are specific agreements sector by sector, and universities. Moreover, Excelsior monthly information about enterprises' occupational needs is available up to the territorial level of the employment centers, which could use it to improve the matching between labour supply and demand.

In general, multiple sources are used in combination to inform both policy-makers and VET planners, Excelsior, administrative data, other surveys and so on. The data are being used and applied in the networks of Ministry of Labour, Isfol, Unioncamere, the National Institute for social security (INPS) and the Institute of occupational accidents (Inail). Currently it has been envisaged to combine Excelsior with AlmaLaurea, i.e. the system of university graduate tracking.

Lessons learned?

Public-private-partnership. The particular public-private partnership component in Excelsior is that it has been implemented by the Chambers of Commerce on behalf of Ministry of Labour, closely with the national statistical office (that is engaged in the official enterprise surveys). By the Law, the Chambers and Unioncamere are public bodies, but funded by the private sector contributions and managed by the private sector. The chambers carry out functions of general interest for the business system, dealing with its development within the local economies. One of the main legal tasks concerns the study, analysis and monitoring of local economy data: for a better knowledge of the socio-economic situation of companies and for companies. The CEO of the chambers represents the private sector and the board members are social partners and professional associations. Local level social partners are represented in the local level chambers.

Funding. The survey is being paid from public sources, by the Ministry of labour and the European Social Fund.

Governance. The core element of the PPP-model is thus the role and representation of private companies within the chamber of commerce in developing a sound data-basis. The governance and accountability is regulated by a combination of public with private governance, which allows for better statistical coverage and deeper understanding of the policy alternatives in skill formation.

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

Forecasting- the quantitative dimension. Excelsior has been criticised in its quantitative reporting on recruitment forecasts. The problems are twofold: the data collection has not always been considered to be accurate, and some questions to companies proved to be leading to misunderstanding.

For example: the question "Could you provide a synthetic description of the different professional figures and a quarterly and monthly forecast of the number of activation of contracts with your company for professional figure in the next three months?" focussed on expectations, which have not always been realised in practice. When companies intend to recruit university graduates but do not find them, and recruit secondary school graduates instead, the prediction is wrong. Such problems have been solved by additional verifications through crossing with administrative data, e.g. from employment services showing divergent numbers.

This problem has been solved since 2017 when professional needs are expressed as a forecast of contracts to be activated in the three months following the interview integrated 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 on the qualitative analyses on type of profiles, decline of old profiles, emergent new profiles, levels of qualification, etcetera.

In parallel, the forecast model of medium-term professional needs provides employment projections by sector, occupation and qualification level for a timeframe of five years. For example, nowadays the Piedmont region is about to sign a memorandum with Excelsior for the adoption of the same econometric model of medium to long-term forecast at regional level. This will allow the region to utilise the model to go more in-depth, focus on a specific sector, et cetera.

European exchange? An important footnote about Excelsior can be added; in a comparative ESF-project covering UK, Belgium, France and Italy, it appeared that the model was not easily transferrable to these other countries. In Italy, the Chambers of Commerce can add information in an exchangeable way, which proves how VET is embedded in national and social systems.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	Knowledge-oriented PPP	Data collection
Scope and membership	Representative survey	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 <i>Goals of the PPP (problems addressed; opportunities realised)</i>	To monitor use of skills and skill needs Forecasting of skills needs Sectoral and regional analysis	
Key design features – <i>mechanisms of effect</i>	State agencies in cooperation with chambers of commerce	
Dimensions of the incentive and accountability environment	<i>Risk Allocation:</i> is with the Ministry of Labour and the statistical authorities	
	<i>Risk Monitoring and Management:</i> assessment and use of the data by the members of the chambers of commerce	
	<i>Monitoring and evaluation:</i> members of Unioncamere	
	<i>Termination clauses:</i> there are rights and obligations for all person involved.	
Polymaking framework	<i>Policy maker functions:</i> strengthening and linking VET system with the labour market	
	Industry functions: to provide detailed forecasting analysis per region and per sector	
	<i>Nature of industry-public sector maker interactions in policy design:</i> data provision	
Outcomes	<i>On learning outcomes:</i> improvement of analysis over the years	
	<i>On learning practices:</i> connection to new and other sources of data collection	
	<i>On learning experiences:</i> quantitative forecasts need improvement, quality of the data is estimated to be accurate	
Key contextual factors	<i>Public authority capacity and experience:</i> Ministry of Labour funds the initiative.	
	<i>Degree of market readiness:</i> sound statistics serve as background for improvement of VET system	

	<i>Legal framework:</i> role of Unioncamere is laid down in Italian Constitution. Cooperation with Ministry of Labour is laid down in government decree.	
	<i>Governance regime:</i> Ministry of Labour with social partners, in connection with members of Chambers of Commerce	

The Netherlands: 160 centres of public-private partnership in MBO and HBO¹⁰

In the Netherlands a change in industrial policy has resulted in the emergence of more than 160 Centres for Public-Private Partnership (PPP) in schools for upper-secondary vocational education (MBO) and for higher professional education (HBO), together with private companies in various sectors of the economy. This text highlights the important stages in the emergence of the PPP-centres since 2011, which aim to innovate and accelerate the mutual exchange between the labour market and schools for vocational and professional training. In MBO these initiatives are called 'Centres for innovative Craftmanship' (CiV) and Regional Investment Fund (RIF), in HBO: 'Centres of Excellence' (CoE).

Main characteristics

The PPP-centres in the Netherlands aim to enhance both product market and educational innovation by establishing a structural exchange relation between schools and the labour market. PPP-centres are supported by state issued grants, co-financed with private capital. To be eligible for a grant to establish a centre, stakeholder need to draft a business plan that meets a variety of conditions:

- Partners define a joint ambition and the urgency to establish a new physical learning environment;
- At least 50% of the budget should come from the partners and of that 50% should come from participating businesses;
- MBO-colleges or HBO-universities of applied science on the one hand and private partners on the other hand are jointly responsible for operational and financial aspects, but the secretariat of the partnership must remain with the schools;
- The Centres should still follow the formal state-supported requirements for their respective levels of education;
- The business plan must include a long-term financial sustainability plan, and the Centre should become financially independent within five years.

The centres have been launched with a few pilots, mostly building on existing initiatives and networks. Today, more than 160 are fully operational across the country, with the overall involvement of over 9,800 companies, 5.000 teachers and 84,000 students. An average Centre comprises of 35 companies and other organisations. Participation is open to all companies willing to invest and the Centres are allowed to provide paid services to the private sector. Diversity and autonomy is the key characteristic of the centres-approach; each centre creates its own niche and market value.

In the following text we will analyse how the various Centres for Public-Private Partnership have been set-up and for what reasons. We start with some historical antecedents, then we discuss the emergence of a new industrial policy, in the end we summarize the lessons learned.

¹⁰ Author : Marc van der Meer. This text is based on interviews with various stakeholders in the field and document study. Thomas Boekhoud assisted in providing some presentations and evaluative documents of the PPP-initiative in various provinces: Noord-Brabant, Limburg and Southern-Holland. In addition, several site-visits have been undertaken, most recently in Eindhoven, Harderwijk, Haarlem and Rotterdam.

The background

Historical antecedents

Public-private partnership in *both upper-vocational and higher professional education* has deep historical roots, as these parts of the educational system are founded on cooperative forms and networks originating from the guild structure of the mediaeval period. The 1919 Craft Education Act entailed the first dimensions of partnership in the modern era. After the Second World War, vocational and higher professional education has become well established in two separated systems: a system of upper secondary professional level (MBO), issued by the WEB Act of 1996, and a separate system of higher professional level education (HBO), founded in the WHO-Act of 1986. In the legislative process associated with these most recent reforms, schools were attributed substantial autonomy and within the process of scale enlargement a process of merging and rationalisation of schools has occurred. It should be added that article 23 of the Dutch Constitution guarantees the Freedom of Education, independent from the government, which makes MBO-colleges and HBO-universities autonomous organizations, also in relation to private companies and private education.

In Dutch secondary vocational education and training (MBO), representatives of business and labour traditionally play a role in the definition of qualifications and the access to work place learning. Social partners (employers' associations and trade unions) are together with the VET-colleges involved in the description of the qualifications and examination criteria. They are also jointly responsible for the recognition and quality assurance of the overall 230.000 companies where apprentices fulfil their obligations of learning on the job. So, within the upper secondary VET-system an institutional position for private representatives of the labour market has been guaranteed. This is in contrast with higher professional education, where these linkages are less profound and not regulated by law. The curriculum of higher professional education (HBO) is not defined by a qualification structure together with companies, but is assessed by the government.

The concerns about the influx in technical studies

Over the past few years, direct concerns about innovation and the labour market competencies have gained foot both in upper-secondary (VET, *MBO in Dutch*) and tertiary level (HPE, *HBO in Dutch*). The public-private partnerships we discuss here are being introduced since 2011. These current initiatives aim to connect both upper secondary vocational education and higher professional education with innovations in labour and product markets. Within this overall ambition there are three concrete goals:

1. To increase the number of technical students (mathematics, engineering, science and technology, STEM) and to enhance educational innovation in the context of regional development;
2. To innovate the practice of professions and production processes;
3. To encourage life-long learning.

In order to reach these goals, the PPP-instrument has been chosen, on the supposition that the speed of change needed to enhance innovation in schools, could only be derived with help of external or outside incentives. For this aim the PPPs have been set-up. A key question for the PPP-projects under scrutiny is: How to (re)develop the education system to equip young learners (and adults learners) with the right tools and innovation skills (STEM, 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 to contribute to the transformation of these educational institutes: students solve real-world challenges or questions and work at innovative solutions to strengthen social and economic competitiveness. The cooperation facilitates the access of companies to knowledge development in the educational institutes and vice versa schools are better aware of new technologies and work practices in companies.

The organisational basis for these innovations date back to 2004, when the three of Ministries Economic Affairs, Social Affairs and Education established the Science and Technology Platform (Platform Bèta-Techniek -PBT), with the overall aim to enhance the number of students in science, technology, engineering, and mathematics (STEM). Since its start, several recruitment campaigns and programmes

for innovative cooperation between companies and education institutes have been initiated and new types of educational programmes have been propagated, to promote technical and technology-oriented education at all levels in all types. In 2019, the Platform Bèta-Techniek (PBT) will merge into a wider organization,¹¹ whereas the new spin-off Katapult (established in 2016) aims to serve as engine, broker and stimulator to multiply the several initiatives.

The new top-sector policy, introduced in 2010

Due to the acceleration of technology and digitalization in product markets and the disappointment of business leaders with the outcome of vocational education and professional education in the course of the first decade of this century, the cooperation between education and business sectors has been revised. Though many of the current centre-initiatives build upon the regional networks and experience of the past two decades,¹² the new national industrial policy of 2010 must be seen as the underlying justification of the centre-approach. The top-sector philosophy is based upon an internal analysis of the national employers' association VNO-NCW that the country needs more specialisation of regional industries rather than providing general conditions within its industrial approach.¹³ In 2010, the government (i.c. the Ministry of Economic Affairs) has identified first six, and later nine, 'top sectors' to strengthen the international competitive position of the country. In each of these sectors a particular human capital agenda has been drafted to define the goals and ambitions for the sector at stake. Simultaneously, so-called 'top teams' were formed in each of these top-sectors composed of an innovative SME-entrepreneur, a scientist, a civil servant and a company-CEO, with the aim to draft ambitions, challenges and opportunities about the preferred degree of competitiveness, innovation and human capital in the top sector.

Subsequently, a committee within the Platform Bèta-Techniek developed a new concept for a *combined* MBO together with HBO PPP-approach. After deliberation within the associations for HBO-universities the decision was however made to enable two new types of partnerships: *Centres for Innovative Craftsmanship* (CIV) in MBO and *Centres of Expertise* (CoE) in HBO. The Science and Technology Platform has been given the task to set up these top centres for technology and education.

¹¹ In 2019, three separate organizations all active in the technological domain PBT, TechniekTalent.nu and TecWijzer are being merged into a joint 'Platform Talent voor Technologie' (Platform Talent for Technology).

¹² Remind for example the break-through projects of *Het Platform Beroepsonderwijs* (HPBO) on the professionalization, effective organization and innovation in vocational and professional education in the period 2004-2016.

¹³ In the HBO-sector, a similar need for profiling and specialization of the HBO-Universities of Applied Science has been expressed by the influential government-committee Veerman (2011). In the MBO-sector, a comparable committee has been at work to strengthen the quality of education, but given the educational impact for the regional economy, no limitations have been drafted to develop the portfolio of the VET-colleges (Commissie Oudejan, 2010).

The emergence of the Public-Private-Partnership-Centres

The first generation of centres

The first PPP-projects started with the launch of a call for subsidies in 2010, which resulted in seven proposals awarded a grant in the first year.¹⁴

Most of the projects were building on existing networks, that were continued or revitalised with the particular aim of PPP-cooperation. The funding of these centres encouraged educational institutes to meet the specific needs of firms with regard to skills and competencies to be trained in vocational education. As a prerequisite for establishing these centres, schools had to include the economic demands of regional clusters and ecosystems in their proposals. From the start onwards, the seven centres organised general assemblies to share experiences and promote circulation of knowledge, discovering their joint challenges, knowledge, contents, and wicked practicalities such as additional funding and resources, public and private finance and value added tax.

The first generation centres were regularly being evaluated during the term of existence. According to the first midterm evaluation of the Audit committee in 2014, the implementation of the business development of the centres met its three envisaged ambitions: 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 company staff, though the issue of life-long learning appears hard to develop.

From the start, substantial differences can be noted between the MBO and HBO centres. Compared to MBO-colleges, HBO-universities for applied science have - given their funding and legal tasks - a much more research-driven culture and, therefore, the latter have proven to be able to attract more additional contract research and thus ability to incubate novel company services and applications. As such, HBO-Universities have more financial resources. As a result, the ambitions of the MBO-centres have been restricted to merely executing the CiV-programmes. Here, the realised degree of innovation of the partnership with companies remained substantially below the standards as envisaged at the design of the approach (PBT, 2014). The first generation of centres was granted an additional (fifth) year to approve its willingness to continuation. In 2019, some 75% of the first generation centres are still functioning, though others (25%) have been abolished.

The second generation of centres

In 2013, a second round of centres was established. In this second round, the various schools no longer needed to work together, since the first round showed that the governance model of joint management and the mutual relations between school managers proved to be too fragile (source: interview). In the HBO-sector, the centres for higher professional education worked together, which led to a distribution of the available budget. The COEs have been aligned with the performance indicators defined by the Ministry of Education. In the green sector, three COEs have been established that started to collaborate. In the pedagogical sector, a PPP for newly entering teachers was established, but it appeared to be non-productive in the end. A centre to facilitate the start-up of digitalisation and personalised learning in schools proved to be very successful. Under the umbrella of such an HBO-centre of innovation it appeared to be possible to initiate projects on digitalization and professional development of teachers in primary education, secondary education and vocational education, which later can be used to draw common lessons from.

The Regional Investment Fund in MBO

After the 2014-evaluation of the first round of centres, the PPP-structure was further encouraged when the government initiated a Regional Investment Fund (RIF) for the MBO-sector, paid by the Ministry of Education. This resulted in a substantial increase in the number of PPPs in VET-education. All VET-colleges got engaged in a mutual competition to get a PPP-project accepted. In the MBO-sector, since the

¹⁴ The first seven centres were: the centres of expertise in water technology; automotive and chemistry in HBO and the centres for chemistry; logistics; automotive and process technology in MBO.

RIF-funding, there has been a policy of 'Let a thousand flowers bloom', though in practice the PPPs will fit to the strategic priorities of the VET-college. Currently, all larger VET-colleges contain a handful of these centres among their working sphere.

The restart in HBO

In the HBO-sector, only recently a new wave of centres has been initiated, in line with the profiling of the schools. In comparison to the VET-colleges, the Association of Universities of Applied Sciences has negotiated a strict agreement in 2018/9 about the further development of the centres in HBO-sector. Particular criteria for development, evaluation and monitoring have been developed, which enable coordination of the contents of the centres more in accordance with the demands of the regional economy. According to the agreement, the cooperation between higher professional education and companies is still in a starting phase. The agreement aims to stimulate and facilitate recognizable and successful further development of the centres which enables the profiling of higher education. The overarching objectives of the centres are: the achievement of a good connection between education, research and professional practice; the development and support of innovative professionals; developing new knowledge; the promotion of 'life-long learning'; speeding-up and increasing the innovation capacity of businesses and social and public organizations as well as the innovative capacity of higher professional education itself. They define sustainable Centres of Expertise 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".

Lessons learned?

From their emergence in 2011, the public private partnership centres in the MBO and HBO-sector have been evaluated in order to understand their added value. A successful PPP is characterised by a shared ownership of the participants in the composing networks, mutual exchange and related social institutions. The number of parties involved may fluctuate. This shared characteristic manifests itself in substantial co-financing and shared governance based on equality: after all, the partnership belongs to all parties aiming to meet particular objectives. The objectives are demand-driven and often focused on the long term. The joint ventures are also development-oriented: the collaboration is deepened by innovating, experimenting, or responding to new developments.

The centres are generally considered as an 'asset', sometime even 'crown jewel' for each of the participating schools. From 2011 to 2019, the number over centres rose from 7 to more than 160. Overall, 24 HBO-universities and 59 MBO-colleges are participating in this initiative, together covering 96% of all students. Thus virtually all HBO and MBO-schools contain one or more PPP-centres in their portfolio. The projects that have been visited include the RIF-project on smart organization in home care (Eindhoven), the centre for 3D-printing (Haarlem), the RIF-project digitalization in the security-sector (Harderwijk) and the integrated IT-campus in Rotterdam, all new promising initiatives that need to meet their value added in the years to come.

It is also clear that not all ambitions have been met. For example, the first and second generation centres were compelled to refresh their business plans in 2014 and in some cases, may be only 25% of the ambitions have been realised (source: interview). Given the experimental nature of the centres this was still considered as successful, as long as lessons were drawn from the initiatives. During the past few years the new experiences have resulted in a number of joint conclusions, which are based on various evaluation studies:

Coverage. The landscape of PPPs is quite varied. On average, 35 companies, 375 students and 30 teachers are active in a PPP (either in MBO or HBO). It is estimated that per year some 5% of all VET-students benefit from a PPP. Most centres are to be found in the domain of technical studies, though since the RIF-initiative in MBO also other educational specialisations may apply. For example a RIF-centre has been established for the lowest 'entrance' level for VET-students. In actual practice, the committee for the

evaluation of proposals honours ideas that are considered to be innovative for the future of the product and labour market in a particular niche or discipline.

Cooperative dilemmas. As a general rule, the PPP's have been encouraged by the government agency Platform Bèta Techniek, but often they build on pre-existing networks, associated with the Topsector policy. In some cases the joint initiatives already existed and the subsidy came as a welcome support. As a general rule, the initiative for strategic cooperation between schools and business is originating at the strategic level, but in the implementation and the execution on the work-floor of schools and companies, organizational adaptation is needed. For example, the enthusiastic attitude of companies at the start of a project is not always continued, and sometimes companies may even lose their interest in the partnership. What drives cooperation is the current labour market scarcity, which makes companies visible in their competition for recruiting new talented students. On the side of the schools, a new form of educational and entrepreneurial leadership is necessary to make the centre productive. Reported problems include the work-load, the inability of teachers to guide the students in a different way and the practicalities to work in adapted work rosters or in closer cooperation with companies. In general terms, schools need to become learning organizations, which presupposes the willingness and capacity to share information and to develop pro-active HRD-policies, to enable a transfer of lessons learned to the wide majority of departments in the school without PPP-structures.

Experimental governance. The governance structure of the new centres varies. In the Katapult-network of partnerships between education and, currently some 15 different business models (starting from the general 'Canvas'-model) are distinguished, business including centres for educational partnership, communities of learning, learning in practice, research houses, innovation workshops, project offices, laboratories, sales offices, marketing organisations, portals and network organizations. The terminology 'business model' is thus not conceived in a too strict or in an exclusively commercial manner. Means and ends may change and should not be 'moulded in concrete'. The philosophy is to consider who undertakes what activities for whom, with what value added, and what networks necessary to reduce associated costs and increase revenues. In interviews it has been argued that 'Grand designs' on paper may be limitative in practice, since the organisation of the PPP gets inflexible. The philosophy here is that the ex-ante definition of new organisations structures may be counter-productive in practice. The centres thus aim to avoid inflexibility, and the underlying idea is that the legal form and governance structure may emerge over time. Therefore: 'proof who you are and what you like to become'. Afterwards the legal structure and its governance aspects can be defined, which still needs to comply with the governance and supervision regulation of the Dutch legislator.

Funding. Various financial issues are at stake. From the start, the financial resources for a HBO centre of Innovation (5 million per centre) have been substantially larger than for a MBO Centre of innovative Craftmanship (2 million). Since the introduction of the Regional Investment Fund, a separate provision for MBO has been created. The RIFs contain a smaller budget, though in practice various forms of financing will be combined. Today the number of proposal outreaches the available resources. The issue of value added taxation (21 percent of costs) has been on top of the policy agenda too. Jurisprudence has been developed to solve this issue that was treated differently by individual tax inspectors. Therefore, emerging centres are supported with legal assistance and jurisprudence to solve practicalities regarding the use of public provisions for private goals. Most project are being financed from the national budget with help of private resources. The PPP-initiative has also been integrated in the European Erasmus-programme for VET and some centres apply for these European subsidies, though the route is considered to be lengthy and costly.

Divergent strategies of MBO and HBO sectors. From the start, the two sectors MBO and HBO have followed their own strategy regarding the establishment of the centres. The national governments has not been able to bridge these positions. For example the Association of Applied Universities protected the interests of the HBO-schools regarding their own research infrastructure in relation to the ambition of profiling its schools into the direction of becoming practice-based universities. In 2018, the HBO-sector has developed its own governance-document to coordinate the development of the various new initiatives.

In the MBO-sector, the initiative is steered in the form of open competition with the conditions set by the Ministry of Education. From the start the qualification structure in MBO has been called a barrier restricting cooperation between MBO and HBO-schools and companies, but today this critique has faded away.

Monitoring and evaluation. The innovation approach of the centres associated with the Topsector approach (2011) and Technique Pact (2013/ 2016), is regularly debated in Parliament. The centres are part of this evaluation, which is the responsibility of three Ministers: Economic Affairs, Social Affairs and Education. The RIF-projects are part and parcel of the budget and policy of the Minister of Education. Since a substantial part of the overall innovation budget is invested via the centres, the monitoring and evaluation practice is significantly relevant. The progress of the centres is monitored by committees that are initiated by the government agency PBT with supervision of the DUO-department of the Ministry. The monitoring and evaluation assessment are the main source of input for the continuation of the programmes. Given the emerging experiences and the experimental nature of the centres, the criteria for evaluation are emerging too. Critical condition in the underlying business models, and thus in the evaluation practice, is the question whether or not the goals of the continuity and independence of the individual centres will be met. Currently no resources are available for a comparative analysis of the contents of the projects, the impact of technology and the value added for the individual schools or student participating in the centres. It is also too early to evaluate the spill-over of the centre projects to the regular education programmes. The existing monitoring efforts mainly focus on the dimensions of the number of members (i.e. the number and relations of companies, employees, schools, students involved) and the process of participative cooperation. The number of stem-students appears to be rising gradually, above all in higher professional education, though the sustainability of the centres without financial support from the government cannot be taken for granted (ambition one). Less explicit in the evaluation is the contents of the cooperative efforts for either the schools or business (ambition two). Recently, three regional studies have been published on the actors, relations and exchange between schools and business at the provincial-level (Kuiper e.a., 2018a,b,c). In general it is claimed that the innovation of business practices is supported by the centres. In addition to training provision, companies may be involved in a variety of other activities, including provision of guest lectures, research and development projects, inputs to curricula, and forming of innovation teams. Life-long learning (or 'life-long development' as it is called in the Netherlands today - ambition three) proves to be the most difficult ambition for the centres. This is however a nation-wide concern: life-long development will take place in informal ways, more than in formal learning setting. It is among others for this reason that the centres are increasingly evaluated in terms of the 'learning communities' or 'communities of practice' they participate in.¹⁵ According to Kapatult, a further handicap in life-long development is that European regulation does not allow private companies to benefit from the transfer and allocation and thus life-long learning of participants in the centres.

Knowledge dissemination. Sharing the results (both the output and outcome) of the PPPs is of crucial importance, and since the start general assembly meetings have been organised for knowledge distribution. The government agency PBT that always was engaged in various wide-scale projects for innovation in schools has been the driving force of this exchange. The wider scale of now 160 centres has urged for a new forms of knowledge dissemination, also given the current national reflection about the usability and impact of various initiatives.¹⁶ To anticipate this debate, the Katapult organisation has been set-up in 2018 in order to disseminate and encourage new practices of knowledge sharing. To meet this aim, various forms of brochures, booklets and websites have been set-up. It is regular practice that on annual meetings various Ministers or CEO's give presence to strengthen these initiatives.

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 stop to exist when

¹⁵ The various top-sectors have published four documents, in which the concept of 'Learning communities 2018-2021' is plugged: it contains, first, an Agenda for investment, 'Together we make the next step'; second, a research agenda, 'Drafting future research questions'; third, a research report 'How come things work'; and, fourth, regional examples 'Learning by doing' (June 2017).

¹⁶ In April 2019, the five employers' associations in education (covering all levels of education) have produced a white paper to complain about the limited functioning of the knowledge infrastructure in education, which does not always lead to beneficial gains for teachers and learners in schools.

their initial goals are completed, whilst others evolve into a sustainable partnership that is financially and organizationally independent from government subsidies. For many PPPs, however, sustainability and upscaling of activities is a difficult process, and within the process it will become apparent to what extent they depend on external financial incentives. The experience shows that the development path of a centre is not always unilateral, it can also 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 not come as a surprise that some of the 160 centres discussed in this case-study receive international recognition and have been mentioned as good or even strong practices in the Erasmus-programme and take part in the European network of Living Labs, which underlines and justifies the assets and importance of vocational training and professional education. Cooperative efforts and innovative behavior are also part of the Dutch culture, and most of the current projects still need to prove their value added. It is not a sufficient condition to argue that new emerging 'learning communities' will automatically lead to the realization of the proposed ambitions of the centres. Sufficient ownership from the side of both education and companies, as well as educational leadership are needed, and some more detailed diagnostic monitoring system, with sound criteria and methodology to enhance the innovative practice and the reflexive capacity to transform MBO and HBO into learning organizations.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	VET-provision oriented PPP	
Scope and membership	Coverage of projects initially in STEM-area, recently wider application 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 MBO, HBO and companies	
Goal(s) to be achieved <i>Goals of the PPP (problems addressed; opportunities realised)</i>	4. Improve enrolment of STEM-students and enhance education	
	5. Stimulate innovation and professional exchange between schools and business	
	6. Life-long learning	
Key design features – <i>mechanisms of effect</i>	<ul style="list-style-type: none"> ■ Government develops financial and organizational programmatic structure 	
	<ul style="list-style-type: none"> ■ Schools and companies compete with proposals for grants 	
	<ul style="list-style-type: none"> ■ Centres are designed according to the preferences of participating actors 	
	<ul style="list-style-type: none"> ■ Knowledge sharing, monitoring and evaluation with government agency PBT 	
Dimensions of the incentive and accountability environment	<i>Risk Allocation:</i> each of the partners is responsible for their own shares, overall innovation process is under parliamentary control	
	<i>Risk Monitoring and Management:</i> the government agency PBT monitors the implementation process, Cabinet, Parliament and own board of supervisors control the activities of the government agency PBT.	
	<i>Monitoring and evaluation:</i> executed by the government agency PBT	
	<i>Termination clauses:</i> after the contract period (i.e. within five years), the centre should be self-reliant	
Policymaking framework	<i>Policy maker functions:</i> regulation and co-financial provision of the initiative	
	<i>Industry functions:</i> anticipating the innovative needs in product markets	
	<i>Nature of industry-public sector maker interactions in policy design:</i> co-design in collaborative efforts.	
Outcomes	<i>On learning outcomes:</i> deeper understanding of the conditions how to set-up innovative collaborative projects	
	<i>On learning practices:</i> the output of the individual partners remains merely implicit, though will be shared within the centres	
	<i>On learning experiences:</i> cooperation occurs not only linear but also in cyclical ways, due to role of mid-term assessment and mutual learning activities.	
Key contextual factors	<i>Public authority capacity and experience:</i> cooperative effort of three Ministries	
	<i>Degree of market readiness:</i> proposals are merely rewarded as they match with the innovation needs in product markets	
	<i>Legal framework:</i> subsidy provision and monitoring mechanisms are closely related to meet the underlying ambitions of the PPPs	

Sources : This text is based on interviews with various stakeholders in the field and document study. Thomas Boekhoud assisted in providing some presentations and evaluative documents of the PPP-initiative in various provinces: Noord-Brabant, Limburg and Southern-Holland. In addition, several site-visits have been undertaken, most recently in Eindhoven, Harderwijk, Haarlem and Rotterdam.

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The Education Office of Oil-related Trades (OOF) in Norway¹⁷

In Norway, vocational training is organised in training offices per trade: construction, electricity, health, logistics, et cetera. In the oil and gas sector an organized awareness exists to be keen on the quality of new employees. The sector has established an Education Office of Oil-Related Trades (OOF in Norwegian) – it is a sectoral organisation facilitating the organisation of the apprenticeship schemes. The OOF is a cooperative body with the main goal of coordinating and streamlining the training activities of member companies, improvement of quality of training, and identification of needs and opportunities of the oil and gas sector.

The oil sector in Norway has a strong demand for technicians with vocational qualifications. The sector has skills shortages due to a variety of reasons, which include new exploration activities, international competition over the best performing employees, and a demographic challenge with young adults entering the education system. The oil industry is also vulnerable to the waves of the world conjuncture. In 2014 the industry suffered from a deep downturn causing many job losses, in 2019 the economy goes up again. For OOF the main question is: how to guarantee an adequate number of high-quality apprentices. To meet that aim, it is relevant to know how many new apprentices the industry needs to educate, given the fact that the country does not like to train more than the actual needed number of youngsters.

OOF is a private association, a so-called zero organisation without benefit goals, that was initiated by nine oil companies in 1999, then recruiting 32 apprentices. Currently, in total 37 oil & gas companies and ship-owner companies are member of OOF¹⁸. Most of them are quite big private oil companies, some of them are public firms. The coverage rate is 100%. Five companies are represented in the supervisory board of OOF. Together the industry employs thousands of employees and is loyal to another regarding the professional training of apprentices.

For that aim, OOF organizes a very close, tripartite dialogue with the oil companies, with the vocational schools and the 19 counties of the regional government, which is responsible for upper secondary / vocational training and education¹⁹.

Twice every year there is an adjustment of the forecasts. The number of students fluctuates with the economic demand. Sometimes the number needs to be adjusted upward, sometimes less apprentices are allowed in. The partnership to achieve forecasts works quite well, most years the predicted number is spot-on, only rarely the number is under- or over-estimated. Flexibility occurs to allow more students in when the demand rises. When apprentices do not function well, they are guided to another company or even to another trade.

In Norway, compulsory education runs from 6 till 15 years. Secondary school pupils in Norway have a possibility to select the vocational stream of learning, which consists of two years in school-based learning and the third year in a paid apprenticeship. In this case, students first specialise in either electricity and electronics or mechanics for technical and industrial production. In the second year they become well-technician. After two years they can apply for an apprenticeship at OOF. The specialisations include: drilling, cement, completion, coiled tubing, electronic and mechanic wire-lining, and subsea-work. Apprentices need to be 18 years or older. OOF has 400 apprentices on contract each year, 200 enter new each year and 200 end their apprenticeship with a final trade examination. Most of them are males, less than 20% is female.

¹⁷ Author : Marc van der Meer. The author acknowledges the information provided by Hanne Grete Kwamso. For further Information on vocational education in Norway: see Cedefop.

¹⁸ 30-40% is affiliated with the Norwegian Oil and Gas Association (NOROG); some 60-70% is affiliated with Norwegian Association for Ship-owners (NR).

¹⁹ 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; whereas the 430 municipalities are responsible for lower secondary education.

At the start students are being thought about their rights and obligations. The mission is that if training is to provide a good result, the apprentice must be active and willing to learn. Only the best students can apply. Motivation is tested at the start of the apprenticeship with an interview after job application. OOF does not match the student and company. The companies interview students and let OOF know who they would like to offer apprenticeship. The student might get more than one offer. Subsequently, OOF calls the student, tell them the offers. The student has 24 hours to decide which offer they would like to accept.

The ambition is that an apprentice will not only learn the trade, but also the ways of working and forms of behaving in an often challenging working situation/ environment. Apprentices are hired for 24 months by a particular company. In case of a possible misfit between company and student, the apprentices can be replaced to another company where work is available in order to continue their education. After the internship, company and apprentice may continue their contract, but both are free to quit the agreement.

The students work 2 weeks off-shore and return home for 4 weeks. Most of the students still live with their parents and some of them have a second job during the period at homes. While working off-shore, apprentices are being paid 30% of the minimum wage in the first six months, 40% in the second half year, 50% in the third half year and 80% in the last six months. The companies pay a small entrance fee and an annual fee to OOF.

For the continuation of this system, the Norwegian government pays a state grant. OOG receives for each of the apprentices 30.000 Norwegian Krone, whereas the companies receive 120.000 Krone, for a period of two years. The total sum of 150.000 Krone government investment is equivalent to 15.000 Euro in two years.

The core of the partnership is that companies educate their own work force. For the companies it serves as an excellent recruitment period ('a two year long interview'). OOF is responsible to execute the following tasks:

- Providing quality assured training.
- Testing the learning progress of the apprentice every 6 months. Overall 4 tests are being taken during two years.
- When the apprentices return on-shore: they are being evaluated about their experiences. This evaluation serves as a reflexive instrument about their learning outcomes.
- The OOF-instructors are specialised workers, who originate from the work force, and get a particular training themselves for guiding apprentices.
- On shore, OOF offers specialisation classes, for example on robotics, but also on special modules in remote operated vehicle trades, such as hydraulics, mechanics, high-voltage, and explosive risks. Attendance time is about 50 hours per year.
- OOF organizes school-visits, vocational exhibitions, an Oil Museum, conferences for teachers and advisors, and meetings with parents and pupils.

From the start, each apprentice has to understand what they are going to learn and what is expected of them in their training period. They are evaluated 6 months, including a practical task/test. The students get feedback and are to be involved in their own evaluation. The apprentices use a web-portal to document their progress. They also have a training manual, for the instructors to sign. Evaluation occurs on a regular basis, each time after they have been offshore.

Evaluation criteria of the apprentices include:

- Quality of the work;
- Tidiness in the work;
- Motivation and achievement of the trade;
- Personal development, initiative and independence;
- Health and safety;
- Team work;
- Professional development according to the education plan;
- The quality of their own evaluation in their personal work book or notebook.

The system of evaluation and feedback appears to be working quite well, also given the fairly low drop-out rates. As a general rule, a high percentage of over 95% gets their degree. Apprentices only drop-out due to for example illnesses or allergy. In the work process the apprentice learns the specialisation of the work. All manuals are written in English, though in the companies also Norwegian or the local language of the company is spoken.

Evaluation, lessons learned:

1. The main ambition of OOF is its responsibility for the training content and quality of apprentices in the oil and gas industry. This ambition is set in the annual meeting. To meet that goal OOF is owned and run by member enterprises on a national level; it receives a state grant for apprenticeships; it signs contracts with the apprentices; it organises apprenticeships in member enterprises; it conducts administrative work and supervision; it arranges and organizes an evaluation of the apprentices every 6 months; it works closely together with Ministry of Education, the 19 counties, the employers' associations for Norwegian Oil and Gas Companies (NOROG), the Norwegian Association for Ship-owners (NR) and member enterprises to make sure that the curriculum always is up to date and it provides courses for instructors.
2. OOF has more than 20 years of experience in matching and guiding apprentices given the needs of the industry. What has been improved over the years is the communication between the sector and the vocational schools. Here OOF serves as interlocutor translating the needs of the companies into the curriculum of the school. For example, sometimes more workshop training is needed in the specialisation of electricity, sometimes more instruction is deemed necessary in mechanics. OOF thus helps to improve the regular VET-curriculum, also in request of the government when reviewing the education profiles.
3. As a general rule, in Scandinavian countries vocational training is well considered and to be of good status, also in comparison with that of university students. In the oil trade, the pride of the work performance of the apprentices is strongly valued by the participating companies and the apprentices get social recognition for their work.
4. Monitoring and evaluation of the companies occurs mostly in an informal way, with a dialogue based on trust. As a general rule, the government asks questions about the mechanism of forecasting and allocation, but according to the OOF-management no emerging problems can be mentioned. There is no formal audit-mechanism or an external evaluation of the apprentices. It may be added that the composition of the government is not considered to be of relevance in this issue. As a general rule the Norwegian government support apprentices and companies are dedicated to continue this exchange.
5. The obligation for the companies include: Provide training facilities, organise the availability of qualified training instructors, meet the training requirements of the curriculum, respect the Health, Environment and Safety-regulations and other requirements in the Education Act, pay wages and insure the apprentices.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	VET-provision oriented PPP	
Scope and membership	Oil and gas industry	100% membership
Source of initiative	Private sector	The companies initiated OOF in 1999
Goal(s) to be achieved Goals of the PPP (problems addressed; opportunities realised)	To provide quality assured training of apprentices	
	To select and guide apprentices	
	To rightly adjust demand and supply of training places	
	To improve the curriculum	
Key design features – mechanisms of effect	OOF is a cooperative effort of Oil and Gas companies	
	Payment: State grant	Grant for both OOF and the companies
	Payment mechanism: companies receive a grant. OOF is paid by the state. Companies pay wages to the apprentices and a small fee to EEF.	Payment is based on the contract with the apprentices. The costs for private partners (salary to apprentices, salary to instructors, equipment etc.) are not fully compensated 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: is done by OOF, on request of the government	
	Termination clauses: in the contracts stipulations, rights and obligations for all persons involved are included.	When matching is not optimal an informal solution is found
Policymaking framework	Policy maker functions: financing and matching.	Also mutual adjustment with general education.
	Industry functions: to provide sufficient new workers	
Outcomes	Nature of industry-public sector maker interactions in policy design: based on agreement, trust-based informal contacts	
	On learning outcomes: apprentices yield good results, OOG reaches small drop-out rates	
	On learning practices: on the job learning off-shore in connection to onshore courses	
Key contextual factors	On learning experiences: cooperative initiative to enable employers demand for apprentices	
	Public authority capacity and experience: financial support and mutual adjustment of educational needs.	
	Degree of market readiness: apprentices are being prepared for work after two years of training	
	Legal framework: Education Act	Longstanding initiative
	Governance regime: supportive attitude by the regional government authorities	

The delegated management model of VET institutes in Morocco: The example of IFMIAs in automotive sector ²⁰

Background: Vision building for shaping PPPs to support skills policy development in Morocco

In 2009, Morocco government signed the National Pact for Industrial Emergence (2009-2015)²¹. This is a program contract aimed at developing Morocco's industry through the development of Morocco's global businesses, upgrading the Moroccan SME network, improving vocational training and overall, the business climate.

As a result of such strategic approach, this program contract contains more than one hundred agreements signed between the government- represented by nine ministries- and the private sector to implement such agreements:

- 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, the Ministry of Economic and General Affairs.

The private sector was represented by represented by the General Confederation of Moroccan Enterprises (CGEM)²² and the Professional Group of Banks of Morocco (GPBM).

For the governance of the pact, there were created several Monitoring Committees for each of sectors and other policy strategic areas:

- Automobiles.
- Aeronautics.
- Electronics.
- Offshoring.
- Textile and Leather.
- Agri-Food Monitoring Committee
- SME competitiveness.
- National Business Environment.
- Training Strategy.

Thus, industrial focus and economic context are key factors for building such vision and involving public and private stakeholders for shaping joint solutions to meet needs addressing better skilled Workforce for increased productivity, competitiveness whilst paving the way for economic growth.

In summary, the core ingredients in the Moroccan case for further institutionalizing public and private cooperation are leadership capacities for running inter-ministerial cooperation and involvement of core stakeholders in private sector from early stages of the policy formulation phase²³.

²⁰ Author: J.Manuel Galvin Arribas (ETF). The author acknowledge the interview with Assia Afif, IFMIA

²¹ IThe King Mohammed VI signed also this pact (February 13, 2009).

²² <http://cgem.ma/>

²³ Moroccan Institutes of Delegated Management (DMIs) are linked to the above mentioned national pact but also fully aligned to Moroccan National Strategy for Vocational Training 2021 adopted by the Government Council (July 29, 2015).

The implementation of Delegated Management Institutes (DMIs) in Morocco

In this context, Morocco public and private authorities convened on setting up excellence centres of vocational skills in a number of key strategic sectors. The establishment of such institutions has been done under principles of delegated management to a third party.

The Moroccan VET system has good tradition on tripartite dialogue among government and social partners (employers and unions). In this case, the implementation of tripartite dialogue was led by: the state involving sectoral professional associations concerned to adopt a new approach with training and education institutions.

The textile sector was taken as pilot. Further, aeronautics, automobile and renewable energy were the other sectors chosen by government for implementing arrangements. As a result, these are sector-based partnerships with a national scope. This dialogue has led to the development of a new approach to managing training institutions that responds efficiently to the skills, competence and recruitment needs of companies.

The Delegated Management Institutes (DMIs) has been set up in partnership with professionals from the sectors concerned. The management of these institutes, built and equipped by the State, has been entrusted to the professionals in the framework of delegated management agreement concluded between the State and the management companies created, for this purpose, by the professional associations of the sector with following objectives:

- Produce training that is more practical and better adapted to the global professions of Morocco;
- Produce a skilled workforce;
- Collaborate to increase productivity;
- Contribute to economic growth.

The guidelines of the Moroccan State with regard to the management of the DMIs are quite clear. The approach aims at transferring power of management to the professionals in the sector for the establishment of effective and efficient vocational skill institutes, which are capable to respond in quick manner to demand of qualified workforce.

The application of delegated management principle is not linked to devolution, delegation and/or privatization transfers. This is just a type of PPPs for skills and training development. In the short term the PPP is not just a response to a need for funding, but rather provides *proximity* to companies that the DMIs need to fulfill their mission.

- The implementation of the delegated management in Morocco is combined with the establishment of standard funding arrangements such as:
- Operating grants and investment grants related to the amortization of the equipment fleet. They are composed of allocations relating to the direct and indirect costs of the institutions.
- Allocation rates associated with Human Resources (HR),
- Raw Material Consumption (RM) and Equipment Equipment (MAO), combined with training activities, make it possible to establish annual grants from each institution.

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

- Adequacy among training and employment: Morocco innovates, the PPP places the establishment at the heart of its sector of economic activity
- Technological and creative vision and networking: The professionals systematically inform themselves of the most recent techniques and especially as to the commercial availability of the latter. The institutes are therefore continuously informed and up-to-date with respect to business requirements for training needs.

- Support for training and integration: Orientation to the work of 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.

Incentive steering measures –monitoring - and the establishment of the grant commission are indicators of a transparent and accountable implementation. Accountability and financial autonomy are key principles on the delegated management models of VET centres in Morocco indeed.

The case of Training Institutes for Professions in the Automotive Industry (IFMIAs)²⁴:

Main features on application of delegated management model to support automobile sector in Morocco

The setup process of Training Institutes for Professions in the Automotive Industry (IFMIAs) is aligned to Moroccan law on delegated management (n 54-05 16 March 2006). The centers of Casablanca and Tangier were created by specific decree (n ° 2-13-441 of 08/08/2013) and that of Kentia by an additional decree (n ° 2-13-70 of the 08/08/2013). Its mission is the contribution to the development of training, research and expertise in the field of the automotive industry. The overall objective is strengthening the public-private partnership in the field of vocational training. The specific objectives of IFMIAs are:

- Support proactive dynamic of sectoral economic strategies by setting up a new generation of specialized training institutes within the framework of the Public Private Partnership;
- Deliver targeted and complementary training offer to the existing public and private sector, able to integrate the Morocco Offer in terms of competitive attraction of investments, particularly in sectors with high added value;
- Strengthening the links between the world of work and the world of education and training for ensure better matching of supply with the skills needs of companies.

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

- Pre-employment training;
- Qualifying training for hiring high level specialists;
- Continuous training and advanced training courses for companies in the Automotive Industry sector;
- Any other training pathways in trades related to the Automotive Industry for the benefit of operators, technicians and middle management staff;
- Facilitating laboratory tests;

²⁴ In French 'Institut de Formation aux Métiers de l'Industrie Automobile (IFMIA)

TABLE 1. EVOLUTION OF PARTICIPANTS IN TRAINING PROVIDED BY IFMIAS

IFMIA	2017	2018
Casablanca	382	108
Kénitra	636	2078
Tangar	-	605
IFMIA Renault Tanger	ND	ND
Total	1018	2791

Source : IFMIA-SA

The public administrators of IFMIAS are Ministry of Finance, Ministry of Industry and Ministry of Employment and Vocational Education and Training. Further, it is important to mention that the National Agency for promotion of Employment (ANAPEC) plays a good role to support employability of graduates in the Moroccan labour market.

On the other side, the –four- Automobile Industry Training Institutes, one of which was given to Renault and the other three were delegated to professionals in the sector through the delegated management role of Moroccan Industry Association for Automotive Producers (AMICA). By this agreement the State grants the equipment, the management and the maintenance of the IFMIA state institutes to IFMIA SA.

The board of directors of the company that manages IFMIAS (and overall model of DMIs) is composed of industry professionals representing sub-branches in the automotive sector. The president of the company is the president of the association of professionals of the sector. The sectoral professionals appoint the General Manager who comes from the automotive sector.

The development council is an entity set up within the institute to keep in close contact with the sector. This board is composed of the Institutional Director, Director of Studies, Head of Business Development of the Institute and representatives of companies operating in the automotive sector. This board meets periodically to study market demand and respond proactively to its demands.

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

This certification makes it possible to put IFMIA Casablanca in a process of continuous improvement and risk management while involving all relevant interesting parts. The system is efficiently managed around several processes: Management, Realization (Training, Business Development, Program Development and Design and People Certification) and Support Processes.

Further, the partnership of IFMIA Casablanca with KOICA (Korean Agency for International Cooperation), provides ongoing assistance in terms of training of trainers and equipment in terms of their renewal periodically to meet the needs of the Moroccan market as well international standards. This is an indication to understand how IFMIAs graduates are also prepared to be hired international labour markets.

TABLE 2. INSERTION OF IFMIAS GRADUATES IN AUXILIARY IN AUTOMOTIVE SECTOR (TRACER SURVEY 2019)

Filière	Effectif des lauréats FI	Taux insertion (%)	Emploi en lien avec la formation (%)
TS Génie Mécanique	130	92	100
TS Maintenance Automobile	122	93	97
TS Systèmes Automatisés	114	88	95
Q Câblage	9	100	100
Total IFMIA Casablanca	375	91	98
Technicien Maintenance Industrielle	46	88	100
TS Systèmes Automatisés	53	88	100
Total IFMIA Kénitra	99	88	100

Source : IFMIA-SA

The alternating training system allows to be close to companies. The trainees of the diploma course spend two months of training at the institute and two months of training in business alternately. The permanent follow-up of the trainers with the industrial tutors establishes a permanent communication on the need of the sector. These needs are periodically raised to improve programs and their content. IFMIAs cooperates delivering training with around 70 companies in the sector.

Some lessons learned

- The inter-ministerial cooperation is effective when common goals on public policies are fully shared by public actors. The benefits of shared vision by different actors works even more strongly when involvement of private actors is from the beginning of the policy cycle. This provides ownership and motivation for change in public and private communities.
- Umbrella legislation and specific laws help a lot define the ground for skills PPP policy development and for institutionalizing partnerships.
- Managerial and Financial autonomy should go hand in hand with accountability model and quality assurance mechanisms.
- Diversification of financing mechanisms incentivize in effective way private sector participation whilst contributes on increasing quality of the services.

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

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 how the colleges would 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, actions to further strengthen capacities of employers to allow a more systematic involvement are necessary. Tripartite board of the Office of Vocational Training and Employment Promotion and tripartite committees for continuing training in 10 regions. CGEM (Confederation Generale des Employeurs au Maroc) is the key player in social dialogue in VET. It has been engaged in the preparation of the new strategy, negotiations on VET tax and consultations on work-based learning, coordination of the newly established Sector Observatory among other things. It has local representation in 10 regions and 24 technical or political commissions through which CGEM develops its work.
	Institutionalisation of social partnership	Institutionalised. In this case, employers and sectoral associations are part of managing boards. They shape and manage policy. The type of tripartite model for managing the establishments is formed by state-employers-training centres.
	Role of employer associations, chambers, trade unions, councils and other associated bodies	Very strong. Managerial functions of Sectoral Associations.
Capacity	Capacity of private partners	In most cases very high – the private partners often include international corporations, participation is connected to foreign investment. Morocco has national, sector-focused federations. Their capability to act as intermediary organisations between the government and individual employers is crucial to the success of delegated management schools. CGEM is a powerful organisation in Morocco. It is a proactive organisation, regularly launching proposals on a wide range of themes, including VET.
	Capacity of public partners	The capacity of public actors is deployed through dialogue for incentivizing skills policies in for of inter-ministerial dialogue and responsibilities shared with private actors on the management of delegated management centers.

Amal Educational Network and its Entrepreneurial Centre in Hadera, in Israel²⁵

Functional type		VET provision-oriented (provision and guidance).
Scope / integration with the VET system		Ad hoc PPP.
Membership modalities	Number of partners	Multiple public partners, multiple private partners.
	Types of organisations involved	VET colleges, secondary general schools, businesses, public authorities (local, national), other types of organisations (NGO, kindergarten).
	Openness	Open.

In Israel, there are a number of PPP-based Centres of Excellence for Skills Development in TVET. These particularly are:

- Amal Network:
 - Amal Hadera Excellent Entrepreneurship Centre in partnership with start-ups and industry: *high skills/secondary level*,
 - Amal Shevach-Mofet Centre in 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*;
- ORT Network:
 - ORT Kiryat Tivon Makers, Innovation and Sustainable Centre in partnership with Open Valley (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 Educational Vocational 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 Programs in partnership with El-AI Airline and Israel Airports Authority: *medium and high skills/ tertiary level*;
- Technology College in Be'er-Sheva and its Excellent Projects in partnership with Intel enterprise and the Nuclear Research Centre: *high skills/ tertiary level*.

The **Amal Educational Network** (AEN) was established by the Trade Unions in 1928, i.e. 20 years before independence of Israel. This is a non-governmental non-profit organisation covering around 100 secondary general (high) schools (of which 41 are multidisciplinary)²⁶, 14 colleges for technicians and practical engineers and 8 technological education centres which are under the responsibility of the Ministry of Education (MoE), as well as more than 20 technological schools²⁷ under the Ministry of Industry, Trade and Labour (MoITL). There are also other institutions within this network. The total population of learners is more than 40 thousand.

None of those general or vocational institutional is owned by Amal. They belong to the municipalities and are given to AEN for *administrative and educational management*. This initiative is regulated by ministerial directives, which strictly define the role, rights and obligations of Amal in terms of school/college management. In addition, there are official agreements (acts) concluded with the corresponding municipalities about transferring the institutions to the Amal's management.

Municipalities, along with MoES or MoTL, are represented in the school boards and have direct influence of the decision making on such issues as the schools' development programmes, offered profiles,

²⁵ Author : Aram Avagyan. The author acknowledges the interview with Dr. Ronit Ashkenazy, Amal Network

²⁶ No competition or selection of the students is conducted: all applicants are enrolled.

²⁷ Out of 13.5 thousand total students' population of the MoITL technological schools, 4.2 thousand are studying within the Amal network.

teaching issues, additional services, etc. In certain boards, also representatives of industries and/or parents and some NGOs are involved.

In fact, the responsibilities of Amal cover all aspects of the schools functioning, e.g. staff management (including payment of salaries), institutions development (refurbishment, procurement of equipment, tools and materials), design and introduction of teaching methodologies and the corresponding didactic materials, establishment of links with partners and collaboration with them, organisation and supervision of the entire educational process, students' assessment, etc.

There are three main sources of the Amal network funding:

- budgetary money paid by MoE and MoITL for the school and college students on *per capita* base. This covers the institutions running cost, including staffs' salaries and also provision of some *basic* training equipment and materials;
 - income generated by Amal through provision of different educational services, chiefly adult education courses in different fields (cooking, languages, high-tech, etc.) with duration from 1-2 weeks to two years. Continuously, thousands of adults are involved in those courses;
 - Donations made to Amal by different organisations and individuals²⁸, from Israel and from abroad.
- The budget money comprises around 80% of the Amal network budget. Within this portion, 70-80% goes to the staff salaries and the remaining part to the institutions development, according with the existing regulations.

It is important to mention that *no investments* are done by the private sector to institutions or to Amal. To a certain extent, this can be explained by some country-specific reasons conditioned particularly by the following factor. In Israel, the period between completing the education and employment may take up to 4-5 years due to obligatory army service after graduation²⁹. Therefore, unlike many other countries, here the companies do not consider the graduates as their immediate potential employees. At the same time, the social responsibility of the private sector is rather high and making contributions to the society development is a part of businesses culture.

Motivation of the private sector is a particular issue. Many companies are volunteers who eager to "return" something to the society, others enjoy working with young people and think that participation in their education is mutually beneficial. For the international companies acting in Israel, there is a requirement to contribute to the development of the communities where they are functioning. At the same time, Amal puts strong efforts for attracting new private partners for cooperation. Serious awareness raising and explanatory work is usually needed. The companies collaborating with the Amal educational network are awarded a certificate which is appreciated in the country and adds to the image of those companies.

Education in the Amal network institutions is conducted according with the national curricula provided by MoE. Thus, Amal does not define the content of the education although cooperates to a certain extent with MoE on this issue. The distinctive feature which makes the AEN institutions outstanding, is the approach to the education provision and the ways and methods of teaching and learning. In addition, Amal invests considerable funds in improving the facilities and ensuring a high quality learning environment in its network institutions. In these schools, the main focus is on innovation and entrepreneurship within the educational-academic framework³⁰, with an emphasis on technology, sciences and arts for all categories of students – from high-achievers to the young people at risk. Experimentation with new pedagogic tools, techniques and practices, such as project-based learning or entrepreneurship centre initiative (see below), is a normal practice in the Amal network institutions, and the private partners from different industries are closely collaborating with the schools, e.g. by accepting the students at the companies for practical

²⁸ An example of donation: an individual from USA voluntarily funds a programme of integration of Jewish and Arab communities' representatives, implemented by Amal.

²⁹ Reportedly, the skills acquired in the technological schools and colleges or in the technological streams of the high schools, are applicable also during the army service and are highly appreciated there.

³⁰ In most of the multi-disciplinary schools, there is a technological stream, which offers students 18 different profiles related to almost all sectors.

learning or familiarising with the businesses and technologies, providing mentors, supporting students' project implementation, and in many other forms. This synergy with the private sector is considered by Amal as one of the guarantees of their success.

The main reported challenge is related to the fact that although in the Amal network schools, advanced teaching and learning ways and methods are applied, the assessment of the students is done in a traditional way, defined by the formal formative and summative assessment procedures. The issue of introducing a modern forms of assessment relevant to the teaching methods and adequate to the level of the students' knowledge and skills is presently being considered.

A recent initiative of Amal is entrepreneurship education as an innovative model in Israel. It is targeted at preparation of youth as business and social leaders *via* providing essential skills (particularly *Innovative Thinking Skills*) for their integration in tomorrow's world of industry. This project is implemented in **Entrepreneurial Centres**, one of which is acting in the **Hadera multi-disciplinary school**. This 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 biomed.

Learning in the Centre is an extra-curricular activity and targets 11th and 12th grade students of Hadera Multi-disciplinary school.

A number of actors are involved in cooperation under this initiative:

- Ministry of Education;
- The Mayor of Hadera;
- Municipality education administration;
- Kindergarten Beit Issie Shapiro;
- iDigital Israel;
- Hillel Yaffe hospital;
- Biomed Group.

They have different roles in the partnership, and together create opportunities for students to go through the entire business cycle from idea generation to production, marketing, and sales.

Parents are active partners, connecting the Centre to local businesses and multi-national corporations that dedicate senior officials' time for student training as well as funding and learning materials (such as tablet computers). The topics that students work on stem from the Centre's collaboration with a local kindergarten for children with special needs. Each student (or a group of students) studies a particular child's needs and problems, then they choose one of the two options for their business: a) developing external medical aids in cooperation with Biomed; or b) 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 network sets the agenda in terms of innovative practice and manages this partnership at the operational level.

Since the opening of the Centre, the level of participation of all students attending the school has increased, the teaching methods are changing and aligning with dynamic innovative approaches, which draw on current labour market needs.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	VET provision-oriented (provision and guidance)	
Scope and membership	Multiple public partners, multiple private partners. Open	VET colleges, secondary general schools, businesses, public authorities (local, national), other types of organisations (NGO, kindergarten).
Source of initiative	Civil Society (Trade Unions)	
Goal(s) to be achieved	To provide quality assured training at different levels of education, particularly to prepare highly qualified workers	
<i>Goals of the PPP (problems addressed; opportunities realised)</i>	Formation of entrepreneurial skills for youth	
Key design features – mechanisms of effect	A network of educational institutions of different levels and types.	All institutions belong to the municipalities and are given to administrative and educational management of a non-governmental non-profit organisation
	<i>Payment: mix</i>	Budgetary money (~80% of the total budget); Own generated income Donations
	<i>Payment mechanism: Public funds are paid by MoE and MoTL for the school and college students on per capita base. This covers the institutions running cost, including staffs' salaries and also provision of some basic training equipment and materials</i>	
Dimensions of the incentive and accountability environment	<i>Risk Allocation: None</i>	No investments are done
Policymaking framework	<i>Policy maker functions: none.</i>	Institutions belong to municipalities
	<i>Industry functions: ensure higher quality of education compared with other schools</i>	
Outcomes	<i>Nature of industry-public sector maker interactions in policy design: regulated by ministerial directives, which strictly define the role, rights and obligations of in terms of school/college management.</i>	
	<i>On learning outcomes: formally, the learning outcomes are in accordance with the national curricula.</i>	
	<i>On learning practices: innovative teaching and learning methods</i>	
Key contextual factors	<i>On learning experiences: ...</i>	
	<i>Public authority capacity and experience: funding and regulation of the scope of responsibilities.</i>	
	<i>Degree of market readiness: graduates are ready to continue education at higher level institutions or enter LM (after Army service)</i>	
	<i>Legal framework: Ministerial Order</i>	

<i>Governance regime:</i> supportive attitude by the regional government authorities and local businesses

School Industry Partnership Case Studies in Australia³¹

A key strength of Australia's post-secondary education and training system is the Australian Qualifications Framework (AQF) which is a policy covering all regulated qualifications in Australia across all jurisdiction and all education sectors including higher education, vocational education and training and schools³². The importance of the AQF to school industry partnerships is the formal recognition of school and in-particular post-secondary qualifications achieved at school by industry and the pathways those qualifications to traineeships, apprenticeships, employment and further education and training.

This document provides some examples of the different school – industry partnership models operation in Australia with a focus on Queensland (the second largest and third most populated Australian state with a land area of approximately 1.9 million m² and a resident of circa 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 and then each of the six States and two territories have are government by a state Government. There are also multiple Local Government Councils. Generally speaking, policy and funding for education and training for school education and vocational education and training is a joint responsibility between the Commonwealth and State Governments with higher education the responsibility of the Commonwealth Government.

Vocation Education and Training in Schools (VETiS)

Across each Australian jurisdiction there is the ability for students to commence and in most instances complete a post-secondary vocational education certificate while still studying at school. These programs extend to school based traineeship programs and school based apprenticeship programs where students typically spend one day a week in the work place as part of the final two years of school. There are a variety of school – industry partnerships that support these arrangements which are usually negotiated and managed at the local level between schools and businesses. The following sections provide examples of more organised and structured school – industry partnerships in Australia.

P-TECH Pathways in Technology

P-TECH Australia (not to be confused with P-Tech IBM program established in America) is supported by the Commonwealth Government's Skilling Australia Foundation and involves the establishment of long-term pathways between industry, schools and tertiary education and training providers (i.e TAFE and Universities). There are currently 13 P-TECH schools established in Australia focusing on engaging businesses to place an active role in the learning and career development of their future workforce³³.

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

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

³¹ Author : Robert Petherbridge, TAFE Queensland

³² <https://www.aqf.edu.au/>

³³ <https://www.ptech.org.au/>

More information and detail on the individual P-TECH schools is available from the P-TECH Australia website at: <https://www.ptech.org.au/>.

Gateway to Industry Schools Program

The Gateway to Industry Schools Program is unique to Queensland and currently operates across six industry sectors with a range of industry associations, corporate companies and businesses engaged in the program. 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 area (project) is led by an industry organisation and a nominated lead school which develop and implement school engagement activities that are aligned to the particular industry's skills and workforce development priorities. The lead school is a champion of best practice in the particular industry area and seek to embed relevant industry focus into their curriculum. Other partner school are able, and encouraged, to join lead schools and organisations to offer industry focused activities that can extend to career information, training and employment opportunities.

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

More information on the Gateway to Industry Schools programs including the partners and work programs for 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 has a number of campuses in Queensland and provides a co-educational trade school for students in Years 10, 11 and 12. Students complete their senior secondary education concurrently with a school based apprenticeship in one of more than 600 apprenticeships. Industry consultants support employers and students with a range of mentoring and professional development services that are aimed at maintaining engagement and fostering good relationships between the College, employers and students. The curriculum delivered by the College is customised to the needs of industry and 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 transition to further education and training in areas specific to industry skill needs. In the mid-2000's There was a national program driven by the Commonwealth Government to establish a number of trade colleges around Australia, however, the Queensland College is the only one remaining in its original form. Key to its success has been deep connections with industry and local employers and ensuring that students are supported to achieve trade and industry focused outcomes.

More information is available at: <https://www.aitc.qld.edu.au/>

TAFE Queensland Senior Studies Program

A unique senior studies program using an alternative education model is offered by TAFE Queensland from their Alexandra Hills Campus. The program has operated for 35 years and has achieved significant success in providing education and employment pathways for at risk and disengaged young people who have fallen out of traditional school educational models.

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

Further information about the Senior Studies program is available at the following link:

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

Dimensions	Sub-dimensions (if relevant)	Characteristics or types
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, other: 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 was 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. Between public (state) authorities and private partner (Hutchinson Builders), which delivers training, a long-term contract was signed.
Financing arrangements	Method of distributing public funding	On a competitive basis.
	Source of public funding	Regional (Queensland state) budget. In some cases – federal budget through the Trade Training Centres and Registered Training Organisations.
	Method of ensuring the 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).
	Length and outcomes of social partnership	Positive.

Social dialogue and social partnership	Institutionalisation of social partnership	Institutionalised. Social partners are involved in the governance of the VET system at all (national, regional and local) levels. Employers are represented in formal councils and committees and other statutory bodies (including Industry Skills Councils) that set competency standards and contribute to the curricula development. They are also involved in determining the framework for quality assurance but are not involved in measuring/testing the outcomes as this 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

Campuses of professions and qualifications (France)³⁴

Functional type	Mixed type: main focus on VET provision with strong elements of knowledge-orientation and resource-orientation.	
Scope / integration with the VET system	Elements of permeating system.	
Membership modalities	Number of partners	Multiple private partners, multiple public partner.
	Types of organisations involved	Businesses, public VET colleges, universities, research centres, other organisations, National and regional authorities.
	Openness	Open: new economic actors may join the network of the Campus.

The Campus of Professions and Qualifications is a label (a status) awarded to a network of professional training actors within a sector of economy. These can be vocational and mixed (with general education) colleges, apprenticeship training centres and other training organisations, higher education institutions, research laboratories and companies, which are brought together within a network and establish a strong partnership. Even associations of sports and cultural nature may join. At least one local public educational institution should be a member of the Campus.

The Campuses are built around the sectors of excellence activities, corresponding to the national or regional economic challenges, and supported by the community and businesses. They offer young people excellence at general, technical and professional to the highest level, and allow companies to hire trained workers and promote regional economic development and employability of young people. At the same time, the close links with local businesses facilitate the students' corporate training and continuing training of employees. The Campuses contribute to recovery of productivity, economic development of the territories and the competitiveness of new industrial sectors by mobilising professional and technological education.

The Campuses have objective to contribute, through training, to territorial policies of economic and social development. Their dynamism facilitates integration of young people into employment. They can also enrol in synergy with the regional competitiveness clusters. Establishment of the Campuses is in line with the Law on Rebuilding the School (2013) which defines one of the national goals as *'enhancing vocational education, as a tool for recovering the productivity of France and for the professional integration of young*

³⁴ Author : Aram Avagyan. The author is thankful for the interview with Mr Matthieu Merciecca, Ministry of National Education and Youth, France

people'. A new generation of campuses is launched in 2018/2019 with new specifications and stronger requirements (see the 11 criteria below).

The tasks of the Campus are:

- transforming the professional pathways and their attractiveness;
- raising the level of qualifications and competences of pupils, apprentices, students, and learners involved in continuing training;
- improving their professional integration;
- establishing and strengthening links between educational institutions and companies;
- ensuring visibility of all the partners;
- contributing to the socio-economic development of the region in a given sector.

There are 11 criteria to be met for obtaining or renewing (every three to five years) the label of "Campus of Professions and Qualifications" (for more details under each criteria, [see Annex 6](#)):

Criteria for "labelling" the "Campus of Professions and Qualifications" and awarding a category of "Excellence"

1. A shared diagnosis of socio-economic analysis, identified issues
2. Identified scope of actors, territories, structures and certifications
3. Clear and ambitious (but achievable) strategic objectives
4. Specific regional governance
5. Operational management of the Campus
6. 6. Financial and human resources ensure the operability and the ambition of the Campus
7. A strong and unifying identity
8. Places of innovation and fulfilment for the beneficiaries
9. Innovative career paths
10. International development and visibility.
11. An effective quality approach

This label is awarded by a committee where 50% of the members are institutional representatives (Regional authorities, Rectors, the Directorates of the Ministries of National Education, Higher Education, Research and Innovation, Labour and Economy), and the others are representatives of the professional bodies.

In 2018, a category of "Excellence" for the campuses was introduced. This will be awarded from October 2019, according with the additional requirements related to the above mentioned criteria³⁵. The campuses of "Excellence" category are particularly to respond to the specific strategic regional and national socio-economic needs. They should participate in the development of the future professions and French sectors of excellence, mobilise and promote a real capacity for research and innovation. The quality of the campus offer is measured through self-assessment and external evaluation.

Presently, there are 95 Campuses of Professions and Qualifications in France, certified between 2014 and 2018 (they may request the category of "Excellence") which are categorised as by the following 12 sectors:

³⁵ 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.
https://cache.media.education.gouv.fr/file/Voie_pro/15/1/Cahier_des_charges_CMQ_1052151.pdf.

- Automobile, Aviation, Land and Water Transport;
- Materials Science, Innovative Materials;
- Personal Wellbeing Services;
- Tourism, Gastronomy;
- Infrastructures, Construction, Eco-construction;
- Services to Businesses and Logistics;
- Creation, Audio-visual Design;
- Energetic Transition, Eco-industry;
- Agriculture and Food Industry;
- Chemistry and Biotechnology;
- Innovative Mechatronic Systems;
- Digital Telecommunications.

It is important to mention that the Campuses address not only the skill needs of the large companies representing the sector but the entire cluster (la “filière”) including small and medium size enterprises, particularly those who are sub-contractors of the main economic players at regional and national levels.

Governance of the Campuses is totally decentralised. The regional actors are entirely responsible for the management of this structures. A guide to support the teams of already labelled Campuses but also those who want to apply for labelling, is planned to be published.

Establishment of any new Campus is normally initiated by regional authorities and regional academy, who jointly apply for obtaining the label. Involvement of a private company representing the corresponding sector of economy, is obligatory. For example, the Association BAAS (Bordeaux Aquitaine Aéronautique et Spatial) and the Union of Industries and Metallurgy Professions (UIMM) are co-founders of the Aerocampuse Aquitaine³⁶.

The companies are strongly motivated to cooperate with Campuses and see them as a good tool for satisfying their current and future needs in qualified labour force. Moreover, private sector representatives are members of the Campuses’ governing boards and have a pivotal role in taking decisions of strategic importance, particularly those related to the directions of the Campus development. This public-private governance, which in fact ensures more innovative learning content and its prompt adaptation to the changes in skill needs, is considered as one of the main factors of the Campuses’ success and their sustainability.

Employers are deeply involved in development of the campus curricula (or adapting national curricula) which ensures targeting the skill needs of the sector. They participate also in teaching activities and often job place the Campus graduates.

The Campuses are financed from both public and private sources. Public moneys are provided by the national and regional authorities and on average comprise 80% of the campuses funding. Recently the Government announced a tender “Investments for the Future” and allocated 50 million Euro for the Campuses development. The amount of one grant can vary from 1 to 1.5 million Euro, and it is expected that around 20 Campuses may obtain such grants.

Private companies provide both cash³⁷ and in-kind support, i.e. teaching staff, tools and equipment. The Campuses generate also their own income via provision of services, e.g. paid training courses for population, conducting researches or developing project proposals for private companies, etc.

Campuses can boost traditional schools and pull up the vocational route with up-to-date learning environment and more effective teaching methods which are expected to lead to outstanding quality of education. The other principal factor which makes difference, is the *networking* which is seen as the main

³⁶ <http://www.aerocampus-aquitaine.com/en/home/>

³⁷ One of the examples is the recent investment of 200 thousand Euro made by the Airbus Corporation in the partner Campus.

driver for ensuring the quality of education and its permanent relevance to rapidly changing needs. This is also precondition for ensuring stable funding and sustainable development of these institutions. Within the networks, the Campuses are directly linked, through partnership, with the industries, science/research and innovation, specifically in the area of high technologies, digitalisation, computer programming, which are specifically attractive for the youth as skills for the future. The networks facilitate also internationalisation of training activities, which is considered as one of the important characteristics of the Campuses (see the criteria № 10 in the table above and in [the Annex 6](#)).

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	Multiple private partners, multiple public partner.	Businesses, public VET colleges, universities, research centres, other organisations, National and regional authorities.
Source of initiative	Public	
Goal(s) to be achieved <i>Goals of the PPP (problems addressed; opportunities realised)</i>	Contribute, through training, to territorial policies of economic and social development	
Key design features – mechanisms of effect	A label (a status) awarded to a network of professional training actors within a sector of economy	
	<i>Payment: mixt</i>	Private: partner companies; Public: national and regional levels (~80%)
	<i>Payment mechanism: regular funding and grants</i>	Recently the Government announced a tender “Investments for the Future” and allocated 50 million Euro for the Campuses development. The amount of one grant can vary from 1 to 1.5 million Euro, and it is expected that around 20 Campuses may obtain such grants.
Dimensions of the incentive and accountability environment	<i>Risk Allocation: Private and public due to their investments</i>	
Policymaking framework	<i>Policy maker functions: establishing the entire policy, awarding label, funding, quality assessment</i>	
	<i>Industry functions: funding provision of training resources and facilities</i>	
	<i>Nature of industry-public sector maker interactions in policy design: cooperation agreement or industry can be a funder of a Campus</i>	
Outcomes	<i>On learning outcomes: improving quality of education and relevance to the industry needs</i>	
	<i>On learning practices: mainly school-based learning with strong contribution of private sector</i>	
	<i>On learning experiences: ...</i>	

Key contextual factors	<i>Public authority capacity and experience:</i> regulatory	
	<i>Degree of market readiness:</i> graduates are to be immediately ready to work at the correspond industries.	
	<i>Legal framework:</i> Law on Rebuilding the School (2013) and Ministerial Decisions	Longstanding initiative
	<i>Governance regime:</i> supportive attitude by the national authorities	

Teknikcollege – a Network of Advanced Training Providers in Sweden³⁸

Functional type	Mixed type: main focus on VET provision with elements of knowledge-orientation and resource-orientation.	
Scope / integration with the VET system	Elements of permeating system.	
Membership modalities	Number of partners	Multiple private partners, single public partner.
	Types of organisations involved	Businesses, public VET colleges, regional authorities.
	Openness	Open: any company may join if meets the established requirements.

The establishment of the **Teknikcollege** was initiated in 2004 by the companies and social partners acting in the field of engineering industry in Sweden. Then the scope of the profiles offered by this institution was expanded and at present, it belongs to the entire industry sector and is governed by the Council of Swedish Industry.

Teknikcollege is a privately owned³⁹ network of “competence centres” which actually are consortia of municipalities (regional and local authorities), training providers (mainly secondary and post-secondary VET schools but sometimes also universities) and private companies. The consortia are certified as (awarded a status of) Teknikcollege if they are quality assured according with some 8 criteria defined by the Council of Swedish industry jointly with municipalities. Those criteria are reviewed every three years. Monitoring of the compliance with those indicators is implemented 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 needs for skills – Match between labour market demand and education curricula.
4. Training and dimensioning – Certification of training courses that correspond to the companies' 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.

³⁸ Author: Aram Avagyan

³⁹ The ownership belongs to the Association of Swedish Engineering Industries (Teknikföretagen).

8. Quality Assurance – Guarantee of constant development of the Technical College in line with industry requirements.

The roles, competences, duties of the regional players are clearly defined by formal agreements signed between the members of the regional consortia as well as with the Registry Office (National Society Teknikcollege Sweden) which is the main coordination body located in Stockholm. This office ensures also any communication and dialogue between the parties.

Presently, there are Teknikcolleges in 25 regions of the country and one more (Region Gotland) is at the final phase of the certification process. Thus, the functioning of the Teknikcollege is based on the *regional cooperation* but actually it has a *national coverage*. On the other hand, it should be considered also *multi-sectoral* as the offered qualifications relate to: Food, Textile and Chemical industries, Energy and utilities, Manufacturing (a wide range of products), Metal production and processing, Mining, Construction, IT and Media technology, etc.

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

The objectives of the Teknikcollege are also defined by the Council of Swedish Industry and are formulated in the following way:

- Improve quality and efficiency in vocational and educational training;
- Improve the skills and competence of the students;
- Improve the image of education for the industry;
- Create education adjusted to labour market;
- Without introducing an apprenticeship system.

The last point actually means that the College tends to reach its objectives in a flexible way, not necessarily through the formally established apprenticeship (or dual education) scheme. Indeed, there is no single model of cooperation between the partners which are involved in the regional Teknikcolleges. Types of partnership and forms of contribution also vary across the regions and depend on the needs and capacities of the partners. The companies can offer internships or guest lectures, organise field trips, provide seasonal jobs or permanent jobs after graduation. Flexibility of the partners' involvement in the collaboration and provision of the training process, is a specific characteristic of the Teknikcollege. Nevertheless, instruction is mainly school-based or the schools are at least in the focus of the training process, which makes the difference e.g. with 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 a key for ensuring quality education, development of highly qualified labour force contributing to the development of their regions and the country economy in general. Through this approach, Teknikcollege aims at:

- offering the *learners* attractive and quality VET leading directly to employment or establishing a firm basis for further studies, e.g. in universities;
- ensuring highly competent labour force for the *industrial companies*, meeting also their specific skill needs;
- promoting collaboration between municipalities and different education and training providers which should guarantee effective use of resources and is in the interests of the entire *society*.

While the Council of Swedish Industry supervises the activities of the TC at the national level, there are also Municipality steering groups and Regional steering group for every single Teknikcollege. They are effectively responsible for all aspects of its performance and regularly monitor it. Those groups involve representatives from the local and regional authorities, respectively, as well as from the private companies, thus ensuring participation of the social partners in the *multilevel* and *multi-stakeholder* governance of the Teknikcollege. The companies are deeply involved also in defining the courses to be offered in the region, in establishing requirements towards the learning outcomes and in designing the curricula.

Technikcollege has a multi-source funding. Public funds come from the municipal and regional budgets and are based on genuine belief and strong conviction that high quality education is a driver for regional and national development; the VET colleges also contribute financially. Investments from the private partners are different in the amount and the form, i.e. direct financing, provision of premises for training, materials or tools, human resources, expertise, etc. Motivation of the employers is also evident: to secure new generation of qualified labour force in the conditions of aging Swedish society and high retirement rate.

Thus, the risks are shared more or less equally and are balanced. At the same time, those risks seem not too considerable or they are at least rather justified due to the well-designed architecture of the Teknikcollege and its properly organised functioning. However, the interviewed members of the Steering Committee, considered the sustainability of the institution as one of the main challenges, and a little bit surprisingly, financial difficulties were mentioned as the main reason of that.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	Mixed type: main focus on VET provision with elements of knowledge-orientation and resource-orientation.	
Scope and membership	Multiple private partners, single public partner. Open	Businesses, public VET colleges, regional authorities. Any company may join if meets the established requirements.
Source of initiative	Private	Initiated in 2004 by the companies and social partners acting in the field of engineering industries
Goal(s) to be achieved <i>Goals of the PPP (problems addressed; opportunities realised)</i>	Secure new generation of qualified labour force in the conditions of aging Swedish society and high retirement rate.	Improve quality and efficiency in vocational and educational training; Improve the skills and competence of the students; Improve the image of education for the industry; Create education adjusted to labour market; Without introducing an apprenticeship system.
Key design features – mechanisms of effect	A Network of Advanced Training Providers	A network of “competence centres” which actually are consortia of municipalities (regional and local authorities), training providers (mainly secondary and post-secondary VET schools but sometimes also universities) and private companies
	<i>Payment:</i> multi-source	Public: municipal and regional budgets; VET colleges
	<i>Payment mechanism:</i> public funding per capita; private investments ad hock depending on the needs	
Dimensions of the incentive and accountability environment	<i>Risk Allocation:</i> Private and public: equally shared and balanced	
Policymaking framework	<i>Policy maker functions:</i> established the idea that high quality education is a driver for regional and national development	
	<i>Industry functions:</i> financing, provision of premises for training, materials or tools, human resources, expertise	
	<i>Nature of industry-public sector maker interactions in policy design:</i> contractual based on quality criteria	
Outcomes	<i>On learning outcomes:</i> competences in accordance with the real needs of private sector	
	<i>On learning practices:</i> flexible forms of learning, not necessarily through the formally established apprenticeship (or dual education) scheme	
	<i>On learning experiences:</i> ...	
Key contextual factors	<i>Public authority capacity and experience:</i> Municipality steering groups and Regional	

	steering group for every single Technikcollege, responsible for all aspects of its performance	
	<i>Degree of market readiness:</i> graduates are ready to enter LM immediately	
	<i>Legal framework:</i> unknown	
	<i>Governance regime:</i> governed by the Council of Swedish Industry.	

Gesamtmetal in Germany – Skills Development for Metal and Electrical Engineering Industries⁴⁰

Functional type	Mixed 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.

The legislation related to the dual VET system in Germany is a mixture of Federal laws and laws of Federal States (Länder). Moreover, the two parts of the training – practical at the companies and theoretical at the Vocational schools – are also regulated by different laws. Thus, the former is under e.g. the Vocational Training Act, Crafts and Trades Regulation Code and Youth Employment Protection Act, while the latter is under the Compulsory Schooling Acts and the Educational acts of the Länder.

The Federal law regulates⁴¹ particularly introduction and updating of training occupations, as well as the training process *per se*: title and description of the occupation, duration of training (2-3.5 years), the skills, knowledge and competences to be acquired, General Training Plan and the in-company training plan, the Examination requirements. There are also regulations related to the training companies which require that they should:

- offer appropriate facilities (premises, equipment, tools, etc.);
- provide necessary amount of training places and skilled workers who act as trainers;
- have a staff which demonstrates professional aptitude, has appropriate occupational and teaching skills, knowledge and competences;
- be monitored by the competent body (Chamber of crafts and trades or Chamber of commerce and industry or similar) in terms of suitability of the company and the trainers.

With every learner involved in dual education, a training contract is concluded. This is a particular form of employment contract which, however, includes additional regulations and is registered by the responsible Chamber which bears the monitoring functions (see above). Those contracts include statements on:

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

⁴⁰ Author : Aram Avagyan. The author acknowledges the interview with Sabina Dross, Arbeitgeberverband Gesamtmetall e.V.

⁴¹ Source: BIBB. <https://www.bibb.de/govet/en/54882.php>.

The dual VET is, indeed, organised on the basis of the cooperation between the private and public sectors. The practical training which is the prevailing part of the curricula (3-4 days per week or around 80% of the total learning hours) is conducted at the companies, while the theoretical instruction is provided in the public Vocational schools. The latter is compulsory, and this requirement is a clause also of the training contract signed between the trainee and the company. On the other hand, it is supervised by the Chambers and the VET school supervisory bodies.

The learners are paid training allowances by the company and this aspect is also regulated by the law. It requires particularly that annual increase by years of training is ensured, the remuneration is on monthly bases and it is paid also when trainees are not at the company but attend the classes at the vocational schools. The remuneration amount is in compliance with the collective wage agreement related to the corresponding branch of economy but can be defined also by the responsible chamber (be higher or lower). The fees can also be paid in-kind but it should not be more than 75% of the gross pay.

The following data published by BIBB⁴² are useful for better understanding the scope of the German dual VET system:

Dual VET system in Germany

- More than half of the country population enters Dual VET and over 40% graduate. In 2018, there were around 1.3 million trainees in Germany, engaged in 326 recognised training occupations, and they comprised 5.1% of all employees.
- 95% of Dual VET graduates become employed, while for those who are not trained, this indicator is 80%.
- Average training allowance (fee) of learners is 854 Euro per month.
- Of the total 2.1 million German companies, 428 thousand (or more than 20%) are engaged in provision of dual VET and train over half a million people a year.
- The companies where the learners passed their training, hire 68% of the graduates as temporary or permanent employees.

Funding of Dual VET comes from two sources – public and private, and the latter takes the considerably larger part. Thus, according to BIBB⁴³, the companies invest in VET around 25.6 billion Euro (~18 thousand Euro per learner yearly, 62% of which is the training allowance), while the government's share is 4.75 billion Euro. However, taking into account that more than 70% of private investments returns due to the productive contribution of the trainees during the apprenticeship period, the net funding of the employers is assessed as about 7.7 billion Euro, which anyway is more than 1.6 times as big as the public funding. It is also interesting to know that the latter consists of two main parts: direct financing of 1,550 public vocational schools providing part-time VET (2.9 billion Euro) and steering, monitoring and provision of further supporting measures (1.85 billion Euro).

In Germany, the Metal and Electrical Engineering industries comprise the largest sector of economy, where more than 25 thousand companies with around 4 million employees are acting. Their aggregate annual turnover exceeds 1.1 billion Euro. **Gesamtmittel** is the Federation of German Employers' Associations in the Metal and Electrical Engineering (M+E) Industries⁴⁴. It was established in 1890 and operates as an umbrella organisation for 22 regional employers' associations which have in total over 7,100 member-companies with more than 2.3 million employees. Those companies manufacture products of steel, basic precious and other non-ferrous metals; they produce, install and repair a wide range of

⁴² Source: BIBB. <https://www.bibb.de/govet/en/54880.php>.

⁴³ Ibid.

⁴⁴ Source of information about Gesamtmittel: Brussels Office of the Federation of German Employers' Associations in the Metal and Electrical Engineering Industries.

metal products, machinery and equipment including electrical equipment, computers, electronic and optical products, etc.

As a federation, the Gesamtmetall represents the common interests of the German M+E industry at national and international levels, develops a joint strategy for industrial relations in the sector, supports and advises members regarding the issues of labour and social legislation, collective agreements, health & safety, statistics and vocational training. Another task of the organisation is attracting qualified junior staff and support development of the German education and training system.

At present, around 200 thousand students (apprentices) are involved in VET studies in the M+E sector. Every year, about 80 thousand new training contracts are signed between the trainees and the companies; 78% of M+E companies offer training, nevertheless, around 6.4 thousand training places remain unoccupied.

The trainees at the companies are paid a training allowance up to 1,000 Euro per month for the first year of studies, and this amount increases every year.

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

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

The practical training is coordinated with the instruction at the VET schools which is conducted in accordance with the *Vocational education standard* ("framework curriculum"). This defines the learning objectives and content of the vocational subjects taught at the vocational school which provide the vocational theory necessary for working in the given occupation.

The dual VET standards are periodically updated through the following procedure. Employers identify new areas of tasks at the workplace which may require new occupational qualifications, and negotiate with the social partners and government for adopting new standards for in-company training (training regulations), under the guidance of the BIBB. This is followed by updating the education standards for the VET schools (framework curricula) in coordination with in-company training standards (training regulations). When necessary, a guide for dual VET standards delivery, monitoring, supervision and support to dual VET nationwide, is published. Duration of those procedures is normally no more than a year.

A good demonstration of the partnership between the public and private actors is the Social Partner Agreement "Training & Qualification for Industry 4.0 – Managing change successfully" signed by Gesamtmetall 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). They committed to evaluate all vocational education and training occupations of the sector in light of digitalisation. The partners also involved the following stakeholders in the process: 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).

Through a strongly structured research project with clearly defined roles of all partners, specific training needs within the sector were identified. Particularly, it was recommended to imbed an integrative teaching element on "digitalisation of work, data protection and IT-security" in the training regulations; partially revise the training regulations of the metal and electrical industry occupations; update the existing

teaching elements “operational and technical communication” and “planning and organising the work, evaluating results” in the context of the M+E industry, and to introduce new optional qualifications (such as IT-Security, additive manufacturing, system integration, etc.). In addition, a need for new guidelines, e.g. on subject-related teaching assistance for VET schools and companies, was identified. Close cooperation and commitment of all partners resulted in accelerated implementation of the procedures with involvement of all private and public parties and in promptly taken decisions, which allowed to commence the training in accordance with the new regulations already from August 2018.

Successful functioning of the dual VET is based on strong motivation of the parties. The Government considers the high importance of highly skilled workers for national economic growth and development, and trusts that for achieving their full potential as citizens, all young people need to accomplish secondary education⁴⁵. The main motivation of the employers is to secure their own future labour force which is also loyal to the company, but they also are bearers of social responsibility – to train young people for contribution to their employability and social inclusion – which, indeed, is a part of German business culture shaped during decades or even centuries. As mentioned in the box under the paragraph 6, around 70% of the dual VET graduates are employed by the companies who provided their training. Nevertheless, those companies (specifically the large ones) do not consider investments in the remaining 30+% of trainees as waste of resources: firstly, all the trainees, during their practical studies, contribute to the productivity of the company, and secondly, many of them are then employed in other, e.g. smaller enterprises which are partners or suppliers of the large ones. Therefore, most of the private companies consider that dual VET leads to a win-win situation.

Not Gesamtmetall itself but some member associations and member companies, e.g. those in the south, also work closely with the VET schools particularly with a purpose to improve the VET teachers’ capacities. This is important for ensuring better preparedness of the apprentices to the practical training and also the further employment. One of the recent initiatives in which the Bavarian Industry Association was involved in, was the training of 360 vocational school teachers and in-company trainers in Bavaria on dealing with young refugees “Cooperation between vocational schools and companies essential for integration”⁴⁶.

The main problem reported by Gesamtmetall, however, is the lack of attractiveness of VET and specifically in the field of metal and electrical engineering professions which leads to a certain shortage of qualified labour force in the companies of the sector. At present, even in Germany, VET is the second choice for the youth. Another challenge is very low participation of women in these industries: only 8.4% of new VET students are women. Therefore, promotion of the M+E sector and specifically of VET in this area is another important task of the Gesamtmetall⁴⁷.

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 multi-faceted collaboration.	
Scope and membership	Multiple private partners, multiple public partners. Open	Businesses, public VET colleges, National authorities.
Source of initiative	Public and Private	

⁴⁵ Source: BIBB. <https://www.bibb.de/govet/en/54880.php>.

⁴⁶ For more information, see: <https://www.vbw-bayern.de/vbw/Pressemitteilungen/Pressemitteilung-zu-Projektabschluss.jsp>.

⁴⁷ Gesamtmetall has particularly 10 “M+E InfoTrucks” which are 2-floor vehicles with 80 m² of teaching space, equipped with 3D Monitors, CNC- milling machine, various other models of machines, etc. They are moving all around the country and provide 90 minutes teaching units for the 7-10 grades pupils.

Goal(s) to be achieved <i>Goals of the PPP (problems addressed; opportunities realised)</i>	Secure future qualified labour force	
Key design features – <i>mechanisms of effect</i>	Bi-lateral contract signed between the trainee and the company, supervised by the Trade Chambers and the VET school supervisory bodies.	
	<i>Payment:</i> mixt	Budgetary money; Investments if private companies
	<i>Payment mechanism:</i> A clear requirement for contribution is established: the school-based part of IVET is publicly funded in Germany, whereas companies assume the costs of the on-the-job training and pay a training allowance in accordance with the sectoral collective agreements.	
Dimensions of the incentive and accountability environment	<i>Risk Allocation:</i> Private, due to their investments in organisation of practical training at enterprises	
Policymaking framework	<i>Policy maker functions:</i> defining the requirements via Federal laws and laws of Federal States (Länder)	
	<i>Industry functions:</i> provision of learning facilities and paying apprentices fees	
Outcomes	<i>Nature of industry-public sector maker interactions in policy design:</i> Federal Laws	
	<i>On learning outcomes:</i> almost all apprentices are work-placed by the companies	
	<i>On learning practices:</i> on the job learning accompanied with school-based theoretical instruction	
Key contextual factors	<i>On learning experiences:</i> ...	
	<i>Public authority capacity and experience:</i> funding and regulation of organisation and provision of training.	
	<i>Degree of market readiness:</i> graduates are employed even during the training	
	<i>Legal framework:</i> nationally defined framework curriculum	
	<i>Governance regime:</i> close cooperation of government and industries	

Integration and employment of young immigrants: the Duo for jobs programme in Belgium⁴⁸

Background

Duo for a job was a programme promoted by the Brussels Employment Agency (Actiris) of Belgium, as part of the policies to support 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 program seeks to “increase their immersion in the local culture by being matched with experienced local retirees, help migrants connect to existing employment

⁴⁸ Authors: Lavinia Pastore and Luigi Corvo. Editing provided by Siria Taurelli, ETF.

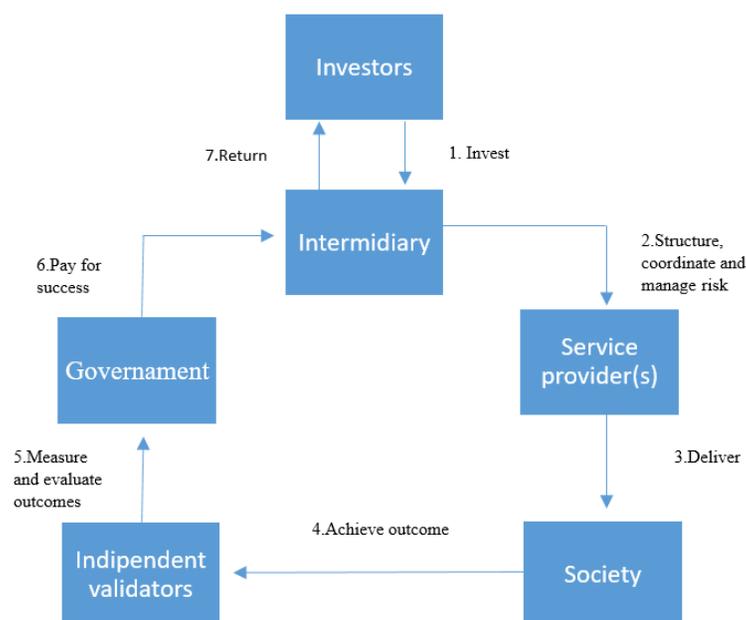
networks and increase their professional opportunities.” The problem that they wanted to tackle was the high (20.8%) unemployment rate in the Brussels region (time period 2013/2014). The situation was even worse for youth unemployment, which had peaked at 31.7%.

The Duo for jobs programme was implemented through a social impact bond (SIB) scheme, the first one in Belgium. This case study accounts for preliminary results and lessons, as well as the definition and mechanisms of the SIBs.

What social impact bonds are

Social impact bonds are payment by results contracts that leverage private social investment to cover the up-front expenditure associated with welfare services (Edmiston and Nicholls 2018). This new PPP scheme emerged, for the first time, in 2010 as a possible answer to the 2007 crisis 'effects. Indeed, the financial crisis in 2007 led to two contrasting dynamics: the emergence of more and acute social needs, as well as the call for policies to cut public spending (Arena et. al. 2016). Since SIBs were introduced in 2010, a growing attention in this new financial instrument has raised worldwide. Pioneered in the UK, a SIB hosts alongside traditional financial players and Governments, new specialised intermediaries as well as new breed of financial investors, who are seeking for social impact besides financial return (Arena et. al. 2016).

FIGURE 1 DESCRIBES THE PRINCIPAL ACTORS OF A SIB AND THEIR PERSPECTIVE ON THIS PPP SCHEME.



Source: OECD adapted from Burand (2013)

For the **government** a SIB is a form of payment by results, which removes the upfront costs of service delivery from government 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 to public-sector bodies is the opportunity to explore innovative solutions, which pose great risks. However, governments with limited budgets cannot afford such risks. SIBs enable governments to transfer the risk of social innovation to private-sector interests with greater flexibility and resources in exchange for the opportunity to realise a profit while engaged in an altruistic activity.

The **intermediary** is the one who receives the loan from the investor(s) and allocates it to the service provider for project execution. The intermediary issues the debt and manages relations with investors, service providers, etc. The intermediary is responsible for determining the project's outcome metric and monitoring the project.

Service providers are responsible for the services delivery and project implementation. They can be independent government entity, cooperative, NGO or private enterprise that executes the interventions required to achieve the desired outcomes. The service providers sign a contract with the intermediary. They are not paid by results but are paid up front. This means they do not bear the risk in the SIB. Several different providers can deliver services that contribute to improved outcomes. Furthermore, access to growth capital to scale up operations is a key incentive for social services providers. Access to long-term stable and predictable revenue stream without labour-intensive fundraising allows them to focus on the implementation of their programmes, invest on preventive operations, and deliver in the most effective and efficient way their services (Social Finance, 2012; Gustaffson-Wright et al., 2015).

The **investors** provide funding for the social intervention. For them SIBs offer a new investment opportunity with a 'blended return' (Mulgan, et al., 2010); investors receive some financial return but also value the social returns on their investments.

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

Therefore, the rationale behind a Social Impact Bond is the payment-by-results schemes associated with target-based performance management that became extremely popular under the Blair government in the UK during the 2000s, which goal is to link contracts to specific outcomes (Warner E. M. 2013). Despite this worldwide interest, some aspects remain uncertain especially regarding the promised outcomes, and their adoption is still modest (from 2010 to 2018, 121 SIBs have been issued worldwide, but the results are not published yet). The mismatch between widespread interest and actual adoption raises some 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). Since the lack of structured data, it is more interesting, for now, to investigate this phenomenon through case studies.

The first application in Belgium: Duo for a job

“Duo for a job” is Belgian programme with a prominent innovation dimension. First, the programme is innovative in its content and design, in that it matches young immigrants with experienced local retirees with a view to facilitate the connection with the employment network and facilitate employment. Second, the use of SIB as financing modality is entirely new, the use of SIB on the part of Duo for a job programme is unprecedented in Belgium. This pilot phase was carried out between 2014-2016.

The PPP was composed by:

- **Actiris, Brussels Employment Agency** – the agency is the outcome payer as public body and in this case it was the activator of the process. The agency launched a call for projects to find the service provider with whom carry out the first SIB. Actiris pre-selected six innovative projects which aim to foster youth professional reintegration in Brussels. These projects were evaluated on four criteria: (1) the target population of the project, (2) the cost per one unemployed person and the total cost of the project, (3) the quality of the management of the social service provider and (4) the adequacy with the foreseen SIB structure.
- **“DUO for a Job”, service provider, Non-profit association** – Actiris, among the 6 proposal, has chosen this service provider because of the innovative coaching interventions and the evaluability of the outcomes. “DUO for a job” is an association born in 2013, their 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, encourages inter-cultural and inter-generational activities. DUO combats stereotypes such as ageism and xenophobia, by recreating close social ties based on understanding and solidarity.” Their approach is to pair up unemployed young migrants with experienced mentors (usually recently retired people) that help them 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 over a period of six months). After the SIB, they have expanded the model and now they are operating in 4 cities (Brussels, Liège, Gent and Antwerp, at that time they were present only in Brussels). Their model is quite successful, indeed in 2019 they declared that 3 out of 4 migrants enrolled in the program find a job or a paid internship.
- **Investor consortium** led by **Kois Invest** (the private **Degroef Petercam Foundation** contributed as an investor) – The capital raised by the consortium for the intervention was of 234,000 euro.
- **Independent evaluator - l'Observatoire bruxellois de l'emploi** (Brussels Observatory of Employment). Outcome evaluation method was quasi-experimental:
 - Treatment group: 180 people from the target population (18-30 years old, non-EU nationality, registered at Actiris) who follow the “DUO for a Job” coaching.
 - Control group: 6,200 people with similar characteristics at the treatment group.

The investor consortium gave the initial capital with the agreement that they would have reimbursed only if the program was successful. The initial hypothesis of annualized rate was between 3% – 6% based on the calculation that the net savings for the government generated after the activation of a job seeker was estimated to be €33,000 per year, per person.

Lessons learned?

Public-private-partnership. The SIB is a complex PPP, still quite debated about its effectiveness compared to other schemes. According to Kois declarations, 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. De Borchgrave, founder of Kois, states: “So, it is really a way for public donors to test different approaches and models without taking the risk of their subsidies not being well-utilised as they only pay if the programme is successful. If it is working well, they can increase the amount of money given to the organisation”.

Funding: The investor consortium gave the initial capital with the agreement that they would have reimbursed only if the programme was successful. The initial hypothesis of annualized rate was between 3% – 6%, based on the calculation of the net savings for the government generated after the activation of a job seeker, which was estimated to be €33,000 per year, per person.

Sectoral applications: Employment and training - Key Lessons from the service provider perspective: The success of the mentorship program “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 absence of a legal framework that supports SIBs in Belgium, the Duo for a Job was implemented through separate contracts with each partner. The parties have opted for bilateral contracts as a solution to avoid the technical restrictions imposed by the PPP law. Another SIB is currently under implementation in the Flanders with a similar arrangement. The situation is common to other countries, hence there is no examples of legal framework that can serve as an inspiration. This represents in the short-term a limitation towards the consolidation of the instrument and its scale-up to a sector or country level.

DIMENSIONS	SUB-DIMENSIONS	DETAIL
Functional type	Mixed type: Knowledge oriented, and Provision oriented	Seeking knowledge about the innovative approach Provision of both (informal) learning, and counselling and guidance services
Scope and membership	Tackling young immigrants unemployment Multiple partners	Context of public active labour market measures
Source of initiative	Actiris, Brussels Employment Agency (promoter through a call for ideas) “DUO for a Job”, private non-profit association (service provider that designed the project)	The project is still running (2019) and has expanded to other 4 cities. The project is run by Duo for a Job association with private and public funding.
Goal(s) to be achieved	Enrol young migrants in the labour market	
Goals of the PPP (problems addressed; opportunities realised)	Taylor cv and skills development on the need of the person	
	Include people over 50s and exploit their expertise as mentors	
Key design features – mechanisms of effect	Outcome-based payment	Quasi experimental analysis
Dimensions of the incentive and accountability environment	<i>Risk Allocation:</i> on the investor consortium	
	<i>Risk Monitoring and Management:</i> Actiris and investor consortium	
	<i>Monitoring and evaluation:</i> External evaluator - l'Observatoire bruxellois de	The evaluator used of a matched comparison group – quasi experimental method

	l'emploi (Brussels Observatory of Employment)	
	<i>Termination clauses:</i> the end of the project	The SIB was design to last 24 months
Polymaking framework	<i>Policy maker functions:</i> Actiris, the employment agency that was the activator, could not rely on a set policy framework since SIBs are not regulated yet or enlisted as one PPP modality in the Belgian legislation.	
	<i>Nature of industry-public sector maker interactions in policy design:</i> SIB	Social Impact Bond – pay by result mechanism based on outcome measurement
Outcomes	Increase in employment rate of young migrants aged 18 to 30 years who are: not EU, US or Canadian nationals; are legally residing in Brussels; and are registered with Actiris (the government employment agency)	Financial terms: 100% re-payment of the principal will be made if the employment rate is beyond 10 % of the control group. In this case, additional return of investments can be received, ranging between 3% to 7 %.
Key contextual factors	<i>Public authority capacity and experience:</i> low	it was the first SIB in Belgium
	<i>Degree of market readiness:</i> low	
	<i>Legal framework:</i> complex	A law firm (Stibbe) supported the project for professional reasons (a SIB is an innovation with specific legal requirements) but also for its societal impact. One of the key legal challenges was to avoid that the SIB would be qualified as a Public Private Partnership (PPP) or a public offering (“Appel public à l’épargne”) from a legal point of view. It was configured as a “pilot project”.
	<i>Governance regime:</i> contract based	Three separated contracts linking the three entities (Actiris, the private investors and “DUO for a Job”) were stipulated. The contracts stipulate 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 can reimburse the investors – the initial investment and the agreed-upon coupons.

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CHAPTER 6 – PPPS IN COUNTRIES WITH RECENT TRADITION OF PUBLIC-PRIVATE COOPERATION⁴⁹

This part of the report focuses on the PPP case studies from four countries where the cooperation between government and social partners in VET, or social partnership in VET, is relatively recent. The four countries are also partner countries of the ETF. As discussed earlier in the report, the cooperation has been prompted by the shortage of skills on the labour markets, notably in the countries of South-East and Eastern Europe. However, moving from initial dialogue to forms of partnerships is proving more difficult than expected.

The PPP cases presented and discussed here have been analysed also in view of fostering social partnership on a long-term and sustainable manner. The following PPP cases in four countries were considered:

Jordan: 1) Sector Skills Councils; 2) VET Centres of Excellence; 3) Delegated management of the public vocational training centres' workshops to the Jordan Chamber of Commerce;

Kazakhstan: 1) Dual education; 2) Dormitories and catering; 3) Trust management of VET colleges;

Ukraine: 1) Training-Practical Centres at public VET schools; 2) Internship/Practical Training of VET institutions' students at the enterprises; 3) Participation of private sector in Education content development;

Serbia: 1) Institute of Field and Vegetable Crops; 2) Education to employment "E2E" project; 3) Cluster FACTS; 4) HORES Academy.

For providing interviews in Jordan and Kazakhstan, two and three sets of questions respectively ([Annex 1](#) and [Annex 2](#)), were prepared beforehand. The first set was common for both countries and related to the general situation with the Social partnership and PPP, specifically with the PPPs in VET. It was to be addressed to the persons well aware (confident) of the entire VET system, VET and PPP legislation, and having a complete vision of the situation in the field. These should be representatives of the Government (ministries), Employers unions or Trade Unions. For Jordan, the second set of the questions was foreseen for the actors engaged in specific PPP cases, e.g.: PPP project manager or manager of an institution established within the PPP project (if any); representative of a public or private party involved in a PPP project (e.g. a key person at a private company or an appropriate level official at a public body); head of a beneficiary organisation (e.g. Director of a VET school or college); other possible stakeholders. For Kazakhstan, where specifically Trust management (TM) of VET colleges should be studied, the second set of questions was to be addressed to the institutions under TM, and the third set – to the Trust manager (public authority who transferred the institution to TM) and Trustee (private company who undertakes the TM of institution). For Serbia, a questionnaire more adapted to the PPP cases of this country, was developed separately ([Annex 3](#)).

The following structures in the four target countries were interviewed (for the complete list of consulted people, see [Annex 4](#)):

Jordan

- Vocational Training Corporation (Director),
- VET Centre of Excellence on Water and Environment (Director),
- EBRD (Regional Economic Inclusion Specialist, SEMED),
- Jordan Chamber of Industry (Head of Employability Unit),
- ILO Jordan (Project Coordinator).

⁴⁹ Author : Aram Avagyan. The interviewees in the four countries are acknowledged in a separate annex.

Kazakhstan

- VET Department, MoES,
- Department of Education, Astana,
- 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 Agro-technical 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.

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,
- Educational institution “Inter-regional centre of Jewellery Culture of the City of Kyiv”,
- Higher Professional (Vocational) School № 33, Kyiv,
- Kyiv Professional Lyceum for Energy.

Serbia

- Institute of Field and Vegetable Crops (NS SEME),
- Education to employment (“E2E”) Project,
- Business Development Centre Kragujevac, “E2E” Project,
- Cluster FACTS,
- HORES Academy.

An important remark should be done here. While preparing this report, we attempted to keep consistency of the presentation structure for Jordan, Kazakhstan, Ukraine and Serbia to possible extent. However, due to considerable differences between the situations with various aspects of PPP in the countries, the corresponding sub-sections of this Report are built in slightly different ways in order to better illustrate the most important findings and the essential characteristics of PPPs.

Jordan

Overview

Legal Aspects of PPP in Jordan

1. In Jordan, the Law on Public-Private Partnership⁵⁰ was adopted in 2014. This was followed by approval of the Regulation № 98 on Public Private Partnership Projects⁵¹ in 2015. The national legislation (unlike some other countries, see e.g. the cases of Kazakhstan and Ukraine below) is not much specific about the definition and the characteristics of PPP. The latter is considered as a cooperation targeted at the improvement of public services, decreasing their costs and increasing the quality. PPP, through attracting private funds and implementation of specific projects, is supposed to contribute to the economic growth in the country, opening new job places, developing infrastructures, etc.
2. The main goals of the PPP projects in Jordan can be:
 - Establishment and/or (re-)operationalisation of infrastructures;
 - Encouragement of private sector to make co-investments (along with the government);
 - Benefits from the modern technologies and expertise.
3. For managing the PPP projects, a special Committee with participation of Ministry of Finance, Ministry of Trade, Ministry of Planning and International Cooperation, and the National Bank, is established under the presidency of the Prime Minister. This Committee is entitled to take decisions on every single PPP project and then provides necessary assistance to their implementation.

VET system, its management and Social Partnership in VET

1. Although the Jordanian governance system is characterised by a rather high level of centralisation⁵², the Vocational Education and Training (VET) system in terms of both the providers network and the governance structures, is fragmented and ill-coordinated. There are at least three segments of the VET system in the country: i) Secondary vocational education (grades 11 and 12) implemented within the public schools; ii) Technical Vocational Education and Training (grades 13-14) offered by Community colleges; and iii) Non-formal and vocational training. These clusters are under the jurisdiction of different bodies, namely the Ministry of Higher Education and Scientific Research (MoHESR), the Al-Balqa' Applied University (BAU), and the Vocational Training Corporation (VTC), respectively⁵³.
2. The majority of students are involved in the secondary VET (26.6 thousand in 2017⁵⁴), followed by the population of the public and private Community Colleges (20.5 thousand in 2016⁵⁵), and only around 10 thousand are enrolled in TVET courses under VTC⁵⁶.
3. In addition to this mainly initial VET, there are also a variety of other forms and providers including both public and private, as well as those sponsored by donor organisations and/or projects. However, not the fragmentation of the VET system *per se*, which is appreciated e.g. by the National Employment Strategy 2011-2020 as '*diversity of the providers*', but the poor state of governance and coordination of the sector is considered as a real challenge in the country⁵⁷.
4. The three segments of VET mentioned above, are directly coordinated by three different councils, which are: 1) Education Council; 2) Higher Education Council; and 3) Employment and Technical and

⁵⁰ Available in Arabic at: http://www.mof.gov.jo/Portals/0/Mof_content/التشريعات/القانون%20قانون%20التشريع%202014-2013.pdf.

⁵¹ Available in Arabic at: <https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/Regulation%20on%20Public%20Private%20Partnership%20Projects%20no.%2098%20of%202015.pdf>.

⁵² VET Governance Partner Country Profiles – Jordan. ETF, 2017.

⁵³ Jordan 2025. A National Vision and Strategy.

⁵⁴ UNESCO Institute for Statistics: <http://data.uis.unesco.org/#>.

⁵⁵ A National Strategy for Human Resource Development 2016-2025. Education for Prosperity: Delivering Results, 2015.

⁵⁶ Jordan's National Employment Strategy 2011-2020.

⁵⁷ Ibid.

Vocational Education and Training (E-TVET) Council. The level of cooperation between those three is still insufficient⁵⁸.

5. The **E-TVET Council** is acting under the Ministry of Labour, according to its own Law № 46 adopted in 2008⁵⁹. It has 15 members, 8 out of which, namely Ministry of Labour (the Minister is ex-officio the Chair of the Council), Ministry of Education, Ministry of Higher Education and Scientific Research⁶⁰, Ministry of Social Development, National Centre for Human Resources Development, Balqa Applied University, Vocational Training Corporation, and Jordanian Armed Forces, are representing the government. The social partners, 7 in total, are: Jordan Chamber of Commerce, Jordan Chamber of Industry, General Confederation of Trade Unions, as well as four representatives of the private sector assigned by the Council Chair (Minister of Labour).
6. The main goal of the Council is to contribute to development of human resources and improvement of employability, specifically through increase of the TVET quality, with a purpose to achieve the requirements of comprehensive development of the country. Accordingly, the following authorities are assigned to the E-TVET Council:
 - Proposing the general policy for employment, technical and vocational education and training, and laying foundations for the development of TVET;
 - Adoption of general framework of training programmes, as well as of 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;
 - Coordination of employment and TVET stakeholders;
 - Evaluation of the TVET outputs in terms of relevance to the Labour Market needs, support to development of programmes targeted at employment of Jordanians within and outside the country;
 - Defining general principles of training, retraining and assessment of teachers;
 - Approving and supervising the TVET Fund's⁶¹ overall policy, its annual budget and financial statements;
 - Establishment of specialised structures (e.g. committees) to assist the Council in carrying out its functions⁶².
7. The lack of standardised vocational training strategies, poor coordination between the authorities concerned with TVET, and lack of a comprehensive and integrated initiatives for the TVET development, were the main justifications for establishing the E-TVET Council in 2008⁶³. However, *'due to persisted 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'*⁶⁴.
8. In 2016, the E-TVET Council established a **Social Partnership Committee**, the main goal of which is to encourage the social partners' active participation in setting up the mechanisms for ensuring quality VET in line with the employers' requirements, and to contribute to improving the workers' competitiveness, productivity and their further professional and social development. The Committee has 12 members with equal representation of the three parties (4 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 kept by the representatives of one of the social partners with a principle of yearly rotation.
9. The Committee has a number of tasks related to the following aspects of VET:

⁵⁸ [VET Governance Partner Country Profiles – Jordan](#), ETF, 2017.

⁵⁹ It was established in 2001 as TVET Council and then was reorganised into ETVET Council.

⁶⁰ At present the Ministry of Education and the Ministry of Higher Education and Scientific Research are merged.

⁶¹ See below.

⁶² [Law on the Employment, Technical and Vocational Education and Training Council](#), № 46, 2008.

⁶³ <http://www.mol.gov.jo/Pages/viewpage.aspx?pageID=214>

⁶⁴ [A National Strategy for Human Resource Development 2016-2025. Education for Prosperity: Delivering Results](#), 2015.

- Identification of skill needs in the Labour Market (quantitative and qualitative) to be addressed by TVET;
 - Encouraging the TVET students to acquire high quality practical skills (including applied sciences, practical skills, life skills and entrepreneurial skills) for improving their employability;
 - Continuous education and training, including e-learning and work-based training, effective organisation of apprenticeship; Operationalisation of the VNFIL mechanism;
 - Establishing links between the employers and TVET system; Dissemination of information on vacancies, support to establishing private employment agencies; Vocational Guidance and career development;
 - Fundraising, attraction of donors, scholarships for Jordanian TVET students in European countries, international integration in the field of TVET;
 - Education for those with special needs;
 - Sector Skills councils, and establishment of monitoring and evaluation mechanisms.
10. The **E-TVET Fund** was established with a purpose to ensure financing of different types of vocational training courses, addressing specifically the on-the-job TVET demanded by the employers. The E-TVET Fund finances both public and private training providers. The main source of the Fund's financial means are the fees paid by the employers for obtaining work permits for the foreign labour force. It is equal to 100 JOD (~123 Euro) per person per year. The Fund also acts according with the Law № 46 of 2008⁶⁵, and is accountable to the E-TVET Council. The funding mechanism, however, can hardly be considered as effective. National Strategy for Human Resource Development 2016-2025 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'*.
 11. The **Vocational Training Corporation (VTC)** is factually the executive management body for the Vocational Training Centres' network acting under the MoL. Its functioning is regulated by the Law № 11 on VTC (1985)⁶⁶, which defines that the corporation shall ensure vocational training opportunities for the population, expand the scope and increase the efficiency of TVET, diversify the types of offered trainings by introducing particularly apprenticeships for youth and adults, on-the-job trainings and work-based-learning, intensive short-term courses for various professions, training in occupational safety and health, as well as providing extension services for the establishment and development of small and medium enterprises.
 12. The VTC is governed by a Board consisting of 11 members, of which six are representatives of the Government (Ministry of Labour – 2 members, Ministry of Education, Ministry of Public Works, Ministry of Planning, the Director General of the VTC), and 5 others are social partners, i.e. Engineers Syndicate, Amman Chamber of Industry, General Federation of Trade Unions, and two representatives of private sector assigned by the Minister of Labour. The Board is responsible for setting up the TVC general policy, approving plans and programmes for vocational training, studying the TVET demand and the needs of TVET providers, preparing TVET system development projects, etc.
 13. Importance of TVET in Jordan is appreciated by a number of national policy and strategy papers. Thus the **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 programs to facilitate access to the labour market TVET as one of the most important sectors'*. At the same time, this document identifies the issues of the TVET system such as weak linkage of the training provider's institutions with the Labour market, insufficient qualification of the teachers and trainers, poor facilities (including training equipment) of TVET institutions, and specifically limited or no participation of employers in development or validation of occupational standards.
 14. One of the Jordan's principles for Collective Action for 2025 defined by the above Strategy, is "Participatory" which includes "*Significant expansion of vocational training*", to be achieved *inter alia*

⁶⁵ The E-TVET Fund is a factual successor of the TVET Fund established in 2001.

⁶⁶ Available in Arabic at: <http://vtc.gov.jo/vtcar/index.php/subpage/index/view/id/5073/ann/5073>.

through Public Private Partnerships. The latter is expected to result in investments for improving the TVET institutions, teacher training, introducing more relevant education content and modern training methods, etc.

15. Another principle under the *Jordan-2025 – “Competitive”* – proposes launching cluster coordination committees under the National Competitiveness and Innovation Council, particularly to strengthen public-private collaboration in each priority cluster. The tasks of these committees will include developing mechanisms necessary for cluster networking and directing TVET institutions to support workforce development needs of their cluster.
16. The recently adopted **HRD Strategy**⁶⁷ reaffirms extremely limited engagement of the private sector in TVET and specifies that there is no consistent participation of the employers in curriculum development, involvement in TVET trainees and staff placements, contribution to a skills development fund, and even no motivation to invest in capacity development of own employees.
17. Among the five strategic objectives set to enhance the country’s labour market, the fourth is formulated⁶⁸ as *Diversifying the source of TVET funding, including encouraging more Public-Private Partnerships, and improving the use of funds in ways that can incentivise positive change in the system*. A practical realisation of this objective associates particularly with founding a private sector-led Skills Development Fund (SDF) which would replace the current E-TVET Fund, establishing new PPPs aligned with priority clusters identified in Jordan-2025, and expanding apprenticeship programmes. The HRD Strategy proposes also to establish a Skills Development Corporation⁶⁹ which would cover the entire education and training system and absorb the existing bodies such as VTC and CAQA. The foreseen SDF will also act under this new corporation.
18. The **National Employment Strategy 2011-2020** defines a number of TVET system’s issues which were mainly identified in the National Agenda adopted back in 2005, implementation of which registered ‘*modest results*’. Those issues are: i) *a stigma of “academic failure” associated with the stream*; ii) *inadequate facilities, outdated equipment, and unmotivated instructors*; iii) *not enough emphasis on applied/hands-on practice*; and iv) *little or no involvement of the private sector*. Allocation of more resources is seen as one of possible solutions but it is clearly realised that without specifically 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 of youth transition from TVET to employment, however, an umbrella programme is needed to ensure that all efforts by public, private, and NGO providers are properly coordinated.
19. The main sector-related policy paper – the **Jordan National E-TVET Strategy 2014-2020** – is strongly focusing on involvement of the social partners, and primarily the employers, in different aspects of TVET system which at present is assessed as ‘*very weak*’ due to absence of mechanisms for these partners to invest in the TVET sector. The first Strategy pillar, which is the Governance, formulates one of the focal points as ‘*Fully integrate Social Partnership progressively across the whole sector and, progressively, empower private sector contributions as the driver of change*’ [sic], and sets particularly 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;
 - Coordination body for sector-wide HRD at national level established and operational;

⁶⁷ [A National Strategy for Human Resource Development 2016-2025. Education for Prosperity: Delivering Results](#), 2015.

⁶⁸ The other strategic objectives are: • Establish progressive pathways to promote and recognize 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 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.

⁶⁹ 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 foreseen to be established according with the National Agenda adopted in 2005. This plan has never been realised.

- Concise regulatory framework supporting good governance in the whole E- TVET system developed and gazetted.
20. Among the key actions to reach the above targets are: 'Review the present statutes of the E-TVET Council and ensure effective E-TVET leadership by the private sector, and Develop and implement process to enhance the participation of Social Partners'.
21. Thus, there is a sound policy background for promoting social partnership in the field of TVET in Jordan and formal preconditions for establishing PPPs. The next sub-sections of this report present and discuss some specific cases of public-private cooperation in the country and attempt to make judgements on their compliance with the commonly accepted characteristics, specifically against the criteria established by ETF.

Types and Cases of Partnership in VET

SECTOR SKILLS COUNCILS

Functional type		Knowledge-oriented PPP (sector skills councils).
Scope / integration with the VET system		Ad hoc PPP. The ambition is to develop elements of permeating system.
Membership modalities	Number of partners	Multiple private partners, single public partner.
	Types of organisations involved	Businesses, public authorities (ETVET Council), other organisations: donor organisations (GIZ, ILO, EBRD). Organisations are specifically built as part of the PPP (sector skills councils).
	Openness	Open: new businesses or sectors can easily join.

1. In Jordan, the first endeavour of establishing SSCs goes back to 2010. This attempt, however, was not successful and the main reasons of the failure, as suggested by the interviewees, particularly was unpreparedness of the private sector to make any investment (not only financial but also time and human resources) in this process, absence of any sustainability model, as well as the fact that there were no provisions on the SSCs in the acting TVET legislation⁷⁰. The latter is still the case for the country but the new law on E-TVET Council (draft is being circulated among the stakeholders and adoption is expected in the first half of 2019) foresees a Directorate of SSCs under the E-TVET Council, and this new structure will initiate a package of sub-legal acts comprehensively regulating the SSCs.
2. At present, six SSCs are (being) established in the country by the initiative of the Government and/or donors:
 - Garment Production;
 - Chemicals and Beauty Products;
 - Tourism and Hospitality;
 - Water and Energy;
 - Logistics;
 - ICT.
3. The first two Councils are supported by ILO, the third by the EBRD and the other three by GIZ. It is, however, remarkable that there is a common understanding of the SSC councils' concept between those donors. This is manifested by a document entitled "*Terms of Reference National Sector Skills Councils in Jordan*" developed by British "People 1st"⁷¹ with financial support of EBRD in partnership with GIZ, ILO and the E-TVET Council. It is expected that these unified principles of the establishment and operationalisation of the SSCs will strongly contribute to the effectiveness of this initiative and the reforms targeted to the strengthening of PPP in VET, in general.

⁷⁰ Another reason was that the private sector did not agree with the findings of the sectors' analysis published by National Centre for Human Resource Development, and did not see a way to go forward anymore.

⁷¹ The UK Skills Council for Hospitality and Retail. <http://www.people1st.co.uk>.

4. Thus, according with the adopted approach, the SSC in Jordan can be characterised as follows:

- The Sector Skills Council⁷² is seen as a permanent employer-led body that promotes skills development in a specific economic sector, and is a cooperation platform for different types of stakeholders. The SSC is expected to provide bridges between the labour market and the education and training systems to improve the match between demand and supply in the labour market but also to contribute to sustained improvements in public and private sectors' productivity and competitiveness through the better use and development of people's skills.
- The SSC is a **tripartite body** involving representatives of⁷³:
 - employers and their organisations, comprising not less than 60% of total number of the Council members, from among whom the Chair is elected;
 - Government – Ministry of Education; Ministry of Higher Education and Scientific Research; Ministry of Labour; E-TVET Council, CAQA, and AQACHEI;
 - workers' organisations – General Federation of Jordanian Trade Unions;
 - other social partners involved in the respective sector, as well as the training providers.
- The total **number of members** is recommended up to 17, with a period of membership for 3 years. Financial remuneration for the members is foreseen, when funds are available.
- For the employers' representatives, specific **selection criteria** particularly related to the experience in the industry, professional knowledge and willingness to contribute to NSSC activities and Skills Development policies and strategies development, understanding of current skills gaps and needs, problem solving, critical thinking, collaboration/teamwork, and communication skills, are foreseen.
- The **objectives** of the SSC are:
 - **Objective 1: Develop, manage, and maintain an effective Labour Market Intelligence System (LMIS)** – sector specific skills research in terms of current and future skills and labour demand; skills needs analysis for TVET and LLL; annual sector skills assessments and regular intelligence papers; information and guidance to policy makers on the sector-specific economic developments.
 - **Objective 2: Matching supply and demand of skills and qualifications in the labour market** – National Occupational Standards, Qualifications and Skills Assessment Instruments, Competency-based Qualifications; Career Information and provision of Career Guidance; Quality Apprenticeship standards; Practice-oriented and Competence-based training and assessment framework-curricula; LLL within employers and training providers.
 - **Objective 3: Advocating for and contributing to improvements in the TVET sector** – raise awareness and improve public image for TVET; laws and regulations for the improvement of TVET governance, quality of TVET delivery, employability of graduates; financing mechanisms of vocational training and recruitment procedures and payment structures of apprentices; work-based learning; cooperation mechanisms between training providers, employers, trade unions, government and social partners; Labour market policy and strategy.
 - **Objective 4: Monitoring and evaluating the progress and the results of training provisions** – support the accreditation of public and private training providers; inputs to the annual evaluation of training providers; testing (examination) and certification process for trainees and current workers (VNFIL); training and retraining of assessors and verifiers; approving sector professions' work license (Professional work permit).
- The SSC is suggested to be a **legal person** or at least formalised under a relevant institution. Its status, authorities 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 the members), public budget (Ministry of Labour or Ministry Education) or revenues for the service provision.
- The SSC has a **Board of Directors** made up of senior employers from the sector and its representative organisations, who should be in the majority. The main tasks of the Board are:
 - 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;
- Decide its working methods and determine delegation of powers to sub-committee.

⁷² In the discussed Terms of Reference, this structure is entitled National Sector Skills Council (NSSC).

⁷³ Strictly speaking, due to the proposed composition, the Council should be considered as quadripartite.

5. Below, certain cases related to SSCs are discussed.

The Jordan Tourism and Hospitality Sector Skills Organisation

1. For implementing its private sector-led economic inclusion model⁷⁴ (active since 2013), **EBRD** selected the Tourism and Hospitality as one the most labour-intensive sectors with good opportunities specifically for youth employment. Regardless of the complicated political situation in the region, tourism in Jordan is seen as continuously demanded and developing sector of economy, and serious commitment from the private sector is in place.
2. Formation of the Jordan Tourism and Hospitality Sector Skills Organisation (hereinafter – SSC for Tourism) has started 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 the public authorities (MoL, MoTA and CAQA).
3. In May 2018, an MoU was signed between EBRD and the Government of Jordan (represented by MoPIC and the E-TVET Council), confirming commitment of both parties to setting up an institutional platform for skills governance in hospitality and tourism. This was followed by establishment of an Operational Board (OB) which was assigned to oversee the setting up of a full-fledged Board for the Hospitality and Tourism Skills Council. The OB held meetings in June-July 2018 and in February 2019. Coordination of the Council's activities and contacts between its members are continuously kept by EBRD, who yet seems the main driver of the Council activities.
4. At present, the OB has 12 members: 8 from the private sector, 3 from the governmental structures, i.e. MoL, MoTA and VTC, and a representative from a USAID project ([Annex 7](#)). Three more members are still to be elected from the private companies and one more from the representatives of private training providers. The Board is led by the employers: the Chief Operating Officer, the Chair and the Deputy Chair of the Board are all hoteliers. The meetings of the Board are hosted by the member-companies who cover also the costs related to the organisation those meetings.
5. The Bank considers that there is also at least declaration of certain commitment from the government side, however, the level of the real political will to share authorities with the private sector is still questioned: the government does not provide the private sector with a necessary level of freedom and keeps retaining full control over the TVET system. This leads to the continuous mistrust between the parties. One may conclude that although the government tries to partly pass the driving of the TVET sector to the private sector but this seems rather due to being “satiated” with the TVET problems and makes attempt to shift the “burden” of the VET governance and management onto the private sector.
6. This Council is not formalised yet. EBRD prefers first to establish all necessary working mechanisms within the Council, ensure at least a minimum level of its sustainability, and only after that to initiate registration of the Council. The other reason is that establishment of the SSC seems more feasible under the expected new legislation (see above).
7. Although not being formally established, the Council has a three-year Strategic plan which presents the background and rationale of the SSC, makes vision and mission statements⁷⁵, establishes its objectives, and defines activities and outcomes, products and services for the planning period. The priority actions are formulated as follows:
 - Defining the sector – visitor economy;
 - Identify skills needs and gaps for all the sub sectors of the industry – define the scope of the industries;
 - Identify existing skills provision and providers for the industry;

⁷⁴ Targeted at creating pathways into jobs and training for young people, women and rural populations whilst addressing challenges businesses face due to skills shortages, lack of workforce diversity or inadequate access to new markets.

⁷⁵ Vision: Set the highest standards of hospitality & tourism service excellence in Jordan, through an industry that invests in the skills of their people and constantly seeks to improve their performance, productivity and profitability, supported by high quality training provision. **Mission:** Inspire and delight by exhibiting authentic & passionate Jordanian trained, skilled and certified professional workforce in the Tourism and Hospitality sector by 2025. Through the establishment / development of industry relevant standards, qualifications and training by excellent vocational institutions and training organisations from School to Higher Education.

- Build communication systems to engage the industry.
8. In addition, two platforms were established: 1) a platform of Employers and HR Managers, for verifying and cross-checking progress of work at the operation level, and 2) a platform of Training providers, for keeping them informed about the progress⁷⁶.
 9. An important aspect is the reasons of the private sector commitment to be engaged in, and contribute to, the works of the Council. As suggested by EBRD, relatively large employers have clear understanding of skills shortage within their companies and eager to improve situation with training of the specialists of different profiles and levels, while for smaller companies, the fact of being a part of an authoritative and influential sectoral body *per se* is an achievement which relates to the matter of recognition, professional proud and an opportunity of own business promotion. At the same time **no financial investments** from any employer are expected yet.

Sector Skills Councils for Garment Production and for Chemicals and Beauty Products

1. ILO defined the focus for its support based on the results of a study on industries implemented with SIDA assistance. The selected economic sectors to be assisted⁷⁷ are: Garment production, Chemicals and beauty products, Wood and Furniture production. SSCs are only being established for the first two sectors. Within the third one, no noteworthy employers to be involved in cooperation are identified yet.
2. The main partners of ILO in the SSCs establishment initiative are JCI and GFJTU. Nevertheless, an additional mapping of the sectors' stakeholders was implemented in order to identify a wider range of cooperation partners from the private sector, specifically those who are not members of JCI.
3. At the kick-off meeting with all sectoral stakeholders, which took place in autumn 2018, lists of the 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. Factually, at least from the formal point of view, the SSCs are established by the government unilaterally.
4. At present, the Council has 14 members ([Annex 8](#)), out of which nine are representatives of the private sector (companies and associations), two are from Trade unions (Petroleum and Chemical industry workers, and University faculty members), two representing the Government (E-TVET Council and CAQA) and one person is from ILO Jordan. Under the Council, there are two technical committees established for: 1) Study, Education, Training and Professional Standards; and 2) Public Relations, Finance, Communication and Automation.
5. The main tasks of the council can be formulated as follows:
 - Develop, manage and maintain basic data on the sector and the future employment opportunities in the sector;
 - Match the skills and qualifications supply with the labour market demand, particularly through defining qualifications and corresponding competences required in the sector and contribute to development of national occupational standards;
 - Improve the image of TVET in the chemical industry and reach positive perception thereof; contribute to improvement of the sector-related vocational education and training quality;
 - Develop vocational guidance programmes and carry out awareness raising campaigns within and about the sector;
 - Coordinate relations between the sector employers and the public authorities of education and training system;
 - Design and provide services for generating income to ensure the Council sustainability, implement other fundraising activities.
6. Up to date, Council has convened three meetings at which particularly its structure and internal management system including responsibilities of the President, Vice-President and the Secretary of

⁷⁶ It is noteworthy to mention that in Jordan, there is no Chamber for Tourism and Hospitality but only an Association, which according to EBRD assessment, is not active enough.

⁷⁷ The ILO assistance is provided through the "Implementation of the G20: A Partnership between Jordan and the Russian Government" programme, *Improvement of sectoral governance* component.

the Council were defined, Annual action plan for 2019 was approved. The latter foresees such points as:

- conducting studies and researches on skills in the sector to understand current and future skill needs and the scope of labour force demand,
 - data collection, analysis and formulation of statistical reports,
 - providing information and guidance to stakeholders on the sector's developments for defining effective policies, prioritising training and jobseekers' options through issuing periodic bulletins and reports,
 - developing and modernising occupational standards and qualification levels through continuous cooperation between the Council's technical experts and the JCI and related professional and trade unions,
 - initiating high quality apprenticeship and support employers and trainees to find each other for cooperation,
 - participation in 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.
7. It is important to mention that ILO plans to contribute to the skills research for the sector.

VET CENTRES OF EXCELLENCE

Functional type		Mixed: resource-oriented and VET provision-oriented.
Scope / integration with the VET system		Ad hoc PPP.
Membership modalities	Number of partners	Multiple private partners, multiple public partners.
	Types of organisations involved	Businesses, public authorities (ETVET Council), public VET colleges, employer association, donors (initial support)
	Openness	Semi-open: there is intention to establish more Centres of Excellence but this is hardly realistic in the close 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 necessary funds).

1. In December 2008, MoL 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 the Model Skill Centres of Excellence (hereinafter – CoE) in the Jordanian TVET context, as TVET Institutes developed through PPPs between the Government of Jordan, Training Institutions and Industry. The vision of the Centres is defined as follows:

- Centres of Excellence are **sector-specific** and geared towards an identified need for employment within that sector. They are set up 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 with the skills and qualifications demanded for today's labour market both locally and internationally, who are immediately employable and employed.
- Four models were suggested as possible to be introduced in the country depending on the specific sector and on the nature of the training required:
 - **Model 1. Emerging Industry Centres** – an initiative to address a large gap of 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 their training is short-term;
 - **Model 2. Replication** – an international institution (or programme) introduced as a total package including curriculum, business model, training model, key positions into the country, 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 programme/models/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 articulation between different delivery agencies⁷⁸.
- For all models, the following are considered as the main **characteristics** of the CoEs:
 - based on, and meets, the identified market needs of a particular sector; leads to employment;
 - has significant and relevant input from all stakeholders, and strong participation from industry including practical on-the-job training for students;
 - provides effective, relevant, high quality training that meets national and/or international standards;

⁷⁸ More models and deeper analysis of CoEs taxonomy can be found in the Concept paper "Setting up centres of excellence in Vocational Education and Training (VET): thinking policies and learning practices", ETF 2017, Galvin Arribas, J.M., and in a 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.

- has up-to-date and sufficient learning resources (equipment, training materials, etc.) and is student-centred;
 - has quality assurance systems and mechanisms in place, and is proactive and demonstrates flexibility, innovation and continuous improvement;
 - based on a sustainable funding model and/or financially viable;
 - has well-qualified human resources with relevant and up-to-date skills and uses effective modern educational management techniques and systems.
- The **management bodies** of the CoE are:
 - **Board of Governors**, consisting of: representatives of MoL (or other relevant Ministry) who is the Board Chair, other participating bodies (VTC, other Ministries), Industry Sector (at least 50% of total number members);
 - **Board of Management**, consisting of Industry sector representative (rotating Chair), PPP Coordinator (Secretary), representatives from Board of Governors, from Funding/Donor agency(ies), partnering Institutions (e.g. VTC), the CoE Manager (*ex officio* member).

2. This understanding of the CoE, which should fairly be appreciated as slightly narrow (any quality TVET institution should actually meet the above requirements), is still valid in the country. This is proved by an evaluation implemented by ETF in 2016⁷⁹, as well as by the results of our own interview with the VTC. Nevertheless, the Development partners attempt to widen the limits of CoE concept in Jordan. Moreover, the VTC also accepts that the CoE unlike “normal” TVET institutions, may provide wider range of educational and other services such as non-formal courses for unemployed and employed people and employers, training needs assessment, expertise and quality control, etc.
3. In all cases, the financing of the CoEs is proposed to be almost sole responsibility of the E-TVET Fund, i.e. the government, or of donors as maximum.
4. There are around 5 CoEs⁸⁰ formally acting in Jordan. Two of those, for Water and Environment and for Pharmaceutical sector, are discussed below.

Centre of Excellence on Water and Environment

1. The Centre of Excellence on Water and Environment has been organised in 2014 on the base of Vocational institution on Chemical Industry (acting since 2000). The institution’s education profile was changed according with the results of a survey implemented by VTC which identified a relative saturation of the LM with chemical industry specialists (against the background of general decline in this sector) and high demand of professionals of the water industry.
2. At present, the CoE offers 3 qualifications: *Drink water treatment*, *Waste water treatment* (both post-secondary, providing qualification of “Professional”) and *Pipe installation* (secondary, with qualification of “Skilled worker”). The institution has in total 33 students and only 5 full-time teachers. Several more teachers are invited for part-time teaching of some specific modules. The instruction is organised in three cycles: school-based – 6 months; “dual” (with alternation of school- and company- based training days during the week) – 2 months; and entirely company-based – 3 months. Employers’ representatives have limited (or zero) involvement in school-based training process. They do not participate also in the final (summative) assessment of the graduates which is provided solely by the Centre’s trainers according with the tests provided by CAQA.
3. This was the Government’s (VTC) initiative to establish within this CoE partnership with private companies and the latter demonstrated a strong interest of cooperation. This was mainly grounded by a noticeable shortage of qualified labour force in the companies of water treatment and supply sector.

⁷⁹ ‘What is a centre of the excellence? This question has been asked to most of the staff of the 3 CoEs by the evaluation team and the answers got suggest 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 Vocational Training Corporation/ Jordan. ETF, 2016.

⁸⁰ At present, the exact number is being specified.

4. An MoU was signed between public and private partners, and accordingly, the responsibilities of the parties were defined.
5. 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 Water Company Miyahuna Co.⁸¹ and ACWUA – Arab Countries Water Utilities Association⁸².
6. The actual contribution of the private partners is/was participation in the curricula development; acceptance of the students for the practical (on-the-job) training in the companies and payment of fees to the students (2-5 JOD or 2.5-6.0 Euro per day) during the company-based training. No other investments were done. Thus, except the mentioned fees, which is a normal practice also for “traditional” (non PPP-based) provision of VET in many countries, the institution remains completely state-funded, and the funding is rather high: as reported by the Centre’s administration, in 2018 the institution budget was equal to around 150 thousand JOD (185 thousand Euro) which means 5.6 thousand Euro per student⁸³. This is comparable with EU28 average for 2014⁸⁴ (8.4 thousand Euro) and higher than in a number of members states including e.g. Lithuania, Poland, Slovenia, and Latvia⁸⁵.
7. The Centre has a **Management and Supervisory Committee**, which however, is a consultative body without actual decision-making power. It involves 7 representatives from the government (Jordan Water Authority, Training Directorate; Ministry of Water and Irrigation (Project Management Unit); VTC – 5 people), 4 from private companies (Miyahuna Co., Learning and Development Section; ACWUA, Director of Programmes and Technical Services and Director of Human Resources and Training; Engicon Inc.⁸⁶, Chief Executive Officer), and GIZ. The Committee holds 3 meetings per year and reportedly, the following was among the most important discussed topics:
 - Places for the students’ practical training;
 - Incentives for the students (fees for practical training);
 - Issues of the building maintenance;
 - Transportation for students.
8. The conditions of the Centre building and facilities are mainly disappointing: no heating functioning in January (reportedly due to funds shortage), poor conditions of toilets (specifically surprising for the case of institution offering qualification on water pipes installation), poor equipment of workshops (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 foreseen for demonstration purposes only but not for practical work).

Centre of Excellence in pharmaceutical sector⁸⁷

1. The Centre of Excellence in the pharmaceutical sector in the town of Salt was established in 2015. The sector was chosen because of two reasons. First, the sector is strongly regulated and subject to various international standards. Therefore, it requires a particularly high quality of training. Second, the employer association in the sector is very strong.
2. 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 updated 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.

⁸¹ <http://miyahuna.com.jo/en/>.

⁸² <https://acwua.org>.

⁸³ The National Employment Strategy 2011-2020 reports that in 2009, the average cost per TVET trainee was equal to around 4,800 JOD.

⁸⁴ Last available data.

⁸⁵ http://www.cedefop.europa.eu/files/table_17_on_the_way_to_2020.xlsx.

⁸⁶ A global engineering consulting firm based in Amman, Jordan, with offices across the Middle East and in the United States. The company provides services, covering technical studies, engineering design, and construction supervision in a wide array of sectors – from water and sanitation, transport, and energy to education, healthcare, and tourism. Established in 1988. Has over 450 employees operating throughout its offices and sites. <http://www.engicon.com>.

⁸⁷ Adapted from: Public-Private Partnerships for Skills Development in ETF Partner Countries. ETF, 2018.

3. Participation of the private sector in the Centre funding is *indirect*: through the payments for foreign workers' work permits, which go to the E-TVET Fund. At the same time, the companies are involved in different aspects of the Centre functioning – from curriculum development and in-company training to participation in the governance (membership in the steering committee). They participate also in the selection of trainees – there is in fact a competition among potential trainees.
4. The success of the Centre is evident. Its graduates have very high employment rates. Among the success factors of the centre are high quality trainers, modern equipment, and the work-based learning element. The fact that only the best candidates are selected to join the Centre also contributes to high quality of the graduates.

DELEGATED MANAGEMENT OF WORKSHOPS

Functional type		Mixed: resource-oriented and VET provision-oriented .
Scope / integration with the VET system		Ad hoc PPP, limited within the selected sectors.
Membership modalities	Number of partners	Single private partner, multiple public partners.
	Types of organisations involved	Chamber of Commerce; public authorities; public VET colleges.
	Openness	Closed: the Chamber is the single leading organisation and the membership of colleges is not voluntary but agreed on the negotiations between the chamber and the public authorities.

1. In July 2017, a Memorandum on Cooperation for 3-year period in four sectors of economy with high demand of qualified labour force (Garment production; Wood and Furniture production; Packaging; Chemicals and beauty products) has been signed between the VTC and the JCI. Two types of cooperation are foreseen: Sector Skills Councils and Delegated management of workshops. The MoC foresees the following responsibilities of the parties:
 - VTC delegates the management of training units that can be either schools or workshops; passes to JCI *'the workshops with all its equipment'*; and commits to help in identifying funding sources from donors if the JCI intends to add/replace the workshops' equipment;
 - JCI selects the workshops/schools, manages them and sets up the training programmes; appoints the training staff; commits to train 4,000 learners per year.
2. One can clearly notice that there is no provision about the investments to be made by the private partners and the only expected source of funding is the donor community. Interviews with the JCI representatives confirmed that their understanding of the Delegated management of workshops was to *'keep the workshops running'* but no obligation of investments were accepted. Moreover, before signing the above MoC, the JCI reportedly had a rather blurred view of the situation with the workshops in the TVET institutions (no any *ex-ante* analysis or assessment had been done)⁸⁸ and took over the responsibility for their management without intention to make any investment. As explained, the reason is simple: JCI has no own money to invest, while the employers of the sector are mostly micro- to medium-size and have no capacities to invest, too.
3. The Chamber also sees attraction of learners as a challenge. In their opinion, duration of the formal VET is too long and its shortening to 6-9 months could be a solution.

Conclusions

1. In Jordan, three types of the cases suggested as Public-private partnership in TVET, were considered:
 - Sector Skills Councils;

⁸⁸ At the period of our interviews, the person at the Chamber, responsible for delegated management of workshops, was appointed recently. The previous officer in charge for this issue, had informed that during the phase of selection of workshops, there was a disagreement on which schools or workshops should be given for delegated management. The Chamber showed preference for schools which were more successful, whereas the VTC expected assistance with struggling schools. Moreover, whereas the preference of the VTC was to give out the whole school for management, the Chamber only agreed to take up selected workshops within the school.

- VET Centres of Excellence;
 - Delegated Management of VET institutions' workshops.
2. Strictly speaking, **none of them complies with the commonly accepted characteristics of PPP** and specifically those suggested by ETF. The table below presents our assessment against the defined criteria for identification of common elements of PPP⁸⁹:

Element of PPP		Defined criteria and Assessment
Formulation	Existence	
Stable relationship between private and public partners	Rather No	<p>Criteria: The relationship is stable if communication between the private and the public partner is regular, well-established, 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 any decisive role (due to the consultative nature of those structures and/or low level of representation therein) or are not motivated to contribute to policy dialogue (due to mistrust towards the governmental institutes and/or low level of own benefit perception).</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, have not made any tangible contribution to the TVET development processes yet. Their sustainability, which is a guarantee for communication stability, is still strongly questioned.</p>
Private partner participates in funding or provision of other resources for the partnership	Rather No	<p>Criteria: Private partner allocates its own funds or resources to the implementation of the partnership.</p> <p>Assessment: In none of the "PPP cases" private partners have invested financial resources. In-kind contribution is also extremely limited. The only financial contribution is the fee (2-5 JOD) paid by the employers to the TVET students during their practical training in the enterprises. This, however, is a usual practice in "normal" VET settings without any PPP arrangements.</p>
The economic operator participates at various stages of engagement	No	<p>Criteria: Economic operator participates in design, implementation, evaluation of the partnership either 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 solutions".</p>
The partnership has clearly set objectives	Rather No	<p>Criteria: The documentation related to the partnership mentions such objectives in a non-ambiguous manner and the partners are able to easily identify and present such objectives.</p> <p>Assessment: No any MoU or Agreement signed between the partners, was made available to the Team90. However, the results of the interviews suggested that those agreements include generic statements of cooperation rather than clearly defined objectives/and or obligation of the parties.</p>
The public partner defines the objectives to be attained in terms of public interest, quality of the services and pricing policy, and it is responsible for monitoring compliance with these objectives	No	<p>Criteria: Public partner has defined the objectives of PPP in terms of the public interest, quality of the services and pricing policy in an official agreement.</p> <p>Public partner has established a monitoring mechanism to ensure compliance with the defined objectives</p> <p>Assessment: No performance, fiscal or quality indicators are set for any of the "PPP cases".</p> <p>No monitoring mechanisms have been identified.</p>

⁸⁹ Here and for the cases of Kazakhstan, Ukraine and Serbia below, the existence of elements is assessed according with the following grade: "No – Rather No – Partly – Rather Yes – Yes".

⁹⁰ The stakeholders did not directly turn down our requests on provision of those documents but have never provided them.

The distribution of risks between the public and private partner, to whom the risks generally borne by the private sector are transferred	No	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 from their side are expected and no specific obligations are defined. Only a “moral” risk can be considered, i.e. in the case of failure in those aspects of TVET reforms and developments where the private partners are involved, their image may suffer and the mutual distrust deepen.
Whereas the responsibility can be transferred from the public partner to the private one, the accountability always stays with the public sector	No	Criteria: The accountability mechanisms and descriptions exist, clearly delineating the accountable actors within the public sector Assessment: No meaningful accountability mechanisms have been identified.

3. Our assessment against the set of certain preconditions (proposed by ETF), which should lead to different modalities of PPP, is presented in the following table:

Operational sub-questions	Indicators/assessment criteria	Assessment
Pre-condition A: Legal framework for public-private cooperation		
Is the legal framework for public-private cooperation present?	Present if: <ul style="list-style-type: none"> 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, actors adhere to the rules) 	Formally present: Law on Public Private Partnership, 2014; Regulation on Public Private Partnership Projects, 2015
Pre-condition B: Fiscal arrangements for public-private cooperation		
Are fiscal arrangements for public-private cooperation present?	Present if: <ul style="list-style-type: none"> 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) to the private partners involved in the PPP projects.
Pre-condition C: Tradition of social dialogue		
What is the existing tradition of social dialogue?	Are PPPs building on 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, examples of successful results are limited (e.g., only to some sectors)	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, its Social Partnership Committee) are supportive of PPPs to a limited extent and do not specifically lead to PPP cases. It better fits to the category of “Long tradition with mixed outcomes”. Thus, the current social partnership mainly does not lead to outcomes. The cases which can be approximated as PPPs are not directly derived from the existing social partnership. Institutionalised by the form but ad hoc in terms of the results.
Pre-condition D: Social partnership in VET and skills		
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 of 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, they are regularly engaged	

Pre-condition E: Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships

Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships	Are actors' capacities being built in 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.
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DRAFT

Kazakhstan

Legal Aspects of Social Partnership and PPP in Kazakhstan

1. In Kazakhstan, the Law on Concessions was adopted in 2006⁹¹ and contained a special chapter on PPP. Later, this part was invalidated after the adoption of a new Law on Public-Private Partnership⁹² on the 31st October 2015 (№ 379-V). The latter defines the PPP in Kazakhstan as a form of cooperation between a public partner and a private partner, which corresponds to the following *characteristics*:
 - building relationships between a public partner and a private partner *via* concluding a public-private partnership agreement;
 - medium- or long-term period of the public-private partnership project implementation (from three to thirty years, depending on the nature of the PPP project);
 - joint participation of a public partner and a private partner in the implementation of public-private partnership project;
 - pooling the resources of a public partner and a private partner for the implementation of public-private partnership project.
4. The Law formulates the main *objectives* of PPP as: a) creation of conditions for effective interaction between the public and private partners for ensuring sustainable socio-economic development of the country; b) attracting investment in the economy of the country by combining the resources of the public and the private partners with a purpose to develop infrastructure and the population's life support systems; c) improving availability and quality of goods, works and services, considering the interests and needs of the population, as well as of the other stakeholders; d) increasing the overall innovation activity in Kazakhstan, including the promotion of high-tech and science-intensive industries development.
5. There are also *principles* of PPP stipulated by the Law: *consistency* – phased establishment of relations between the subjects of PPP; *competitiveness* – selection of a private partner on a competitive basis; *balance* – mutually beneficial distribution of duties, guarantees, risks and revenues between public and private partners in the process of a PPP project implementation; and *effectiveness* – establishment of criteria and indicators for assessing the results of PPP. Education, along with healthcare, transport, power industry, and housing and public utilities, is declared as one of the priority sectors for PPP in Kazakhstan⁹³.
6. Another act important to be mentioned here, is the Law on the State Property (№ 413-IV, 2011)⁹⁴ which *inter alia* foresees opportunity of transferring publicly owned organisations in trust management. This can be done with or without right of further purchase of the state assets by the Trustee.
7. In the case of nationally owned property, the trust managers are the central (national) governance bodies, while the community assets, particularly the VET colleges, can be transferred in trust management by the regional authorities – Akimats. The rules of transferring of the state assets to trust management are approved by the Ministry of National Economy in 2015⁹⁵. They define all aspects and procedures of this transfer and set also a sample agreement on trust management of the state property to be signed between the corresponding public body (responsible for the public property / Trust manager) and the Trustee which can be an individual or a non-state legal entity. Agreement stipulates particularly the main rights, obligations and responsibilities of the parties. For example, the Trustee shall *'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 e.g.

⁹¹ The first Law on Concessions was adopted in 1991 but was but was deemed invalid in 1993.

⁹² <http://adilet.zan.kz/kaz/docs/Z1500000379>.

⁹³ Sh. Chikanayev: http://www.gratanet.com/up_files/%5BGRATA%5D%20PPP%20in%20Kazakhstan.pdf.

⁹⁴ <http://adilet.zan.kz/eng/docs/Z1100000413>.

⁹⁵ Order of Minister of National Economy № 17, 16th January 2015. <http://adilet.zan.kz/rus/docs/V1500010111>.

investments to be done or other duties related to the improvement of the institution. These types of commitments are subject to specific consideration in every single agreement in accordance with the consensus between the parties. The Trustee is obliged to submit reports on activities and financial reports with a specified periodicity. It also can be rewarded for implementation of the trust management and/or its expenses can be reimbursed by the Trust manager.

8. Concerning the public body (Trust manager), its principal obligations are to pass the property and all necessary documents to the Trustee by the deadline defined in the agreement, as well as not to transfer or sell the property to the third parties during the period of the trust management. The Trust manager is authorised also to supervise the activities of the Trustee, particularly *via* monitoring of the management efficiency.
9. The issues of *social partnership* in the field of TVET are specifically considered in the Law on Education⁹⁶ (Article 45-1). It defines that the social partnership should be targeted at improvement of the education system activities' outcomes, strengthening relations between education and industries and ensuring the relevance of the skills with the needs of employers, as well as attraction of additional sources of funding. The main directions of partnership include: participation of employers in the development of the state obligatory standards of education, model curricula and programmes; organisation of students' practical training and retraining of teachers at enterprises; involvement of professionals from industries in the teaching process at colleges; participation of employers' representatives in TVET quality control and assessment of professional degree; attraction off employers' funds to the development of colleges. One can notice, however, that no role in TVET governance is foreseen for the employers. This is true that in Kazakhstan, there are national, regional and sectoral councils established for policy dialogue at different levels (also foreseen by this Law) but those councils have solely consultative role and can hardly be considered as significantly influencing the TVET policy development processes or decision-taking at e.g. institutional level (for more details, see the sub-sections below).

Overview of TVET system and Social Partnership in VET

1. At the beginning of the 2018-2019 academic year, the Kazakhstani VET system comprised 769 institutions and 36 branches. Of them, 451 were public (with 22 branches) and 318 private (with 14 branches). The total population of students was 489.8 thousand (229.0 thousand or 46.8% were women), 57.5% of which 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, 43.5 thousand of pedagogical staff work in the system, including: 37.5 thousand Teachers (72.7% women) and 6.0 thousand Master-trainers (43.9% women)⁹⁷.
2. In terms of the VET students' distribution as by fields education, *Healthcare and Pharmaceuticals* is the leading sector and involves 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%). For the *ICT* sector this indicator is equal to 9.2%, while the sectors of *Construction, Transportation, Agriculture and Ecology*, and *Energy* are between 4.2% and 5.6%. At the same time, in each of such important for the country sectors as *Geology and Mining* and *Oil, Gas and Chemical Industry*, only 1.9% of TVET students are involved.
3. The main structure of the social partnership in TVET is the National Council for Preparation of Professional and Technical Cadres⁹⁸ which is a consultative body. It has 55 members, out of which 32 are representatives of Parliament, Government, ministries, regional administrations, universities, some other public organisations. The remaining are social partners, chiefly employers. The main objective of the Council is to support implementation of the state policy in the field of labour resources development and coordination of the works targeted at providing the economic sectors with qualified

⁹⁶ Law № 319-III, 27th July 2007

⁹⁷ Ministry of National Economy of the RK. Committee on Statistics. <http://stat.gov.kz/getImage?id=ESTAT290849>.

⁹⁸ Established by the Government Decision № 298, 30th March 2011 (replacing the Republican Council for Development of Technical and Vocational Education and Preparation of Cadres, established by the Government Decision № 1211, 11th August 2009), which was invalidated by the Government Decision № 529, 31st August 2017.

personnel through the development of recommendations on: the priority directions of the TVET development, establishment of the National qualifications system, involvement of the employers in training and retraining programmes, skills need anticipation and forming the state order, TVET quality assurance, improvement of TVET governance and funding and on other aspects.

4. The Ministry of Education and Science supervises national policy; the Board of Education does so at regional level. 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 the work aimed at encouraging more active participation by employers, big business and representatives of small and medium-sized enterprises (SMEs) as the main customers for highly qualified professionals at all levels of the VET system management (national, regional and sectorial)⁹⁹.
5. In the country, there are 16 Regional TVET Development Councils as well as Sectoral TVET Development Councils on Mining and Metallurgy; Chemical Industry; Pharmaceutical Industry; Construction and Wood processing industry; Light Industry; and Machine Building¹⁰⁰. They involve representatives from both governmental structures and social partners, i.e. employers, their unions and associations and trade unions. Those Councils are responsible for implementation of state educational policy at regional and sectoral levels, respectively, and specifically for such issues as formation of the state order, organisation of the students' practical training at enterprises, establishment and strengthening links between the TVET institutions and private sector, etc. At the institutional level, there are Boards of Trustees established in TVET colleges, which involve social partners and the students' parents. Employers are also members of the colleges' Pedagogical Councils.
6. The National Chamber of Entrepreneurs "Atameken"¹⁰¹, representing 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, and since 2016 it has been active in designing and approval of professional standards for VET, due to official transfer of a number of functions from the governmental agencies to the Chamber¹⁰².
7. In the main policy document related to the education sector – the ***State Programme of Education Development of the Republic of Kazakhstan for 2011-2020*** (SPED), approved by the President Decree back in 2010¹⁰³, particularly the following issues of the VET system are defined:
 - lack of professional standards and modern qualification requirements to the specialists do not allow developing adequate content of staff training to meet the demands of industry and employers;
 - infrastructure, material and technical base of technical and vocational education system does not guarantee high quality of staff training and attractiveness of education for young people;
 - low motivation of engineering-pedagogical workers to provide quality education became a reason for brain drain to other sectors of economy;
 - ineffective management does not guarantee competitiveness of education organisations in market conditions;
 - insufficient financing and cost of expenditures to train one professional under the government grant scheme does not help the students obtain necessary qualifications.
8. In addition, underdeveloped ***Public-Private Partnership*** is considered as one of the weaknesses of the entire education system.

⁹⁹ [Torino Process 2016-17 Kazakhstan Report. Executive summary](#). ETF, 2017.

¹⁰⁰ Re-established by the Order of Minister of Investments and Development № 435, 3rd July 2017. Initially the Sectoral Councils were established according with the Order of Vice-Minister of Industry and New technologies № 108, 18th April 2011 and then re-established by the Order № 142, 30th April 2013.

¹⁰¹ <http://www.atameken.kz>

¹⁰² [Torino Process 2016-17 Kazakhstan Report. Executive summary](#). ETF, 2017.

¹⁰³ Decree of the President of the Republic of Kazakhstan № 1118, 07.12.2010.

http://planipolis.iiep.unesco.org/sites/planipolis/files/ressources/kazakhstan_state_program-of-education-development-in-the-republic-of-kazakhstan_2011-2020.pdf.

9. *Modernisation of the system of technical and vocational education in accordance with the demands of society and industrial-innovative development of economy, integration into the global educational space* is among the aims of the Programme, and accordingly, the main VET-related objectives are formulated as follows:
- updating the structure of the content of technical and vocational education according to the demands of the country's industrial-innovative development;
 - developing infrastructure for staff training for sectors of economy;
 - improving prestige of technical and vocation education;
 - development of the **public-private partnership** system in education.
10. In SPED, there is also a set of target indicators, which should be reached with participation of employers and their unions. They relate specifically to the independent assessment of TVET colleges' graduates' qualification in the employers' associations; national institutional accreditation of colleges; qualification upgrading of, and training courses for, engineering-pedagogical workers in TVET schools; provision of professional standards; funding of TVET students' studied by employers.
11. Some concrete steps towards strengthening partnership with employers are proposed in the Programme: Increase of practical training in TVET curricula up to 60% and extension of practical training sites with employers; establishment of vocational training centres in Atyrau, Elibastuz, Shymkent, and Ust Kamenogorsk, with private sector's investments; creation of Independent centres of qualification certification with the participation of employers from different sectors of economy.
12. The **State Programme of Industrial-innovative Development of Kazakhstan for 2015-2019**¹⁰⁴ states that provision of specifically the processing sector of economy with highly qualified labour force will be ensured through increased quality of vocational education and training by means of improving both the content and the material base of the TVET system. This will be reached particularly via introduction of the mechanism of **trust management**. Employers will be involved also in development of occupational standards and curricula, while the teachers of the educational institutions should periodically be (re-)trained at corresponding enterprises.
13. In Kazakhstan, certain institutional arrangements are set up for implementing public-private partnership. In March 2014, according with the recommendation of the **PPP Coordinating Council** acting under the Government of Kazakhstan, a Public Private Partnership Advisory Centre (PPPAC) was established and recognised as the "single legal entity" providing advisory support of republican and local concession projects. In September 2016, due to widening the scope of Centre's authorities, it was reorganised into **Kazakhstan Project Preparation Fund**¹⁰⁵. The Fund has a mission to attract investments to Kazakhstan development projects through: searching investment and infrastructure projects; designing project documentation for such projects in accordance with the requirements of potential investors and lending institutions; independent financing of project documentation design; identifying financial solutions for the projects, including attraction of shared and debt financing among the local and international financial institutions, agencies and funds.
14. Another player in the field of the PPP projects is the Joint Stock Company **Kazakhstan Public-Private Partnership Centre**, which is a leading research and expert hub for development of new type PPP. The main tasks of the Centre are research, examination, evaluation of, and support to, implementation of PPP investment projects. The Centre has also an objective to contribute to improving conditions for successful partnership between government and private sector, with a purpose of increasing private investment in the country's economy¹⁰⁶.
15. The **"Kesipkor" Holding** is a non-commercial Joint Stock Company under MoES and has a mission to initiate and disseminate innovations related to different aspects of TVET in Kazakhstan. It has 16 "base" colleges for implementation of the 77th step "Training of qualified personnel in ten leading colleges and ten universities for six key economic sectors"¹⁰⁷ with subsequent dissemination of

¹⁰⁴ Decree of the President of the Republic of Kazakhstan № 874, 1st August 2014.

¹⁰⁵ <https://kppf.kz/>

¹⁰⁶ <http://kzppp.kz/en/>

¹⁰⁷ Industry, Agriculture, Construction, Trade, Transportation, and Communications.

experience in other educational institutions of the country” of the Plan of the Nation “100 Concrete Steps” and according to the approved Development Plan for basic universities and colleges to provide qualified specialists of GPIIR RK projects for 2015-2019 (modified from August 18, 2017 № 421).

Types and Cases of Partnership in VET

1. In general, the TVET system in Kazakhstan widely cooperates with the private sector. This cooperation relates to the organisation of practical training of the public colleges’ students at the enterprises, provision of modern training equipment, tools and materials by the private partners to the colleges, training of the latter’s teachers and masters at the companies, etc. At the same time, there is also a “counter-cooperation” of the state with the private colleges, which is manifested first of all by placing state order for preparation of the specialists in those institutions.
2. Moreover, the state encourages different forms of business approaches and income generation in TVET, e.g. by establishing flexible semi- and quasi-public structures (such as Kesipkor Holding or PPP Centre), promoting meaningful privatisation of the colleges and other structures¹⁰⁸. In the framework of this policy, e.g. the APEC PetroTechnic College¹⁰⁹ for oil and gas was established by public funding under Kesipkor. This institution has a status of LLC and can freely create income by providing a variety of educational and other services. It receives also state order from the Government and cooperates with a number of private companies among which such a giant as BI Group¹¹⁰. The Kazakh-British Technical University¹¹¹ is also among the College partners.
3. Below we present some types of cooperation and selected cases which seem useful for better understanding of cooperation between the public and private sectors in Kazakhstan.

¹⁰⁸ 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.

¹⁰⁹ <http://apec.edu.kz>.

¹¹⁰ <https://www.bi-group.org>.

¹¹¹ www.kbtu.kz/en.

Dual education

Functional type		VET provision-oriented
Scope / integration with the VET system		Ad hoc PPP.
Membership modalities	Number of partners	Single private partner, single public partner: KazakhMys college; Ust-Kamenogorsk Building college. Multiple private partners, single public partner: Ural college of Gas, Oil and industrial technologies.
	Types of organisations involved	Businesses, private VET colleges, public authorities.
	Openness	Closed: KazakhMys college; Ust-Kamenogorsk Building college (cooperation with only a specific partner). Open: Ural college of Gas, Oil and industrial technologies (college has partnership with a number of companies and others may join).

- Introduction of dual VET in Kazakhstan was effectively 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 RK MoES, the Chamber of Entrepreneurs and GIZ in 2012. The need of creating ‘a core of a national system of dual technical and professional education’ which would ensure ‘move to a guarantee by the government of a technical education for young people’, was mentioned in the Presidential address related to the “**Kazakhstan-2050” Strategy**¹¹². In the beginning of 2018, the Government reported about dual training 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 31,607¹¹³.
- The German model of dual VET is considered in Kazakhstan and the main directions are to be: improvement of material and technical base of colleges; introduction of innovative educational technologies for preparing specialist demanded in the LM; improvement of social partnership with the private sector through strengthening the links and cooperation between educational institutions and enterprises¹¹⁴.
- Examples of dual VET in Colleges:

Polytechnic College of “KazakhMys” corporation¹¹⁵

- A private college established in 2001 by the “KazakhMys” corporation which is one of the major copper producers in the world and has around 50 thousand employees
- The corporation provided training buildings, equipment and the place for the students’ practical training at the enterprise
- College has 140 employees, out of which 45 teachers and 4 masters, and around 580 students in the 2018-2019 academic year
- The offered qualifications are mainly for the mining sector. Curricula are developed with direct participation of the employer (example of a curriculum demonstrating the alternance nature of training organisation is presented in the Annex 9) and enrolment of the students is implemented according with the real labour force demand
- Tripartite agreements between the corporation, college and the students are signed which oblige the latter to work at least 3 years for the corporation
- Since 2016, the college has been receiving state order and since 2018 cooperating with the employment service for provision of vocational training for unemployed people
- The students involved in training within the state order, are not subject to concluding the above-mentioned tripartite agreements.

¹¹² The Message of the President of the Republic of Kazakhstan “[Kazakhstan’s way – 2050: Common Goal, Common Interests, Common Future](#)”, January 2014.

¹¹³ <https://primeminister.kz/en/news/all/novoe-kachestvo-obrazovaniya-itogi-2017-goda-i-plani-na-2018-god>.

¹¹⁴ S. Kh. Muhambetaliev, A. Kh. Kasymova. “The Introduction of Elements of Dual Education System: Experience, Problems, Prospects”. Indian Journal of Science and Technology. <http://www.indjst.org/index.php/indjst/article/viewFile/99711/76400>.

¹¹⁵ <http://www.ptk-kazakhmys.kz>

Ural College of Gas, Oil and Industrial Technologies¹¹⁶

- Occupations for which dual training is implemented are: “Veterinary”, “Electric Power Supply”, “Construction and maintenance of gas- and oil-pipelines and storage”, “Petroleum refining and gas process”, “Agriculture” and “Industrial and civil engineering”.
- The college has agreements with more than 40 companies. The leading social partners of the College are: “KPO b.v.”, “Management of main gas pipelines “Oral” JSC, Condensate JSC Zap. KAZ. REK”, JSC Translating”, “Alau” LLP, State enterprise “Ural Selkhozopitnaya station”, “Aidana” LLP, “Oral Terminal” LLP.
- Private sector participates in the curricula development, provision of instruction and organisation of practical training of the students.
- Bodies established in the college: Coordinating Council for the implementation of dual forms of training; Working group on the development of training documentation.

Ust-Kamenogorsk Building College¹¹⁷

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

DORMITORIES AND CATERING

Functional type	Resource-oriented.	
Scope / integration with the VET system	Ad hoc PPP.	
Membership modalities	Number of partners	Single private partner, single public partner.
	Types of organisations involved	Businesses, National authorities.
	Openness	Open: any private partner may apply.

1. Out of the 5 social initiatives declared by the President in March 2018, the 3rd concerns the improvement of the students’ accommodation. By 2022, dormitories should be fully available for 75 thousand students of colleges and universities. According to data¹¹⁸ provided by the Financial Centre of MoES which is responsible for managing PPP projects in the sphere, the total demand of dormitories comprises more than 90,000 seats, including 25,000 for the college students. The highest demand is registered in Astana (~4,500)¹¹⁹ followed far behind 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 order for construction of dormitories started in October 2018. For this purpose, 152.8 billion KZT (~358 million Euro) will be allocated from the State budget during 11 years. The contracts will be concluded till 2022, and compensations paid till 2030. These projects are implemented in accordance with the Law on PPP, and their mechanism is simple. Private partners (these can be also the colleges and the universities themselves) construct dormitory buildings (or reconstruct existing ones) on their own funds. Usually this are loans provided by banks at a lower interest rate specifically for dormitory construction, compared

¹¹⁶ Ibid.

¹¹⁷ <https://www.heidelbergcement.com/en/dual-training-system-kazakhstan>.

¹¹⁸ Data as of November 2018.

¹¹⁹ For university students, the highest demand is in Almaty – over 30 thousand seats.

with the usual commercial loans (8% against normal 14-15%). The state, during 8 years pays back (compensates) a specific amount of money which is calculated with consideration of every actually occupied seat in the dormitory: 122 MCI¹²⁰ 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 = 2,525 KZT (~6.0 Euro) and is a subject to yearly indexation (adjustment)¹²¹. The buildings remain under the private ownership and the owners can use the non-residential area of the dormitory for commercial purposes and generate additional benefit, too.

- At present, two projects are ongoing: construction of a building for 100 seats in the East Kazakhstan Region, and reconstruction of a building for 340 places in Astana. In both cases, the dormitories will serve for a number of colleges. Several other projects are in the stage of negotiation¹²².
- Another interesting case of PPP was learnt particularly from Karaganda oblast. The regional department of education has piloted “privatisation” of catering in a limited number of schools and plans to expand this experience to other educational institutions of the region. Particularly, 12-13 VET colleges were selected, where PPP projects will be introduced in order to provide catering for the students. The Department is convinced that this approach will ensure higher quality and lower price of the catering service and also will relieve the college administration of a ‘*non-relevant burden*’ thus allowing better concentration on educational services. Presently, a package of documentation for announcing tenders for selecting private partners, is being prepared.

TRUST MANAGEMENT

Functional type		Resource-oriented. The regional authorities, encouraged by the Ministry of National Economy, are giving up for private management VET colleges in order to ease the budget burden.
Scope / integration with the VET system		Ad hoc PPP.
Membership modalities	Number of partners	Single private partner, multiple public partners.
	Types of organisations involved	Businesses, public VET colleges, National authorities, Regional Authorities.
	Openness	Closed: the Chamber is the single leading organisation and the membership of colleges is not voluntary but agreed on the negotiations between the chamber and the public authorities.

1. In Kazakhstan, according with the information provided by the TVET Department of MoES, at present five colleges are transferred to trust management, one is in the process of transfer and two others are planned to be transferred (see below). This is done 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 Agro-technical College,
 - Irtysk Agro-technical 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 are planned to be transferred:
 - Karaganda Higher Polytechnic College,

¹²⁰ Monthly Calculation Index – Месячный расчётный показатель (МРП).

¹²¹ In 2020, 1 MCI will be 2,613 KZT, in 2021 – 2,704 KZT and in 2022 – 2,799 KZT.

¹²² More information on the projects can be found at: <http://studdom.fincenter.kz>.

- Temirtau Higher Polytechnic College,
 - Karazhal Mining and Technical College.
2. There are two slightly different positions of the state bodies regarding this issue. The Ministry of National Economy strongly supports trust management and makes efforts for intensifying the process of transferring the TVET colleges to TM in order to *ease the budget burden*. In contrary, MoES position is that the 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 the business management considerably;
 - the social responsibility of business is still rather low;
 - initiative of transferring the colleges to TM mainly belongs to the regional authorities and/or the colleges themselves, while the businesses demonstrate a little motivation;
 - the private sector seems much more interested in the colleges' infrastructure (land, buildings, other assets) rather than in improvement of the education system and the training process;
 - the main purpose of TM should be higher quality of the VET provision through increased effectiveness of its management system resulting in improvement of different aspects, e.g. the material-technical base of the institutions, curricula and other programme materials, teachers' and masters' capacities, more appropriate conditions for the students' practical training, etc. This, however, was not proved yet by most of the TM cases.
 3. Therefore, at present MoES considers development of mechanisms for better monitoring the TM implementation and also possible leverages for TM suspension where the TM effectiveness is considerably questioned. Nevertheless, the power of taking decision of transferring the colleges to TM remains with the regional authorities.
 4. In the framework of this research, selected cases of TVET colleges trust management were closely studied and are presented below.

Talgar College of Agribusiness and Management

1. The college¹²³ was established in 1918 in Almaty, and then moved to Talgar in 1930. At present, institution has 1,200 students and 150 employees, including 108 teachers and 2 masters of practical training. Ten qualifications in the fields of agriculture (agronomy, mechanisation, land management, veterinary) as well as IT and electro-engineering are offered.
2. In 2014, the regional department of education informed the college about its plans to transfer this institution to trust management and in October 2015, Akimat of Almaty oblast took an official decision about this. Already in February 2016, based on the results of provided tender, Financial Department of Almaty oblast, on behalf of the Akimat, signed a 5-year agreement with the winner of the above tender – Bayserke Agro LLC – on trust management of the Talgar College of Agribusiness and Management. This agreement is fully in line with the sample approved by the Ministry of National Economy (see above) but includes also clauses about the right of the Trustee to redeem (buy) the object, as well as about its additional commitment to invest in the college and open new job places, according with the following table:

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

¹²³ <http://www.tkaim.kz/index.php?lang=en>

3. Reportedly, the Trustee fulfils its obligations in compliance with this schedule. In addition, around 20 graduates of the college are job placed in the agro-holding every year. The latter has its educational-scientific-production centre and the College is supposed to be involved in this chain for training of its own staff but also for training of the company staff in the College.
4. Thus, in the result of the TM, the company makes monetary investments, provides equipment and materials, ensures practical training of the students, retraining of the teachers, is involved in the curricula (education content) design, participates in teaching process and in assessment of the students and graduates. It is noticeable that the college closely cooperated with “Bayserke Agro” also before transferring it to the TM. However, according to the College Director, the company never participated e.g. in curricula development or revision in order to make the education content more relevant particularly to its own needs, although there were no obstacles for doing so. The only reason could probably be lack of motivation and/or pro-activeness of both parties – the college and the company. Only after giving the cooperation a formal status, the situation has changed and the company became more enthusiastic in terms of participating in different aspects of the College activities.
5. At the same time, again according to the Director, nothing has changed in terms of the College management. The Trustee does not intervene daily or strategic management of the institution. No single change in administrative or other personnel was imposed; the scope of the Director’s authorities remained totally unaffected, he keeps reporting to the regional Department of Education and to MoES. This has probably both positive and negative aspects but only deeper analysis of the trust management and its evaluation at a later stage can give answers to the main question about the purposefulness and effectiveness of this new (for the country) form of the VET governance.

Almaty College of Economics

1. The institution was established in 1942 in Taldykorgan oblast, with a purpose to prepare specialists for sugar industry. In 1948, it was moved to Almaty and then renamed several times in accord with changing and expanding profile of the institution. In 1993 it has become Almaty College of Economics¹²⁴. Nowadays, the college has 1,100 students and 146 employees, including 80 teachers and 16 masters of practical training. A number of qualifications are offered to the learners in the fields of Economics (Accountancy, Finances), ICT, Food Technology (Bread and Pasta, Beer production), and Catering. A dormitory with 200 seats is available to the students.
2. The College was transferred to trust management in 2018, in the result of a tender announced by the Almaty Akimat. Four organisations participated in that tender and a private company "Republican Scientific and Methodological Centre of Technical and Vocational Education Development and Qualification Assignment" (RSMC)¹²⁵ has been recognised as the winner.
3. 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 the trust management should mean in general and for their institution specifically. Similar to the previous discussed case, the College management structure and its governance system have not been changed. Reportedly, the Trustee has not done any investments in the college yet.
4. It is remarkable that the transfer of the above two colleges to trust management was initiated not by the Education Department (specifically the VET Division) of the Almaty Akimat but by the Finance Department who is authorised to manage the public assets on behalf of the 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 the agreements with the Trustees were signed by its Head.
5. Here, a “*regional analogue*” of the situation between the MoES and MoNE can be seen: the regional Education Department tries to balance the active endeavour of the Finance Department to transfer

¹²⁴ <http://www.almec.kz>

¹²⁵ See footnote 78.

more colleges to the TM. Therefore, the VET Division developed a number of requirements which have to be considered by the Trustees:

- the college profile should not be changed;
- the students' enrolment (admission) should not decrease;
- no sharp changes of the (teaching) personnel should be done;
- job placement of the graduates (at least a considerable number thereof) at the Trustee's company should be ensured;
- considerable investments for improving the college capacities (facilities, equipment, methodology, human resources, etc.) should be done.

6. These conditionalities are supposed to minimise a number of risks, particularly those listed above, under the [paragraph 113](#).

Astana College of Humanities

1. There is a need to ensure school teachers for around 100 thousand pupils in the Astana region. The existing universities are not able to fill this gap. Therefore, the regional authorities initiated transfer of the Astana College of Humanities to trust management of a private partner who would organise there also higher education for preparing necessary pedagogues. Due to this, while selecting the Trustee, the priority will be given to a university (most likely to a private one, if any applies) which would already have a license for providing higher education and no additional licencing procedures will be necessary.
2. Presently, the College has 2,400 seats but 1,000 more are needed. It is planned to introduce a multi-level system which would allow the college graduates to continue their education at the university. According to the representatives of the Education Department of Astana Akimat, the main purpose of passing the college to TM is that the private partner will invest in expanding the college facilities (both the training building and the dormitory) and will ensure considerably more effective management of the institution than the Government does. Moreover, it is decided that the future Trustee will be allowed to purchase the institution after (or probably during¹²⁶) the period of TM. The Tender has already been announced and the expected period of partner selection is planned for March-April 2019.
3. For this case, however, we would warn about the following possible risks. It is probable that the present seats of the college will be "transformed" into university seats and the college will gradually be downsized or ultimately even closed down. Another undesirable scenario is that studying in the college will become for the students simply a "jumping-off place" for the higher education and will not serve a purpose anymore¹²⁷. Even if our concerns does not come true, the planned transfer of this institution to TM can hardly be considered as targeted to improvement of the college and increase of VET quality but rather promotion of higher education.

Planned PPP projects

1. In the projects database of the PPP Centre¹²⁸, information about 681 PPP projects¹²⁹ can be found. Out of them, 338 are in the field of education and the vast majority relate to construction and/or operations of pre-school institutions. There are no VET-related projects yet which could formally be categorised as PPPs. However, it is worth to mention some initiatives which would hopefully materialise in the close future.
2. One of the PPP projects initiated recently, is the creation of a **Construction and Utilities College** in Kyzylorda:

¹²⁶ This aspect will be defined according to the agreement to be signed between the regional authorities and the Trustee.

¹²⁷ Interviews with some students of the colleges in Kazakhstan suggested that many of them, after graduating the college, see the "natural" continuation of their career in the university but not in the labour market.

¹²⁸ http://kzppp.kz/en/project_base

¹²⁹ As of February 2019.

Construction and Utilities College in Kyzylorda

- Project initiator – Akimat of Kyzylorda region represented by the Department of Education.
- Purpose of the project – Establishment of an advanced specialised College of Construction and Utilities in Kyzylorda for satisfying social needs for quality secondary (general and technical and vocational education) education services.
- Contract type – concession agreement providing creation of a concession object by the concessionaire with the subsequent transfer of the concession object to the state ownership. Afterwards, 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 for 600 seats, and Dormitory for 200 seats.
- Projected cost - 3,139,264 thousand KZT (~7.3 million Euro) Payment mechanism – the costs incurred by the Concessionaire at the investment stage of the Project implementation will be compensated to him at the operation stage. Payment to the Concessionaire provides compensation for investment and operating costs, and remuneration for the management, from the date of commissioning of the Concession facility.

3. Other examples of **planned** PPP projects in the field of education are:

- Operation of VET institutions in East Kazakhstan region under PPP mechanism. The project duration and the cost are still to be defined and are conditioned by volume of works to be defined. At present the Project is at the initiation stage.
- Establishment of a Regional Testing Centre with implementation period till 2036. The project cost is around 1,400 million KZT (~3.3 million Euro). At present the Project concept is under appraisal.

Conclusions

1. From the formal point of view, at present only construction (and re-construction) of dormitories for colleges can be considered in Kazakhstan as PPPs in the field of VET. All other forms of cooperation between the public structures and the private sector which specifically are:
 - Trust management of public VET institutions;
 - Placement of state order in private VET institutions;
 - Cooperation of public VET institutions with private companies regarding different aspects of VET organisation and provision (e.g. practical training of the students at enterprises, provision of training equipment and materials to the colleges, training of teachers and masters at the companies, etc.) are beyond the scope of PPP defined by the legislation.
2. Our study of the situation, based primarily on the provided interviews and observations, led us to the following initial conclusions which, however, are based on a limited number of considered cases and are worth to be tested for a wider scope thereof:
 - Even in the conditions of a considerable labour force demand, the private sector is hesitant to make any investment in the public institutions. The main reason seems the doubt about the “profitability” of such investments and uncertainty about the possible benefits.
 - Making investments becomes more attractive when the companies take over the management of the VET institutions (specifically with a right of further purchase). In this event, they feel ownership and start behaving according with the business logic (“*owner’s instinct*”).
 - On the other hand, the College Directors have always an actual chance to initiate discussions with the private sector on the education content, on learning the skill needs, on updating curricula, etc. But this not always is the case (due to different reasons including probably lack of enthusiasm for changes) until the cooperation between the college and the employer is formalised.
 - The large companies usually have a considerable influence in the regions and if they express a wish to take TM of a college, it can hardly be neglected by the authorities. The *vice versa* also seems relevant: 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 cases of TM, the Trustees have a certain interest – obvious or “hidden”. For example, in the case of Talgar College of Agribusiness and Management, the Trustee (Baysyerke Agro LLC) can use the college lands for its own needs, particularly for the scientific researchers in the field of agriculture but also 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.
3. The table below shows if the identified types and cases of cooperation between the public VET system and the private partners in Kazakhstan comply with the criteria of PPP suggested by ETF:

Element of PPP		Defined criteria and Assessment
Formulation	Existence	
Stable relationship between private and public partners	Rather Yes	<p><u>Criteria:</u> <i>The relationship is stable if communication between the private and the public partner is regular, well-established, recognised by all parties.</i></p> <p><u>Assessment:</u> Private partners are formally involved in different structures (National Council for Preparation of Professional and Technical Cadres, Board of Education, Regional TVET Development Councils, Sectoral TVET Councils, Institutions' Board of Trustees) at least since 2009. Those structures mainly seem functioning but their effectiveness and the real influence of the private partners on the decision making processes still have to be thoroughly studied and assessed¹³⁰. In any case, all those boards and councils have a consultative role only.</p>
Private partner participates in funding or provision of other resources for the partnership	Rather Yes	<p><u>Criteria:</u> <i>Private partner allocates its own funds or resources to the implementation of the partnership.</i></p> <p><u>Assessment:</u> In two main types of partnerships considered within the study, i.e. establishment of dormitories and provision of catering, and trust management, the private partners directly invest their own funds (to different extent). In the third type, i.e. dual education, direct investments in colleges are limited but instead, the companies provide their own industrial base, tools and material for the students' practical training (in-kind contribution) and in some cases also pay them fees. There are also certain cases of limited investments by some partners, with which the colleges have been cooperating for a long period of time.</p>
The economic operator participates at various stages of engagement	Rather No	<p><u>Criteria:</u> <i>Economic operator participates in design, implementation, evaluation of the partnership either through formal or non-formal mechanisms recognised by all parties.</i></p> <p><u>Assessment:</u> As mentioned above, the real PPP projects are mainly limited to the case of dormitories. Here, the engagement of the private partners is in accord with the procedures set up by the national legislation. There are no other cases of PPP for which this judgement could be done. At the same time, for the projected cases of PPP (which, however, not necessarily will be materialised), the economic operators are the initiators of the projects and stand at their origins.</p>
The partnership has clearly set objectives	Rather Yes	<p><u>Criteria:</u> <i>The documentation related to the partnership mentions such objectives in a non-ambiguous manner and the partners are able to easily identify and present such objectives.</i></p> <p><u>Assessment:</u> Although the real PPPs are limited, in most of the cases of cooperation (e.g. Trust management or organisation of dual education), either official agreements or at least memoranda with clear definition of the cooperation subject and the objectives, are signed.</p>
The public partner defines the objectives to be attained in terms of public interest, quality of the services and	Partly	<p><u>Criteria:</u> <i>Public partner has defined the objectives of PPP in terms of the public interest, quality of the services and pricing policy in an official agreement.</i></p>

¹³⁰ The national Torino Process Reports (e.g. Report for 2014 and the Executive Summary of the 2016-2017 Report) present the situation positively but not many evidences thereof can be found in those documents.

pricing policy, and it is responsible for monitoring compliance with these objectives		<i>Public partner has established a monitoring mechanism to ensure compliance with the defined objectives</i> Assessment: For the PPP cases related to the dormitories, there are strictly defined objectives and monitoring and controlling mechanisms. For all other cases where even the objectives are defined, no effective monitoring mechanisms have been identified.
The distribution of risks between the public and private partner, to whom the risks generally borne by the private sector are transferred	Yes	Criteria: <i>The distribution of risks between the public and the private partners are defined. This distribution is recognised by all parties.</i> Assessment: In all cases of cooperation, both formally recognised as PPP and those which could not be considered as such, the private partner takes a considerable part of risk.
Whereas the responsibility can be transferred from the public partner to the private one, the accountability always stays with the public sector	Yes	Criteria: <i>The accountability mechanisms and descriptions exist, clearly delineating the accountable actors within the public sector</i> Assessment: In all types of cases, strict rules of accountability to the public partners are defined. This however simply substitutes any effective mechanism of monitoring and evaluation which should be considered as more purposeful (see the fifth element in this table).

4. Similarly, the assessment against the set of PPP preconditions, is presented in the following table:

Operational sub-questions	Indicators/assessment criteria	Assessment
Pre-condition A: Legal framework for public-private cooperation		
Is the legal framework for public-private cooperation present?	Present if: <ul style="list-style-type: none"> ■ 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, actors adhere to the rules) 	Present: <ul style="list-style-type: none"> ■ Law on Public Private Partnership, 2015; ■ Law on State property, 2011; ■ Rules of transferring the state assets to trust management, 2015.
Pre-condition B: Fiscal arrangements for public-private cooperation		
Are fiscal arrangements for public-private cooperation present?	Present if: <ul style="list-style-type: none"> ■ 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: According with the legislation, if investing in PPP projects, the economic operators can e.g. receive loans with lower interest rate or use the PPP objects (e.g. the dormitory buildings) for commercial purpose for making additional benefit.
Pre-condition C: Tradition of social dialogue		
What is the existing tradition of social dialogue?	Are PPPs building on 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, examples of successful results are limited (e.g., only to some sectors)	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 rather than really effective. The existing structures (National Council for Preparation of Professional and Technical Cadres, Regional TVET Development Councils, Sectoral TVET Councils, Institutions' Board 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
Pre-condition D: Social partnership in VET and skills		
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?	

	<p>Ad hoc: there are no well-defined rules of 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, they are regularly engaged</p>	<p>regardless of the above boards' and councils' activities.</p> <p>It better fits to the category of "Long tradition with mixed outcomes".</p> <p>Thus, the current social partnership mainly does not lead to outcomes. The cases which can be approximated as PPPs are not directly derived from the existing social partnership.</p> <p><u>Institutionalised by the form but ad hoc in terms of the results.</u></p>
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Pre-condition E: Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships

<p>Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships</p>	<p>Are actors' capacities being built in 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>
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DRAFT

Ukraine

Overview of Legal Aspect of PPP in Ukraine

1. In Ukraine, the Law on Public-Private Partnership¹³¹ (№ 2404-VI) adopted on the 1st July 2010, defines that PPP is a cooperation between the state or local communities represented by relevant public bodies, or local self-government bodies (public partners), and legal entities, except the state-owned and municipal enterprises, or sole proprietors (private partners), which is based on the contract in the manner prescribed by the law. The main *characteristics* of PPP are formulated as follows:
 - private partner is authorised to acquire or create (construct, reconstruct, modernise) the partnership object and/or manage (use, operate) it, which is subject to the acceptance and fulfilment by the private partner of investment obligations in accordance with the agreement concluded in the framework of public-private partnerships;
 - the term of relationship is from five to fifty years;
 - while implementing the public-private partnership, a part of risks is transferred to the private partner;
 - private partner invests in the partnership object from the sources not prohibited by law.
2. The PPP *principles* prescribed by the same Law particularly are: equality of public and private partners before the law; prohibition of discrimination of the public or private partners' rights; reconciling interests of public and private partners to obtain a mutual benefit; higher effectiveness of PPP projects compared with those without involving private partners; immutability of the purpose and ownership of the facilities owned by the state or communities, transferred to the private partner throughout the period of the PPP contract; equitable distribution of the PPP contract implementation risks between public and private partners; selection of the private partner on a competitive basis, except as prescribed by law.
3. Within the period of 2000-2017¹³², more than 20 by-laws related to different aspects of PPP were adopted in the country. Particularly, the Concept of PPP Development in Ukraine was active from 2013 till 2018¹³³.

Overview of TVET system and Social Partnership in VET

1. The VET system in Ukraine comprises around 770 educational institutions of different organisational types¹³⁴ acting under the Ministry of Education and Science (MoES), and having over 260 thousand students¹³⁵. Four VET institutions (1 High VET School, 2 VET schools, and 1 Vocational Lyceum) with more than thousand students' population are subordinated to the Ministry of Social Policy (MoSP), Ministry of Energy and Coal Industry, and Kyiv Regional Council, respectively. There are also Vocational Training Centres (VTC) of 11 State Employment Services in Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Luhansk, Lviv, Odesa, Poltava, Rivne, Sumy, Kharkiv and Kherson regions, which act under the jurisdiction of the Ministry of Social Policy, and train around 40,000 people annually. In addition, 2,000 private VET providers offer training services to around 130 thousand people over the country¹³⁶.
2. The largest share of students is involved in the industry-related professions (30.2%), followed by Trade and Catering (24.0%). Other sectors have considerably less enrollees: 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 which includes also information technologies.

¹³¹ https://mtu.gov.ua/files/for_investors/Law%20of%20Ukraine%20on%20PPP.pdf.

¹³² The Law on Concessions (№ 997-XIV) which was the precursor of the Law on PPP, was adopted in 1999.

¹³³ Government Decree № 739, 14.08.2013. <https://zakon2.rada.gov.ua/laws/show/739-2013-p>.

¹³⁴ These are: High VET Schools, VET Centres, Vocational Lyceums, VET schools, Colleges, VET institutions that are divisions of Higher Educational Institutions, training centres within penitentiary institutions, vocational schools for social rehabilitation and VET schools within penal colonies and some others.

¹³⁵ 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).

¹³⁶ Torino Process Report Ukraine 2016-17.

3. The VET institutions have around 31.4 thousand employees, including 13.6 thousand teachers and 17.8 thousand masters, while the VTC's have around 630 trainers.
4. MoES with its Directorate of Vocational Education¹³⁷, is responsible for formulation and implementation of the public policy in the sphere of VET. The Directorate has two Expert Groups for Education Content and for Governance and PPP, and involves also the General Department of Vocational Education (merged to the Directorate in March 2019) consisting of 3 divisions: Division of Organisational Activities and Social Issues; Division of Content and Organisation of Educational Process; and Division of Interaction with Social Partners and Industry. MoSP also has a considerable role in the VET affairs: it participates in drafting the education sector legislation, develops and approves the classifier of occupations (VET professions), and occupational standards.
5. There are Education and Science Departments within all regional (oblast) administrations. The role of those departments, under which VET divisions are acting, is to ensure implementation of the state education policy at regional level in accordance with the regional development strategies. In every region, also a Training-methodological (or scientific-methodological) centre of VET is functioning. Those centres are under the jurisdiction of MoES (MoES Order № 856, 27th June 2013¹³⁸) and provide education-methodological and scientific-methodological support for VET schools of the region by means of teacher training, curriculum design, assistance to development for VET schools, inter-levels communication, conducting analyses and researches of VET sector achievements etc.
6. Among the measures suggested for improving the situation in VET partially by national policy documents such as **Strategy for Sustainable Development "Ukraine-2020** (2015); **National Education Development Strategy 2012-2021** (2013); **Medium-Term Plan of the Government Priority Actions for the period till 2020** (2017), those of principal importance relate also to the strengthening cooperation with the employers and attracting private investments to VET particularly through creation of 'modern educational-practical centres' and establishment of effective mechanisms for Public-Private Partnership. This *inter alia* is expected to result in considerable modernisation of the VET system which would contribute to preparation of a highly competitive workforce that meets the current requirements of the labour market, and also ensures equal access to vocational education.
7. Decentralisation of VET, including the system governance and VET institutions' management, optimisation and modernisation of the VET institutions network, and implementation of PPP in education with investments from employers and from the state budget, are also the main recommendations of the policy papers produced by ETF, e.g. **Green Paper on Decentralising VET in Ukraine**¹³⁹ (2017), **ETF PRIME Report**¹⁴⁰ (2016), **Torino Process Report Ukraine 2016-17**¹⁴¹ (2017). More specifically, implementation of PPP in education is suggested *via*: creating *modern practical training centres for the different sectors, with investment from employers and from the state budget; creating at least one modernised multi-functional VET centre in every region; strengthening the material-technical base of VET schools, and introducing new technologies; introducing elements of the dual system in VET; training teaching staff (internship) through sectoral practical training centres*.
8. In the context of the decentralisation of VET system in Ukraine, a recently drafted (by MoES) Concept paper "*Modern Vocational Education: Conceptual Principles of Reforming Vocational Education in Ukraine*" proposes redistribution of the authorities in the field of VET as by national, regional and institutional levels. Particularly for the regional level, *organisation of functioning of the regional VET Councils and the management Boards of the VET institutions* are proposed for strengthening the social partnership.

¹³⁷ The Directorate was established recently and has rather policy- and strategy-related functions.

¹³⁸ <http://zakon0.rada.gov.ua/laws/show/z1189-13>.

¹³⁹ ETF Green Paper "Decentralising Vocational Education and Training in Ukraine. Momentum for Action", 2017

¹⁴⁰ "Optimisation of the Network of Vocational Education and Training Providers in Ukraine. Assessment of Options for Policy Action", European Training Foundation, 2016.

¹⁴¹ Torino Process 2016-17: Ukraine - Executive summary, 2017

9. The **Regional VET Councils**, established in 2016 in all oblasts of the country, according with the recommendations approved by the Government Decree № 994-p, 14.12.2016¹⁴², are the main structures of social partnership in VET. They have a particular objective to form the regional order for VET and also certain coordination functions aimed at the implementation of the state education policy at the regional level¹⁴³. However, those Councils should not be merely considered as tools for putting into practice what has been decided centrally, at the national level, or for translating the present regional Labour market demand into the indicators for VET students' enrolment. Their role is seen 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, as a nexus between the regional authorities and the private sector at least for identification of, and proposing solutions for, skills development issues. Thus, if properly operationalised, the Regional Councils will unambiguously serve not only as a pre-condition but also as drivers for establishing new PPPs. Two cases, where the Councils have multi-fold roles and already achieved a certain progress in this direction, are presented below.

VET Council of the city of Kyiv

1. The **VET Council of the city of Kyiv**, where in the past, representatives of the executive authorities of the city and the VET schools' Directors were prevailing, was recently re-established. In the result, Presidents of the 10 Associations of enterprises (one from each of 10 Kyiv districts¹⁴⁴) were made Council members and now they are playing a very important role in terms of connecting the VET system with the LM. In total, more than 50% of the Council members are representatives of Social Partners¹⁴⁵. According with the Department of Education, Science, Youth and Sports of Kyiv City State Administration, presently not the formal approval of the regional order for VET is the Council's first priority anymore (although it is still at the top of the Agenda) but working out the Strategy and Action Plan for the Kyiv city VET system development is considered as the principal issue.
2. By its members, the Council is not only perceived as a decision taking structure but also a platform for communication and information exchange. Moreover, dissemination of information about, and promotion of, the VET system has become one of the Councils' main functions. This contributes to raising of both parties' awareness: the VET system about the enterprises with which they could establish partnership, and the employers about the VET schools where they could order preparation of future labour force and/or retraining of already employed staff. Supporting vocational guidance, developing recommendations on the VET network optimisation, contribution to the improvement VET of quality and relevance to the LM needs are other tasks of the Council.
3. It is also to mention that this Council appears not simply as a collegial body with collective responsibility but integrates its individual members who are influential in their specific areas, have a wide range of own contacts and can contribute to the establishment of links and attracting partners. Examples of such liaisons are established contacts with some structural units of the Ukrainian railways or with the "Sova" jewellery house.

VET Council of Rivne oblast

1. The **VET Council of Rivne oblast**, while taking decisions about the regional order, attempts to do this on the base of reliable information about the situation in the regional Labour market as well as the capacities of the VET institutions. Therefore, the Council tries to carry out its own "research" or at least critically analyse the data received from the formal sources such as the Employment service.

¹⁴² <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249614493>

¹⁴³ Certain scepticism about the effectiveness of the Regional VET Councils functioning can be found in some reports (see e.g. 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 is unfortunately still well-grounded. However, the cases of Councils' effectiveness and advancement illustrated in the text, should be appreciated as positive examples which prove the advantages of social partnership in VET.

¹⁴⁴ Existence of such associations is specific for the city of Kyiv. In other regions they are non-existent.

¹⁴⁵ The Council involves also members from the Kyiv city Federation of Employers, the City Administrator and City Council, and from the Employment service.

According with the VET and Tertiary Education Division of the Rivne Oblast State Administration, collective efforts of the Council members, who predominantly are representatives of employers, allow to obtain more or less realistic picture of the skill needs in the oblast and to form a relevant regional order for preparation of specialists with VET. The same source reports also that many cases of establishing dual education in VET institutions have materialised due to efforts of the Council and its individual members, who managed to attract more private partners.

2. Like in the above case of Kyiv city, this Council also serves as a platform for business communications between the members representing the private sector. This, in turn, results in improvement of entrepreneurial climate in the region and has its positive impact on the VET system, too.
3. One of the recent tasks of the Council was development of proposals on establishing Centres of Excellence in Rivne oblast. Only after endorsement at the Council meeting, the proposals were submitted to the discussion and approval of the regional parliament.

* * *

4. It is important to present here the vision of MoES who is confident that there is a tendency of improving the Regional VET Councils' effectiveness (although at different levels in different regions) *via* increasing the members' motivation, perception of their own role importance and improved capacities. The "EU4Skills" project which will invest 58 million Euro for modernisation of Ukrainian VET system, will also contribute to capacity building of the Councils' members.
5. At the same time, at institutional level, still there are no structures which would ensure social dialogue and multi-stakeholder governance. In our opinion, this is a considerable gap in terms of forming a comprehensive social partnership framework in the VET system. Draft Law on VET foresees Supervisory Boards in the VET institutions but they will not have a decision making power, only observatory and recommendatory role.

Types of Partnership in VET

1. There are different forms of cooperation between the VET system of Ukraine and the private partners. In many cases, this cooperation goes beyond the collaboration between an individual VET institution and a company, and is formalised at the national level. Thus, during 2016-2018 MoES signed Memoranda of Cooperation with a number of partners, such as:
 - Sniezhka-Ukraine, 2016¹⁴⁶;
 - Knauf Hips Kyiv, 2017¹⁴⁷;
 - Chamber of Construction, 2017¹⁴⁸;
 - National Sectoral Partnership in Light Industry "Fashion Globus Ukraine", 2017¹⁴⁹;
 - Ukrainian Railway, 2018¹⁵⁰;
 - "ZIP" Industrial Enterprise, 2018¹⁵¹;
 - Federation of Employers of Ukraine, 2018¹⁵².
2. Different scopes of cooperation with different partners are defined by these documents, but the common feature is that they all are targeted at improvement of the material base of the corresponding VET providers and modernisation of the education and training content and quality of provision, as well as at introducing innovations which is expected to lead to better relevance of the prepared specialist to the labour market needs and increased employability.

¹⁴⁶ Меморандум Про співробітництво між МОН і ТОВ «Снежка-Україна».

¹⁴⁷ Меморандум Про співробітництво між МОН і ТОВ «КНАУФ ГІПС Київ».

¹⁴⁸ Меморандум Про співробітництво між МОН і Будівельною палатою.

¹⁴⁹ Меморандум Про співробітництво між МОН та громадською спілкою «Національне партнерство в легкій промисловості».

¹⁵⁰ Меморандум про співробітництво між МОН та ПАТ "Українська залізниця".

¹⁵¹ Меморандум Про співробітництво між МОН і ТОВ «ЗІП».

¹⁵² Меморандум про співпрацю між МОН та Федерацією роботодавців України.

3. Three types of PPP cases were identified by ETF for this study: 1) Training-practical Centres (Education and Training Centres); 2) Donor-sponsored engagement in VET skills development and 3) Provision of company internships. All those cases are described in details in a number of publications including the Report of the previous ETF study¹⁵³. Therefore, here we only discuss some of their characteristics which we reviewed within our study with a purpose to assess if they comply with the PPP criteria suggested by ETF as well as against the set of PPP preconditions.

TRAINING-PRACTICAL CENTRES (TPC)

Functional type		Mixed type with elements of VET provision-oriented and resource-oriented. The collaboration entails provision of financial and non-financial resources as well as the training itself.
Scope / integration with the VET system		Elements of permeating system. The idea of PPP is ingrained in the new VET 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 private partner may apply for establishing a TPC in the public VET schools.

1. Establishment and functioning of the Training-Practical Centres (TPC) in Ukraine, is defined by a Regulation approved by the Order of the Ministry of Education and Science, Youth and Sport № 694, 14.06.2012¹⁵⁴. According to this regulation, the TPC is a *structural unit of VET institution* and its main goal is *implementation of tasks targeted at improving the practical training of VET and university students, trainees (young and adult, employed and unemployed), teachers and trainers; introduction of the latest technologies to the educational process, use of modern equipment, tools and materials, systematic cooperation between enterprises and vocational schools for promoting educational and industrial innovations*.
2. Thus, the TPCs are merely improved workshops and laboratories (or other similar training facilities), which should be a normal situation for provision of quality training in any institution. Only the TPCs which are established, supported or run by, or with involvement of, private partners are a subject to PPP-related study.
3. At present, out of more than 100 such TPCs acting in the country, 87 are funded or co-funded by private companies. The most common sectors for which TPCs are established with assistance of the private sector, are sanitary ware (sanitary engineering and plumbing) and the construction materials. For both cases, however, the training is not for the production but for the instalment and/or usage of the above goods, which defines the main motivation of the private companies, i.e. promotion of their products in the market. There are also cases (known at least to MoES) where a similar cooperation between a VET institution and a private partner is established¹⁵⁵ but no formalisation is in place (yet).
4. The following facts can be interesting to be mentioned here:
 - The first TPCs were established by the private partners in early 2000s, while the state started provision of funding for this purpose only since 2016.
 - In 2016, a Swiss company Geberit which is one the largest private partners of, and investors to, the Ukrainian VET, allocated 680 thousand UAH for a TPC, while the cost of one TPC in Zakarpattya funded from the state sources, was around 1.5 million UAH.
 - For the period of 2016-2018, 200 million UAH were allocated for establishing 100 TPC over the country.
 - Many TPCs are financed from 3 different sources: a private partner, the state (region), and institution's own funds. Usually, when the private partners provide equipment for e.g. a workshop,

¹⁵³ Public-Private Partnerships for Skills Development in ETF Partner Countries. ETF, 2018.

¹⁵⁴ <https://zakon.rada.gov.ua/laws/show/660-2018-p>.

¹⁵⁵ These cases of cooperation are mainly about provision by the private companies of materials and consumables necessary for implementing practical training of students but not equipment or other large items.

it is the institutions' obligation to ensure proper conditions of the venue and the corresponding refurbishment works are done by them.

Case of the Lutsk Higher Vocational School of Construction and Architecture

- The first Training-Practical Centre on the basis of 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 Sniezka.
- The three companies, although aware of each other's initiatives in the Lutsk VET School and in other VET schools around Ukraine, do not cooperate among themselves and do not engage in experience sharing.

5. An important issue related to the TPCs, should be discussed here. As mentioned above, “Donor-sponsored engagement in VET skills development” was considered as a separate type of PPP. Under this type, the case of another initiative of Geberit International Sales AG supported by the Swiss Cooperation Bureau at the Embassy of Switzerland to Ukraine, was meant. However, our understanding of this case, supported also by the vision and position of MoES thereof, suggested that this cooperation should also be categorised as TPC. The fact that not only modern equipment provision and instalment for the corresponding workshop but also development of new curriculum for plumbers, methodology and didactic materials, and training of the VET school teachers and masters were foreseen, does not actually change the real nature of this cooperation: curricula development and teacher training were components also for other TPC establishment cases. Moreover, participation of a foreign governmental actor, i.e. Swiss Cooperation Bureau even “weakens” the PPP character of this cooperation. In addition, this is the sole case under the proposed “type” of PPP. Therefore, we would suggest to consider this case as one of the examples of TPC establishment, although a slightly specific one.

Case of the TPC by Geberit supported by the Swiss Cooperation Bureau

- The initial Memorandum of Cooperation was signed by the Swiss Cooperation Bureau, Geberit and the MoES, while GURT was the executing party of the project.
- The project, officially called PPP for Improving the Sanitary-Technical Education in Ukraine, was launched in 2014 and initially aimed at achieving the following goals:
 - development of the new curriculum for plumbers and plumbing systems installers;
 - training of VET school teachers and masters;
 - provision of modern equipment to the partner VET schools.
- Geberit personnel wrote 7 handbooks for plumbers that are used in the partner VET schools. A TPV was established also in the town of Bila Tserkva, where masters from VET schools come to increase their qualification.
- As part of the training programme, the partners organise annual all-Ukrainian competitions for students mastering the profession of Plumbing Systems Installer. The partners also carry out information campaigns, aimed at increase of popularity of the profession of a plumber and of related professions. The state, from its side included the profession of Installer of Sanitary Engineering Systems and Equipment in the list of priority professions. Thanks to this PPP, in 2016 in Ukraine the new VET state standard for the profession of Installer of Sanitary Engineering Systems and Equipment was adapted.
- According to the PPP participants, it is becoming more and more difficult to carry out this project. Other businesses are reluctant to join in, as they do not see direct benefit for themselves from investing into professional education skills development. The project lacks clear incentives for the other partners to join.

INTERNSHIP/PRACTICAL TRAINING AT THE ENTERPRISES

Functional type		Mixed type: main focus on VET provision, however strong elements of knowledge-orientation and resource-orientation also exist. A truly comprehensive and multi-faceted collaboration.
Scope / integration with the VET system		Elements of permeating system. The idea of PPP is ingrained in the new VET system.
Membership modalities	Number of partners	Multiple private partners, single public partner.
	Types of organisations involved	Businesses, public VET colleges.
	Openness	Open: any private partner may be engaged in provision of practical training.

1. Practical training of the VET institutions' students at the corresponding enterprises is an integral part of all curricula. This is a normal practice for ensuring formation of practical skill and competences of the learners, and it is obligatory. Nevertheless, this is a cooperation between the public VET system and private sector, indeed. It is based on mutual interest. While motivation of the VET institutions is obvious due to the above reasons, the incentives of the companies are derived from almost permanent shortage of labour force which is specifically relevant to the large industrial companies. However, high demand of workers is present also in such sectors as hospitality and other services, IT, transportation and communication. Even a simple review of the workforce demand available at the Employment service website, suggests tens of thousands vacancies for specialists including those with VET¹⁵⁶.

¹⁵⁶ As of 6th April 2019, particularly the following demand was present (<https://ua.trud.com>): Construction – 144,800; Trading/Sales – 13,537; IT, Computers, Internet – 12,091; Transport / Car service – 7,317; Tourism / Hotels / Restaurants – 4,280; Production – 2,181; Telecommunications – 1,049; Agriculture – 448, etc. In total – over 271 thousand vacancies. The official site of the State Employment Service proposes around 79 thousand vacancies.

2. Therefore, the companies are strongly interested in having interns, and most of them are job placed in those companies immediately after graduation. In Kyiv, reportedly around 40% of interns are hired even before graduation which often even jeopardises the students' normal training process and successful graduation.
3. This type of partnership (internship at the companies) does not suppose direct investments in the VET system, particularly in improvement of VET institutions facilities but the companies make investments anyway *via* provision of a base for the students practical training, allocation of all necessary materials and tools, and assigning company instructors. Besides, they pay also fees to every student. In addition, some companies allocate funds for provision of vocational guidance, VET promotion campaigns, and other activities in partnership with MoES. In extensive number of cases, introduction of dual education was derived from the experience of cooperation in terms of students' internship at the companies. For instance, in Kyiv, all 23 VET institutions have dual education at least by 1 profession.

Case of VET schools' cooperation with the metallurgical company Metinvest Holding

While the core of the collaboration is provision of internships, the PPP includes a wider variety of collaborative efforts linked both to knowledge provision 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 their paid apprenticeships in the enterprise. Unlike other enterprises in metallurgical industry and other hazardous industries, Metinvest accepts minors to undergo an apprenticeship in their plants. This is regulated by the Provision for Training of Minors.
- Teachers and masters from the partner VET schools undergo training in the enterprises of Metinvest Holding. Until 2016, this cooperation took place in the form of pilot projects; since 2016, there has been a special programme dedicated to teachers' preparation.
- From their first year in the VET school, students are invited to participate in the "Professional Start" programme, where they get acquainted with the Metinvest corporate culture, values and safety measures. This programme is realised in the Metinvest plants, and aims at helping the students with professional orientation and with their adaptation in the workplace. This way, students demonstrate higher productivity levels when they come to Metinvest as employees after graduation.
- Metinvest plants carry out competitions on knowledge of safety standards for the students. There are also games dedicated to provision of the first medical help in case of injury at work. Best students, who participate in the "Professional Start" programme and who win the game competitions, receive certificates from Metinvest.
- Metinvest advises the MoES on educational and occupational standards for relevant professions¹⁵⁷.
- The company assists partner VET schools with equipment and facilities renovation and equips classrooms with modern equipment.

¹⁵⁷ See also the section 2.3.3.3 below

PARTICIPATION OF PRIVATE SECTOR IN EDUCATION CONTENT DEVELOPMENT

Functional type		Knowledge-oriented PPP.
Scope / integration with the VET system		Elements of permeating system.
Membership modalities	Number of partners	Multiple private partners, multiple public partners.
	Types of organisations involved	Businesses, National Authorities.
	Openness	Open: any private partner may contribute to the education content development

1. MoES suggests *participation of private sector in the education content development* as an independent type of cooperation, and we largely share this approach. Indeed, representatives of employers participate in development of occupational standards (coordinated by MoSP), then also in the development of educational standards and curricula (VET institution may not approve its own curricula if it is not discussed and endorsed by the corresponding employer). This is an investment in VET development at systemic level: investment, because the employers allocate their own human and time resources for this work; and at systemic level, because these are not *ad hoc* events initiated by individual VET institutions or companies but a firmly established mechanism for the entire VET system.
2. At the same time, some employers, while reviewing curricula of VET institutions with whom they cooperate, may require to include in the training programme specific elements or even modules related to their corporate issues. For example, Energy Holding DTEK which is a partner of several VET schools, requires that all corresponding curricula comprise modules related to the quality assurance at their very company.

Other Types and Aspects of Cooperation between the VET institutions and Employers

1. In addition to the PPP types systematised above, a large variety of forms and cases of cooperation between the VET institutions and employers were identified in the framework of another ETF survey. Of the surveyed 224 VET providers (for the survey questionnaire, see [Annex 10](#)), 80.3% reported about 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 those VET institutions reported about cooperation with more than five companies.
2. The summary of the VET institutions answers about the most important aim of cooperation with the employers, is presented below:
 - VET school students undergo apprenticeship in the partner enterprise – 61.6%;
 - VET school graduates get employed in the partner enterprise – 43.8%;
 - Cooperate to justify the volume of the state / regional order for qualified personnel – 41.8%;
 - VET school students learn how to work with the materials and technologies of the enterprise – 37.5%;
 - To increase the efficiency of use of the existing infrastructure of the institution – 33.6%.
3. It is evident that many cases coincide with those discussed under the first two types of partnership (see Section 2.3.3). Surprisingly, none of the institutions prioritised (although mentioned) such type of cooperation as modernisation of the education content (revision of curricula). However, *assessment of the labour market needs* was considered as the area of cooperation with the highest (5 points) level of impact (45% of respondents), followed by *employment of graduates* (44.3%) and *improvement of capacity of teachers* (40.2%). *Material benefits for the teachers* (68.3%), *financing of institution infrastructure* (52.9%) and *provision of methodological materials* (52.4%) were reportedly the areas with lowest (0 or 1 point) impact.
4. While responding to the question about the challenges for establishing PPPs, more than half of the VET institutions (55.2%) mentioned the limited financial resources of the partners as the main obstacle, followed by the limited motivation of the partners (46.2%), and the legislative barriers (23.8%).

5. An interesting role of the public authorities in the PPPs was identified in the result of the survey. They mainly act as mediators (31.9% of cases), helping the 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 resource or other direct support* (17.8% of cases). Only in 5.9% of cases, public authorities were directly involved as one of the formal partners within PPPs.
6. It is remarkable, however, that there is a notable difference in the structure of interaction with the public authorities for public and private VET institutions. For the former, most of the cooperation cases (51.1%) are supported by the regional bodies, 45.9% by city or village councils, and 18% by central authorities, while for the latter, 58% of cooperation cases are supported by the central authorities and 25% by the regional bodies. The remaining cases of the private VET schools' cooperation are not supported by any public body.
7. There are two specific issues which, in our opinion, are worth to be mentioned here. The first is that, while discussing PPP in Ukraine, it should be strongly taken into account that in this country there is a huge sector of "public business", i.e. state owned (e.g. Ukrainian Railways or PrivatBank) or municipal (e.g. water supply and sewage) companies which, however, 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, i.e. being a public property. This is a considerable issue in terms of national legislation on PPP, and this situation creates obstacles also for their full-fledged involvement in cooperation with, and investing in, the VET system.
8. The second relates to the rather interesting cases of cooperation in the field of agricultural VET. Those cases are not yet clearly arranged or systemic, therefore are not categorised. They are conditioned by the fact that many of agricultural VET schools have considerable plots of land but no capacities to cultivate it due to extremely limited or outdated agro equipment. Different forms of cooperation with private agro-companies are now being initiated and this topic seems very relevant for a specific study and development of recommendations.
9. In addition, we would recommend the reader to familiarise with an extremely interesting case of cooperation between the Odessa VET Centre and the "Fomalhaut-polimin" LLC, implemented in the framework of a social-educational project "Fomalgaut Building University". The main objectives of this project are:
 - Creation of a universal educational platform for continuous professional development of the person and life-long learning, for communication between the VET institutions education, employers, national producers, state authorities and local municipality;
 - Development and assistance in the implementation of professional pathways of economically active population (formation of workers with a wide range of competences, vocational education, training and retraining of workers for the construction industry, motivation of young people to start-ups);
 - Assistance in increasing the prestige of construction workers' occupations in Ukrainian;
 - Promotion of high-quality labour potential formation for Ukraine.
10. These obviously includes elements which can be considered as typical for the Centres of Excellence. Indeed, the target of the company is establishment of a CoE on the base of this VET Centre in Odessa. More detailed information about this cooperation and the achievements to date, can be found at: <http://polimin.ua/drugie-proektyi/fomalgaut-building-university/>.

Conclusions

1. Like in the case of the two other countries discussed in this paper, in Ukraine too, the case of cooperation between the public VET system or the individual VET institutions cannot be formally categorised as PPPs from the national legislation point of view. However, here much more correspondence to the PPP characteristics (see above) can be found.
2. Based on our study, we propose to consider the following main types of cooperation cases in Ukraine:
 - Training-practical centres, established and run by the private companies;

- Internship at the enterprises (along with the cases of dual education where they are present);
 - Participation of private sector in Education content development.
3. Similar to Jordan and Kazakhstan, here we propose our assessment if the PPP types and cases in Ukraine comply with the criteria of PPP suggested by ETF:

Element of PPP		Defined criteria and Assessment
Formulation	Existence	
Stable relationship between private and public partners	Rather Yes	<p><i>Criteria:</i> The relationship is stable if communication between the private and the public partner is regular, well-established, recognised by all parties.</p> <p><i>Assessment:</i> Private partners are involved in the Regional VET Councils and will be involved also in the VET institutions Supervisory Boards (another consultative body) foreseen by the draft VET Law. In most of the cases, almost only role of the Councils is formal approval of the regional order. At the same time, there are many examples of well-established and formalised partnership between the private partners and MoES as well as private partners and individual VET institution. They all lead to a tangible results in terms of PPP cases.</p>
Private partner participates in funding or provision of other resources for the partnership	Yes	<p><i>Criteria:</i> Private partner allocates its own funds or resources to the implementation of the partnership.</p> <p><i>Assessment:</i> In all types of partnerships considered within the study, i.e. Training-Practical Centres, Internship at the companies and Development of education content, the private partners directly invest their own funds for establishing the TPCs, allocate their base and specialist for internship and pay fees to the students or invest their expertise and human resources for development of standards, curricula, etc.</p>
The economic operator participates at various stages of engagement	Yes	<p><i>Criteria:</i> Economic operator participates in design, implementation, evaluation of the partnership either through formal or non-formal mechanisms recognised by all parties.</p> <p><i>Assessment:</i> 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	Rather Yes	<p><i>Criteria:</i> The documentation related to the partnership mentions such objectives in a non-ambiguous manner and the partners are able to easily identify and present such objectives.</p> <p><i>Assessment:</i> At both levels of partnership, i.e. national where private partners have Memoranda signed with MoES, and institutional where private partners cooperate directly with VET institutions, the scopes 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, quality of the services and pricing policy, and it is responsible for monitoring compliance with these objectives	Partly	<p><i>Criteria:</i> Public partner has defined the objectives of PPP in terms of the public interest, quality of the services and pricing policy in an official agreement. Public partner has established a monitoring mechanism to ensure compliance with the defined objectives</p> <p><i>Assessment:</i> As mentioned above, the initiative of partnership usually belongs to the private partners and they propose the objectives. The public partner may offer some adjustments only. No formal monitoring mechanisms have been established specifically for the cases of partnership, however, MoES within its normal supervisory functions, periodically reviews the functioning of e.g. TPCs or provision of internship at the enterprises.</p>
The distribution of risks between the public and private partner, to whom the risks generally borne by the private sector are transferred	Yes	<p><i>Criteria:</i> The distribution of risks between the public and the private partners are defined. This distribution is recognised by all parties.</p> <p><i>Assessment:</i> In all cases of cooperation, specifically for TPCs or provision of internship, the private partner takes a considerable part of risk.</p>
Whereas the responsibility can be transferred from the	Rather Yes	<p><i>Criteria:</i> The accountability mechanisms and descriptions exist, clearly delineating the accountable actors within the public sector</p>

<p>public partner to the private one, the accountability always stays with the public sector</p>		<p><u>Assessment:</u> Due to the public ownership of the VET institutions, MoES is the structure who supervises their activities, including the cases based on partnership. This supervision, however, cannot be considered as monitoring and/or evaluation.</p>
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4. And the following table demonstrates the assessment against the set of PPP preconditions:

Operational sub-questions	Indicators/assessment criteria	Assessment
Pre-condition A: Legal framework for public-private cooperation		
Is the legal framework for public-private cooperation present?	<p>Present if:</p> <ul style="list-style-type: none"> 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, actors adhere to the rules) 	<p>Present: Law on Public Private Partnership, 2010; More than 20 by-laws related to different aspects of PPP adopted in 2000-2017.</p>
Pre-condition B: Fiscal arrangements for public-private cooperation		
Are fiscal arrangements for public-private cooperation present?	<p>Present if:</p> <ul style="list-style-type: none"> 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 	<p>Not present: No clear fiscal incentive for the private partners for investing at least in education are present. Moreover, transfer of e.g. materials assets from a private company to educational institution, causes obligation to pay VAT.</p>
Pre-condition C: Tradition of social dialogue		
What is the existing tradition of social dialogue?	<p>Are PPPs building on existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs? Recently developed: social dialogue has only been recently developed (e.g. documents outlining participation of the social partners have been adopted recently), the rules and roles are still being defined and clarified, little or no significant results of social dialogue exist</p>	<p>The social dialogue is formalised (institutionalised) recently (2016) in the form of Regional VET Councils. There is still a limited progress in terms of effective social dialogue. However, there are differences from region to region and some Councils (e.g. Rivne oblast, Kyiv city) are supportive of PPPs and demonstrate noticeable results including those leading to PPP cases.</p>
Pre-condition D: Social partnership in VET and skills		
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? Ad hoc: there are no well-defined rules of 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, they are regularly engaged</p>	<p>It better fits to the category of "Recently developed". The cases which can be approximated as PPPs were established before the formation of the present institutional framework of social partnership. <u>Institutionalised by the form but ad hoc in terms of the results.</u></p>
Pre-condition E: Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships		
Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships	<p>Are actors' capacities being built in 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</p>	<p>To be built. The principal issue is the motivation of the actors and the limits of the authority shared with the social partners.</p>

Serbia

Overview of Legal Aspect of PPP in Serbia

1. The **Foreign Investment Promotion Incentive Strategy**¹⁵⁸ adopted in 2006 by the Government of the Republic of Serbia, 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.
2. The **Law on Public-Private Partnership and Concessions**¹⁵⁹ adopted in November 2011¹⁶⁰, defines a PPP as a long-term cooperation between a public and a private partner for the purposes of providing financing, construction, reconstruction, management or maintenance of infrastructure and the provision of services of public interest. As a rule, a PPP project in Serbia, may last from 5 to 50 years. From the legal point of view, a PPP project procedures are governed by both the PPP Law and the **Law on Public Procurement**¹⁶¹ (2013).
3. The purpose of the PPP Law is to create favourable conditions for encouraging and promoting PPP projects financed from private concessions while increasing transparency, fairness, efficiency and long-term sustainability, as well as promoting 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 expenses;
 - Equality: prohibition of discrimination of the 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 measure.
4. The Law defines also particularly the following main *elements* of Public-private partnership:
 - the *subject* of PPP which cannot be purely commercial use of goods in common use or other goods or exclusively delivery of goods,
 - the *form* of PPP that can be institutional or contractual PPP,
 - the *obligation* of the private partner to take over from the public partner the construction, reconstruction or maintenance of a public infrastructure, or the provision of services of public importance to the end users;
 - 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 undertaken obligations, to grant him a concession, or to make payments for the undertaken obligations or to allow him to collect fee from the end users of the provided services;
 - the *risks shared and balanced* between the public and private partners.
5. According with the 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 proposed project which should prove that implementation of the particular project through partnership with the private sector, will ensure better effectiveness and efficiency.
6. In 2012, PPP Commission¹⁶², funded from the State Budget, was established. This structure is the only PPP unit in Serbia and covers national and subnational PPP and concessions as well as public sector enterprises. It is an independent public body which has nine members appointed by the Government for a five-year renewable term, and provides assistance to procuring authorities in the

¹⁵⁸ http://www.srbija.gov.rs/extfile/sr/47180/strategija_strana_ulaganja_cyr.zip.

¹⁵⁹ <http://jpp.gov.rs/content/Datoteke/pravni-okvir/Zakon%20o%20javno-privatnom%20partnerstvu%20i%20koncesijama.pdf>.

¹⁶⁰ The Law was amended in February and December 2016, in order to improve control over the fiscal and financial implications and risks of public-private partnership projects, as well as to ensure better conformity of the Law with international standards and international best practice.

¹⁶¹ <http://jpp.gov.rs/content/Datoteke/pravni-okvir/Zakon%20o%20javnim%20nabavkama.pdf>.

¹⁶² Member of EPEC (European PPP Expertise Centre) since 2012.

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 prior favourable opinion of the Commission. At present, there are more than 100 projects endorsed by the Commission.

Overview of TVET system and Social Partnership in VET

1. In Serbia, formal vocational education is implemented at the secondary schools which can be purely vocational or mixed with gymnasium (general education). As of beginning of the 2018-2019 academic year, of 252,108 (including 124,574 or 49.4% female) students involved in secondary education, 185,469 (84,987 or 45.8 female) were studying VET¹⁶³. Their distribution as by the groups of professions was as follows:

Professions	Students	
	All	Female
Agriculture, 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 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
Total VET	185,469	84,987

2. The largest share of students is involved in the Economics, law and administration-related professions (17.2%), followed by Electrical engineering (15.3%). Other sectors with considerable share of enrollees are: Health and social welfare (12.9%), Machinery and metal processing (12.1%), and Trade, catering and tourism (10.8%). For female students, again Economics, law and administration is the most attractive field (24.8%) but the second is the Health and social welfare (21.4%).
3. VET in Serbia is mainly school-based, with practical training, the effectiveness of which can hardly be considered as satisfactory. Moreover, the content of curricula for different profiles does not match the demand of local and regional labour markets¹⁶⁴. Piloting of 59 qualifications with larger share of practical training component, is appreciated as a step forward¹⁶⁵ but this practice seems not being expanded throughout the system.

¹⁶³ Upper secondary education Beginning of 2018/2019 school year. Statistical Office of RS, 2019. <http://publikacije.stat.gov.rs/G2019/PdfE/G20195647.pdf>

¹⁶⁴ Torino Process 2016-17 Serbia. Executive Summary. ETF, 2017.

https://www.etf.europa.eu/sites/default/files/m/A55C44A221EC34F2C1258125005DE420_TRP%202016-17%20Serbia.pdf.

¹⁶⁵ Ibid.

4. The issue of the quality of practical training outside the classroom, accompanied with absence of 'accredited jobs and instructors for carrying out work practice', 'incentives for companies to provide high-quality practice to students' and 'insufficient number of companies interested in this kind of cooperation with education' is mentioned also in the **Strategy for Education Development in Serbia 2020** and is considered as one of the VET system weaknesses.
5. The **Ministry of Education, Science and Technological Development** (MoESTD) is responsible for development and implementation of the state education policy in the country. MoESTD supervises the area of secondary education along with the local authorities. Other ministries are involved in VET governance as well: e.g. Ministry of Finance (financing), Ministry of Youth and Sports (grants and scholarships for disadvantaged students), Ministry of Labour, Employment, Veteran and Social Affairs (labour market demand and support to skills development). However, the '*Cooperation between the ministries is not firmly institutionalised, meaning that some cross-sector issues are not addressed in a timely or appropriate manner*¹⁶⁶'. MoESTD, *inter alia* is in charge of: research, planning, development and administrative and expert-pedagogic supervision of secondary education; participation in the development, equipping and maintenance of facilities; professional evaluation and inspection of skills upgrade of staff at education establishments. The Regional Schools Administrations (RSA), which are structural units of MoESTD, particularly monitor and evaluate the work of secondary VET schools, coordinate in-service training of teachers, supervise the financial management in the schools and participate in *public-private partnerships for VET*.
6. The **National Education Council**¹⁶⁷ (NEC) established in 2009, is involved in formulation of policy and strategy for all levels of education. The NEC is a large body with more than 40 members representing a wide range of education stakeholders and beneficiaries. *Inter alia*, it provides an opinion on the secondary VET curricula and adult education for general education subjects, participates in the preparation of policies concerning the development of the general and national curriculum framework¹⁶⁸.
7. The **Council for Vocational Education and Adult Education** (CVEAE) was set up by the Government in May 2010. The scope of the Council's authorities is defined by the **Law on the Foundations of the Education System** (2009)¹⁶⁹. Initially CVEAE had 21 members, including representatives of the Serbian Chamber of Commerce and Industry, craftspeople, employers' association, vocational education experts, representatives of labour, employment and social policy institutions, VET school teachers and members of representative trade unions¹⁷⁰. In 2016, MoESTD revised the Council's composition and reduced the number of members to 16 people. Of them, six represent the social partners (4 from employers and 2 from trade unions) and ten are from the governmental structures.
8. One of the CVEAE objectives is ensuring the VET and Adult Education development in accordance with the LM needs, particularly *via* establishing and strengthening links with employers. The Council is formally involved also in monitoring, analysing, giving opinions, coordination of the needs and interests of social partners, but is not dealing with mobilisation of financial resources¹⁷¹. The CVEAE is neither involved in evaluation and review of VET policy. Moreover, our study suggests that even the recommendations made by the Council members, specifically those representing the private sector, are usually poorly considered or simply neglected. Absence of any decision making power of CVEAE makes this body weak and ineffective.
9. There are also two institutions playing a key role for VET: **Institute for Improvement of Education** (IIE) with its **Centre for VET and Adult Education** (VET Centre), and **Institute for Education**

¹⁶⁶ Torino Process 2014. ETF, 2015.

https://www.etf.europa.eu/sites/default/files/m/45A40171227F354DC1257E4C003E8A0A_TRP%202014%20Serbia_EN.pdf.

¹⁶⁷ <http://www.nps.gov.rs/en>.

¹⁶⁸ VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

¹⁶⁹ https://www.paragraf.rs/propisi_download/zakon_o_osnovama_sistema_obrazovanja_i_vaspitanja.pdf.

¹⁷⁰ Dual Vocational Education and Training in Serbia. Feasibility Study. GIZ, 2015. <http://www.kooperativnoobrazovanje.org/wp-content/uploads/2015/07/GIZ-VET-Dualno-obrazovanje-STUDIJA-ENG-FINAL-PRINT-sadrzaj-ok-Web-s2.pdf>.

¹⁷¹ VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

Quality and Evaluation which is particularly responsible for tasks such as curriculum and programme development¹⁷². In 2018, part of the functions of IIE (and the VET Centre) were transferred to the NQF Agency which was established by the Government decision¹⁷³ in the same year, along with the NQF Council. The latter is an advisory body while the Agency has an executive and coordination role, which includes support to the **Sector Skills Councils** (SSCs). In 2018, 12 Sector skills councils, of which at least 8 are supposed to deal with VET, were established¹⁷⁴. Those SSCs are particularly expected to realise sector profiles and qualification standards. However, nominations of the economic sector representatives are not completed and by mid-2019, the SSCs were not functioning yet¹⁷⁵.

10. At the institutional level, the social partners are involved mainly in the assessment (final exams) but not in the management of the VET schools and effectively do not have any influence on their strategic development processes.
11. The legal regulation of VET is based on the Law on the Education System Foundations and **Law on Secondary Education** (2013)¹⁷⁶, which define the main principles of VET organisation and provision. In 2017, also the **Law on Dual Education**¹⁷⁷, which will come into force from the academic year 2019-2020, was adopted. According to it, the **dual education model** is introduced in the VET system, with particular objectives to establish partnership between the school and the employer with clear sharing of obligations and responsibilities in ensuring a quality learning process through work; and form a social partnership at the local level with inclusion of all stakeholders in the process of planning, implementation and monitoring the effects of dual education through the established institutional framework. In order to perform its obligations defined by the new Law, the **Chamber of Commerce** established a **Centre for Dual Learning** which will assess the fulfilment of conditions of the employer's premises for learning through work, train and license instructors in companies, monitor contractual relations on the school-company-student relationship and the school-company-Ministry, etc.¹⁷⁸
12. In terms of policy related to the social partnership, one of the strategic objectives for VET defined by the Strategy for Education Development, is *establishment of a sustainable system of social partnership in VET*, which should be reached by means of the strategic measure "*Involving employers in the programming, development and implementation of VET*". The Action Plan for the Strategy implementation foresees specific instruments for the above measure:
 - Developing the system of accreditation and certification of employers providing work-based learning (practice);
 - Developing the model of financial incentives for employers providing work-based learning (practice);
 - Inclusion of employers in the work of sector councils, exam commissions (external examiners) and implementation of work-based learning;
 - Adoption of legal framework for social partnership.
13. This should result in promotion of VET relevance. The indicator of progress is that at least 10% of employers are involved in exam commissions and implementation of work-based learning, and a *'number of sector skills councils are established'*¹⁷⁹.

¹⁷² Ibid.

¹⁷³ Official Gazette of the Republic of Serbia, № 27/2018.

¹⁷⁴ In 2012, 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 for ensuring that education and training better meet the current and future labour market needs. Unfortunately, after completion of the above project, sustainability of those SSCs was not ensured and the Councils became inactive mainly due to absence of resources. See: Torino Process 2014. ETF, 2015.

¹⁷⁵ VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

¹⁷⁶ https://www.paragraf.rs/propisi_download/zakon_o_srednjem_obrazovanju_i_vaspitanju.pdf.

¹⁷⁷ <http://www.tesla-jagodina.edu.rs/wp-content/uploads/2018/03/Zakon-o-Dualnom-Obrazovanju.pdf>.

¹⁷⁸ VET Governance. ETF Partner Country Profile. Serbia. ETF, 2019.

¹⁷⁹ No quantitative indicator for the SSCs is defined by the Action Plan.

Types of Partnership in VET

- Four cases of PPP in Serbia, were identified by ETF for this study: 1) Institute of Field and Vegetable Crops (NS SEME); 2) Education to Employment “E2E”; 3) Cluster FACTS; and 4) HORES Academy. This section is focused on the specific characteristics of the above cases related to the compliance with the PPP criteria established by ETF.

INSTITUTE OF FIELD AND VEGETABLE CROPS

Functional type		Production-oriented with elements of training-oriented PPP.
Scope / integration with the VET system		Ad hoc PPP.
Membership modalities	Number of partners	Multiple private partners, single public partner.
	Types of organisations involved	Businesses, state-owned enterprise (institute).
	Openness	Open to private partners

- This is in fact a classic case of PPP where the private partner provides services to the public party, i.e. the **Institute of Field and Vegetable Crops** (located in Novi Sad), and *remuneration is linked to performance*¹⁸⁰. The characteristic which distinguishes this case from all others discussed within this study, is that for this cooperation the skills development is not an objective *per se*. It is a concomitant need for reaching the primary goal of this cooperation which relates to business and also to science.

The Institute of Field and Vegetable Crops (NS SEME)

- This is a state-owned institute (under the auspices of Ministry of Science and Technological Development) working on development of field and vegetable crop cultivars including forage and industrial crops, medicinal plants and spice herbs¹⁸¹. The breeding programmes place emphasis on high yielding capacity, tolerance to major diseases and resistance to unfavourable biotic and non-biotic factors.
- Over 1000 cultivars have been developed at the Institute, of them about 500 have been successfully registered and commercially grown abroad. The institute's cultivars compete at seed markets of 26 countries, from Argentina, through EU countries, Ukraine and Russia, to 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.

- One of the Institute's activities is producing and importing high quality seeds of different crops. However, due to limited plots of own land (only 700 ha in total), the NS SEME is unable to grow as much plants as it is necessary for meeting the market needs. Selling the seeds is profitable and the income goes for developing the Institute and supporting its scientific researches. Therefore, the Institute initiated partnership with small farms and individual producers and orders them growing of the crops on their lands. With every partner, a contract is concluded and a number of terms and conditions, e.g. the cultivars to be grown and their sorts, production volumes, the places and periods of cultivation, etc., are strictly defined. Institute provides the partners with seeds and requires that only they are used for growing the plants. No other means, such as fertilisers, medications, machinery or tools, are provided by the Institute.
- At the same time, in order the private partners ensure necessary quality of the produced seeds, the Institute, in advance, organises the farmers' capacity building which covers all agro-technology aspects and processes related to growing the ordered plants. This is followed by permanent monitoring of all cultivation processes with strict quality control measures.

¹⁸⁰ See one of PPP definitions in the paragraph 2 of this Report.

¹⁸¹ <http://www.nsseme.com/en/>.

5. In addition, as a part of its contractual obligations, the Institute trains the farmers also for more productive growing of other crops which are not foreseen for delivery of seeds to NS SEME but are part of the farmers' normal production. This is done for improving their businesses, supporting sustainability and thus ensuring the opportunity of further cooperation.
6. The above-mentioned suggests another specific characteristic of this PPP: the skills development is done not by, but for, the private sector, although many of those farmers are individuals (but not structured businesses) and can to a certain extent be considered as "public beneficiaries".
7. Two important elements of PPP are in place here: the private partners invest their own funds and take considerable risks. Indeed, the farmers purchase beforehand all necessary resources, e.g. fertilisers, medications, water, energy, machinery and tools and allocate considerable plots of their land for growing the plants ordered by the Institute. Furthermore, the requirements towards the quality of produced seeds are very high and if they are not met properly, the production will not be procured by the Institute and remuneration not paid.

EDUCATION TO EMPLOYMENT "E2E"

Functional type		Mixed: knowledge-oriented (policy advice) and VET provision-oriented (mainly on guidance and mediation between the learners and the providers)
Scope / integration with the VET system		Elements of permeating system exist – the aim of the project is influence policy as well as provide direct outcomes.
Membership modalities	Number of partners	Multiple public partners, multiple private partners.
	Types of organisations involved	VET schools, businesses, public authorities (local and national level), donors, civil society organisations.
	Openness	Open for private partners – companies may join at any time.

1. The Project **Education to Employment** ("E2E") has been launched in 2015 by a joint initiative of the Serbian and Swiss Governments and will last till the end of 2019. The second phase of the project is now being designed and planned to cover the period of 2020-2023. "E2E" is co-funded by the Swiss Agency of Development and Cooperation (5.8 million Euro) and the Government of Serbia (6 million Euro).
2. The project has two components, first of which is targeted at improvement of the national policy and legal framework to ensure better conditions for youth employability; and the second is focused on skills development specifically of unemployed young people particularly through provision of the German model of dual education (adapted to the local conditions) and career guidance. The project is active in 5 municipalities of Serbia: Novi Pazar, Knjaževac, Pirot, Kruševac and Kragujevac. The results of the pilot activities are supposed to be replicated in other Serbian municipalities.
3. The E2E has a large scope of partners involved in different aspects of the project implementation. These are e.g.: Local municipalities, National Employment Service, Secondary VET schools, Universities, private companies, NGOs (e.g. Students associations or NGO dealing with women issues), Regional Centre for Adoption and Foster Care (e.g. in Kragujevac).
4. The project has a specific architecture worth to be presented here. In every region, local partners (usually civil society institutions) are selected and they play a role of mediators (or "Brokers" as they are called in the framework of the project) between the E2E and the local partners, particularly those who provide dual education courses. The brokers are responsible also e.g. for promoting the project and its activities, for attracting and mobilising youth to be involved in those activities, for training the practical training mentors (see the next paragraph), as well as for monitoring and evaluation of the trainings, particularly in terms of satisfaction of the trainees.
5. The following principal facts on the dual education courses implemented within the second component of the project, are to be mentioned here:
 - The courses cover only non-formal VET but they indirectly influence also the formal VET as many elements of the strongly labour market oriented training programmes prepared for dual education, are considered for improving the contents of the formal VET. In addition, involvement

- of VET schools in provision of these dual education courses, opens prospects to establishing liaison with the private sector and provides opportunities for further cooperation.
- Theoretical part of the training is delivered by accredited VET providers. These can be not only the public secondary VET schools but also any private training providers, authorised to offer the corresponding courses.
 - The practical part of the dual education is implemented in the private companies, by the mentors who are trained beforehand. According with the project policy, one mentor is responsible for training of no more than three apprentices.
 - Around 40 to 50 per cent of costs related to the practical training are covered by the companies. This include allowances for trainees (minimum 200 CHF per trainee per month) and other expenditures, e.g. mentors' fees, materials and other resources¹⁸². The remaining part of the costs is paid by the project from the E2E Opportunity Fund.
 - The programmes of the courses are developed jointly with the companies. Their duration is from 2 to 4 months (depending of the profession). The practical training constitutes 75-85% of the programme.
 - Till present, 43 dual VET courses were implemented and around 300 young people were trained. In total, 118 companies and about 20 VET providers were involved in delivery of those courses.
 - The job placement of the training attendants is 50-60% immediately after completing the course (mainly at the companies where they were trained) and up to 80-85% within 6-12 months.
 - The courses cover such fields as: Tourism and Hospitality, Services, Accountancy, Metal processing (including welding, plumbing, blacksmithing, CNC (computer numerical control) machine tools, automobile metal-works), Graphic design, Wood processing (carpentry, furniture production and installing), Textile, etc.
6. In order to launch a course, E2E shall receive application from a local "consortium" consisting of a VET provider which will ensure delivery of the theoretical part, and a company where the apprentices will pass the practical training. Development of training proposals and preparation of applications is also assisted by the regional Brokers. Every proposal is assessed. It is accepted only if considered as relevant and credible. In this event, E2E authorises the Broker to conclude a formal agreement with the VET provider and the company, where the course duration, number of trainees, their selection criteria, roles and responsibilities of the parties are clearly defined. Then, the training is financed from the E2E Opportunity Fund, again through the Broker. This allows the latter to develop their capacities, to become more financially independent and influential, and also motivated to attract and promote more courses.
 7. need for reaching the primary goal of this cooperation which relates to business and also to science.

¹⁸² The target for the project second phase is to increase this share to 70% to be paid by the employer.

The case of Kragujevac Municipality

- The Broker is an association of 2 NGOs – Business Development Centre and Business Innovation Programmes.
- Three VET schools (in Kragujevac, Čačak and Kraljevac) and around 50 companies of different size, are involved in provision of dual education courses.
- The main sectors covered by the courses are Metal processing (welding, plumbing, CNC machine tools), Wood processing (furniture production and installing) and Textile.
- Since 2017, around 170 young people have been trained. Some more are still in the training process.
- The courses related to metal processing are more popular among youth 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, Sunce Marinković.

8. When the proposed training course is approved, it becomes the companies' duty to select the apprentices, provide a SKA (*skills-knowledge-attitude*) analysis, and assess the trainees during and at the end of the training. The trainees who successfully accomplished the course are awarded a Certificate. However, reportedly due to some legal issues related to the non-formal education in Serbia, the formal status of those certificates is questioned. At the same time, for the most of the companies, which have a shortage of qualified labour force, not the certificate but the competences of the youth are appreciated and they are not concerned about the formalities. Nevertheless, it is expected that the new Law on Dual Education and the foreseen amendments to the Labour Code will allow to better address trainings provided by and at the companies, including the issue with the certificates.
9. No final judgements on the sustainability of this dual education scheme can be done at this stage. However, the fact that it was derived from the qualified labour force demand of the companies and actually serves the purpose, inspires us with optimism in this regard. Moreover, it is expected that the second phase of the E2E project will further improve the conceptual aspects and the practical tools and mechanism to ensure sustainability of the dual education scheme. An interesting example can be presented here. The 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 the dual education one of the AP measures. This will ensure a certain sustainable funding from the regional budgets.
10. Another driver for sustainability was proposed by the Project experts: establishment of a fund similar to the E2E Opportunity Fund (e.g. National Training Fund, National Skills Fund, Skills Challenge Fund) to which both the employers and the Government will make their investments. This idea will also be elaborated during the second phase and more feasible options will be proposed.

CLUSTER FACTS

Functional type		Mixed – very different services from VET provision to resource provision and needs identification.
Scope / integration with the VET system		Ad hoc.
Membership modalities	Number of partners	Multiple private partners, multiple public partners.
	Types of organisations involved	Businesses, public VET providers, a variety of other partners (not members); a specific organisation (cluster) created as a result of collaboration
	Openness	Semi-open: any company may join but within the sector only.

1. The Fashion Apparel Cluster Serbia (Cluster FACTS) is an Association which unites 20 private companies from the sector of Fashion and garment production in Serbia, three higher educational institutions (two from Belgrade and one from Novi Sad), and a Platform of Fashion which includes 22 young fashion designers.
2. The Cluster is formally established in 2010 but effectively has been active since 2009. The member companies, which all are local brands, have in total more than 3,100 employees and around 400 fashion (clothing) shops all over the Balkans. In 2018, their aggregate sales reached the amount of 70 million Euro.

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

3. Establishment of the Cluster had a two-fold objective: to promote the member companies' export and to bring together the producers (and designers) and the education sector. This initiative of cooperation in the field of skills development, is coming from the private sector and, similarly to many other PPP cases in different countries, is conditioned by a considerable shortage of skilled labour force in the companies. Usually, after hiring new personnel, even those graduated educational institutions for textile, design, garment or similar, the companies spent 8-12 months on average, to retrain the new employees.

The collaboration areas in the field of skills development particularly are:

- Together with academic partners, improvement of the curricula / training programmes for the corresponding professions such as garment design and production;
- Mediation between the companies and public authorities, e.g. lobbying in MoESTD and CVEAE, revising the textile education profile, creation of a training programmes for fashion design and advertising of fashion products;
- Feasibility study for a 'design hub' which would include a training centre and lobbying for an establishment of such centre;
- Making student's Master Course design projects along with the private sector;
- Support to public VET schools in development of training materials;
- Virtual design centre – a virtual network of cluster members, webinars;
- Career support, particularly through organisation of career fairs and assistance in matching learners with the designers and helping them participate in all phases of creating a collection;
- Organisation of study visits.

4. According with the FACTS's Director, the main challenge was to motivate the educational institutions to get involved in cooperation – not simply as recipients of the private sector sponsorship but as full-fledged partners who also bear responsibilities. Considerable support in establishing this cooperation was provided by GIZ who delivered also modern training equipment to the educational institutions.
5. In 2017, a Memorandum was signed with the Union of textile VET schools which laid the base of cooperation with this level of education and allowed also to commence dual education. At present, this modality of formal VET delivery, is being implemented for more than 100 students of 3 VET schools: in Ruma, Belgrade, Čačak; and it is planned to be introduced also in a school for textile in Leskovac.
6. Within the dual education scheme, the practical training is organised in the FACTS's member companies and covers at least 60% of the total amount of curricula: 2 days per week during the 1st year of studies, 3 days in the 2nd year and 4 days in the 3rd.
7. During the internship, the trainees are paid by the companies. Whereas there is no regulation on this matter yet¹⁸³, the amount of payment is entirely up to the employers. For example, the Tiffany Production Ltd. in Čačak, pays the student ~45 € per month, provides free lunch and transportation. The employers carefully select the students who will pass the practical training in their companies. In addition, a number of students both from universities and VET schools are provided with opportunity to be interns in the member-companies' shops, sometimes even with higher remuneration.
8. In 2018, as a result of the FACTS's lobby, GIZ agreed to provide 14 VET schools with the sector related training equipment, e.g. smart tables, computers and computer-based garment modelling systems.

HORES ACADEMY

Functional type		Mixed type: main focus on VET provision, however strong elements of knowledge-orientation and resource-orientation also exist. A truly comprehensive and multi-faceted collaboration.
Scope / integration with the VET system		Elements of permeating system. The idea of PPP is ingrained in the new VET system.
Membership modalities	Number of partners	Multiple private partners, single public partner.
	Types of organisations involved	Businesses, public VET colleges.
	Openness	Semi-open: any company may join but within the sector only.

1. HORES is a Business Association for Hotel and Restaurant (Пословно Удружење Хотелско Угоститељске Привреде), established in Serbia in 1967¹⁸⁴, and associates under its umbrella hotels, restaurants, casinos, suppliers and other entities, and has objective to protect and promote the common and professional interests of its members. The Association implements such activities as marketing (market research, assessments of customer and employee's satisfaction), organisation of tourism fairs in the country and abroad, publishing hotel and restaurant guides, manuals and directories, connecting the hospitality industry with suppliers and joint procurements, representing the members' professional interests to the public bodies and other organisations. In addition to the aforementioned, HORES is involved also in educational activities.
2. Permanent shortage of qualified labour force in the hotel and catering business is considered as one of the main challenges for development of this sector of economy in the country. Lack of professional personnel is identified at all levels: from chambermaids and receptionists to senior managers. Therefore, in 2014, with a purpose to contribute to satisfying the skill needs of its members and the hospitality industry in general, HORES initiated establishment of its own training institution – the HORES Academy.

¹⁸³ The Law on Dual Education will come into force since September 2019.

¹⁸⁴ Initially the organisation was established under the name "Ugoturist" and was rename into HORES in 2002.

3. The main activity of the Academy is one-day and multi-day seminars and longer-term courses for sector-specific occupations. At present, the Academy offers the following courses:
 - for individuals: Cook, Waiter, Barmen, Receptionist, Worker in the household sector, Tourism animator;
 - for companies: Cook, Waiter, Barmen, Pizza maker, Baker, Confectioner.
4. The content of the trainings was decided upon 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 corresponding training programmes. The trainings are free to the participants.
5. Training programmes of the HORES Academy are developed in close collaboration with employers aiming to correspond to their needs, requirements and preferences. The training process takes place in practical environment providing the trainees with opportunity to practically 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) on-the-job training at a company. For Chambermaid and Cook assistant these durations (in hours) are [31+41+72] and [30+140+356], respectively¹⁸⁵. In both domains – practical and theoretical – the trainees are mentored by experienced specialists and taught by eminent lecturers. After training, the trainees get the certificate about their acquired knowledge and skills.
6. The trainings are organised on the basis of the Adult Education Law (2015). The Ministry of Education has provided HORES Academy programme with accreditation which means a possibility to apply for funding using the calls of the Ministry of Tourism.
7. The main target group of the Academy are chiefly 18-45 years old unemployed persons. The level of the graduates' employability is rather high: since its establishment, the Academy has trained 720 people of whom 550 (or over 75%) were employed. Moreover, the employers involved in the HORES programme, state that the specialists that they employ through the HORES Academy are in general trained considerably better than those employed through other sources.
8. The main partners of academy are the Ministry of Trade, Tourism and Telecommunications, Regional Development Agency "Jug" (South)¹⁸⁶ and GIZ. They together cover around of 30% of the training-related expenses. The remaining part is funded from the HORES's own budget collected from the companies via membership fees.
9. For this PPP case, there is agreement signed between the involved parties, and according with the Academy Director, the roles, competences, duties of the partners (including financial) and the implementation procedures are clearly defined in this document, and fully appreciated by all parties. The latter communicate and keep dialogue *via* Council of Academy which also approves the Action Plan, defines the quality indicators and monitors their performance. The effectiveness of the Council was assessed very high. In addition, there are also some non-formal agreements between the parties which affect implementation of the partnership positively.
10. The following important points were mentioned by the Academy Director:
 - the main factor of success is permanent high quality of the training;
 - another decisive aspect of the Academy success was involvement of donors who assisted the HORES initiative;
 - the main drawbacks are limited financial resources and lack of training infrastructure;
 - for finding/attracting new private partners, Academy has no enough capacities and resources;

¹⁸⁵ Academy HORES. The Encouragement of the Young People Employment in Serbia. Professional Training in the Hospitality Industry. Belgrade, 2017.

¹⁸⁶ The Regional Development Agency "Jug" LLC (<http://rra-jug.rs/en/>) was established in August 2009 by the City of Nis, 11 municipalities of Niš, Pirot and Toplički district, 3 economic entities and 7 representatives of the civil society, with an objective to to achieve a comprehensive and sustainable economic development of the southern region through the development of quality human resources, creating a healthy business environment and favourable ground for attracting foreign investments, connecting and cooperating with other regional, national and international institutions, all in line with the European integration process.

- at the same time, some companies which could be interested and would become partners, have no resources for participating in the Academy activities;
- development of new curricula for new occupations was the most important cooperation between the Academy and the public sector.

Conclusions

1. For Serbia, the following cases of cooperation between the education and the private sector were studied:
 - Production and provision of goods by private farmers to the publicly owned Institute of Field and Vegetable Crops, which is accompanied with the *capacity building* for those farmers;
 - Delivery of *non-formal dual education* courses to youth jointly by VET providers (both public and private) and private companies, which is partly funded by the “E2E” project;
 - Organisation of internship (practical training) of *formal VET* and university students at the Cluster FACTS’s member companies, accompanied with the certain interventions to the content (curricula) of formal education;
 - Provision of *non-formal training* courses for preparation of professionals in the field of tourism and hospitality by the HORES Academy.
2. Of them, probably the first case better fits the category of PPP, although is the most “far away” from the VET system. Indeed, in this cooperation there are important elements of public-private partnership: investments done by both parties, shared risks, clearly formulated objectives and terms, public control over the results and the quality, and performance-based remuneration. However, this is to remind the reader, that the skills development is not the primary purpose of this partnership.
3. Assessment of the compliance of the Serbian PPP types and cases with the ETF criteria is presented below:

Element of PPP		Defined criteria and Assessment
Formulation	Existence	
Stable relationship between private and public partners	Rather Yes	<p><i>Criteria:</i> The relationship is stable if communication between the private and the public partner is regular, well-established, recognised by all parties.</p> <p><i>Assessment:</i> It is true that the involvement of the private partners in the CVEAE is limited and the Council itself has actually very limited influence of the VET policy development or establishment of PPP. At the same time, in all discussed cases of cooperation, the relations between the parties are stable indeed, clearly contracted and derived from the mutual interest. They all result in considerable result in terms of skills development. However, the relations between the public VET and the private sector still have to be expanded from specific and pilot (but rather successful) cases to the systemic level.</p>
Private partner participates in funding or provision of other resources for the partnership	Yes	<p><i>Criteria:</i> Private partner allocates its own funds or resources to the implementation of the partnership.</p> <p><i>Assessment:</i> In the cases of partnerships considered within this study, the private partners directly invest their own funds and provide also in-kind contribution.</p>
The economic operator participates at various stages of engagement	Yes	<p><i>Criteria:</i> Economic operator participates in design, implementation, evaluation of the partnership either through formal or non-formal mechanisms recognised by all parties.</p> <p><i>Assessment:</i> The cases of partnership were established either at the initiative of the private partners or the latter were heavily engaged at different stages and aspects.</p>
The partnership has clearly set objectives	Yes	<p><i>Criteria:</i> The documentation related to the partnership mentions such objectives in a non-ambiguous manner and the partners are able to easily identify and present such objectives.</p> <p><i>Assessment:</i> Again, all cases of partnership are based on formal contracts (agreements) and the objectives are clearly defined. Our study did not identify any issue related to the formulation or perception of the partnership objectives.</p>

<p>The public partner defines the objectives to be attained in terms of public interest, quality of the services and pricing policy, and it is responsible for monitoring compliance with these objectives</p>	<p>Partly</p>	<p><i>Criteria:</i> Public partner has defined the objectives of PPP in terms of the public interest, quality of the services and pricing policy in an official agreement. Public partner has established a monitoring mechanism to ensure compliance with the defined objectives <i>Assessment:</i> As mentioned above, the initiative of partnership comes mainly from the private partners and they propose the objectives. Moreover, the monitoring and assessment of the results also belongs to the private partners. Only in the case of NS SEME, the objectives are defined by the public partner who also monitors the processes and evaluates the results.</p>
<p>The distribution of risks between the public and private partner, to whom the risks generally borne by the private sector are transferred</p>	<p>Yes</p>	<p><i>Criteria:</i> The distribution of risks between the public and the private partners are defined. This distribution is recognised by all parties. <i>Assessment:</i> In all cases of cooperation, the private partner takes a considerable part of risk.</p>
<p>Whereas the responsibility can be transferred from the public partner to the private one, the accountability always stays with the public sector</p>	<p>Rather yes</p>	<p><i>Criteria:</i> The accountability mechanisms and descriptions exist, clearly delineating the accountable actors within the public sector <i>Assessment:</i> Actually, in all discussed cases, the accountability to the public partner is in place but the mechanisms are different. Moreover, they cover slightly different aspects. E.g. in the case of NS SEME, private partners are fully accountable to the public party in terms of their performance; for the FACTS, accountability to the MoESTD is associated with involvement of public VET schools. However, all those mechanisms still need to be improved in terms of introducing more legible descriptors and criteria. Solid monitoring and/or evaluation schemes are also seem lacking.</p>

4. The table below includes results of the assessment against the set of PPP preconditions. Here it is important to note that after the Law on Dual Education enters into force, the situation can change, but most likely not to a considerable extent.

Operational sub-questions	Indicators/assessment criteria	Assessment
Pre-condition A: Legal framework for public-private cooperation		
<p>Is the legal framework for public-private cooperation present?</p>	<p>Present if:</p> <ul style="list-style-type: none"> ■ 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, actors adhere to the rules) 	<p>Present:</p> <ul style="list-style-type: none"> ■ 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
Pre-condition B: Fiscal arrangements for public-private cooperation		
<p>Are fiscal arrangements for public-private cooperation present?</p>	<p>Present if:</p> <ul style="list-style-type: none"> ■ 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 	<p>Not present: No clear fiscal incentive for the private partners for investing at least in education are present.</p>
Pre-condition C: Tradition of social dialogue		
<p>What is the existing tradition of social dialogue?</p>	<p>Are PPPs building on existing social dialogue tradition? Can specific aspects or agreements be identified as supportive of PPPs? Recently developed: social dialogue has only been recently developed (e.g. documents outlining participation of the</p>	<p>The social dialogue is formalised (institutionalised) in the form of Council for Vocational Education and Adult Education (2010) but there is no evidence of the social partners' influence on decision making. Moreover, taking VET policy-related</p>

	social partners have been adopted recently), the rules and roles are still being defined and clarified, little or no significant results of social dialogue exist	decisions is beyond the scope of the Council's duties. There is still a limited progress in terms of effective social dialogue. Furthermore, there is also no demonstration that the CVEAE or any social dialogue structure are supportive of PPPs or lead to PPP cases .
Pre-condition D: Social partnership in VET and skills		
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 of 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, they are regularly engaged	It better fits to the category of " Long tradition with mixed outcomes ". Thus, the current social partnership mainly does not lead to outcomes . The cases which can be approximated as PPPs are not directly derived from the existing social partnership . Institutionalised by the form but ad hoc in terms of the results.
Pre-condition E: Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships		
Capacity of stakeholders to engage in policy dialogue and forming sustainable partnerships	Are actors' capacities being built in 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. Motivation of the social partners seems existent but the principal issue is the limits of the authority shared with them.

Overview and cross-cutting recommendations

In none of the considered countries with recent traditions, there are cases of cooperation which could formally be categorised as PPPs in accordance with the national legislation. The only exception is the case of dormitories in Kazakhstan. At the same time, due to their characteristics described above, it is absolutely reasonable to consider them through the prism of PPP.

Comparison of the four countries in terms of the PPP elements *via* attaching conventional scores to the results of assessment as per element's indicator¹⁸⁷, shows that Serbia and Ukraine are leading from this point of view, and are closely followed by Kazakhstan:

¹⁸⁷ No = 1; Rather No = 2; Partly = 3; Rather Yes = 4; Yes = 5.

Element of PPP	Jordan	Kazakhstan	Ukraine	Serbia
Stable relationship between private and public partners	Rather No (2)	Rather Yes (4)	Rather Yes (4)	Rather Yes (4)
Private partner participates in funding or provision of other resources for the partnership	Rather No (2)	Rather Yes (4)	Yes (5)	Yes (5)
The economic operator participates at various stages of engagement	No (1)	Rather No (2)	Yes (5)	Yes (5)
The partnership has clearly set objectives	Rather No (2)	Rather Yes (4)	Rather Yes (4)	Yes (5)
The public partner defines the objectives to be attained in terms of public interest, quality of the services and pricing policy, and it is responsible for monitoring compliance with these objectives	No (1)	Partly (3)	Partly (3)	Partly (3)
The distribution of risks between the public and private partner, to whom the risks generally borne by the private sector are transferred	No (1)	Yes (5)	Yes (5)	Yes (5)
Whereas the responsibility can be transferred from the public partner to the private one, the accountability always stays with the public sector	No (1)	Yes (5)	Rather Yes (4)	Rather Yes (4)
Total	10	27	30	31

At the same time, if to compare the countries in terms of PPP preconditions, the two leading countries will be slightly behind the others:

Pre-condition	Pre-condition A: Legal framework for public-private cooperation	Pre-condition B: Fiscal arrangements for public-private cooperation	Pre-condition C: Tradition of social dialogue	Pre-condition D: Social partnership in VET and skills	Pre-condition E: Capacity of stakeholders to engage in policy dialogue and forming
Country					
Jordan	Present	Present	Long tradition with mixed outcomes	Institutionalised by the form but ad hoc in terms of the results	To be built
Kazakhstan					
Serbia		Not present	Recently developed		
Ukraine					

This “contradiction” is only seeming, and the results of the above assessment should by no means be interpreted as a non-importance of the PPP preconditions. They only prove that even at the circumstance of recently institutionalised social partnership or absence of fiscal incentives, at least an effective cooperation (if not a formal PPP) between the public VET system and the private sector (or *vice versa* cooperation of the government with the private VET providers in Kazakhstan or capacity building for private farmers in Serbia) is possible if there are clearly perceived interests and a proper motivation of the parties. The latter can be grounded by a range of different reasons.

Analysis of the considered cases clearly shows that there is a number of preconditions which should be in place for establishing a sound public-private partnership in VET. The most important ones are discussed below.

Motivation of the private partner is the key for success in any PPP case. However, it is not necessarily based on the fiscal incentives established by law or on expectation of immediate income but can have different forms:

- Increased effectiveness and efficiency of staff recruitment (more competent staff due to training at own enterprise and/or adapted curricula; decreased expenditures for post-graduate (re-)training, shortened induction time period, etc.);
 - Use of VET institutions' facilities for income generation;
 - Promotion of own products in the market;
 - Compensation of own expenditures from the state budget including a certain margin (pure income).
- Nevertheless, only motivation might not be enough for establishing a proper PPP. The **private partner has to be ready to take risks** and **be able to invest** (not necessarily money but at least time and human resources, or own equipment, tools and materials). Some of the discussed cases show that even in-kind contribution may lead to considerable results (e.g. participation of private sector in education content development in *Ukraine*). 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 types where tangible financial investments are essential (e.g. Centres of Excellence in *Jordan*¹⁸⁸ or privately established training facilities in *Serbia*).

Another principal issue is **preparedness of the public structures to share** not only risks but also **certain authorities** (including those related to the decision making and fiscal management) **with the private partners** and give them a certain level of autonomy and independence. Our analysis also shows that under the conditions of strong centralisation negatively affects effectiveness of PPP (the cases of PPP in *Jordan*) or considerably limits further development of the policy dialog and establishment of new PPPs (the case of VET Council in *Serbia*).

At the same time, **contributions from the donors** should not be neglected. In different cases, financial and/or technical support from the development partners is a pre-condition for both appropriate conceptualisation of a PPP type in the given country and an impetus for its launching.

The following **policy recommendations** about PPP in skills development can be made based on the review and analysis of the PPP cases implemented in the four selected countries and also with consideration of wider international practices:

- For any type and/or case of PPP to be established, **the needs of cooperation should be clearly defined**: what issue will be solved and what 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 their cases should be ensured**. This is necessary for common understanding of the given PPP type throughout the country (also for the international community) and proper structuring of every PPP case under this type. Adoption of legal acts regulating the given type of PPP, may also be appropriate. However, those acts should not create any bureaucratic obstacles but rather ensure the rights and responsibilities of the parties.
- **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, this is about improved quality and relevance of VET provision and its increased availability for wider groups of population.
- Accordingly, **possible risks and benefits** (the latter is closely connected but not identical with the motivation) **are to be projected and described**. They should be stated also in the agreement concluded for a certain PPP case. During the implementation of a PPP, the risks and benefits can even be reviewed and, if necessary, revised based on mutual agreement but not unilaterally, e.g. by the government.
- **Piloting of PPP types**, before introducing them throughout the country, seems advantageous for defining and final design of the most appropriate models for the given country. However, it should be

¹⁸⁸ Based on the stakeholders' statements, no investments can be realistically expected from the employers in foreseeable future (as stated by the most of the interviewees, due to 'weakness of Jordanian economy'). The government (VTC) shares this opinion and believes that unfortunately, public funds also cannot be made available for investing in SSCs, and donors are considered as the only source of financing.

always taken into consideration that a model which works well with a certain private partner might not be applicable for partnership with another one. This may depend on the size of the company or the sector of economy 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 the PPP cases should be in place. This is a complex exercise and not in all countries the expertise necessary for introducing those mechanisms can be available. Therefore, this should be considered as an area for international technical support provided particularly with the donors' assistance.

We believe, that the table on the next page which presents indicative assessment of different aspects of the PPP cases in Jordan, Kazakhstan, Ukraine and Serbia, will be helpful for illustrating the reasons for at least some of the above recommendations.

Concluding, we would recommend also the most interesting cases per selected country, to be discussed for the other partner countries. They might be valuable for both aspects: achievements and drawbacks. These cases are:

- [Kazakhstan](#) – Trust Management of VET Colleges
- [Ukraine](#) – Training-Practical Centres
- [Serbia](#) – Cluster FACTS
- [Jordan](#) – Sector Skill Councils

Types of PPP	Initiative	Motivation	Investments	Risks	Conceptualisation	Sustainability
JORDAN						
Sector Skill Councils	Donors	Donors: strong Private: poor Public: not proved	Donors	Donors, due their investments in establishment of SSCs	Non-formal: only developed by donors	Strongly questioned
Centres of Excellence	Public	Private: labour force demand Public: improved facilities of VET institution and higher quality of education provision	Donors	Donors, due their investments in establishment of CoEs	Conceptual Framework for Developing Model Skill Centres of Excellence approved by MoL	Strongly questioned
Delegated management of workshops	Public	Public: improved facilities of the workshops Private: poor (unconscious/undefined)	None	None	None	Strongly questioned
KAZAKHSTAN						
Trust Management	Public (regional authorities)	Private: labour force demand + commercial interest (opportunities for income generation) Public: improved facilities of VET institution and higher quality of education provision	Private	Private, due to their investments Public, due to possible failure of TM and worsening the college conditions	Rather strong: there are a regulation and clear examples	Unknown due to limited experience
Dual education	Public	Private: labour force demand Public: improved relevance of the learning outcomes (specifically practical skills) to the requirements to employers	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 quality of the services	Private	Private, due to their investments	Emerging	Unknown due to absence of experience

UKRAINE						
Training-Practical Centres	Private	Private: mainly promotion of own product Public: improve training quality	Private: mainly; VET institutions: partially ¹⁸⁸	Private, due to their investments	Strong: there is a regulation and developed tradition	Strong
Internship at enterprises	Joint (public and private)	Private: labour force demand Public: requirement of curricula	From the private sector: in-kind + 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 the education content to the LM needs	From the private and private: in-kind	Public and private, due to their in-kind investments	Strong: there is a regulation and firm experience	Strong
SERBIA						
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 + students' fees; Donor: students' fees + other expenses	Private, due to their investments in organisation of practical training at enterprises	Expected upon entering in force the Law on Dual Education	Unknown due to the project-based nature
Cluster FACTS	Private	Private: labour force demand Public: improved relevance of the learning outcomes (specifically practical skills) to the requirements to employers	Private + donor	Private, due to their investments in organisation of practical training at the companies	Expected upon entering in force the Law on Dual Education	Rather strong
HORES Academy	Private	Private and public: labour force demand	Private + donor	Mainly private, shared with public to a limited extent	According with the Law on Adult Education	Rather strong

¹⁸⁸ The cases when the TPC is fully funded by the Government, are not considered here.

ANNEX 1 – TAXONOMY OF PPP FUNCTIONAL TYPES

PRELIMINARY TAXONOMY OF PUBLIC-PRIVATE PARTNERSHIPS FOR SKILLS DEVELOPMENT/ VET

Types of PPPs	Forms of PPPs (based on private sector engagement)	Relevant contextual features	Selected examples
Knowledge-oriented PPPs			
Skills intelligence creation	Skills needs and trends analysis	Effective private sector engagement in policy development (often together with skills intelligence creation) and quality assurance of VET usually requires: <ul style="list-style-type: none"> ■ Institutionalised social partnership in VET and skills, namely existence of bipartite/ tripartite bodies for social dialogue embedded in the legislation ■ Private sector commitment in terms of resource allocation (e.g. time of company representatives participating in policy evaluation and review as well as setting quality standards, financial contributions to research on skills; in some cases – membership fees) ■ Existence of intermediary organisations able to involved as private sector representatives ■ Sufficient capacity of private actors (businesses / employer organisations) to engage in social dialogue and partnerships, which is crucial as only then their involvement will successfully boost the overall quality 	<p>Sectoral Skills Councils (SSCs) in the United Kingdom are independent, strategic organisations with a national scope. These employer-led bodies are licensed by the UK Government to define skills needs and skills standards in their industry. SSCs are represented, promoted and supported by the Federation for Industry Sector Skills & Standards which is involved in:</p> <ul style="list-style-type: none"> ■ Certification of apprentices ■ Quality assurance of the apprenticeship process with and on behalf of the Education & Skills Funding Agency, the National Apprenticeship Service and employers ■ Professional standards development through sharing best practice and developing a code of practice ■ Driving growth through skills <p>Thus, individual SSCs not only implement the analysis of skills needs but also define occupational standards, job competences and develop qualifications for the Apprenticeship Framework. Ultimately, they support VET quality assurance system.</p> <p>Introduced in 2002, they currently cover private, public and voluntary employment, and 90% of UK workforce occupations. Members that can afford it pay membership fees that are further used to provide services and advice to all firms from a given sector.</p> <p>SSCs are said to have contributed to additional private investment in skills, improved delivery of training, reduced unemployment among young people, women and ethnic groups, provision of high-quality career advice, etc. over the years.</p> <p>Source: Federation for Industry Sector Skills & Standards, http://fiss.org/.</p>
	Future skills forecast		
	Analysis of training provision		
	Analysis of skills gaps and mismatches		
Policy evaluation and review (public – private consultations)	Provision of sector`s perspectives		
	Assessment of skills policy measures effectiveness and proposals for improvement		
Quality assurance systems/ frameworks	Qualification/ curriculum/ occupational/ educational standards design and management		

		and attractiveness of VET	
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Resource-Oriented PPPs

Investment in training infrastructure, learning materials and teachers and trainers	Provision of access to specialised equipment	<ul style="list-style-type: none"> Such type of PPPs primarily requires a committed and capable private sector partner that is large enough to be able to contribute to the development of training infrastructure and/ or provide learning materials for students Such PPPs are often based on contractual agreements between the government or other public/ semi-public actor and business. To ensure the validity of such contracts and parties' commitment to their implementation legal regulations in the field are crucial (yet they are often of more generic nature – concerning PPPs in general rather than them for skills development specifically) 	<p>In Israel Amal Pedagogic Administration and its Pedagogical Technological Development Center (PTC) are extensively co-operating with <i>Apple</i> (via <i>iDigital Israel</i>) on learning and teaching via iPads. They are running a unique innovative project for studying by means of iPad appliances in the technology streams of 10 schools. Overall, the project examines two types of learning modules – an individual learning environment and school learning environment. The design of the active learning experience highlights collaboration, investigation and creativity, making the databases of the world's educational applications accessible and utilizing the strength of the iPad as a means of multidisciplinary visual demonstration.</p> <p>This PPP involves close cooperation between the Amal Group (educational network), Ministry of Education and representatives of worldwide <i>Apple</i> via <i>iDigital Israel</i>.</p> <p>The role of <i>iDigital Israel</i> is to provide iPads for all students and teachers involved. Provision of these learning tools by the private sector is crucial to achieve the objectives of this PPP and enables overall digital skills development of students.</p> <p>Source: Amal Network, http://www.amalnet.k12.il/english/#1.</p>
	Refurbishing investments		
	Building schools/ training centres		
	Training or hiring teachers and trainers		

VET provision-oriented PPPs

Curriculum development		<p>Effective PPPs for the purposes of curriculum development:</p> <ul style="list-style-type: none"> Exist both against the background of institutionalised public – private cooperation in VET and as <i>ad hoc</i> individually negotiated initiatives at the firm level Thus, institutionalised social partnership in VET is not always necessary to launch such PPPs 	<p>Coop Food School (Denmark) has been established in 2016 to solve the increasing shortage of workers for several types of occupations in the food (retail) industry, including butchers, bakers and delicatessen assistants. A key feature of this initiative has been to create a vocational qualification that has a stronger component of work-based learning compared to traditional Danish programmes. Yet although focused on joint curriculum development the partnership also involves training provision at IVET level. It involves public (nationally accredited) Zealand Business College and Danish retail chain Coop which is actively involved in the development of the programme in addition to co-funding and</p>
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		Require presence of a committed private sector partner that is willing to allocate its own resources to the project (e.g. time of senior employees, financial support when curriculum development is accompanied by business engagement in VET delivery)	provision of apprenticeship guarantee for all students. The School is said to have contributed to increased motivation and participation of students as well as lower drop-out rates. It is expected that the PPP will in the long run increase overall attractiveness of VET, contribute to better matching of skills supply and demand in food (retail) industry and improve social inclusion of young people through VET. Source: European Commission, Business cooperating with vocational education and training providers for quality skills and attractive features, 2017.
Schools and training centres management	Membership in school boards	Private sector engagement in the management of VET schools and training centres often requires: <ul style="list-style-type: none"> Legislative framework recognising such school management arrangements and allowing VET programmes of such centres to be accredited Capable private sector actors (large companies of business associations acting as intermediaries) that are interested and invested (esp. in terms of allocated time) in training centres` development 	Delegated management of VET centres in Morocco has been pioneered in the textile sector and has expanded into other areas, including aeronautics, automobile and renewable energy, in time. Currently 13 VET centres are managed by the private sector based on this model, the key feature of which is outputs-based contracts between VET public authorities and the business (specifically sector organisations). Signed contracts stipulate how a particular centre will function, be governed, what are the processes of curriculum development, examinations, etc. The centres are co-financed by the government whereas the rest share of expenses is covered by collected student fees. Such excellence institutes seem to have contributed to increased graduates employability and overall attractiveness of VET in Morocco. Source: ETF, Torino Process 2016-17: Southern and Eastern Mediterranean, 2017; interviews with ETF staff.
	Autonomous management of training institutions		
	Centres of Excellence or other VET institutions for innovative VET		
Training provision	VET delivery: <ul style="list-style-type: none"> National and local agreements on work-based learning (including dual apprenticeship schemes) Industry-led training delivery CVT and adult learning provision Enterprise participation in certification 	Effective PPPs in training provision require: <ul style="list-style-type: none"> National VET system allowing a share of work-based learning in a VET programme to be accredited Capable private sector actors that are able to deliver quality VET Extensive private investment in skills development within the frames of PPPs 	The framework of Dual Study Programmes in Germany runs from 1972 and serves as an example of private sector participation in VET design and delivery . Targeting secondary school-leavers, the PPP involves companies and public higher education institutions. They work together to provide high quality vocational training at the higher education level that meets the needs of firms. The initiative is strongly geared towards work-based learning: the student/ apprentice is under a contract with a firm and spends part of his/her time at a university studying towards a Bachelor
	(Company-employed) instructor training and up-skilling		

Complementing training provision	Career advice, counselling and guidance	(e.g. employer reimbursement schemes form the base of various training/competence development funds)	degree and part of the time in company learning practical skills on the job. Thus, this PPP in higher VET is based on a mix of public and private funding. One of the specific objectives of firms within the frames of this partnership module is to tie high-achieving school leavers to their company through the offer of a dual training programme. As a result, this PPP also serves as an example of private sector efforts to facilitate school-work transition . The framework based on the PPP premises has proved to improve employment outlooks for graduates, lower drop-out rates and boost overall attractiveness of VET. Source: European Commission, Business cooperating with vocational education and training providers for quality skills and attractive features, 2017.
	Facilitating transition from school to work		

Source: compiled by PPMI.

Please note the preliminary/hypothetical taxonomy of PPPs for skills development is based on the most common areas of PPPs as well as purpose of public-private partnering in VET. During the course of the study the preliminary typology was partly confirmed, but also better articulated with a variety factors that helped to classify the PPPs for skills development into three broad groups.

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E-mail

info@etf.europa.eu