

TUNISIA

COUNTRY STRATEGY PAPER 2017-20

2018 UPDATES



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COUNTRY CONTEXT

Political and socio-economic context

Six years after the revolution the main challenge for Tunisia is to relaunch its socio-economic development now that the security threats seem to be under control¹. There have been very important steps in the democratisation process marked by the new constitution and the elections of democratic governments. However there is not yet the necessary stability to implement the profound reforms the country needs to undertake. Two new democratic governments *d'unité nationale* have been in place respectively since August 2016 and then since September 2017 to make a substantial step in reform implementation. The first multiannual Plan for National Development (2016-2020) has finally been approved in April 2017 after some lengthy discussions at the Parliament. This has created a conducive environment for strategic decision making. The Plan provides for an ambitious growth rate of more than 5% mainly through big infrastructure works and investment in innovation and technology. This goal is heavily conditioned by the capacity to attract investments (EUR 50 billion), notwithstanding the damage to the country's image that has occurred over the last year. Thanks to the strong promotion efforts undertaken by the Tunisian government worldwide the international donors' conference "Tunisie 2020" held in Tunis at the end of November could mobilize 34 billion dinars (equivalent to 14 billion euro). Main fields of foreign investments include infrastructural works, automotive industry and tourism. The Plan is expected to create 400,000 new jobs in particular for highly-skilled graduates.

Economic conditions of the country continue to deteriorate. Tunisia's declining economic performance is expressed in the 'Doing Business 2016 Index' where the country is ranked 74 out of 189 countries, far below its ranking of 36 in 2008. The economy is structured around small and medium size enterprises (SMEs) which provided for 59% of employment in 2011. The services sector accounts for 61.9% of gross domestic product (GDP) and 52.1% of employment, which the industrial section accounts for 29.3% and 33.1% respectively. vis-à-vis the industrial sector. This fragmented structure does not help the country in developing around a solid pattern.

The labour market suffers² from the difficult economic context, despite a slight improvement in the period from 2013 to 2015. Activity rates are very low at 47% mainly due to the modest participation of women in the labour market (26%). Unemployment rates are high (15.2% for population aged 15 years or more in 2015, which is higher than most of the countries of the region) and youth unemployment (aged 15-24) stood at 34.7% in 2015. In contrast with other countries in the region demographic pressure is low and the population has been growing slowly in the last ten years. Tunisia remains a young country with more than half of the total population (11.3 million in 2015) under the age of 29 (UNDP), but with the weight of the youth decreasing at a higher rate than other countries in the region that suffer from similar pattern of ageing population.

Tunisia is a relatively skilled³ country compared to the other countries in the region (particularly within the Maghreb), and higher education became a very attractive path for many youth in recent years. However, the results from international skills assessment, show a big gap in terms of basic skills still exists. Tunisia had a poor rank in PISA, and although there have been a significant reduction of underperformers in

¹ As quite a unique case in the Arab world Tunisia has gone through set up a suffered but successful transition from the former authoritarian system to a democracy – as recognised by the 2015 Nobel Prize for Peace to the National Dialogue Quartet.

² Data source on labour market on this section: National Institute of Statistics of Tunisia.

³ Educational attainment is frequently used as a proxy measure of the skills associated with a given level of education and available in the population, and to the labour force. Higher levels of educational attainment are associated with several positive individual and social outcomes (see also OECD *Education at a Glance*, 2015)

reading, mathematics and science along the years, 68% of students still underperform in mathematics, 55% in science and 50% in Reading (2012). Progress in education can be also seen in the reduction of the number of early school leavers which has decreased by 7 points, but in 2015 was still at 51.3%.

VET has not developed as an alternative to general education and its attractiveness is still low among the youth. The percentage of students in upper secondary education that go to vocational streams amounted to 9.6% of total upper secondary in 2013 (UIS). In fact academic education is by far preferred to vocational education. One of the side effects of the high attractiveness of the academic strand of education is the very high unemployment rate among the tertiary graduates (30% vs 16 for those with ISCED 3 or 4), which is also potentially a source of mismatch since graduates might take jobs below their formal qualification.

Youth in Tunisia experience problems in the transition from the education to the labour market, as shown by the high proportion of youth that are not in employment, and not in education or training (NEETs). One in four young people were NEETs in 2015 (one in three for women), although this is an improvement 2012 when one in three was in this situation.

EU2020 targets in education and employment		TUNISIA		EU		EU2020 targets	
		2012*	2015	2010	2015		
Headline targets	Early leavers from education and training (%aged 18-24)	58.6	51.6	13.9	11	< 10	
	Tertiary educational attainment (% aged 30-34)	19.8	23.8	33.8	38.7	≥ 40	
	Employment rate (% aged 20-64)	46.7	47.8	68.6	70.1	≥ 75	
Other targets	Participation in training (% aged 25-64)	0.2	1.3	9.1	10.7	≥ 15	
	Underachievement (% aged 15)	Reading	53.4	49.3	19.7	17.8	< 15
		Mathematics	73.6	67.8	22.3	22.1	< 15
		Science	50.2	55.3	17.8	16.6	< 15
	Employment rate of recent graduates (% aged 20-34)	m.d.	m.d.	77.4	76.9	≥ 82	

Sources: Eurostat - online database and INS; PISA results - OECD, Programme for International Students Assessment

Notes: PISA 2010 data refers to 2009 and 2015 data refers to 2012; Data for Tunisia is from 2012 instead from 2010 due to data availability; m.d.= missing data.

EU Relations

Tunisia enjoys a priority status with the European Union (EU) according to the Privileged Partner agreement signed in 2012 as a sign of medium-long term support to the new democracy. Support to reforms is articulated in the *Cadre unique d'appui 2014-2016* (extended to 2017) along three main fields:

Socio-economic reforms, including sustainable development in all regions,

Reinforcement of the State of law and governance,

Civil society organisations involvement in the design and implementation of public policies.

Tunisia is a high priority country for the EU. It received EUR 212 million for new projects in 2015, the biggest envelope in the European Neighbourhood and Partnership Instrument (ENPI) South region. EU

support to the country has tripled since the revolution and reached EUR 1 Billion during the period 2011-2015. The new communication (see below) on EU support to Tunisia also provides for new funding⁴.

A Mobility Partnership agreement was signed in March 2014 whereas negotiations for a deep and comprehensive free trade agreement started in 2015 and should lead to favourable access of Tunisian products and services to the Single Market and important European investments in key economic sectors.

A new Joint Communication by the EC and the EU High Representative for Foreign Affairs and Security Policy to the European Parliament and the Council to reinforce support to Tunisia was published on 29 September 2016. The Communication reconfirms the strategic partnership with the country. It recognises the difficult socio-economic and security situation and calls for new support. The Communication recalls the various support programmes between 2011 and 2016 and targets new support to areas such as good governance, civil society, creation of new jobs, decrease of social disparities (including decentralisation and quality education and VET that can respond to labour market needs), security and migration and mobility. It proposes very important financial envelopes (including aid, support to private sector development, and macro financial aid). It also suggests the creation of a donors' platform to support the implementation of the Plan.

B. VET AND SKILLS IN THE COUNTRY: OVERVIEW, PROGRESS AND MID-TERM PRIORITIES

The VET and skills development agenda is of high priority in Tunisia. The Ministry of VET and Employment elaborated its own 2014-2018 Strategy in late 2013. This strategy has now been translated into the VET Chapter of the Development Plan 2016-2020.

The new government in place since August 2016 has set up a *Secretariat d'Etat* at the Ministry of VET and Employment in charge of private initiatives, which includes support to entrepreneurship. This is a clear orientation towards new forms of employment, vis-à-vis the 'traditional' employee' status, associated to VET graduates.

As already identified in the Torino Process analysis⁵ the main challenges identified in the Plan include the lack of a strategic vision about human capital development - and the role of VET in this vision, the negative image associated to VET (perceived as a second chance option only), the low responsiveness of VET to the labour market needs, especially those expressed by enterprises (which are the main source of current and future employment generation), weak governance mechanisms both inside the VET system and vis-à-vis the social partners, the need to foster the professional development of VET trainers and the weak continuous training provision.

These priorities are well reflected in the Development Plan. The Plan identifies several objectives, articulated around 14 projects to improve the quality and relevance of skills development. These include:

⁴ "L'EU est résolue à maintenir un niveau de financement soutenu pour la période courant jusqu'en 2020. Page 15 de la Communication

⁵ The TRP analysis was conducted as a self-assessment exercise. The report is therefore the expression of the national stakeholders' views and recommendation about the VET system.

Global vision

1. Development of a *comprehensive vision* across education, training and higher education. This implies the setting-up of a *national entity on human capital development* with an overall mandate and coordination role among the different sub-system;
2. Setting up a *national career guidance system*; including the establishment of a *national agency* for career orientation;
3. Setting up mechanisms to reduce early school leaving.

Quality and efficiency

4. Improve *analysis of labour market needs* in a prospective dimension, through a reinforcement of the ONEQ (National Observatory on Employment and Qualifications);
5. Improve pedagogical approaches in VET, including *Entrepreneurial learning*;
6. Introduce compulsory *on the job training for VET trainers*;
7. Accreditation of training centres and pedagogical evaluation;
8. Restructuring of VET centres; and equip them with new technologies;
9. Develop continuous training.

Governance

10. Setting up a new governance system, reinforcing *regional authorities role* in VET policy design and implementation;
11. Set-up an *information system* focusing on the link between VET and employment;
12. Set-up a monitoring process to measure the performance of the VET system.

Transversal projects

13. Set-up a VET communication strategy
14. Capacity building of VET stakeholders

Despite the efforts made on continued planning and analysis, implementation of reforms in VET in the years after the revolution has been very slow, as is the case with other sectors (see Section A). Adoption and generalisation of methodologies and tools developed under pilot projects (such as ETF and EU funded Governance for Employability in the Mediterranean (GEMM) project in support to regionalisation of VET) is proceeding slower than expected and despite the full endorsement by the Ministry and its agencies all through the process. One of the main reasons specific to VET can be identified in the changes at Ministerial levels which have negatively impacted the speed of decision making and transmission chain to operational levels, and decreased financial resources due to the economic crisis and resource distribution.

A multiplicity of policy orientations are available (Art.39 of the new Constitution, 2008 Law on Education, 2009 law on National qualification framework, 2009 law on entrepreneurial learning, 2016-2020 National development plan, plus other laws on education, higher education, qualifications, etc.). These strategic orientations often lack the implementing rules needed to define roles and working modalities to actually implement the laws. The VET system suffers from a lack of national global vision on Human capital

development, which is now a priority under the new plan 2016-2020. Every sub-sector, such as education, VET or higher education responds to a different ministry, which leads to challenges of coordination and fragmentation. Pathways among the subsystems are inexistent.

Governance of the VET is fragmented among different ministries and public executing agencies responding to (still) a highly centralised and top down logic. The Ministry of VET and Employment strives to coordinate these different institutions which include other ministries, such as Tourism, Health and the Army and agencies under its coordination. In particular the relationship between the Ministry and the agencies under its mandate such as the Tunisian Agency for VET, the National centre for trainers' training and the National Observatory for Employment and Qualifications can be quite delicate. The civil society contribution to VET policy orientations is practically absent as NGOs are rather active at project level (often with the support of international donors). This is partly due to the relatively young history of NGO's in VET which has not yet "reached" the policy level and the scarce coordination among NGOs in VET to speak with one voice. Social partners are involved in the implementation of several VET projects. Their inputs at policy level and in the strategic decision making concerning the entire cycle of VET is however very limited by their consultative status and their limited capacity to work on technical contents and to deploy the human resources needed. A 'social contract' was signed in 2013 among the Government, the main representative of employers (UTICA) and the main representative of employees (UGTT). The Contract marks an important step in the recognition of the role of social partners in general, and in VET in particular. Its enforcement did not take place and would allow social dialogue to be really effective at all levels.

Regionalisation has become a stated priority since the revolution; recognised in the Constitution: It is high on the political agenda. However, there is not yet a clear definition of roles and responsibilities between the central and regional/local stakeholders, resources and capacities are still limited to play a key role in the design, implementation and evaluation of VET/access to labour market related initiatives. Some pilot projects to reinforce capacity at regional level⁶ have produced good results and there is gradually a common understanding between Ministry of VET and Employment and social partners to extend the regionalised approach gradually to all regions. Altogether progress of regionalisation is quite slow. The newly-started EU support project IRADA (see below) should reinforce and support these efforts.

Priorities for reform highlighted by the Torino Process exercise fully reflect the 14 action lines expressed by the 14 projects forming the VET strategy and illustrated above. The Torino Process analysis has been carried out as a self-assessment by a network of Vet stakeholders under the guidance of the National observatory for employment and qualification which is steered by the Ministry of VET and employment.

C. EU AND OTHER DONORS SUPPORT IN VET AND SKILLS

VET and skills development to help *access to* the labour market is a priority support area for the EU in Tunis. EU funded projects target in particular skills development, better labour market functioning mechanisms and fight against poverty. The new IRADA (Initiative régionale d'appui au développement économique durable) Programme (EUR 32 million) covering the period 2016-2019 aims at improving VET graduates access to the labour market in eight regions. It expresses the EU's commitment to skills development to reinforce youth employability. This will be achieved through reinforced partnerships among VET centres and companies that will result in the update of VET training courses and trainers' competencies. A *Call for Proposals for Employment generation* amounting to EUR 4.7 million and

⁶ For example in Médenine with the support of the ETF, Gabès through the EU funded GEMM project and starting in ,Mahdia and Kairouan with the support of ETF

involving the civil society, the private sector and local authorities is going on since 2014 and will last until next year. A specific programme launched in 2012 to stimulate *decent employment generation* in five vulnerable regions will be completed this year and amounted to EUR 6.5 million. Finally as part of the new logic of better coordination and mutual reinforcing of member states' funded initiatives and the EU, the EU Delegation (EUD) is supporting the implementation of the French PAFIP Programme with EUR 3 million in the period 2015-2020. An important support to education, training and higher education developments has been the PEFESE programme (Programme d'appui à l'Education, la Formation Professionnelle, l'Enseignement Supérieur et l'Employabilité des diplômés) which run until 2014 and aimed at improving youth employability and performance of VET and higher education systems.

International donors have traditionally been very supportive to Tunisia thanks to the good collaboration with national authorities. After the Revolution the support has been reinforced, and this is particularly the case of the EU Member states⁷.

France is very active in Tunisia with three main initiatives in VET-access to labour market. The most recent Programme d'Appui à la formation et à l'insertion professionnelle (PAFIP) amounting to EUR 24 million for the period 2015-2020 will support 17 VET centres in nine regions to improve quality and relevance of VET provision to better satisfy the needs of local enterprises. Last year support was also provided to universities to reinforce cooperation with business (EUR 0.4 million). In terms of infrastructures France helped the set-up of 28 VET centres.

Denmark supports employment generation, micro enterprises and labour market reforms. A Partnership was also established among Danish social partners and the Employers' union UTICA and the Employees' union UGTT to reinforce their capacities in social dialogue.

Finland supported women entrepreneurs in Tozeur region and youth employability through ICT trainings and Start-up training in three VET centres last year.

Italy through NGOs is supporting youth and women employability in Tataouine region and entrepreneurship in Kebili region. Both projects were launched in 2015 as second phase of a previous programme.

The Netherlands are also active in decent jobs generation initiatives in the regions of Gafsa, Kef and Ariana.

The UK provides support to employability and entrepreneurship in the regions of Gafsa, Kasserine and Sidi Bouzid with a project amounting to GBP 215,000.

No donor coordination mechanisms are in place in Tunisia, nonetheless the Torino Process provides to some extent a regular opportunity for donors to meet and discuss about key issues in VET.

D. ETF MID-TERM INTERVENTION STRATEGY IN THE COUNTRY

Based on the situation in the country, in particular youth unemployment, the priorities expressed in the Tunisian Plan for development 2016-2020, and ETF institutional and previous support the main priority for

⁷ "Journées de l'Europe" official EU Publication. In some cases projects' budgets and durations are not available

the ETF mid-term intervention strategy 2017-2020 is to improve youth employability and access to the labour market.

The ETF intervention strategy has been drawn up on the assumption of continuity in:

- the priority given to the country in terms of EU external assistance;
- the level of political, economic and social stability;
- the high level of commitment in the country among key stakeholder from the national and regional authorities and among civil society to take forward the reform process in line with the national vision and strategy for human capital reform in particular in the selected areas of intervention;
- engagement and ownership of the country in the ETF Torino Process and according to the principles of evidence based, participatory, holistic policy making.

Particular assumptions, or conditions for the achievement of impact from ETF interventions where relevant are included under the specific objectives below.

Specific objective 1: To promote entrepreneurial learning across the VET system

Rationale: This objective builds on the country clear priority to reinforce entrepreneurship as a way to improve youth employability and self employment (as part of the national priorities – see section B). It will capitalise on results of other donors' and local initiatives in the field of entrepreneurial learning identified through the good practices call in the country which took place in 2015 with the support of the ETF. Good practices from public, private and non governmental organisations (NGOs) entrepreneurial learning projects will inspire a system level approach, i.e. the introduction of entrepreneurial learning in all courses in the VET system.

ETF activities will enhance entrepreneurial mind-sets among VET students to encourage self-employment, business start-ups or proactivity of future employees. An integrated approach will be developed to ensure every student in the VET system will be exposed to entrepreneurial learning.

The main assumptions for the success of the initiative is the willingness for cooperation and availability of resources put at disposal by the various Ministry Agencies that should provide a key contribution to, for example, the development of new curricula, teacher training, etc. and strong Ministry leadership to introduce entrepreneurial learning across the board in the VET system.

Expected results 2020

A national Charter defining entrepreneurial learning for VET is formally adopted and implemented by the various ministries and agencies involved in VET training.

VET teachers and trainers' capacities on how to teach entrepreneurial learning are developed, using the project toolkit.

Entrepreneurial learning training modules will be designed according to the different VET provision levels and offered in every VET training course.

A national platform is set up amongst VET policy makers and VET providers of entrepreneurial learning both from the formal and the informal sectors to allow exchanges and peer learning.

Specific objective 2: To reinforce the implementation of VET regionalization with a view to better VET quality and responsiveness to local labour market needs

The ETF will continue cooperating with the Tunisian Ministry of VET and Employment in implementing the regionalisation strategy. Building on previous years' results (through the EU funded GEMM projects), the ETF adds value with its VET multi-level governance conceptual and methodological know how, which will target the Ministry central level and the 24 regional Directors of the Ministry for further ownership and consolidation of the methodologies and tools developed. It will also promote participatory governance including social partners and the civil society on issues of innovation and human capital development, in context of integrated territorial development, competitiveness and social cohesion. The EU Delegation and the ETF have defined together the complementarity between the ETF and the EU intervention, IRADA.

Rationale: The objective builds on the political priority given by Tunisia to regionalisation for a balanced and inclusive socio-economic development including human capital (Project no. 10 see Section B). It also builds on the possibility of the Ministry to decentralise some VET functions on the basis of the existing legislation and administrative framework. Finally it builds on the ETF's previous experience in Médenine, and Gabès (through the EU funded GEMM project) and on the Torino Process tools and platforms set in Sfax; Médenine and Gabès in close cooperation and articulation with the EU IRADA project. It complements PAFIP programme co-funded by AFD and the EU as it takes place in different regions. VET multilevel governance as a participatory approach to coordinate national, regional and sectoral levels, fits with the government decisions to regionalize public policies.

The main assumptions for the success of the intervention are the willingness for cooperation and availability of resources at the MFPE and the advancement of the regionalisation process, mainly on the definition of its governance structures.

Expected results 2020

A Tunisian approach (including tools and methodologies) and road map for regionalization builds on the lessons learnt from the ETF interventions. Roles and responsibilities of the central level - Ministry and the 24 regional Directorates, will be redefined and formalised.

Regional Directors of the Ministry of VET and Employment and associated agencies are empowered to play a role and be responsible for the decentralized VET functions, according to the Tunisian policy option to decentralize by functions.

Regional stakeholders in selected regions, including government, local authorities and social partners' representatives have established partnerships and implemented at least two key VET functions contributing to better youth access to labour market in selected regions.

Should Tunisia decide to go for the smart specialisation and a pilot region chosen, one Tunisian region could implement a smart territories approach in the context of their integrated regional development.

Specific objective 3: To reinforce monitoring of VET reforms' implementation

The ETF will support Tunisian authorities to better measure progress of VET reforms in order to reach the objectives set, and identify critical areas for improvement. The monitoring system will contribute to the set-up of a permanent evaluation function in the VET system. VET system internal and external efficiency and in particular youth employability and access to the labour market will be core issues for monitoring.

Rationale: This objective supports the priority given by the government to the development of a process to measure performance of VET (see Section B). It builds on the work done by the ETF through the four editions of the Torino Process where a culture on evidence based policy analysis has been promoted and by now well acknowledged by VET stakeholders. This is a field not yet covered by any other donor or EU intervention.

The main assumption for the success of the initiative is the availability of resources at the Ministry Unit in charge of the monitoring and evaluation function and the agreement to a clear action plan for its implementation to which Ministry (and other relevant institutions) commit.

Expected results 2020:

A process for policy dialogue on the performance of the VET system is established with a solid evidence base.

Three main instruments are developed. 1) A monitoring plan to define the scope of the exercise, the roles and responsibilities and the calendar of actions. 2) A battery of indicators to monitor the implementation of VET reforms (in line with the new Plan) and a 3) regular reporting tool to submit to policy makers.

Specific objective 4: To enhance the efficiency and effectiveness of the EU financed IRADA project through methodological advice and monitoring support to the EUD

The ETF will continue its support to the EU skills and employment, and migration agenda. In particular, the ETF will support the implementation of the IRADA programme and other new EU interventions upon EUD request.

Expected results 2020:

Monitoring support to the implementation of the IRADA programme through participation in the Project Steering Committee as observer.

Specific methodological and technical advice and guidance is provided for the VET regionalisation governance and NQF components of IRADA.

In addition to activities related to the specific objective of the ETF mid-term intervention strategy, the ETF will implement regular transversal activities upon request from the EUD or EC, such as deliver an annual country fiche to DG Employment, monitor the EU ENP Action Plan for the education and skills components, reply to ad hoc requests by EUD or EC in the ETF areas of expertise

Other areas of intervention

In the context of the corporate initiatives, the ETF will continue involving Tunisia in the Torino Process: the system wide policy analysis and monitoring progress exercise implemented by the ETF on a periodic basis. The 2017-2020 period will cover the closure of the 2016 round and the implementation of the 5th round in 2019. The specific modalities for national implementation in 2019 will be agreed according to the 2016 results and the specific development of the monitoring processes in the country. In between the two rounds, ETF will continue the policy dialogue with all countries on policy analysis and system wide progress monitoring through VET monitoring Forums at regional and international levels.

In the period 2017-2020, ETF will continue to support the EC (DG GROW) with analysis and reporting on the country's progress on the human capital pillars of the Small Business Act for Europe (SBA). In 2017, an update of the SBA assessment will focus on policy framework for entrepreneurial learning, training for women's entrepreneurship and SME skills intelligence, with the country asked to identify good practice in all three areas. A report from the SBA assessments and dissemination will follow in 2018-2019. Follow-up of the reports' recommendations could feature in ETF support 2018-2020.

Tunisia will also participate in ETF regional actions, such as the ETF Forum for Quality Assurance in VET and the follow-up actions to the joint UNESCO-ETF review of work-based learning policies and programmes for young people in the region.

E. 2017 ACTION PLAN

Specific objective 1: To promote entrepreneurial learning across the VET system

Strategic Project Entrepreneurial Learning and Enterprise Skills

The ETF will accompany VET stakeholders to put in action the outputs of 2016 joint work, i.e.: A) For the charter, the ETF will accompany ministries and agencies to define specific action plan to implement the Entrepreneurial learning charter B) the ETF will steer the piloting of the new teachers' training methodology and EL curricula in a sample of VET courses; C) the ETF will support the implementation of the platform for exchange of good practices. The SBA assessment to be carried out in 2017 (see above) will feed into this intervention.

Specific objective 2: To reinforce the implementation of VET regionalization with a view to better VET quality and responsiveness to local labour market needs

Strategic Project VET governance

In 2017 the ETF will pursue the empowerment of the Ministry of VET and employment at the central level in implementing the VET decentralisation in the 24 governorates. The work will continue building on the previous experiences in Médenine and Gabès via the ETF and the EU funded project GEMM.

Capacity building will cover specific support in the selected regions of Mahdia and Kerouan to the local stakeholders and dissemination of the outcomes and lessons learned to the other regions. This includes i) applying the existing tools to support youth placement through additional training ii) facilitating local multi-actors partnership and platforms particular between PES, VET providers and employers.

All the experience and lessons learnt will feed into the expertise support that the ETF will provide to the Ministry and other concerned national level actors for the definition of a Tunisian “model” to regionalisation of VET, specifically a transparent agreement on respective roles and responsibilities of the central and regional level .

Inspiration from European good practices and from the South Med region, especially from Morocco will be fostered.

ETF will also ensure that the newly started EU funded project IRADA will benefit from the expertise and tools developed through ETF experiences in the pilot regions. The sharing of tools and methodologies will enable the IRADA project to use these tools and methodologies in the eight regions that take part in the project as well as at central level of the Ministry of VET and employment.

Along with this, the ETF sees a potential to contribute (with JRC, CoR and EU funded IRADA project) to the promotion, in one particular region to be selected by Tunisians, a participatory governance through more integrated territorial development related to issues of innovation and human capital development.

Strategic Project Employment and Skills will provide specific technical inputs to the activities above by actively participating in related meetings and events, providing inputs to outcome documents when relevant and deepening policy dialogue on employment. The SP TRP expertise will support this intervention by contributing to strengthening the policy analysis and consultation capability of regional (sub-national) authorities, with the scope of contributing to their empowerment towards effective contribution to the policy cycle. The ETF will build on the 2016 activities which have seen the involvement of three regions (Medenine, Sfax, Gabes) in the implementation of the Torino process at sub-national level. The objective is to involve other regions in conducting a round of the Torino Process as a tool for strengthening their capacity of policy analysis and policy making.

Specific objective 3: To reinforce monitoring of the implementation of VET reforms

Strategic Project Torino Process

Together with the actions outlined under objective 2, the ETF will support the definition of new indicators to monitor the performance of the VET system together with the Project Management Unit at the Ministry of VET and Employment which is in charge of the implementation of this priority action under the National development plan. The ETF will also facilitate dialogue between data analysts and policy makers in view of reinforcing the capability for effective communication and use of evidence in VET policy making.

Specific objective 4: To support the EU external assistance and bilateral policy dialogue

Strategic Project EU Support (with thematic contribution from Strategic Project Qualifications)

The ETF will support the monitoring the EU project, by participating to steering committee meetings and will provide methodological advise and inputs in the priority areas of governance (engaging social partners, defining necessary governance arrangements and using the GEMM tools and methodologies) and qualifications (moving to learning outcomes approaches).

F. 2018 UPDATES

1. Short update on key country developments in the field of VET and skills and on EU and donor cooperation

Relaunching the economy while maintaining social stability (especially in the most disadvantaged regions in the interior and in the South) are the key goals of the Tunisian government: Democratic transition is mainly over, despite political volatility. Lack of employment especially for - graduate and female - youth has further deteriorated: unemployment rate in 2016 was 15.6% and NEETs rate was 32.4% according to the Torino Process report. “The Tunis Declaration for employment” signed in March 2016 by key stakeholders such as Prime Minister, Social partners, UN and ILO is a clear message of the urgency to tackle the unemployment issue. An important reshuffling of the coalition government in place since August 2016 took place in September 2017. Further to this reshuffling a new Minister for VET and Employment has been nominated.

VET reform implementation foreseen by the National development plan 2016-2020 is progressing at slow speed: frequent changes at ministerial level, ambitious goals set *vis-à-vis* the human and financial resources available are part of the reasons for slow implementation. Still, a number of policy development have taken place in the last months. The new Entrepreneurship strategy was adopted at the end of last year, and will be integrated by the Entrepreneurial learning charter developed this year with the support of the ETF. A new decree to tackle the problem of early schools leavers and NEETs has been approved in March and pilot initiatives in this field are about to start in three regions (the setting up of a dedicated new agency is also proposed). A decree on VET centres autonomy is being finalised and should be published by the end of the year. The law on decentralisation of powers to regional and local authorities is however not yet approved and this is affecting, among others, the process of VET system decentralisation. As a positive element of novelty at governance level some coordination among the three ministries of education, VET and higher education has started and a first visible result is the new law establishing pathways between VET and higher education. In the medium term a national entity ensuring life-long learning vision of Human capital development (HCD) should also be established. Social dialogue in VET is slowly progressing on the basis of the “*Contrat social*” signed in 2013 by the state, UTICA (*Union tunisienne de l’industrie, du commerce et de l’artisanat*) and UGTT (*Union générale des travailleurs tunisiens*).

The implementation of the two major donor supported programmes to improve quality and relevance of VET – IRADA (funded by the European Union) and PAFIP (a loan from the French government) – is proceeding slowly mainly due to inter institutional and regulatory reasons. The EMORI programme funded by the EU aims at improving the performance of the education system and fostering youth employability. Support to Tunisian youth is a key priority of the European Union. On 1 December 2016 a Youth Partnership initiative has been launched by the Tunisian President of the Republic together with the High Representative of the Union for Foreign Affairs and Security Policy. Youth also figures out in the EU Single programming document for Tunisia as a target receiving a dedicated support programme (to be designed in 2018). Implementation of the Mobility Partnership agreement is in progress and focuses primarily on the sensitive issues of visa releases and readmission of Tunisian migrants. The EU funded LEMMA programme aimed at tackling human resources development issues linked to migration is suffering some delays due to internal management problems.

Several donors are active in Tunisia in the field of helping youth employability. Main features of donors’ support include business start-ups through training and coaching provision and regional development. Among them UNIDO (through American and Italian funds) is targeting 25,000 youth between 2016 and 2021 to set up at least 6,000 jobs in the industrial sector in 14 governorates. Along the same line GIZ is implementing two projects to strengthen youth employability in cooperation with enterprises in 12 regions. Business start-ups and regional development are also the target of projects funded by Italian and Finnish

aid whose implementation modality goes through NGOs. Finally, Denmark is also active on local economic development with a focus on local governance and democracy.

2. Assessment of the progress towards achievement of the ETF mid-term objectives and results with horizon 2020

Altogether the objectives of the ETF support to Tunisia are reconfirmed and in line with the country and EU priorities for VET reforms.

Concerning **Objective 1 “To promote entrepreneurial learning across the VET system”**, the results set last year to promote entrepreneurial learning across the VET system are being achieved and include the finalisation of the national charter, the piloting of the new pedagogical approach based on entrepreneurship as key competence for a group of 31 trainers and their classes of students and the setting up of an electronic platform to allow systematic exchanges among policy makers and practitioners. The development and implementation of the new Strategy for Entrepreneurship adopted at the end of 2016 creates a very good opportunity to embed project’s results and thus contribute to the achievement of country strategic goals. The new EU funded initiative for youth to be designed in 2018 can also offer an opportunity to scale up results and reach the whole VET system.

Regarding **Objective 2 “To reinforce the implementation of VET regionalization with a view to better VET quality and responsiveness to local labour market needs”**, ETF pursued its support in line with the country strategy (Chapter 7 of the Constitution) and the strategic orientations in VET reforms (National Reform Project 10). Cooperation with Tunisian authorities focused on applying with some adaptations the ETF methodologies and tools developed in Mahdia and Kairouan regions (in continuity with ETF/EU previous work in the regions of Médenine and Gabès). Great results have been achieved in Kairouan both in terms of partnership and quality of dialogue as well as on the process of “complementary training-placement”. In Mahdia, progress was limited notably because of limited stakeholder engagement and ownership. The ETF work in the various regions constitute a conceptual and methodological “laboratory” which helped the design and the implementation of the wide ranging EU IRADA programme. Cooperation with central level authorities has suffered some delays mainly due to their need to further reflect on possible scenarios for VET decentralisation.

Concerning **Objective 3 “To reinforce monitoring of the implementation of VET reforms”**, after the completion of the 2016/17 round of the Torino Process, national authorities have assigned the human resources necessary to relaunch activities. After some delays in the first half of 2017, the monitoring of the VET system has gained momentum. As part of the National Reform Project 12 tools should be developed and a monitoring framework set up to measure the efficiency and effectiveness of VET. The ETF has worked with national authorities on an action oriented approach structured around the achievement of concrete outputs such as a list of indicators, a software to measure the performance and a reporting system for policy makers. The ETF has also provided a model of monitoring tool that will be adapted to the country needs by the national authorities, with the support of The ETF.

Objective 4 “To support the EU external assistance and bilateral policy dialogue” remains top in ETF agenda given the importance of the relations between Tunisia and the European Union, which is reconfirmed in a number of high level declarations from both sides. At operational level this translates into the ETF support to the implementation of IRADA and in helping reflections around priority issues foreseen in VET Reform programme in view of future EU programming.

The ETF support to the implementation of IRADA has been carried out along two main axes: regional governance and national qualifications. Concerning regional governance, in addition to activities carried out under Objective 2, the ETF has facilitated policy reflections on VET centres autonomy, particularly by helping Tunisian authorities know better the Moroccan experience - recognised as a good practice. The ETF with Tunisian counterparts has defined focus and content of policy reflections so to ensure coherence with national goals and dissemination at system level in the medium term. In parallel the ETF

has helped Tunisian authorities and social partners to reflect on a methodological approach and tools to relaunch the setting up of a national qualifications framework. An action plan should be finalised by the end of the year which will serve as basis for the deployment of the technical expertise that will be provided under IRADA funding. Altogether IRADA implementation has been slowed down by problems at interinstitutional level among Tunisian authorities which should be solved by the end of 2017.

As a contribution to future EU programming, especially targeting youth employability, and further to a meeting at the EU Parliament by a top level Tunisian delegation, the ETF will share the findings and recommendation of a recent study on work-based learning in Tunisia. Work-based learning can help to contrast the phenomenon of early school leaving and NEETs (both with high rates in the country) while addressing the needs of enterprises. Reflections based on the study will particularly help Project 3 of the VET reform (in charge of early school leaving) to identify new approaches and concrete measures and nurture dialogue in the framework of the EU-Tunisia Youth Partnership.

3. 2018 Action Plan

Specific objective 1: To promote entrepreneurial learning across the VET system

Strategic Project Entrepreneurial Learning and Enterprise Skills

The ETF activities will develop along three main lines. Concerning policy reinforcement ETF will help dialogue, adaptation and integration of the provisions of the entrepreneurial learning charter within the wider National Entrepreneurship Strategy to include training provision within the VET system as a factor in counteracting and coping with start-up failure. On VET provision ETF will support scale-up and mainstreaming. Building on results of 2016/17 piloting of entrepreneurial learning in VET schools as well as recommendations from the 3rd National Forum on Entrepreneurship in VET, ETF will work on the adaptation and extension of support to other VET trainers and students with results brought into the 4th National Forum for Entrepreneurship in VET in November 2018. Support will be given to the elaboration of a national plan for implementation of the VET entrepreneurship developments across all vocational schools. Mainstreaming will depend on the availability of large funds which could be made available by the EU. Finally, the ETF will cooperate with VET schools (teachers and pupils) on knowledge sharing on entrepreneurship developments through social media including dissemination of results and recommendations for entrepreneurship in VET from **the 2017 SBA assessment**.

Specific objective 2: To reinforce the implementation of VET regionalisation with a view to better VET quality and responsiveness to local labour market needs

Strategic Project VET governance

The ETF will focus its support on the Tunisian central authorities (MFPE and social partners) for a scaling-up of the methodologies and tools developed in Médenine, Gabès, Mahdia and Kairouan in other regions, including the eight regions under the EU-funded IRADA. As a support to the implementation of project 10 of the VET reform addressing governance issues, the ETF will provide support in strategic reflections and possible scenarios to implement decentralisation of VET functions. Specific areas of support could include: a) building vision and consensus over a lifelong oriented (holistic) skill agenda; and turning vision into inter-institutional cooperation; b) strengthening non-governmental actors' role and responsibility, in particular from civil society organisations; c) strengthening coordination between national, sub-national, and sectoral levels.

Specific objective 3: To reinforce monitoring of the implementation of VET reforms

Strategic Project Torino Process

The ETF will further support the implementation of Project 12 of the VET reform through the customisation of the monitoring tool to the national context. It is foreseen that in 2018 the national authorities should embed the tool in their system and start applying it for policy analysis. In addition to this, and in complementarity with the EU IRADA project, the ETF could support the implementation at subnational (regional) level of TRP 2019 in the 8 regions covered by IRADA.

Specific objective 4: To support the EU external assistance and bilateral policy dialogue

Strategic Project EU Support (with thematic contribution from Strategic Project Qualifications and Governance)

The ETF will support the EU Delegation in the implementation of the EU funded IRADA project by providing content and methodological advice. This will be through knowledge sharing events with the eight multistakeholders' platforms in the 8 targeted regions and participation to steering committee meetings as an observer. The ETF inputs and technical advice will cover the priority areas of governance (engaging social partners, defining necessary governance arrangements and using the ETF/GEMM tools and methodologies) and qualifications (moving to learning outcomes' approaches) in view of the setting-up of a national qualifications framework.

If requested by the EU Delegation, the ETF will contribute to the design of the new initiative for Youth support mechanisms and policies. The ETF will particularly focus on employability issues drawing from lessons learnt under the project to promote entrepreneurial spirit and decentralisation of VET functions.

Upon **requests from the European Commission or the EU Delegation** the ETF will provide support to

- the EU-Tunisia bilateral policy dialogue, including:
 - Inputs to monitoring of the ENP Action Plans;
 - Inputs to relevant bilateral sub-committee meetings;
 - Delivery of annual country fiches to DG Employment;
 - Follow-up of the Mobility Partnership;
 - Inputs to TAIEX activities.

The ETF will continue its support in the area of **evidence-based policy analysis and system wide progress monitoring**. All countries will be invited in early 2018 to kick off preparations for the **5th Round of the Torino process**, with the scope of agreeing on terms of implementation by end of 2018. The preparation phase will involve countries primarily through online consultations and capacity building activities involving appointed national coordinators and key working group members. All countries will be invited to join the kick-off meeting which will take place in Q4 of 2018 in Turin, Italy. Countries aiming at implementing the Torino process at sub-national level too will be followed by specific activities in 2018 in view of preparing regions and cities for the round of analysis. A **new national data collection exercise** aimed at acquiring more in depth data, mapping gaps, mapping sources and recurrence of data collection in the area of VET and Skills will be launched in 2018.

Tunisia will also participate in ETF regional actions, such as the ETF Forum for Quality Assurance in VET and the follow-up actions to the joint UNESCO-ETF review of work-based learning policies and programmes for young people in the region.