

# CAPACITY FOR THE DEVELOPMENT OF HUMAN CAPITAL – THE ROLE OF VOCATIONAL EDUCATION AND TRAINING





# CONTENTS

ABBREVIATIONS	03
INTRODUCTION	04

## 1

1.1.0 BACKGROUND AND METHODOLOGY OF ETF INTERVENTIONS	08
1.1.1 THE THEORETICAL BACKGROUND	08
1.1.2 WHAT IS HUMAN CAPITAL?	08
1.1.3 WHAT IS CAPACITY?	09
1.1.4 THE APPROACH AND ROLE OF ETF	11
1.2.0 CAPACITY FOR THE DEVELOPMENT OF HUMAN CAPITAL CONCEPTUAL PILLARS	13
1.2.1 POLICY FRAMEWORK OVERALL CAPACITY	13
1.2.2 THE ELEMENTS OF THE CAPACITY CHAIN AND THEIR RELATION TO THE INTERVENTION LOGIC	15
1.3.0 ETF SUPPORT OF THE CAPACITY FOR THE DEVELOPMENT OF HUMAN CAPITAL	17
1.3.1 THE SYSTEM LEVEL	17
1.3.2 HOW TO ASSESS OSC	20
1.4.0 CONCLUSIONS	21

## 2

2.1.0 THE STAKEHOLDER LEVEL	22
2.1.1 WHO ARE STAKEHOLDERS IN VET	22
2.1.2 NETWORKS OF STAKEHOLDERS AND THEIR ROLE IN CAPACITY DEVELOPMENT	27
2.1.3 NETWORKS AND THEIR ADDED VALUE IN ETF PARTNER COUNTRIES	27
2.1.4 ANALYSING NETWORK NEEDS AND READINESS	31
2.1.5 CAPACITY BUILDING AND NETWORKS	34
2.1.6 PEER LEARNING AS A TOOL FOR THE CAPACITY DEVELOPMENT OF NETWORKS	36
2.1.7 CONCLUSIONS	40
2.1.8 CASE STUDY: TORINET CROATIA 2011-2012	41

## 3

3.1.0 THE INDIVIDUAL/GROUP LEVEL A QUALITY ASSURANCE FRAMEWORK FOR ETF ACTIVITIES	45
3.1.1 PLANNING THE CAPACITY BUILDING PROCESS	46
3.1.2 IMPLEMENTING THE CAPACITY BUILDING PROCESS	50
3.1.3 EVALUATING THE CAPACITY BUILDING PROCESS	53
3.1.4 EVALUATING ACTIVITIES	56
3.1.5 TRACKING ADDED VALUE AND THE CONTRIBUTION TO STAKEHOLDERS' CAPABILITIES	59
3.1.6 CONCLUSIONS	63

### ANNEXES

Annex 1	64
Annex 2	67
Annex 3	81
Annex 4	89
Annex 5	91
POLICY BRIEFS	109
THE ETF – A KNOWLEDGE BROKER	110
CAPACITY BUILDING AND TERRITORIAL GOVERNANCE	120



## ABBREVIATIONS

<b>COP</b>	Community of practice
<b>CVT</b>	Continuing vocational training
<b>EECA</b>	Easten Europe and Central Asia
<b>EBPM</b>	Evidence based policy making
<b>EC</b>	European Commission
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>GIZ</b>	Gesellschaft für Internationale Zusammenarbeit
<b>HCD</b>	Human capital development
<b>NQF</b>	National qualifications framework
<b>OECD</b>	Organisation for Economic Co operation and Development
<b>RAC</b>	Rapid assessment of capacity
<b>OSC</b>	Overall system capacity
<b>UN</b>	United Nations
<b>VET</b>	Vocational education and training



## INTRODUCTION

The mandate of the European Training Foundation (ETF) is to support the development of its partner countries<sup>1</sup> in the area of human capital, with a specific focus on vocational education and training (VET). Building on a strong history of cooperation, the ETF has shared its experience and expertise with more than 40 countries, some of which have become Member States of the European Union (EU). This history forms a rich basis to reflect upon the ETF's methods in supporting the development of capacity for human capital in ETF partner countries at both policy and system level.

The recast ETF regulation adopted in December 2008 specifies that, in the context of EU external relations policies, the ETF must contribute to human capital development, which is defined as work that contributes to the lifelong development of individuals' skills and competences through the improvement of VET systems.

The functions of the ETF<sup>2</sup>, as adopted by the Governing Board of ETF and reflected in the Mid Term Perspective 2010–13, are grouped into four areas, namely:

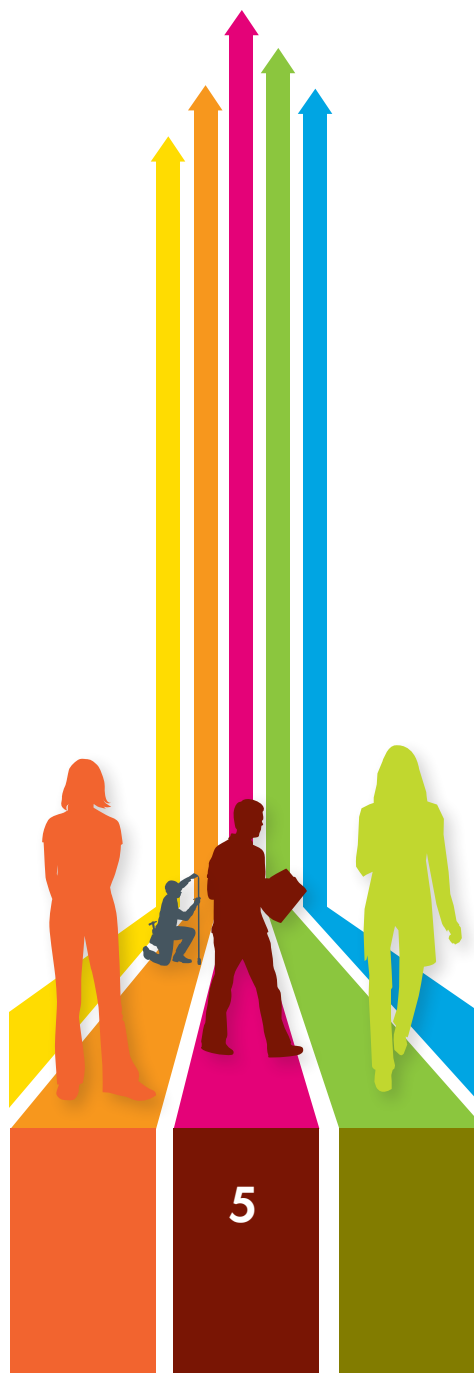
1. supporting the European Commission sector programming and project cycle;
2. supporting partner countries in capacity building;
3. policy analysis;
4. dissemination and networking.

---

<sup>1</sup>The ETF currently works with 30 partner countries, which can be geographically grouped into the South Eastern Europe and Turkey, the Southern and Eastern Mediterranean, Eastern Europe and Central Asia. These countries are involved in the European Neighbourhood Partnership Instrument or the Instrument for Pre accession Assistance.

<sup>2</sup>In order to meet its objectives, the ETF has the following functions as defined in its mandate:

- to provide information, policy analyses and advice on human capital development issues in the partner countries;
- to promote knowledge and analysis of skill needs in national and local labour markets;
- to support relevant stakeholders in partner countries in building capacity in human capital development;
- to facilitate the exchange of information and experience among donors engaged in human capital development in partner countries;
- to support the delivery of Community assistance to partner countries in the field of human capital development;
- to disseminate information and encourage networking and the exchange of experience and good practice between the EU and partner countries and amongst partner countries in terms of human capital development issues;
- at the Commission's request, to contribute to the analysis of the overall effectiveness of training assistance given to the partner countries;
- to undertake such tasks as agreed between the Governing Board and the Commission, within the general framework of the regulation.



These four functions have a capacity development dimension aimed at supporting the development of human capital, that is, the system by which human capital is created, managed and implemented to maximise economic and social benefits within the specific context of a particular country. In order to develop human capital it is vital to understand and measure the processes that support it<sup>3</sup>.

To better shape its role, it is crucial that the ETF frames its theoretical and methodological approach to supporting countries' capacity for the development of human capital. **A structured and transparent methodology is the basis for a clear approach to the work in partner countries, including the identification of objectives and the evaluation of the impact of ETF support, which will also empower countries in terms of leading and owning the capacity they want to build.** Establishing this methodological clarity will further align ETF interventions with international donors' calls for improvements in aid effectiveness.

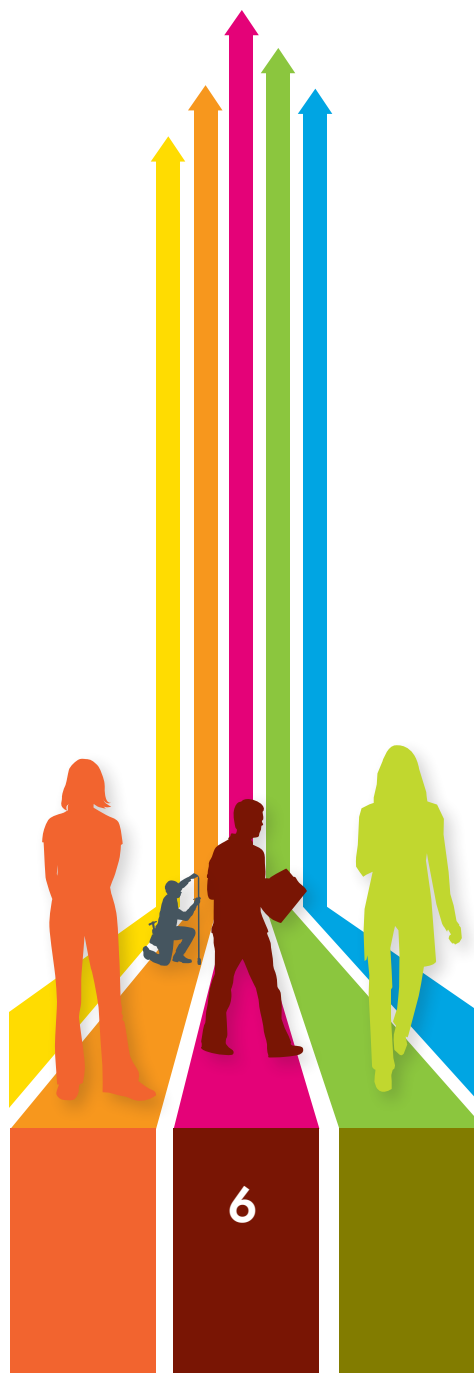
In fact, over the past decade (from 2002, when the first high level forum was organised in Rome, and then in 2005 with the Paris Declaration, up to the Busan Declaration in 2011) the donor community has been working to strengthen the impact of international assistance and achieve more effective results. Under the umbrella of establishing international dialogue to improve aid effectiveness, key principles such as country ownership, management for results, accountability and harmonisation have become both objectives and modalities of work in terms of development cooperation, leading to a renewed focus on the role of capacity, and on the overall objective of international cooperation to support capacity building as a means to enhance development.

To embed the overall approach in the operational arrangements, all donors – including the EU, the international multilateral banks (World Bank and regional banks), the United Nations (UN) (note in particular the leading role played by the United Nations Development Programme (UNDP)), the Organisation for Economic Co operation and Development (OECD) and bilateral donors (Gesellschaft für Internationale Zusammenarbeit (GIZ), Danida, Dutch Cooperation, among others)<sup>4</sup> – have begun to explore in detail the various mechanisms for capacity development and the methods and tools that could increase the impact of cooperation on countries'

---

<sup>3</sup>For a short review of the human capital concept see Annex 1 to Chapter 1 and the bibliography at the end of this paper.

<sup>4</sup>A large number of documents have been produced by international organisations, covering their work in capacity development as well as their methodologies for assessing capacity outcomes and impact. For the work of the ETF, reference is made in particular to the EC Toolkit for Capacity Development (European Commission, 2010), however, the following references should also be noted: the OECD's. Challenge of capacity development (OECD, 2006) which has paved the way for capacity reflection since its publication; the World Bank's capacity development results framework (2009); the 5Cs approach of the European Centre for Development Policy Management (2007); the measuring capacity approach of UNDP (2010); and the GIZ capacity works model (2009). A depository library has been created by the EC to collect all relevant documents and papers on capacity development: [http://capacity4dev.ec.europa.eu/public\\_cd\\_tc/documents?gterm\[0\]=4937](http://capacity4dev.ec.europa.eu/public_cd_tc/documents?gterm[0]=4937)



development goals. The attention of the international community is focused both on the overall methodology for capacity development and on the measurement of the outcomes and impact of capacity work.

In this context, the ETF, within its specific mandate, frames its work within the development perspective described in the **European Commission's (EC) Backbone Strategy** (European Commission, 2008)<sup>5</sup>. The Commission places capacity development at the centre of all EU external aid. The ETF's support of capacity for the development of human capital informs the EU programming cycle, providing needs assessment and assistance for specific capacity building actions in the field of VET to ensure that the EU's contributions are more effective.

The ETF, through continuous dialogue and partnership with EU services and the international community, is involved in the dialogue around capacity development and the measurement of results, providing inputs through its flagship yearbook publications (in particular, ETF, 2004, 2005, 2012) and its participation in the international debate<sup>6</sup>.

This paper aims to build on these issues, to frame the methodology of its operations to increase their results focused orientation, as well as their coherence, and to more easily measure of the impact of its work.

The toolkit targets ETF operational and thematic units involved in the delivery of support to partner countries' human capital, as well as practitioners and experts operating in the field of VET capacity development. The toolkit also targets those partner country policymakers who are willing to engage in reflection, assessment and development of the tools and methods required to meet the capacity needs of the VET sector, and provides guidance on measuring the impact of capacity building actions.

Chapter 1 examines the theoretical framework on which the ETF work is based and its aims in contributing to the development of human capital. It also describes the methodology of the ETF's work to support capacity in thematic areas within the domain of VET.

---

<sup>5</sup>Launched in July 2008, the Backbone Strategy (European Commission, 2008) is an ambitious and comprehensive reform designed to overhaul the technical cooperation funded by the EC. It includes 'hardware' changes to systems and tools, and 'software' changes to the practices and behaviour of all EC cooperation stakeholders.

<sup>6</sup>Examples include the 'Improving the results of learning for capacity building' forum, co hosted by the World Bank Institute and InWEnt Capacity Building International, Germany, 17–19 June 2009, in Washington, DC; the EC Workshop on Technical Cooperation Reform and Capacity Development, 4–5 July 2011; and the dialogue with the EC DEVCO services, GIZ, and the European Centre for Development Policy Management, Joint meeting on 'Measuring change: capacity in a policy context', 6 December 2012, Turin.



Chapter 2 focuses on the specific role of the ETF in supporting policy analysis and policy making, and within this context looks at assessing and measuring stakeholders' capabilities in relation to the specific context of human capital development and VET. Since ETF's specific method of work at stakeholder level is via networks, the chapter focuses especially on the role of networks in policy development in VET and on how their capacity is built.

Chapter 3 examines the identification of a quality assurance system in relation to capacity building activities, exploring the quality cycle in the framework of specific interventions, including proposing the means and tools to plan, implement, monitor and evaluate the impact of capacity building activities at the wider stakeholders and system levels.

Two short policy briefs will complete the toolkit, focusing on: (1) capacity building and knowledge management; and (2) capacity building and regional development.

# 1

## BACKGROUND AND METHODOLOGY OF ETF INTERVENTIONS

M. Prina

### 1.1.1 The theoretical background

The objective of this chapter is to clarify the background and methodological framework of the ETF's support for the development of human capital. Firstly, the following sections clarify the background and definitions of terms used here and in the toolkit. Secondly, the chapter presents the key elements leading to overall system capacity (OSC) in VET policy development, and the characteristics of development stages in a number of thematic areas within the specific context of VET.

### 1.1.2 What is human capital?

Inspired by global trends and issues in human capital, the literature and debate on investment and returns in this area have expanded rapidly in recent years<sup>7</sup>. However, very few authors have been able to offer a complete analysis of this subject.

Providing a comprehensive definition of human capital represents a considerable challenge, particularly in terms of a definition that takes into account efficiency and optimality, monetary and non monetary returns, and private and social returns.

In the context of the ETF's remit, human capital is seen, in all its complexity, in relation to the economic and social context and development perspectives, but focuses on a specific investment area, namely VET, **as a means of equipping people and society with the skills and competences they need to meet contemporary social and economic demands and fulfil the country's own development goals.** (For a short history of the concept of human capital, see Annex 1.)

<sup>7</sup>Interest in human capital has been increasing not only in academia, but also in international organisations, where a large number of studies covering subjects such as the reform of education, the brain drain, the labour market, and development, have been generated. See the websites of the World Bank, Asian Development Bank, Latin America Development Bank, International Labour Organization (ILO), United Nations Educational, Scientific, and Cultural Organisation (UNESCO) and OECD, to name just some of the international organisations that have contributed to the renewed interest in the topic.







# 1



## 1.1.3 What is capacity?

The European Commission (EC), in its operational guide on capacity development (EC, 2010), builds on the OECD definition of capacity (OECD, 2006) as **'the ability of people, organisations and society as a whole to manage their affairs successfully'** to incorporate the idea that the **moving target of a change process involves individuals, organisations and societies**. Capacity development should not be seen in terms of a gap that can be conclusively bridged but rather as a **continuous matching** of needs, contexts and purposes under the leadership of individuals, institutions or countries.

**When we refer to capacity we mean a process by which countries, through their stakeholders, fulfil their objectives and match needs and resources to obtain efficient results.**

For clarification we will refer to:

- **Stakeholders:** institutions and organisations involved in a specific thematic area and/or policy cycle phase within the VET sector. Institutions are defined by North as 'rules of the game in a society' (North, 1991)<sup>8</sup>. Hollingsworth (2002) defines the organisation of the rules, norms and values in a society as 'institutional arrangements'. Organisations are seen by North as the players operating under a set of rules, as actors moving within the institutional structure but not defining it. With regard to the work of the ETF we refer to:
  - **Institutions:** actors that have a role in defining, or governing the rules under which the VET sector operates.
  - **Organisations:** actors that have a role in the VET sector, but don't set the rules, although they may influence the input, process, results and use of the outcomes.
  - **Institutional arrangements:** the organisation of policies, rules, norms and values within the VET sector.
  - **Policies:** define the order influencing VET, which could take the shape of a legally enforced rule or informal regulations and orientations. Policy is a 'purposive course of action followed by an actor or set of actors' (Anderson, 2003).

---

<sup>8</sup>For a deeper exploration of the definition of institutions and organisations, see North (1991) and Hollingsworth (2002).

# 1



- **Networks:** specific types of interaction among stakeholders focused on a common good/objective, based on cooperation and participation. Networks alter in relation to the objectives at stake and the policy cycle phase in which they are sited. They also dissolve (or change in form) upon the achievement of their objectives. 'Networks represent common intentions, human orientation, the principle of interdependence and voluntary participation as well as the principle of exchange' (Bienzle et al., 2007, p. 8).

- **Capacity development:** indicates the macro framework **and long term development perspective** of a country or of a specific sector. In the context of the ETF's work, capacity development is defined by the set of factors which allow a country to take care of its own development in the human capital sphere leading to the maximisation of the role of skills in the country's economic and social development and cohesion. In this paper we will refer to **capacity for the development of human capital** when referring to the macro framework. This refers to the **system** level of capacity.
- **Capability development:** represents the **collective ability** of VET stakeholders 'to do something either inside or outside the system. **The collective skills involved may be technical, logistical, managerial or generative**<sup>9</sup> (Keijzer et al., 2011, p. 13). In the context of the ETF's work, by capability we are referring to the ability of **stakeholders** in the VET sector to engage productively in policy analysis and policy making. This comprises a vertical dimension of capabilities covered by technical thematic areas, and a horizontal dimension of capabilities covered by five specific dimensions (evidence based policy analysis and policy making; participation in policy analysis and policy making; a holistic view of VET in policy analysis and policy making; ownership of the processes and results of policy analysis and policy making; and policy cycle management). This refers to the stakeholders' level of capacity.
- **Capacity building:** indicates the process through which the knowledge, skills and competences of a country's stakeholders are supported in making their contribution to the development perspective. In the context of the ETF's work, **capacity building refers to the support of knowledge, skills and competences in VET thematic areas in relation to policy analysis and policy making capabilities.**

---

<sup>9</sup>For a definition of capability in a capacity development context, refer to the 5Cs framework approach of the European Centre for Development Policy Management (Keijzer et al., 2011).



# 1



When we refer to capacity we are looking at all three levels: **system** (whereas for the ETF we refer to the overall system capacity (OSC) of the country); **stakeholders** (whereas for the ETF we refer to the capabilities in relation to policy analysis and policy making); and **individuals** (whereas for the ETF we refer to competences, skills and knowledge).

### 1.1.4 The approach and role of ETF

The ETF approach to supporting the development of human capital in partner countries is **based on ownership, context and the sustainability of actions**, while fully embracing the concepts of the improved effectiveness of the results agenda, and the capacity development philosophy of action<sup>10</sup>.

The theoretical and methodological background of the ETF's approach to capacity for the development of human capital is inspired by the **policy learning approach**<sup>11</sup>. The fundamental principles of ownership, context driven policy development and sustainability of actions are recognised, as well as the importance **of avoiding the transplantation of policies and practices and providing support for continuous institutional development in the field of human capital and VET**.

**All functions of the ETF contribute to supporting the capacity for the development of human capital** in partner countries. This target should be seen not only as a result of the capacity building processes, but as a complex target supported by all functions of the ETF.

---

<sup>10</sup>In 2003 the ETF officially embraced the policy learning philosophy to support countries in developing their human capital. Policy learning is founded on the following key principles:

- fitting the context (policies responding to evolving and emerging needs);
- country ownership (shared vision for human resource development and development objectives);
- sustainability (efficiency and effectiveness in the use of resources to guarantee continuity and maintain the policy cycle).

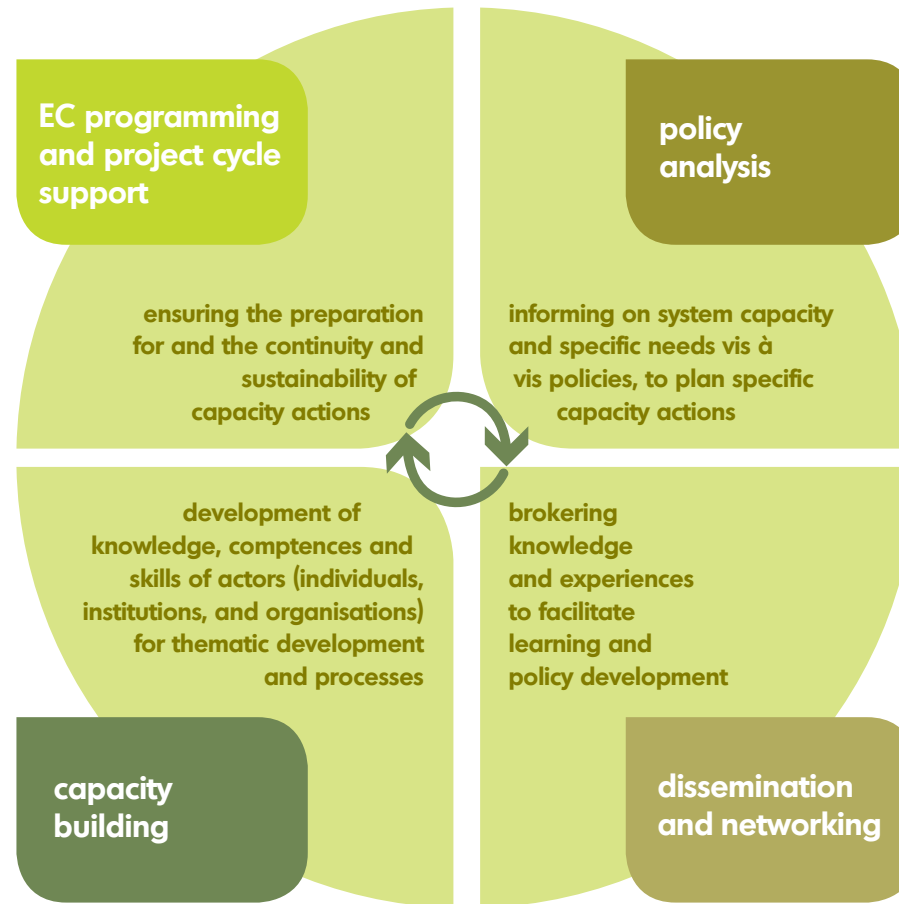
<sup>11</sup> For a conceptual framework on policy learning, see ETF (2005, 2008, 2012): 'Policy learning emphasises not simply the involvement but rather the active engagement of national stakeholders in developing their own policy solutions, and is based on the understanding that there are no universally valid models that can simply be transferred or copied from one context to another. At best there is a wealth of international, though context specific, experience in dealing with similar policy issues that can be shared' (Grootings and Nielsen, 2005, p. 11).

# 1



Figure 1 illustrates the way in which each function contributes to the ETF mandate to support the development of human capital in partner countries, while contributing to the programming cycle of the EU, ensuring the sustainability and continuity of EU interventions and assistance, and informing the capacity needs and future demands for development.

**Figure 1: ETF functions – contribution to the development of human capital**





# 1

## CAPACITY FOR THE DEVELOPMENT OF HUMAN CAPITAL CONCEPTUAL PILLARS

### 1.2.1 Policy framework overall capacity

The development of human capital, when viewed as an overall objective, is not a static, unchanging target. In fact, human capital is subject to a high degree of change in relation to the economic and social context of a country or a territory, and as such its development should be seen not only as the maintenance of the effective status quo, **but as the ability of stakeholders involved in the development of human capital (its creation and use) to adapt to evolving circumstances, predict change and act upon these predictions.**

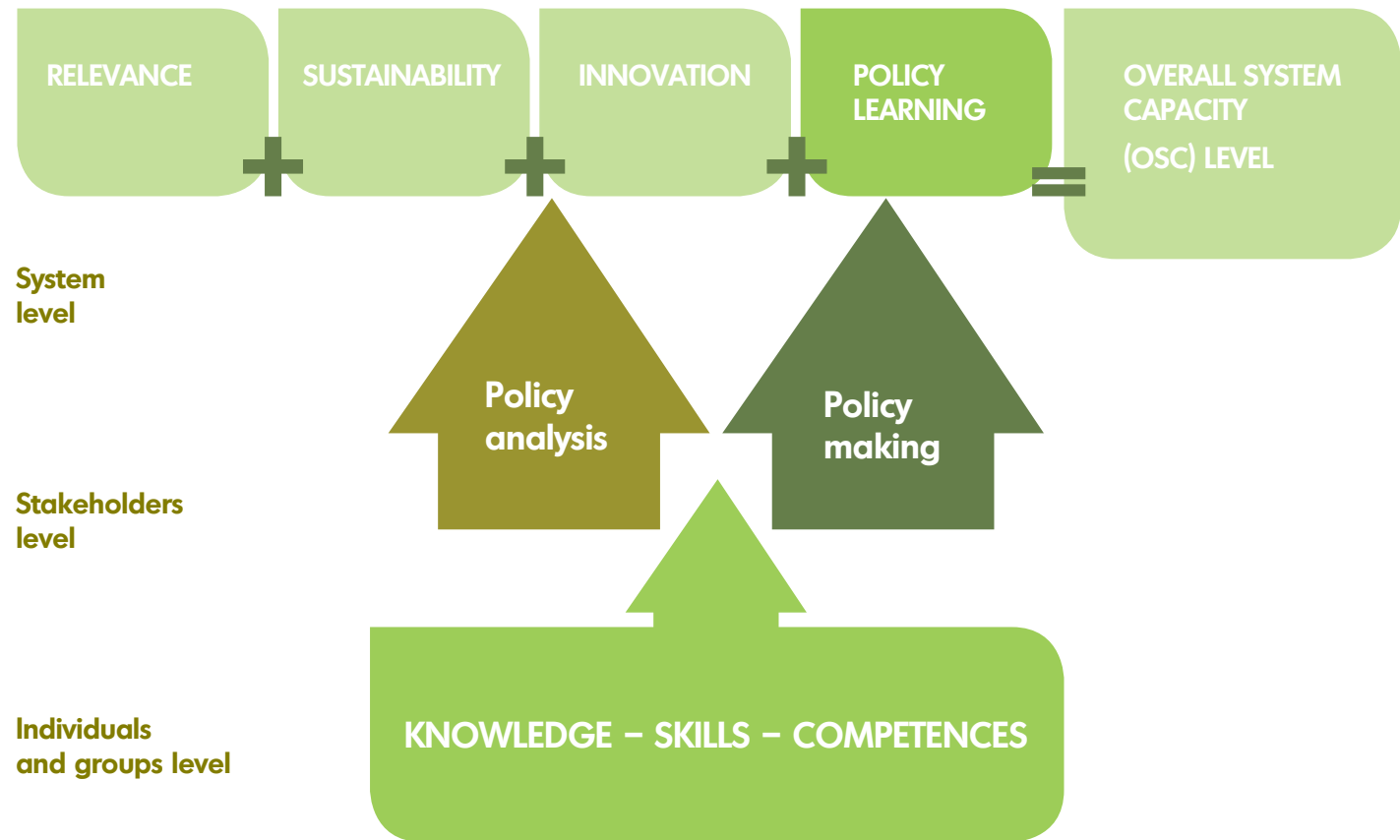
Within this dynamic development, aimed at continuous and effective delivery in terms of relevance, sustainability and innovation, the capacity building process guarantees the generation and maintenance, as well as the evolution and adaptation, of stakeholders' capabilities in relation to policy analysis and policy making.

**When a country is characterised by a relevant, sustainable and innovation oriented policy framework and, through institutional arrangements, manages to take care of its own development process (is capable of learning and moving ahead), it can be considered fully capable.**



# 1

Figure 2: Elements of system overall capacity (SOC)



As shown in Figure 2, the three factors (relevance, sustainability, innovation) and the process capacity of policy learning **together define the capacity of the system (expressed by stages of overall system capacity (OSC))**.

**These four factors are generated and supported by the stakeholders' capabilities in relation to policy analysis and policy making.**

The capabilities involve the knowledge, competences and skills that are targeted in capacity building processes.



# 1



## 1.2.2 The elements of the capacity chain and their relation to the intervention logic

It is useful to consider in more detail the factors contributing to the system overall capacity (SOC)

**Relevance:** The policy framework anticipates and meets the demands of the social and economic context and its development perspective. **This is the most complex factor, as it focuses on creating conditions for both the present and the future**, ensuring that the competences and skills developed by VET are meeting complex individual and social demands, and are used in the economic and social context to maximise competitiveness and social cohesion.

**Sustainability:** The policy framework ensures equal opportunities for today's and tomorrow's citizens. It guarantees access, resources and opportunities to access human capital development opportunities and use the created human capital. Sustainability refers not only to the financial dimension (although this is of primary importance), but also to the conditions that allow human capital to maintain its relevance in the future, thus covering economic and social demands, as well as the sustainability of stakeholders' competences and institutional arrangements.

**Innovation:** The policy framework addresses the evolutionary nature of learning and competence development, encouraging innovation at all levels of the human capital 'production' chain, and mainstreaming innovation in the system as a means of promoting development.

**Policy learning:** Policy learning allows the policy framework to learn through the policy cycle and, from its policies, to achieve development, progress and the ability to continuously deliver. Systems that put in place reforms but after the 'reform moment' do not continue to learn, will not be able to maintain lasting benefits. Reforms, like policies, are not static nor are they a series of one off events: they are processes, and as such require a continuous learning process to take place. At a system level policy learning happens through the policy cycle, and is both a system capacity as well as a leadership condition for supporting the development of the human capital sector.

**Policy analysis capability:** This defines the collective ability of VET stakeholders to engage in the process defined by J.B Ukeles as the 'systematic investigation of policy alternative options and the assembly and integration of the evidence for and against each option. It involves a problem solving approach, the collection and interpretation, and some attempt to predict some consequences of alternatives course of action'. Many types of policy analysis exist. The ability of stakeholders to select one type of policy analysis and use it rationally and effectively in the framework of the policy cycle has a great influence on the overall VET system capacity and its final relevance, innovation and sustainability results.

# 1

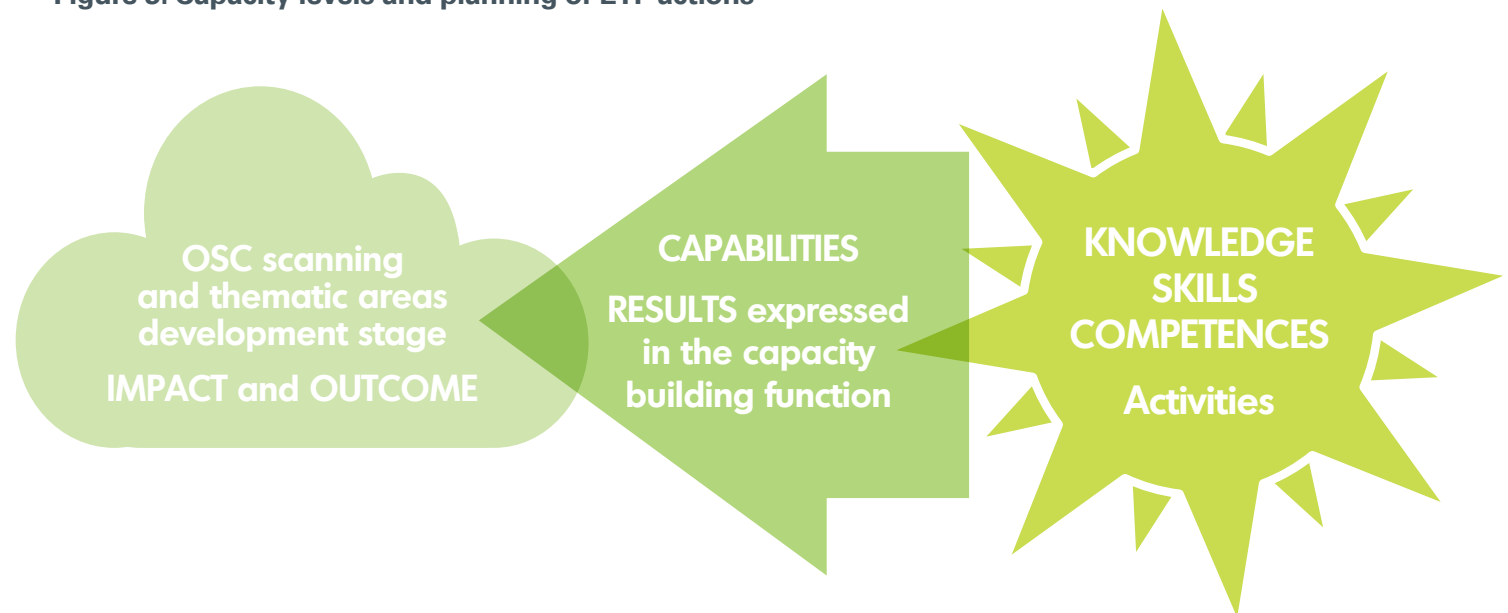


**Policy making capability:** This defines the collective ability of VET stakeholders to engage in a complex process which spans across the policy cycle phases (from formulation, to adoption, implementation, monitoring and evaluation), involves multiple actors and takes place in a dynamic set of conditions, in a specific context and time dimension which need to be taken into account to deliver formulated objectives.

**Knowledge – skills – competences:** These concepts define the know how of VET stakeholders – both individuals and groups – and can be specific to certain thematic areas and the policy cycle phase. In capacity building processes the specific expected benefits in terms of knowledge, skills and/or competences need to be expressed clearly as part of the careful planning, and implementation of actions. Their evaluation and progress contribute to increased and enhanced capabilities.

In relation to the intervention logic, the OSC refers to **the impact and outcome of ETF work, through the support given to partner countries and its specific intervention in thematic areas**. The **capability level** refers to the results expressed in the capacity building function of the ETF, while the level of **knowledge, skills and competences describes the specific learning outcomes** to be defined at the **activity level**, with specific groups of stakeholders involved in specific processes and initiatives.

**Figure 3: Capacity levels and planning of ETF actions**





# 1

## ETF SUPPORT OF THE CAPACITY FOR THE DEVELOPMENT OF HUMAN CAPITAL

### 1.3.1 The system level

The nature and intensity of ETF support is adjusted according to the current OSC. The level of support provided by the ETF follows a normal distribution, increasing as countries move from the initial low capacity situation to an active policy learning phase, and then gradually reducing as countries gain greater autonomy in the policy learning cycle.

Countries at the beginning of their cycle's initial stage and at the end of their cycles consolidated stage are characterised by lower levels of investment needs. This is because in the former stage countries need to develop awareness and identify needs, while in the latter phase their capacity allows them to control their own development progress in relation to human capital. **In the middle phase, while a country is actively moving and progressing, investments are higher.** The slope of the curve can be more or less steep in relation to the **rate** of a country's progress. This could depend on many factors, including political, economic and social leverages.

The 'tipping point', when countries begin to need less external support, is most often identifiable by the achieved level of **stakeholder capabilities in relation to policy analysis and policy making in VET**. To arrive at this point, the ETF implements a wide range of actions, through its diverse functions, directed towards developing the relevance, sustainability and innovation of VET systems.

**Assessing the OSC in terms of capacity for development of human capital requires an evaluation of the relevance, sustainability and innovation orientation of the policy framework and the capacity to policy learn.** The ETF assesses the OSC holistically through the Torino Process [http://www.etf.europa.eu/web.nsf/pages/Torino\\_process](http://www.etf.europa.eu/web.nsf/pages/Torino_process)) which is a biennial policy analysis exercise.

The Torino Process reports on the status and development of all VET specific thematic areas, looking at their progress and assessing the outcomes in terms of the development of human capital.



# 1



At system level, the ETF evaluates the maturity of the country policy framework under five categories:

- 1. Countries where the OSC level is ad hoc:** characterised by the sporadic or ad hoc presence of relevance, sustainability, innovation and policy learning in some thematic areas, leading to problematic policy frameworks and requiring substantial awareness raising.
- 2. Countries where the OSC level is initial:** characterised by an initial presence of relevance, sustainability, innovation and policy learning in the majority of thematic areas, leading to mixed (problematic and/or progressing) policy frameworks, and requiring decisive actions, conceptualisation, formulation and the adoption of policy choices.
- 3. Countries where the OSC level is structured:** characterised by a structured presence of relevance, sustainability, innovation and policy learning in the majority of thematic areas, leading to a progression of learning in the policy framework, and marked by the need to move into implementation stages from piloting to mainstreaming.
- 4. Countries where the OSC level is defined:** characterised by a defined (frequently consolidated) presence of relevance, sustainability, innovation and policy learning in all thematic areas, leading to a progression of policy frameworks in which actions and measures are prioritised, requiring continuous policy learning, the consolidation of actions and the tracking of results.
- 5. Countries where the OSC level is consolidated:** characterised by a consolidated presence of relevance, sustainability, innovation and policy learning in all thematic areas, leading to sound management of the sector, policy cycle management and continuous policy learning, requiring ongoing peer learning within the national development framework.

# 1

Figure 4: Entry and exit points of ETF interventions in thematic areas and related capacity work

Policy stages	ENTRY	Institutional capabilities
1. Ad hoc	↓	Awareness – capabilities, needs – assessment
2. Initial		Benefits of capability progression
3. Structured		Establishment of targets/performance
4. Defined		Performance tracking and consolidation – expand network
5. Consolidated	EXIT	Consolidation across network

The ETF's is complete when a country is capable of effectively developing its own human capital. It is important to note that the ETF cannot intervene in all countries with the same intensity in all thematic areas. Hence, within the assessment process it is necessary to identify the appropriate level of progress for each thematic area, identifying the entry level as well as the exit point of the ETF's involvement. In some cases the ETF has initiated work (at the awareness and conceptualisation levels) in partner countries that has subsequently been taken over by the EU through a specific intervention or by providing technical assistance, or by other donors through loans and grants. In other cases, following the involvement of the EU and other donor projects, the ETF has continued its work with the countries, moving from the piloting stage to the consolidation of thematic interventions. **In its role as policy advisor and facilitator, the ETF accompanies the countries through their capacity development, implementing specific modalities of support based on their OSC in each specific thematic area.**



# 1



### 1.3.2 How to assess OSC

The process of defining each country's SOC level and identifying its priorities in terms of thematic areas is run by the ETF every two years through the Torino Process.

To conduct its assessment of the level of system capacity the ETF employs two different methods:

- a. Scanning** – used for **initial discussion and policy dialogue**<sup>12</sup>: Countries are involved in a qualitative survey to capture perceptions of stakeholders, aimed at gathering inputs on the SOC level in relation to relevance, sustainability, innovation and policy learning of the policy framework, and broken down by **thematic area, policy analysis and policy making**. The results of the survey are used as the basis of a constructive policy dialogue in which the priorities both in terms of thematic focus and horizontal needs are discussed. The perception questionnaire can be used **within a selected group of stakeholders** or it can be disseminated to a wider community through online completion or interviews, as well as in **workshops and focus group discussions**, resulting in an analysis of stakeholders' perceptions that can be used to support policy dialogue and cohesion with a view to achieving improved results in human capital development. **Under the Torino Process, the assessment of the status of the VET sector and the analysis of the Building Blocks to be used provide the rationale for the type of interventions employed in a particular country**<sup>13</sup>.
- b. Assessment against thematic development stage**: In a further, more detailed, step the country in question is subjected to an evidence and facts based performance assessment of the thematic development stage. This involves an in depth dialogue with key stakeholders (bilaterally, and in workshops) to define the country's level of thematic development. **This assessment will provide the basis for identifying the modality of work to be employed as well as the target in terms of progress and the exit strategy for each thematic area**. This then becomes the basis for an in depth exploration of each country's needs in terms of horizontal and vertical capabilities and capacity building processes<sup>14</sup>.

The monitoring of development and targets is carried out alongside the projects or programmes established by the ETF and its partner countries, which are evaluated in line with the targets established in the implementation plans drafted by the ETF.

---

<sup>12</sup>Annex 2

<sup>13</sup>The Torino Process, which was launched in 2010, is a biennial participatory analytical review of the status and progress of VET in the ETF partner countries. The Torino Process has two objectives: to acquire up to date knowledge about VET policy and their results in an individual country; and to strengthen the ownership, participation and evidence base of policy making to improve policy performance.

<sup>14</sup>Annex 3



# 1

## CONCLUSIONS

The capacity to develop human capital is defined as the capacity to deliver mature policies for the development of the sector. Mature policies are characterised as being relevant, sustainable and innovation oriented, as well as having the capacity to policy learn. The delivery of such policies is supported by appropriate policy analysis and policy making capabilities, with each of these having to achieve a certain level of quality across all the thematic areas in the VET sector. This is possible when stakeholders have the capabilities in place to support the development of thematic areas. Based on the explanation of the approach described in this chapter, it is possible to propose a procedure to assess a country's overall capacity for the development of human capital:

1. Periodic OSC assessment of the VET sector in relation to the development of human capital, including an assessment of the development stage in thematic areas. The periodic assessment is to be conducted in conjunction with the Torino Process analysis of the status of the VET sector (Annex 2).
2. Specific assessment (in connection with work programme design) of the development stages of thematic areas and their capabilities for project identification and formulation, as well as work plan definition (Annex 3).
3. Development of appropriate monitoring and evaluation tools to assess the progress and impact of ETF interventions.
4. Supporting milestone and end of project evaluation through qualitative assessments based on participatory approaches and narrative analyses.



# 2



## THE STAKEHOLDER LEVEL

M. Nikolovska, M. Prina

This second chapter presents the ETF's work at stakeholder level targeting policy analysis and policy making in the field of VET as the key areas of progression for system development.

### 2.1.1 Who are stakeholders in VET

As VET is a complex sector, in which multiple stakeholders share roles and functions, it is important to focus on defining who these actors are, and on the actual capabilities that these actors need to participate efficiently in the system.

Stakeholders in VET are defined as the organizations and institutions having a role in the sector. Commonly grouped around government actors, providers, and social partners (private sector organizations and trade unions), but also civil society organizations, communities and beneficiaries. Often stakeholders in VET are a complex and fragmented group difficult to capture. Stakeholders in VET require the ability to effectively deliver policy analysis and policy making that supports a relevant, sustainable and innovation oriented system; they also need to have in place a policy cycle that allows the system to move forward.

**Stakeholders:** institutions and organisations involved in a specific thematic area and/or policy cycle phase within the VET sector. Institutions are defined by North as 'rules of the game in a society' (North, 1991)<sup>15</sup>. Hollingsworth (2002) defines the organisation of the rules, norms and values in a society as 'institutional arrangements'. Organisations are seen by North as the players operating under a set of rules, as actors moving within the institutional structure but not defining it. With regard to the work of the ETF we refer to:

- **Institutions:** actors that have a role in defining, or governing the rules under which the VET sector operates.
- **Organisations:** actors that have a role in the VET sector, but don't set the rules, although they may influence the input, process, results and use of the outcomes.
- **Institutional arrangements:** the organisation of policies, rules, norms and values within the VET sector.



<sup>15</sup>For a deeper exploration of the definition of institutions and organisations, see North (1991) and Hollingsworth (2002).

# 2



- **Policies:** define the order influencing VET, which could take the shape of a legally enforced rule or informal regulations and orientations. Policy is a 'purposive course of action followed by an actor or set of actors' (Anderson, 2003).
- **Networks:** specific types of interaction among stakeholders focused on a common good/objective, based on cooperation and participation. Networks alter in relation to the objectives at stake and the policy cycle phase in which they are sited. They also dissolve (or change in form) upon the achievement of their objectives. 'Networks represent common intentions, human orientation, the principle of interdependence and voluntary participation as well as the principle of exchange' (Bienzle et al., 2007, p. 8). (extract from chapter 1)

In this context it is important that the concepts of policy analysis and policy making are clarified:

- By policy analysis we mean the capability of stakeholders to support a sound basis of country decisions in the area of human capital.
- By policy making we mean the capability of stakeholders to engage and contribute within their specific role in the policy cycle and its deployment in the specific thematic areas.

These two capabilities are supported by **sound technical (vertical)** and **institutional/organisational (horizontal)** components.

1. The vertical component is defined by the ETF in its thematic position papers, in which the specific modalities of interventions in relation to the development stage of the specific thematic area are identified.

2. **The horizontal component is defined transversally and common to all specific VET thematic areas around five process dimensions:** (Descriptors of process dimensions are in Annex 2)

- evidence based policy analysis and policy making
- participation in policy analysis and policy making
- a holistic view of VET
- ownership
- policy cycle management.

# 2

In the planning phase, as can be seen in the example below, the capacity development process is not visible in the original project description. In the case presented below stakeholders' horizontal capabilities objectives have been added to make the project targets transparent and measurable. Based on the definition of these objectives it is possible to plan activities contributing to the achievement of these goals, and to track the contribution of the project to the progression of capabilities.

## ORIGINAL PROJECT DESCRIPTION

## REVISED PROJECT DESCRIPTION

Overall objective:	Project Purpose/Specific Objective(S):	Overall objective:	Capacity process – specific objectives:	Project purpose/ specific objective(s):
Better youth and female employability in the ENP South region through the provision of high quality and relevant VET.	To enhance multi level governance of VET systems in the ENP South region.	Better youth and female employability in the ENP South region through the provision of high quality and relevant VET.	To increase the vertical and horizontal <u>participation</u> of VET stakeholders in VET policy making.  To improve stakeholders' <u>ownership</u> of governance models and modes, and governance shaping.	To enhance multi level governance of VET systems in the ENP South region.

Whenever capacity is the result expected in a specific intervention it is important that **both vertical and horizontal targets are defined in the specific objectives related to the intervention**. Table 1 illustrates a number of proposed areas of work in relation to capabilities that influence the progression of any **thematic areas and overall capacity development in the VET sector**.



# 2

**Table 1: Horizontal dimensions for developing stakeholder capabilities for policy analysis and policy making in VET**

HORIZONTAL CAPABILITIES	EXAMPLES OF ASSOCIATED TARGETS
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Improve stakeholders' participation in the policy analysis and policy cycle phases (this could include improving their access to information, building their capacity to make decisions on their preferences, increasing their capacity to work together and their organisation as well as their capacity to communicate and negotiate)</li> <li>• Improve horizontal/vertical participation in policy analysis and policy making</li> <li>• Improve institutional arrangements to ensure more effective participation</li> <li>• Develop tools for participation</li> <li>• Improve communication within stakeholders' groups and among stakeholders</li> <li>• Improve access to information for stakeholders' groups</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>• Increase the access to information for stakeholder groups</li> <li>• Support the definition of policy preferences of stakeholders' groups</li> <li>• Increase the definition of a common vision/objective for policies of the sector</li> <li>• Improve the coordination of actions and projects under a common objective</li> </ul>
<b>Holistic view</b>	<ul style="list-style-type: none"> <li>• Improve dialogue among stakeholders covering diverse aspects of human capital policies to strengthen the links between them</li> <li>• Improve inter ministerial dialogue for better policy making</li> <li>• Improve the alignment between the policy analysis and the country's long term development objectives</li> <li>• Improve the links between research and innovation (including technology) in policy analysis and policy making</li> </ul>



# 2



## Evidence base

- Improve the effectiveness of evidence processes: evidence creation, communication of evidence and the use of evidence in policy analysis and policy making
- Improve transparency and the clarity of the roles and functions of stakeholders in relation to evidence processes
- Improve the dialogue between policy stakeholders and researchers' groups
- Improve evidence related tools and methods, including access to information, transparency and monitoring systems
- Enlarge the role of cost effectiveness analysis
- Enlarge the role of ex ante impact evaluation in policy analysis

## Policy cycle management

- Improve the transparency of the policy cycle phases and, within each phase, of specific processes
- Increase the accountability of stakeholder groups in policy cycle related phases
- Increase the delivery capacity of stakeholder groups in policy cycle related phases
- Improve transparency in the reporting and evaluation of policy cycle phases
- Improve the performance analysis of policies and embed the system in the policy cycle

The key tool used by the ETF to stimulate the progression of capabilities at stakeholder level is by working with **networks** of stakeholders.



# 2



## 2.1.2 Networks of stakeholders and their role in capacity development

Individuals can contribute to policy analyses and to the policy making process by acquiring new knowledge and competences. Stakeholders (institutions and organisations viewed in their complexity) can progress in their capacity by improving their collective ability (capability) to contribute to reform progression, processes and structures in support of a specific initiative<sup>16</sup>.

Developing stakeholders' capacity requires specific efforts. Without explicitly targeting the stakeholders' level, capacity remains fragmented and incomplete in the sense that it has been **achieved by individuals, but not incorporated into those organisations and institutions** that are expected to take the reform initiatives forward.

Supporting capacity for human capital development includes **enhancing the quality and relevance of stakeholders' capabilities, and their ability to work together is a necessary pre condition for achieving the coordinated action required.**

## 2.1.3 Networks and their added value in ETF partner countries

### What is a network?

**Networks are a specific type of interaction among stakeholders focused on a common good or objective, based on cooperation and participation.** Networks change in relation to the objective at stake and the policy cycle phase in which they are located, and they dissolve (or alter in form) upon achievement of the objective. **Networks represent a soft, informal and gradual mode for the diffusion, dissemination and testing of ideas and policy paradigms.** Networks enable actors to operate beyond their institutional context; they are the means by which organisations, individually and in coalition with others, can project their ideas into policy thinking across formal arrangements, across states, and within global or regional fora. Through networks, participants can build alliances, share discourses and construct consensual knowledge (Stone, 2001). Networks are an organisational form with extraordinary capacities for fostering innovation, managing risk, building trust, facilitating joint action and gathering information in ways that flow around and between geographical, legal and institutional barriers. Moreover, when networks include the active participation of decision makers they have the potential to influence policy (Stone, 2001).

---

<sup>16</sup>ETF, 2004, Chapter 9

# 2



Bienzle et al. (2007) refer to the key role of networks in the context of education and lifelong learning in Europe. The added value of networks in the specific domain of action is evident given the complexity of the policy work, the presence of multiple actors, and the need to work towards building coalitions on common objectives and goals to stimulate and support the change agenda.

In the field of lifelong learning networks have been supported in Europe as a tool to create a space for dialogue and cooperation across states, and to influence policy development based on consultation and consensus building around common objectives.

Networks allow coordinating actions beyond institutional arrangements and, in this way, increase the potential for coordination and participation.

A key feature of a network is a shared problem or objective on which there is an exchange of information, debate, disagreement, persuasion and a search for solutions and appropriate policy responses. In short, these types of networks are structured frameworks for policy learning (Knoepfel and Kissling Näf, 1998: 347). Within such networks the different participating institutions provide important information and resources. These types of network are comprised of a number of interdependent actors involved in VET reform, who need to exchange or share resources (for example, authority, information, expertise, funds) to achieve their objectives, to maximise their influence over outcomes, and to improve the likelihood of VET policy implementation.

**In contexts where coordination among stakeholders is poor, networks represent a form of access to information, knowledge and resources, but also a tool to strengthen stakeholders' planning capacity and improve coordination among actors.**



# 2

This is also true in ETF partner countries, where in addition to the complexity of the policy work in the area of VET and lifelong learning, countries need to improve coordination and cooperation among stakeholders, as a step towards more effective and efficient policy analysis and policy making. Coordination among actors lies at the basis of the participatory approach to policy analysis and policy making, and is a significant success factor in the development of human capital. The principle of coordination and collaborative working is a pillar of the ETF's work in partner countries, and is implemented through the support of networks.

## Types of networks

Networks can take many forms and roles, from using an external 'facilitator' to stimulate contributions to the policy dialogue, to being a tool embedded in the governance mode of a country where consultation is an integral part of the system.

The creation of a network in ETF partner countries supports both the capacity development of the members of the network in relation to a specific thematic area of VET, and the development of a specific capability (working together and cooperating) that promotes the coordinated action of stakeholders, impacting on both policy analysis and policy making.

In the ETF, examples of network creation can be found in the majority of projects and programmes supported at operational level. In fact, a key feature of the work of ETF is the way it stimulates cooperation and coordinated action among actors to impact on system development.

Networks are also supported **across states** as a means of accessing information and sharing experiences among peers, in order to support policy dialogue and the development of peer learning and expertise around common thematic areas, issues and challenges.



# 2

Below are three types of networks, commonly supported by ETF in its operational work:

- 1. Communities of practice:** Both within countries and across states, communities of practice are a form of network that focuses on the exchange of experiences, bringing together expertise in common thematic areas. The ETF project on peer learning in South Eastern Europe and the continuing vocational training (CVT) project in Eastern Europe and Central Asia (EECA) countries base their work on creating and stimulating exchange among countries to feed into specific national policy agendas. In the School Development Project in Central Asia communities of practice are being created among school directors to encourage information exchange and expertise development in order to support improvement in schools and raise the quality of VET.
- 2. Policy networks:** Within countries, the ETF supports the creation of networks of stakeholders aimed at developing policies and actions in specific fields. These networks should not be seen as 'groups of stakeholders' in that they have a common aims and objectives. Examples of such networks can be found in the national qualifications framework (NQF) projects, where the NQF is developed and piloted in a specific sector and where the network influences the national agenda (examples of such networks and their impact can also be seen in Ukraine). Another example of a policy network can be found in Torinet, the ETF's capacity building initiative on evidence based policy making, in which networks of stakeholders from different thematic areas have been created to support the improvement of evidence processes and policy analysis in a number of ETF partner countries. Whereas the focus of the NQF networks is on a specific thematic area, the focus of the Torinet networks is on the process of evidence gathering as a key capability which is required to support policy analysis and policy making. Another important experience is linked to the observatories, where networks have been supported by the ETF as a way of stimulating reforms in ETF partner countries.
- 3. Web networks:** The development of technology and the use of social networks and platforms have facilitated the creation of web based networks – communities working on a common thematic area. In the ETF the 'NQF' platforms as well as the Social Inclusion Platform are examples of web networks with a specific thematic focus. In recent years the use of 'connections' has also enabled the creation of project networks and the cooperation of actors online within a specific remit of activities. Still seen in terms of its potential, web based technology has not yet transformed the working methods in many partner countries. However, it is foreseen that future development of web networks and improved access to the internet will influence ways of working and provide opportunities for strengthening the role of networks in ETF partner countries.



# 2



## 2.1.4 Analysing network needs and readiness

As presented above, networks are a form of cooperation among stakeholders built around a common objective or problem. In the context of ETF partner countries, networks are particularly important because they not only serve the function of being a tool for information exchange among actors, but are also conducive to improving the capability for coordinated and participated action in policy analysis and policy making, leading to enhanced stakeholder coordination, a key capability for maturity progression.

As a first step, a context analysis should be carried out to assess readiness and the specific modality to be used to support the networks, with a view to identifying the most useful form of network. Four elements are key to analysing networks' readiness, providing information on the most appropriate types of network and modalities for supporting work in the country:

- 1. Mapping of stakeholders and their ties:** This is an important exercise which should be carried out both by an external facilitator (in this case the ETF) to identify stakeholders who should be invited to build a network, and by stakeholders themselves when working in a restricted group to analyse a problem or define a common objective.

### At this level it is particularly important to:

- start actions with a restricted number of network members, with the network gradually expanding to include other stakeholders on the basis of the objectives defined by the network itself;
- raise the awareness of network members regarding coordination among actors and map formal and informal ties;
- select networks member with the agreement of the stakeholders, rather than imposing members on the network.

# 2



**2. Analysing the level of cooperation among stakeholders:** In countries where coordination among stakeholders is low and roles and responsibilities are not clear, networks are a source of capability development, supporting change in the country's formal coordination arrangements. However, it is important to distinguish between a network with informal functions and networks that are embedded in the governance mode of the system.

- Where coordination levels are low networks can become a modality of cooperation to overcome, in the short term, the problems caused by a lack of institutionalised coordination.
- Where coordination levels are high it will be common to find established networks with a specific mandate to contribute to policy development as well as to exchange expertise and examples of good practice. In this case it is important to decide with policymakers on the mandate and best use of each network.

**3. Assessing the knowledge of each stakeholder on policy focus:** It is often the case that individual stakeholders have diverse levels of knowledge of the topic, in particular in countries where they are not traditionally involved in policy dialogue (see, for example, the case of involving employers in countries where social partnership is not part of the policy framework in VET). Stakeholders need to develop a common knowledge and understanding of the subject to inform their position in relation to the policy dialogue and so that they can contribute fully to the decision making process and the work of the network.

- What is the level of subject knowledge of the possible members?
- Is there already a network of stakeholders in the country (even if limited to a few actors)?
- Can stakeholders access information to inform their position on a subject?
- How long will it take to bring the network to a level of common knowledge, so that stakeholders can make informed decisions about their objectives?



# 2



**4. Assessing stakeholders' availability to engage in a common action to promote change:** In ETF partner countries contexts and cultures can influence the availability of stakeholders to take part in a cooperative and flexible arrangement such as a network. It can take a long time to build the confidence of the network members and their understanding of the added value of engaging in a policy network involving multiple stakeholders. This is the case, for example, in countries with traditionally centralised decision making processes, where the new networks seek to involve local authorities, employers and social partners, VET providers and sectorial representatives. The development of networks can extend the limits of those institutionalised coordination mechanisms which already exist in a country, while at the same time supporting a growing appreciation of the added value of the participation of a variety of stakeholders through specific pilots and consultation exercises.

- What traditions and cultures already exist in the country concerning policy dialogue and consultation?
- In relation to formal coordination mechanisms, which stakeholders are traditionally consulted?
- Are there pilot projects in the sector that can show the added value of networking and consultation on a common topic of interest?
- In what ways can the network evolve in the time available?

# 2



## 2.1.5 Capacity building and networks

In the experience of the ETF, confirmed by the work carried out between 2009 and 2013 under the capacity building initiative for evidence based policy making, certain key steps are deemed essential for building a network and developing its capacity. It is to be noted that these steps do not follow a linear, sequential process but should be covered in the life of the network based on the context, the readiness and the type of network supported within the country or among countries.

### The key steps are:

- analyse the readiness context
- define a common objective or goal
- bring all network members up to the same level in terms of knowledge of the subject through information sharing, peer learning and good practices
- refine the objective taking into consideration the acquired knowledge
- select a network coordinator (this can be an organisation or institution rather than an individual)
- decide on a programme of work for the network
- share the results of the work
- enlarge or dissolve the network.



# 2



The establishment and development of a network is a capacity process in which both stakeholders and individual capacity levels are involved. At the stakeholders' level there is a learning curve related to both knowledge and capability development. Access to information and expertise allows each stakeholder to inform their policy position, understand and value trade offs in terms of policy options and engage in informed negotiation and decision making. Consultation, cooperation and coordinated actions on specific topics allow stakeholders to acquire specific transferable and sustainable capabilities in relation to networking, coordination and process management. Hence, after such an experience, networks members can often be found taking part in other discussions and speaking on topics with a higher level of confidence and capacity.

Networks can also be used as a tool to improve trust among stakeholders, building professional ties that encourage the institutionalisation of consultation as a mode of work. Finally, networks build communication among actors, which is essential to making progress towards consultation and coordination.

The expected results **of capacity building using networks** are:

- an increase in trust and communication among members of the network;
- a greater number of informal and formal ties;
- an impact on the formalisation of consultation processes;
- the transfer of networking capability to other networks;
- the creation of other autonomously run networks.



# 2



36

## 2.1.6 Peer learning as a tool for the capacity development of networks

Peer learning is one of the tools for capacity development that is used by the ETF. A multi actors concept, it is an established element in ETF capacity development practice. It is based on the ETF policy learning<sup>17</sup> approach, and refers to the development of the ability in governments, as well as systems of governance, institutions and other actors and stakeholders, to learn from evidence and experiences – national, regional and international – to inform policy development and its subsequent implementation. Policy learning involves using feedback and comparisons to achieve a better understanding of both one's own country and current policy problems and possible solutions, by observing similarities and differences within and across different national settings. This process, therefore, appears to offer a more effective way for governments and institutions to inform policy by drawing lessons from available evidence and experience (Raffe and Spours, 2007).

In this context, capacity development usually involves working with multiple actors at various levels of the VET system, and incorporates the capacity development of both individual and institutional actors. Central to success in using peer learning for the capacity development of a multi stakeholder network is the establishment and reinforcement of connections between different stakeholders in the VET system. Often these connections have been absent in individuals' day to day activities, and stakeholders previously did not communicate with each other, or did so ineffectively or in an antagonistic way, despite their shared challenges in terms of the VET policy agenda.

The modes of cooperation and the ways of resolving problems within networks are the result of the different traditions and cultures in each country, and reflect to a great extent the differences in the organisation of each VET system. In this context, peer learning provides ample opportunities for all actors involved to develop a better understanding of their role in the VET reform process, and to further strengthen their understanding of what is needed and what best fits the local context. This approach may be considered as transitional, moving away from an expert driven knowledge transfer model towards participatory forms of policy learning in which multiple actors can consolidate their understanding of the needs of VET reform in their country.

VET reform policy development should use knowledge sharing to enable decision makers and other actors to learn from local implementation experiences – and not simply about VET reform experiences

<sup>17</sup>The policy learning approach has been formally endorsed by the ETF General Advisory Forum (AF) conference in 2003 and reinforced by the AF conference in 2006. See formal Statements on [www.etf.europa.eu](http://www.etf.europa.eu).

# 2



from elsewhere – to assist in the formulation and the implementation of their own reform objectives. Knowledge sharing would also enable different actors to better understand both the institutional context and stakeholders' interests in the process.

The ETF has met such challenges as how to engage the different actors in VET reform in a practical capacity development exercise that will incorporate the principles of policy learning and support the development of an evidence based national VET reform agenda.

Actual policy outcomes are not solely the product of central government actions. The government may facilitate a process for drafting a VET strategy, or it may enact new law relating to VET. However, the actual implementation of the strategy or law is further shaped in the interactions and exchanges of multiple actors at various levels of the VET system. None of the actors in the VET policy cycle – be they an agency for VET, a Head of Department for the Qualifications Framework, or a VET school that has begun to pilot VET law implementation – has all the knowledge and information required to solve the complex, dynamic and diverse problems found in the policy process. In other words, the various actors need each other.

ETF peer learning is cooperative and participative: actors at various levels of the VET system should be involved in dialogue to identify problems and understand the options and limitations of different policy solutions. This type of capacity development exercise offers the opportunity for reflection and provides evidence of different policy options. It should also help learners to reach their own solutions. As a starting point, highlighting best practice examples opens the way for reflection, communication and the creation of a new framework of conceptual elements. An important conceptual element in ETF peer learning is to juxtapose various exemplary cases, leading to reflection set against the context of one's own background and the discovery and construction of new action options<sup>18</sup>.

In the ETF capacity development approach, the operationalisation of the policy learning concept includes developing the ability to learn from: (i) past national experience, (ii) other countries, and (iii) local innovation projects. While the principles of embeddedness and local ownership exclude the mere transfer of foreign models, as well as the simple copying of so called best practice, and indeed policy taking in general, it does not automatically follow that there is only room for country specific reform and that each country should develop VET policies completely on its own. That would be a very narrow understanding of the role of policy making.

---

<sup>18</sup>ETF, 2012, Chapter 4.

# 2



On the contrary, confronted with increasingly similar mid and long term challenges, policymakers in partner countries know that they can no longer ignore the policy developments and lessons from other countries. This is all the more true for policymakers in partner countries who are faced with severe constraints in terms of time, budgets and human resources in trying to cope with immediate, sometimes dramatic, reform challenges. As a consequence, there is ample room for an exchange of policy experiences. The availability of international VET policy models, such as the soft and hard acquis of the EU and the experiences of Member States and other countries in reforming VET systems, provides a rich source of expertise and inspiration for policymakers in partner countries.

Where actors and stakeholders have access to knowledge about particular policy measures, they can advance the reform process by facilitating its distribution amongst stakeholders. **But the availability of knowledge, even if widely disseminated, may not be enough.**

By improving accessibility and building trust and consensus between different actors in the VET reform process, it should be possible to make education policy and practice more responsive to the needs of the educational system as a whole, as well as to its users. Policymakers and practitioners will thus be able to benefit from more opportunities to share knowledge and experience and to enhance their competences in relation to the use of evidence<sup>19</sup>.

**Peer learning largely rests upon the fact that capacity development is as much a social as an individual process.** Different actors taking part in the exercise as peers – for example, policymakers and VET experts and practitioners – can benefit greatly from the insights, knowledge and experience of other group members. Effective capacity development emphasises the active engagement of national stakeholders in developing their own policy solutions. The design of successful peer learning takes into account that more effective VET policy development and implementation may result from a closer inspection by the policymakers and other actors of the realities of VET policy implementation on the ground.

---

<sup>19</sup>European Commission, 2007.

# 2

While peer learning can foster new ideas and concepts for policy innovation within a group of peers, there is a huge difference between the world of ideas and the applicability of those ideas in the VET policy context of a particular country. A persistent and frequently asked question is how do these ideas triggered by peer learning events influence the policy process in the various countries? **As the ETF's purpose in peer learning is not simply to create policy learning environments for individuals but to enable them to formulate reform policies as a result of their learning, there are important aspects that need to be taken into account in this respect.** The following four points, at least, should be considered:

- VET reform and change has to be carried out largely by **existing staff**, and despite widespread agreement on global policy objectives and improved policies, reform actors might still be uncomfortable at the prospect of changing their traditional ways. **Accomplishing change is about reversing deeply embedded policies and strongly held beliefs – among, for example, the policymakers, social partners and teachers.**
- **From top down, to bottom up:** While system change in partner countries has traditionally been designed by the centre and decreed from the top, the political culture is changing. This increasingly allows multiple actors to claim a stake in the design of reform concepts. As an area of growing importance VET is increasingly attracting the interest of many different lobbies and constituencies, and it is obvious that VET is one domain that is gradually moving up the agenda of different actors.
- Policy implementation is not a linear, rational process, but usually involves **complex mediation among competing interests**. This is one of the main reasons why modern reform approaches are becoming broader in scope: they are seeking ways of involving the various actors in a meaningful way. The same argument is valid for social partners too – they need to see why they are called upon to take part in the enterprise.
- **Collaboration becomes a categorical imperative:** The centre needs to focus on norms and the periphery on delivery. If the two are to function together, a clear sense of public purpose is required, as well as new partnerships, knowledge and understanding.



# 2



## 2.1.7 Conclusions

Networks form one pillar of the ETF's operational work: on the one hand networks are a means for handling the complexity of VET policies<sup>20</sup>, requiring the participation of multiple stakeholders in the process of policy development, and as such, networks are widely used in Europe in the specific area of VET and lifelong learning to manage its complexity and demands. On the other hand, networks in contexts such as those of partner countries where coordination among stakeholders and consultation mechanisms are poor, allow countries to make progress in policy dialogue and develop content knowledge and capabilities in relation to the consultation and coordination processes that feed into both policy development and the country's governance mode.

For both of the reasons presented above, networks are key to supporting stakeholders' capacity in the field of VET. Networks are also the place where most of the capacity building activities at the individual level take place. The development of individual knowledge and competences serves as a basis for the network and its members to progress in their mandate, make process decisions and engage in peer learning.

Finally, networks are the best method to inform system change processes, providing the context for policymaking processes in specific areas as well as a thematic focus that can influence formal decision making in terms of its content and process. Networks can take many forms, from being facilitated by an external actor such as the ETF in countries with a weak coordination and consultation culture, to being facilitated and coordinated by stakeholders in countries where consultation is part of the governance mode.

In the ETF most of projects and programmes support the development and the interaction among stakeholders. In most cases this interaction takes the form of a network. Tools available, including technology based platforms, support the development of other forms of network, both country specific and across countries.

In the future networks will remain a fundamental part of the ETF's work, in addition to forming the basis for implementing the ETF mandate and working in ETF partner countries while ensuring support for the development of human capital by targeting stakeholders' levels of capacity and impacting on system capacity.

<sup>20</sup> VET policies are very complex, and can no longer be constrained by the traditional linear rationale of 'formulate, implement and evaluate'. Policy researchers have argued that policies are developed, interpreted and implemented in a variety of locales spread over space and time, and influenced by both institutional and individual factors (Hall and McGinty, 1997; McLaughlin, 1987; Spillane et al., 2002). Knowledge construction is central to this process. Similarly, policy researchers have recently called for approaches that take specific system and non system interactions into account (Gallucci, 2003; Spillane et al., 2002). Merging these two imperatives involves examining social context, interactions and articulated interpretations using an approach that recognises the contested and mutable nature of policy and knowledge processes (Canary and McPhee, 2009).



# 2

## Case study: Torinet Croatia 2011–2012

Torinet, the capacity building initiative on evidence based policymaking under the Torino Process, supports multi stakeholder coalition building in partner countries. It facilitates **learning networks** in the partner countries with a specific focus on enhancing evidence processes in VET policy analysis and policy making.

*Cooperation between stakeholders and actors should be transferred as experience and should be implemented as inter institutional cooperation. The goal of achieving better decision making processes for the educational sector and the economy, i.e. the labour market, is widely accepted and the way to achieve it is through comprehensive cooperation and dialogue. (A network member).*

In Croatia between 2011 and 2012, under the ETF initiative to support evidence based policymaking, 17 representatives, all concerned with evidence based policy in VET, created a compact country network. This group included representatives from: the Ministry of Science, Education and Sports, the Ministry of Labour and Pension System, the Agency for Science and Higher Education, the Agency for Vocational Education and Training and Adult Education, the Education and Teacher Training Agency, the National Centre for the External Evaluation of Education, the Croatian Employment Service, the Croatian Chamber of Economy, the Croatian Chamber of Trades and Crafts, the Interdepartmental Working Body for Labour Market

Monitoring and the Croatian Employers Association.

The objective of the development exercise was to ensure and contribute to the increased efficiency of VET policy development. What are the country's needs in terms of effectively creating and using evidence throughout the policy cycle? What tools, actors or networks could enhance the evidence based approach to policymaking? These questions form the framework for the design of peer learning in Croatia. The initiative followed a cooperative and participatory approach in which the focus was placed on the gradual development of an inter institutional network of actors with a common objective,

the goal being to strengthen the communication of evidence and coordination among actors in order to use the evidence generated to improve the match between VET demand and supply.

Firstly, the Torinet initiative supported the identification of issues and the objective of the network through knowledge development and the mapping of actors. It then named the Ministry of Education and Science as coordinator of the network. The analysis of the available evidence was then facilitated through two workshops, covering the possible use of evidence in policy making and establishing the agreement of stakeholders on the key targets for their work.

# 2



The Torinet peer learning exercise for Croatia incorporated a study visit to Sweden which focused on evidence based policy making (EBPM). The idea was to learn from relevant examples of good practice in EBPM related to education and training in local institutions and organisations active in the field<sup>21</sup>. During the three days of organised visits in Sweden, participants had the opportunity to discuss thematic issues with a wide range of

stakeholders. The programme included discussions with central, regional and district level educational and local authority officials, social partners and employers, as well as visits to several vocational schools (formal education sector) and adult training centres (non formal education sector). Areas of interest discussed during the visit revolved around establishing and managing cooperation between a number of stakeholders in the education

and labour market sector, that is: the different Swedish institutions supporting and responsible for education planning, VET skills supply and demand, the core principles of EBPM, and the processes of data collection, analysis and reporting. Special emphasis was given to Swedish vocational education and training legislation and practice with the purpose of addressing labour market demands.

The discussions confirmed that the concerns of the stakeholders covered a wide range of topics, for example:

- **What is the role of the stakeholders from both economic and education sectors, including social partners in evidence based policy?**
- **What are the concepts involved in data gathering?**
- **Who is gathering which kinds of data, and from whom (employers)?**
- **Who uses such data?**
- **Which parameters are used for occupation forecasts regarding labour market needs (e.g. past trends, labour market current conditions, technology development, strategic industry's needs)?**
- **How are these competences later translated into learning outcomes 'language' to make a link between the standards of occupation and those of qualification?**

All of the above issues represent real life concerns and situations in VET policy.

---

<sup>21</sup>The study visit held in Sweden in May 2012 gathered 17 representatives from different Croatian institutions: the Ministry of Science, Education and Sports, the Ministry of Labour and Pension System, the Agency for Science and Higher Education, the Agency for Vocational Education and Training and Adult Education, the Education and Teacher Training Agency, the National Centre for External Evaluation of Education, the Croatian Employment Service, the Croatian Chamber of Economy, the Croatian Chamber of Trades and Crafts, the Interdepartmental Working Body for Labour Market Monitoring and the Croatian Employers Association.

# 2



This learning network approach is essential not only for promoting policy learning, but also for reinforcing awareness of the specific contribution which each actor brings to the policy cycle, for promoting social dialogue and for ensuring the sustainability of the investment in capacity building. This approach can be effective within countries, but also between countries, as encouraged among EU Member States through the Copenhagen Process. The ETF has already done a great deal of work in this area so that for Torinet it is now a question of using the tools already developed to enrich its practice. Our experience since 2002 with policy learning activities such as peer reviews, peer learning, mutual learning, communities of practice and horizontal learning network strategies should now be used as a catalyst to mobilise collective capacity development for change<sup>22</sup>.

In December 2013, at the end of a phase of policy learning, the established network reached out to other stakeholders, inviting them to become involved in the policy dialogue and organising a workshop with an enlarged group of stakeholders to present the work done, the concept of evidence based policy making and the structured networking among stakeholders. The coordination of such an effort, initially stimulated by the ETF, has been taken over by the network itself, under the supervision of the Ministry of Education and Science of Croatia. With the establishment of a 'Mobile team for knowledge sharing', peer learning in Croatia was successful in accessing and disseminating knowledge through the group work and the study visit with key stakeholders in relevant institutions and organisation<sup>23</sup>.

Torinet in Croatia is based on the concept of policy learning in national VET reform in a situation where several stakeholders,

with different responsibilities, are dependent on each other for achieving the policy outcomes, and come together to create a policy dialogue. In this policy learning environment, the different parties bring their knowledge, experience and their own interpretations of reality to the discussions. The knowledge and understanding which is generated is key to the process and can have an important impact on the evidence based policy and practice. The ambition is to enhance long term capacity and the quality and relevance of policymaking, as well as providing opportunities for partner countries to learn in the policy cycle. When policy learning among the various stakeholders is well thought out and efficiently organised, policies can be better adjusted and the expectations for improved VET policy may appear more realistic. In other words, effective policy learning increases the effectiveness of the policies that result.

<sup>22</sup>ETF, 2012, concluding chapter.

<sup>23</sup>The Torinet Croatia Mobile team for knowledge sharing functions as a platform for knowledge dissemination and reflection, and as a forum for stimulating shared development projects.

# 2

The design of the Torinet Croatia peer learning activity took into account that more effective VET policy development (i.e. evidence based policy) may result by confronting the actors with the realities of VET policy implementation on the ground, in this case learning from practice in Sweden, but also from the stakeholders' own experiences in VET policy implementation. The expectations were that this type of policy learning by peers would be facilitated through, for example:

- **improved mutual knowledge and understanding of the VET system, its issues and developments;**
- **networking, involving exchanges of experience and cooperation among actors;**
- **increased awareness and expanded opportunities for learning from VET reform experiences in participating countries.**

Peer learning – almost by definition – is based on modern constructivist learning principles, in which learners actively develop new knowledge by attributing meaning to what they observe and sharing this with others. However, although the methodology behind peer learning aligns it more closely to what we now know about how people learn, the approach is also not without its problems. Peer learning is especially challenging in the context of VET reform, where, regarding capacity development, the aim is not to produce any type of knowledge but rather policy relevant knowledge.



# 3

## THE INDIVIDUAL/GROUP LEVEL A QUALITY ASSURANCE FRAMEWORK FOR ETF ACTIVITIES

M. Prina – F. Crestani

The capacity building process targets the activity level of various operations, contributing to the development of stakeholders' capabilities and finally impacting on system capacity (Figure 6).

**Figure 6: the capacity process chain**



In partner countries ETF operational activities are carried out through projects and programmes with the involvement of groups drawn from stakeholder institutions and organisations. The capacity building purpose, the modalities employed and the evaluation of the impact of activities on stakeholders' capabilities are described in this guide and constitute the quality cycle of the capacity building process.

# 3

## 3.1.1 Planning the capacity building process

The capacity building process comprises three steps:

1. Take stock of the country's SOC level and thematic area development stage, as defined by the Torino Process and thematic area analysis.
2. Identify stakeholders' (or network) vertical and horizontal needs based on the thematic area development and their policy cycle phase. Define the desired target in consultation with partner county stakeholders.
3. Identify the knowledge, skills and/or competences needs of the stakeholders' target groups (network, group, individuals) involved in activities based on expected capabilities progression results as defined in the previous step.

**Step 1:** The first step is presented in Chapter 1 and the results of this analysis should be available to country managers and project teams when engaging in the definition of the capacity building process. It is expected that the capacity building will contribute to the thematic area development and improve the country's SOC.

**Step 2:** Once you have a clear picture of the sector and the thematic area development required it is important to define the stakeholders' capabilities that will be targeted by the capacity building process. Capabilities refer to both policy analysis and policy making. They are both vertical (technical) and horizontal. The capacity intervention can target either the technical or the horizontal dimensions, or both. This is linked to the specific context and stakeholders needs assessment.

**Step 3:** Once the capability and its targets are identified and the relevant stakeholders' groups are clear, it is time to select the particular groups to be involved in specific activities within each project. With regard to these, it is vital that the contribution of each activity to the capability progress is identified.

At activity level we describe the objective as a **learning expectation**, covering the expected knowledge, skills and competences that the activity aims to support. The learning expectation describes what the stakeholder group – that is, those who are physically taking part in the activities – will be gaining from the process and what they will be expected to know, do, act, describe, show, and so on, at the end of the activity. The learning expectation covers all thematic areas stages of development, including the need to raise awareness, as shown in example 1 below.



# 3

## Example 1:

The expected result is an increase in national stakeholders' awareness of the importance of participation in VET policy making. The learning expectation could be as follows:

- Stakeholders will have identified at least two added benefits of increasing participation in their own context.
- Stakeholders will have identified three areas of work in their own context with regard to participation.

In describing the learning expectation, the activity method is not yet defined. There is a long list of methods of work that can be used, and these will be explored in the following section.

Most international donor funded activities targeting capacities fail at this stage. If not properly managed, a failure to clearly identify the learning expectation can impede the cascade effect of the result on the outcome, and thus on the impact. If capacity building activities are unrealistic and are not planned with their expected results in mind, they will fail to meet the relevant expectations.

The process of identifying the level of knowledge and competences that should be targeted in a given activity itself provides a basis to improve the planning and delivery of capacity building actions. From a pedagogical point of view it is obvious that an activity that targets knowledge of a subject is different from one that targets the acquisition of competences for the application of that knowledge.

The process of identifying clear objectives for activities requires a more laborious planning phase, but this facilitates the delivery and monitoring of the results. Examples 2 and 3 illustrate two activities within a project and the related learning expectations.



# 3



## Example 2:

### Objectives of activity

- to gain more content specific knowledge;
- to provide opportunities for networking.

### Learning expectations

- awareness raised on the importance of the topic;
- understanding gained of key pillars of the topic.
- Application of tool 'x' acquired by the end of the activity

### Means of verification

- Pre activity baseline end of activity feedback;
- post evaluation feedback after six months;
- country based feedback on the use of knowledge in other activities.



# 3

## Example 3:

### Introduction to evidence based policy making, issues and mapping of challenges

#### Objective of the session

- to introduce participants to the key concepts of evidence, evidence based policy making, the role of evidence in the governance of human resource development systems, and the EU framework.

#### Learning expectations

- understanding the concepts of evidence and evidence based policy making;
- understanding who the actors in evidence based policy making are;
- understanding evidence based policy making and the policy cycle;
- knowledge of the pillars of evidence process analysis (which will then be used in the group discussion);
- Explanation of the analytical matrix, which will then be used in the group work.

#### Means of verification

- participants' self evaluation;
- participants' feedback;
- application of theoretical knowledge in group work;
- application of theoretical knowledge in planning future actions.

The definition of objectives and learning expectations are important steps that need to be addressed in each activity involving capacity building processes.



# 3



## 3.1.2 Implementing the capacity building process

There follows a list of the most common methods of working used in capacity building by the ETF:

- ETF direct support (ETF expertise)
- provision of external expertise
- exposure to practices/knowledge (including meetings (e.g. international conferences, national conferences, seminars, round tables and workshops), study visits, peer learning
- training
- action research
- coaching
- network building.

When these methods are intended to be vehicles for developing capacity, there needs to be a precise definition of the work involved, as well as actors' specific roles and the added value to be expected in relation to the context, resources and time allowed. For all tools the ideal policy learning scenario would be to define expectations with stakeholders and, in a facilitator's role – which is the role of the ETF – to provide guidance and quality assurance with respect to the identification of the specific learning expectations generated by each activity.

**The activity is not the result** – it is not the capacity per se; rather it is a tool used to reach the desired result, expressed by the learning expectations which contribute to the target capability improvement.

Each method has its own characteristics and required level of detail; for example, training is a more 'structured' activity than a round table. In 2014 the ETF is developing a quality assurance booklet that will feature positive and not so positive examples of preparatory documents supporting activities in the area of capacity.

Table 2 contains a list of good practice for each of the methods identified above.

For all methods it is important that:

- the definition of the method is seen as a means to meet the capacity objective;
- for each activity, learning expectations need to be 'declared';
- for each activity it is important to plan an evaluation of learning expectations achievement, and means to measure the contribution to the targeted capability.

**Table 2: Examples of good practice based on a ETF internal survey with country managers and experts, 2012**

	Planning	Implementation	Evaluation
<b>ETF direct support (ETF expertise)</b>	<p>Define needs with stakeholders.</p> <p>Review outputs from previous work in the area.</p> <p>Define the purpose.</p> <p>Set evaluation criteria.</p>	<p>Prepare a background note to support the work.</p> <p>Participants to contribute to activities.</p> <p>Participants to do preparatory work.</p>	<p>Evaluate achievements, including unexpected results.</p> <p>Collect feedback from participants.</p>
<b>External expertise provision</b>	<p>Define needs with stakeholders.</p> <p>Collect input from previous projects.</p> <p>Define the purpose.</p> <p>Define specific outputs.</p>	<p>Prepare a background/concept note.</p> <p>Participants to contribute to activities.</p> <p>Participants to do preparatory work.</p> <p>Select a method of work based on the expected learning outcome.</p>	<p>Evaluate achievements, including unexpected results.</p> <p>Collect feedback from participants.</p> <p>Participants to provide written feedback.</p>

# 3

## Exposure to knowledge and practices (including meetings, study visits, peer learning)

Define needs with stakeholders.  
Review outputs from previous events.  
Define learning outcomes.  
Set evaluation criteria.

Prepare a background/concept note.  
Participants to contribute to activities.  
Participants to do preparatory work.  
Use external expertise to fit the context and its requirements.  
Select a method of work based on the expected learning outcome.  
Prepare and use evaluation tools in the process.

Evaluate achievements.  
Evaluate learning outcomes.  
Write a reflection note and follow up.  
Share documents and a final note with participants.

## Training

Define needs with stakeholders.  
Define learning outcomes.  
Set evaluation tools.

Prepare a background/concept note.  
Select a method of work based on the expected learning outcome.  
Use external expertise to fit training needs.  
Participants to contribute to activities.  
Prepare and use evaluation tools in the process.

Evaluate achievements.  
Evaluate learning outcomes.  
Request impact evaluation whenever possible.  
Use materials for further development.  
Ask participants to provide written feedback.



# 3



## Network building

Define needs of stakeholders.

Define the output.

Define learning outcomes.

Set evaluation criteria.

Prepare a background/concept note.

Participants to contribute to preparatory work.

Participants to contribute to activities.

Use external expertise to support knowledge development if appropriate to context and needs.

Take stock of process and make time to reflect on it with participants

### 3.1.3 Evaluating the capacity building process

The evaluation of the capacity building process needs to take place at two levels:

- **At participant level (activity level)** – evaluating the achievement of learning expectations and their potential impact on capabilities;
- **At stakeholder level (result level)** – evaluating the progression towards the target capability and the definition of the contribution of the activities to such progress.

For evaluation purposes it is important to distinguish between three types of possible indicator:

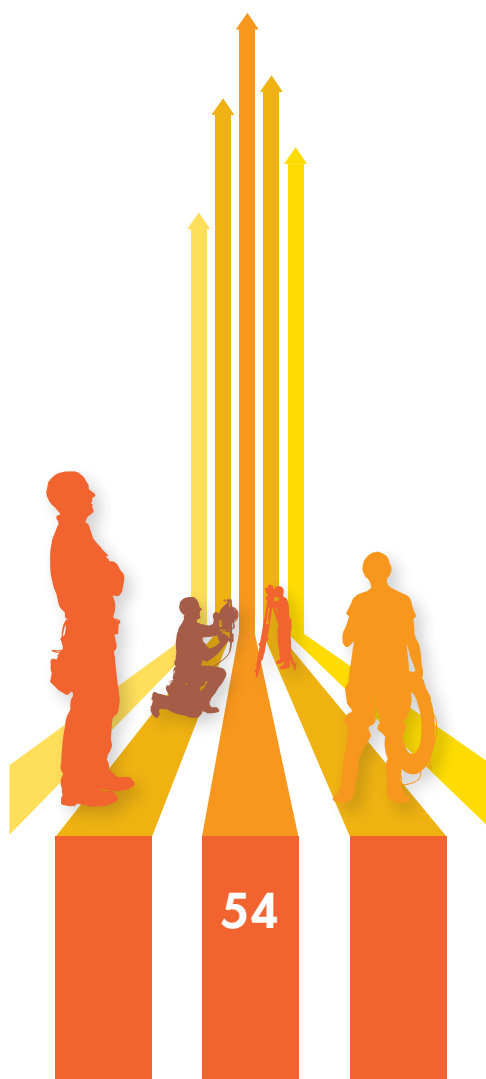
1. **Quantitative indicators:** Some indicators could be based on quantitative factors. For example, **the number** of stakeholders involved in the consultation and other processes related to the thematic area, or the number of meetings among stakeholders, could represent significant signs of change.
2. **Qualitative indicators:** These refer to the **quality** of the change. For example, it could be that the **relevance of the actors** involved is increased, or the conditions for cooperation improve, or the level of policy input of partners increases through project participation.
3. **Process indicators:** These refer to the process of work, and may include improvement in the **clarity of roles and functions**, in coordination mechanisms, in policy cycle arrangements, and in evidence processes. These indicators are those that provide, on top of the value added, **a degree of assurance regarding the sustainability of project related outputs.**

# 3

Developed on the basis of the horizontal and vertical dimensions of capabilities, Table 3 gives examples of possible indicators to measure the direct outcomes of ETF project work in the area of capacity.

**Table 3: Examples of indicators**

Indicator	Possible approaches
<b>Number of stakeholders involved in activities increases</b>	Specify the indicator vis à vis the initial conditions, including the need to create a network; identify the exact group of stakeholders
<b>Relevance of stakeholders included in activities increases</b>	Specify the quality indicators based on the needs of the specific project
<b>Level of involvement of social partners in policy development increases</b>	Other groups can be targeted (e.g. level of civil society involvement)
<b>Coalition building</b>	Track the development of coalitions among horizontal level actors or at the vertical level in terms of policy change and participation
<b>Knowledge base in selected area improves</b>	Identify the specific contribution of the project and level of stakeholder involvement
<b>Policies/themes/processes included in the national strategies (and for processes in national procedures)</b>	Identify the specific contribution of the project
<b>Those involved in the capacity action are called upon to take increased responsibility in the sector or area</b>	Identify the specific contribution of the project within the framework of other conditions
<b>Stakeholder access to information improves</b>	This can refer to international, national or sub regional access, depending on the level at which stakeholders are working



# 3



**Peer review takes place without supervision or facilitation**

Identify when networks are functioning beyond the project and are used to establish peer channels of communication – these can be international as well as national networks

**The relative share of the budget allocated to the sector/area or to the specific process tool increases**

Identify the specific contribution of the project within the framework of other conditions

**Communities of practice and networks established**

These can be international, national and sub regional and should include the sustainability measure

In the ETF's work it is common to have a concrete output as a means of bringing together the results of the capacity action and providing evidence of the stakeholders' reflections. This output often takes the form of a report, a paper or an article. It should be noted that, while it is important to have a concrete output in a written form, **the output should not be confused with the learning expectations**. These deserve a dedicated evaluation, to assess how the capacity action contributes to the development of stakeholders' capabilities.

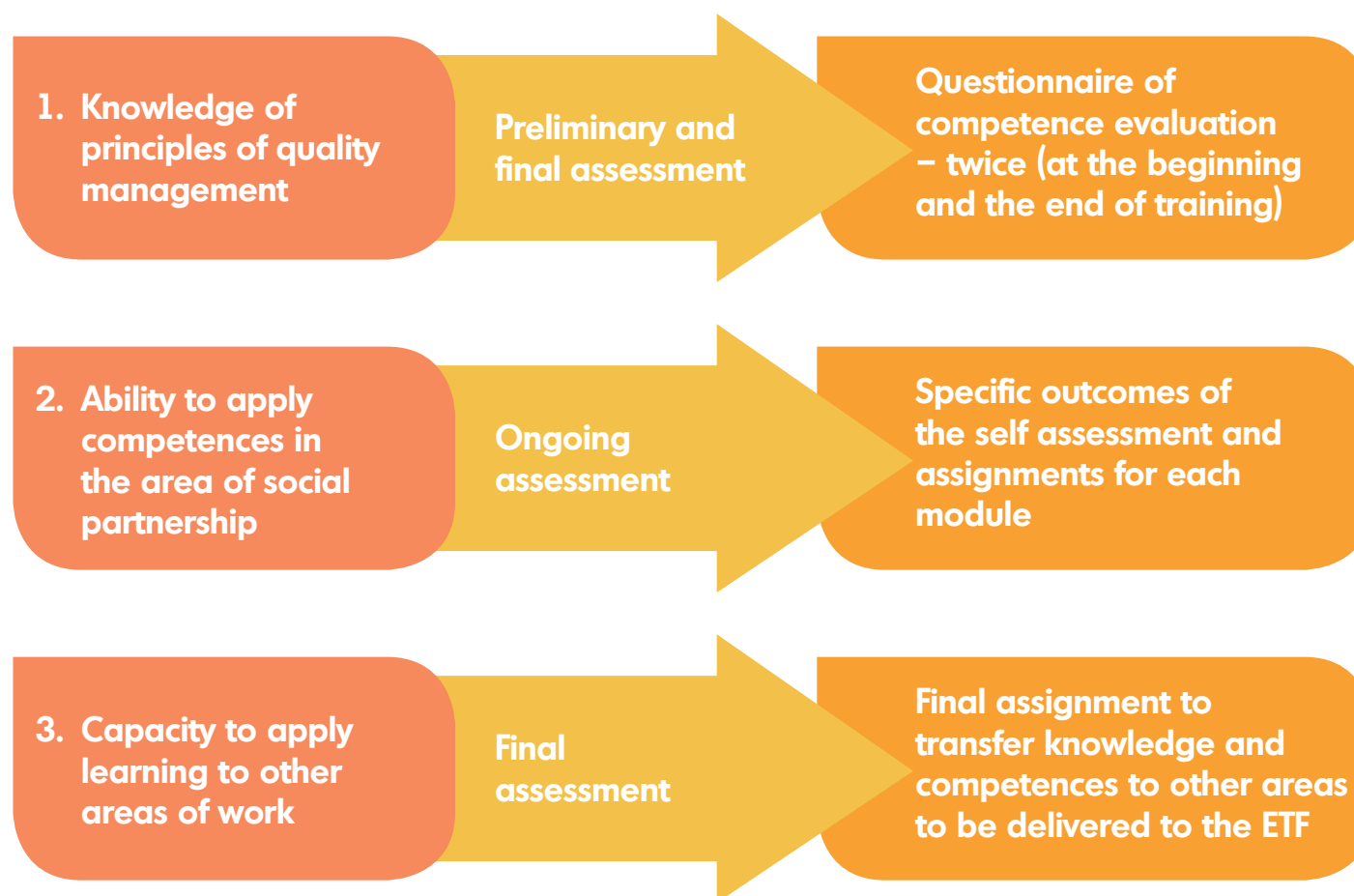
The final output is important not only for making a judgment on the project but also for monitoring the usefulness, direction and use of the actions that have been established. If they are properly monitored, capacity actions can be corrected and redirected so as to ensure the best possible use of the resources and time of the stakeholders involved.

### 3.1.4 Evaluating activities

Since 2009 some ETF projects (i.e. School Development, Torinet) have applied self evaluation tools based on the concrete identification of the knowledge, skills and competences that their activities were designed to develop.

Figures 7 and 8 show examples of tools and evaluation modalities.

**Figure 7: The evaluation process – activity training of school teams in Central Asia**

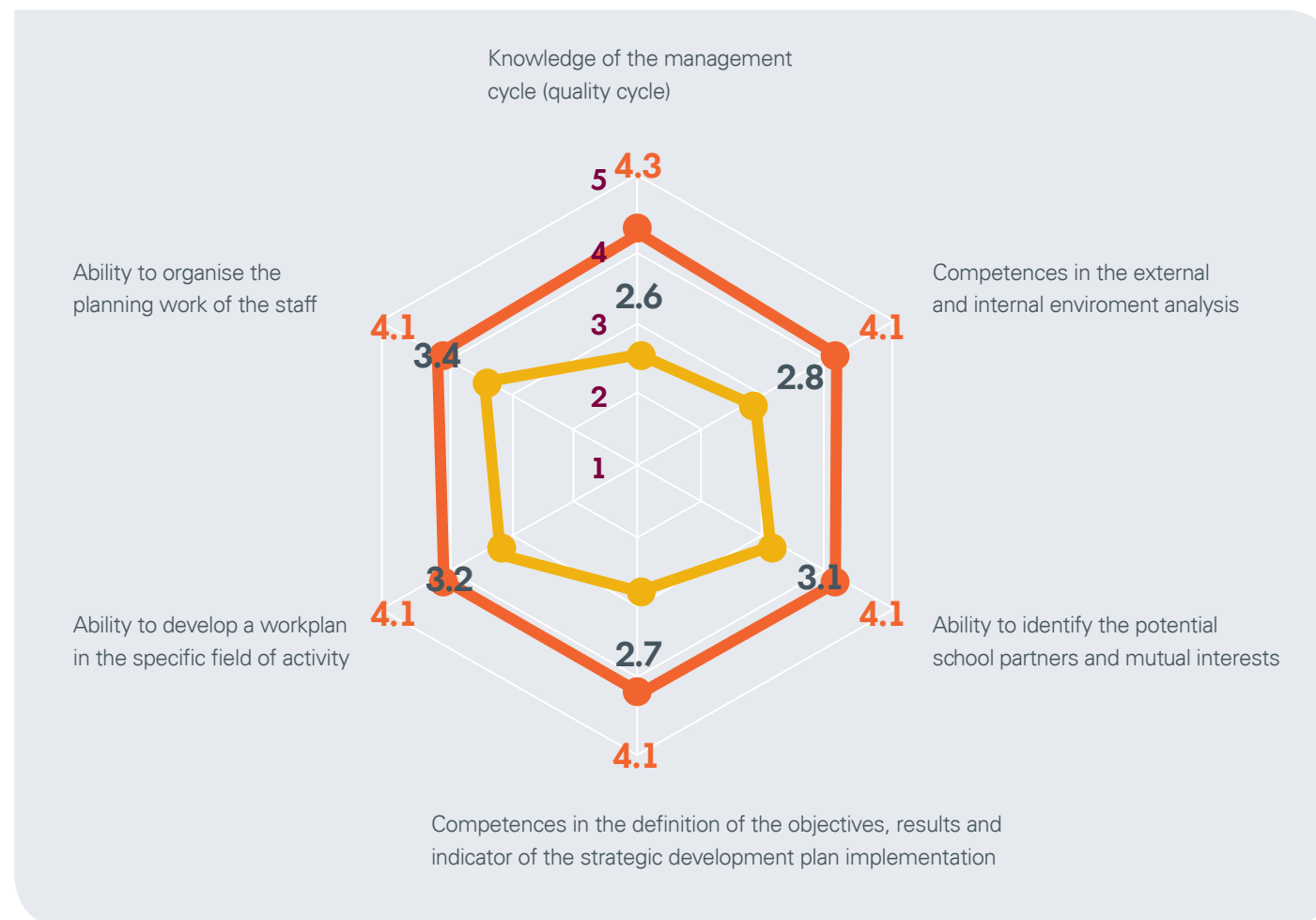




# 3

Figure 8: Learning expectations feedback (example of self assessment tool, competence progress)

## MODULE 1



57

# 3

An end of activity assessment of learning outcomes forms another means of verification. An example is shown in Box 2.

## Box 2. End of activity assessment of objectives achievement

### 1. How do you rate the achievement of the following objectives?

(Score on a scale of 1 to 5, where 1 means NOT ACHIEVED, and 5 means FULLY ACHIEVED)

- Shared understanding of the evidence based policy making framework.
- Shared understanding of the benefits of monitoring female labour market participation indicators for evidence based policy making.
- A shared and agreed objective of joint work (in terms of evidence process focus) within the project.
- A shared and agreed mapping of issues and priority areas to address.

### 2. Looking at your knowledge, can you identify key learning outcomes for each of the objectives?

- Shared understanding of the evidence based policy making framework.
- Shared understanding of the benefits of monitoring female labour market participation indicators for evidence based policy making.
- A shared and agreed objective of joint work (in terms of evidence process focus) within the project.
- A shared and agreed mapping of issues and priority areas to address.

### The contribution of the activities in the next phase of the project can also be tracked:

- How did participation in the study visit influence your decision making regarding policy 'x'?
- Can you define three learning outcomes and ideas that have contributed to the shaping of your participation and contribution to topic 'y'?



# 3



## 3.1.5 Tracking added value and the contribution to stakeholders' capabilities

With regard to the actual evaluation of how activities contribute to the progression of capabilities, it is important to highlight that more than one activity could contribute to the progression of one capability target. The tools used to monitor and evaluate activities are not the same as those used to monitor and evaluate the progression of capabilities.

Box 3 provides an example of an evaluation conducted at the end of an activity in a project, and analyses the contribution of the activity (in this case a training programme for school teams) to enabling selected provider organisations to increase their delivery capacity in relation to the involvement of territorial partners in school related activities. As a result of this activity, stakeholders' groups will be expected to take a more active part in the policy dialogue on the subject and will be in a better position to contribute to policy analysis and policy making.

### Box 3. Evaluation of capacity action – stakeholder group capability progress

1. **How was the content of the training relevant to your school?** After taking part in the seminars we have started a number of new activities. The training was very useful for us: in particular, we gained many interesting hints for planning our activities in a more comprehensive way, taking into account new elements. In the past we used to plan activities, but in a different way, and this was not really useful. This new approach – in particular establishing working groups and meeting with students, parents and partners – gave us a new and effective way of planning.
2. **How was the content of the training relevant to your professional development?** We appreciated the methodology and the assignments between the modules, and this also helped us to think about the way in which teaching is conducted. Hand out materials and documents were also very useful as we could use them for other areas independently.
3. **Was there anything that was new for the team?** For us it was the concept and experience of participation, and in particular, seeing how things change when more people are involved in the decision making process. For us it was also novel to have partners so closely involved.

# 3



4. **What do you feel you have achieved?** We have launched a new profession in the school: agronomist. We have met partners for the first time in order to plan the activities of the school with them. They told us that we focus too much on training machine operators for agriculture when there is a lack of agronomists in the area. We then developed a curricula with them, developed learning and teaching materials and asked the Ministry of Education for authorisation. We had no problems obtaining a licence for the new profession and we were able to start immediately in the new academic year. The teachers for this new area come from the partners themselves. We made agreements for a partnership for teaching in this new area.
5. **Would you like to share with us the conclusion of the work on social partnership?** We have, for the first time, conducted a survey on labour market needs in the area (small agricultural enterprises). We now have a better picture of the needs and of how we need to change the activities of the school. We are now following the results of this survey.
6. **Now that the new academic year is about to start, what kind of activities do you plan in this area?** We plan to start considering other professions. In particular, through the survey we learned that there is a need to train people for work in the food processing sector.
7. **Has the training been useful in some respects on this subject?** Yes, it has. These ideas have all been generated during the training. This for us was a very positive experience and gave us a great deal of good material to work with.
8. **Have you made an attempt to apply the learning to other areas of work?** The training material we received has allowed us to apply our learning in other areas, such as the teaching process.
9. **What does quality mean to you?** Quality is achieved when our students are knowledgeable and have the skills to meet the requirements of the labour market, and can therefore find good jobs very easily.

# 3



Narrative assessments and periodic verification of the progress and contribution of the ETF's work have to be firmly embedded in operational activities, with dedicated resources that are proportionate to the investment in the country and the activities concerned.

While assessments can be used to set targets and monitor progress, it is also important to establish an impact measurement methodology. For this reason, over the past two years the EU has developed a new methodology, Rapid Assessment of Capacity (RAC)<sup>24</sup>, which provides a framework for the evaluation of capacity development outputs generated by an intervention. The RAC methodology is based on the observation that, **as has been demonstrated in the case of the ETF, a project's output does not provide much information on what kind of capacity has been generated, and what the impact has been on the system.**

The RAC is implemented within three months – a relatively short period – and consists of an initial assessment of the enabling factors and the outputs of the project, followed by an analysis, based on the results of a questionnaire and focus groups, of the added value and any unexpected outcomes.

It is interesting to observe that the RAC, like other tools developed by international organisations to assess the impact of capacity work (for example, World Bank, 2012), highlights the importance of describing and analysing the 'capacity story', **identifying the 'change agents' and the milestones that have allowed a project to impact on the capacity and the system level of the work.**

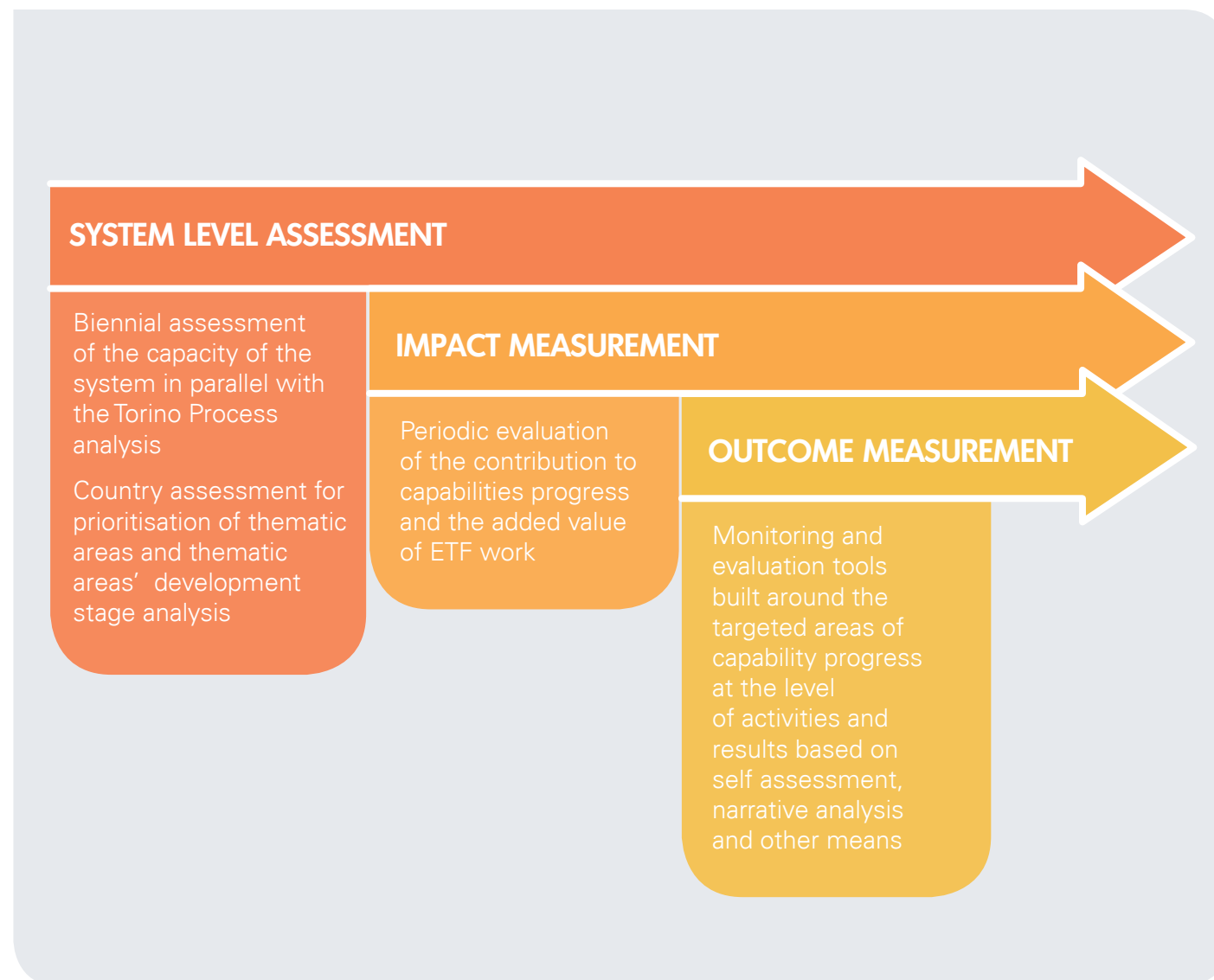
Taking international methodologies into consideration, it is important to draw the attention of the ETF to the need to increase the narrative, qualitative and process assessment aspects of its interventions.

Hence, it is proposed that, within the operational activities, systematic and effective monitoring and evaluation of progress against capability progress areas is undertaken. **At the same time it is important to plan critical moments during a project cycle, as well as at the end of it, at which a specific evaluation involving stakeholders is carried out to assess the overall impact of the ETF's work and its added value in terms of the progression of capabilities.**

---

<sup>24</sup>A description of the RAC methodology applied to ETF operations can be found in Annex 5.

**Figure 9: Monitoring and evaluation of the overall process**



# 3



## 3.1.6 Conclusions

Based on the preceding observations, an effective procedure for quality assurance of the ETF capacity building process comprises:

- identification of the country's overall capacity (OSC) level, thematic area development stage and related modalities of work;
- identification of stakeholders' capabilities target areas – to be inserted in the log frame (in parallel with specific objectives);
- definition of learning expectations for each activity (in the log frame indicate only the overall objective of the activity in relation to the capability target, providing a separate activity plan including the method of work and a description);
- definition of evaluation tools for each activity to track the learning generated;
- definition of evaluation tools to track the contribution of learning to the stakeholders' capabilities (evaluation of results);
- Ad hoc RAC assessment to evaluate the impact of the ETF work in terms of capacity development;
- Clear document management and activity feedback report.



# ANNEXES

## Annex 1.

### Human capital – a short review of the concept

Human resources are defined at country level in simple terms as an endowment. The population of a country is, by definition, its endowment in human resources. Human capital is defined as the acquired value of human resources determined by many factors, including education, health, age and experience, but also creativity, entrepreneurship and skills. Therefore, human capital is composed of both individual capacities and those gained as a result of certain investments. Relevant investments are defined as those activities that lead to increased opportunities for the individual and for society, thereby adding to their stock of capital.

However, only in the early 1960s did human capital emerge in the economic literature as an independent field of research. Before then economists had focused most of their attention on physical capital investments and their impact on economic growth. Education was considered a component of growth.

Schultz (1961) took the first steps towards a theory of human capital. He looked at human resources as a form of capital in the production function and explained that much of what had been called consumption in classical economic theory was, rather, investment in human capital.

By human capital investment, Schultz referred only to expenditure on education, health and internal migration to maximise job opportunities. Human capital was defined as the sum of expenditure on these items, and its value was measured by its direct impact on labour opportunities, productivity and economic output.

In 1964 Gary Becker published a book that remains an important reference on the subject. In *Human Capital* (Becker, 1975, 2nd edition) he defined human capital investments as those activities that influence future monetary and psychic income by increasing the resources of individuals. He distinguished between schooling and non schooling human capital investments, including in the second category health, migration and labour.







More recently, in an article about human capital and poverty, Becker (1998) argued that human capital remains a nation's most important asset and that a country's economy cannot grow without a strong foundation in human capital. The success of a country, he maintained, can be measured by the way human capital is utilised for enhanced productivity and efficiency.

It was also through the work of Becker that another important area of human capital theory began to develop: the definition and calculation of private and social rates of return on investment in human capital. Until the 1960s, education, labour and migration were explored and analysed together; they were seen as highly interdependent and as promoting the contribution of human capital to economic output. However, in later years research began to take a more narrow focus, with each of the three areas of education, labour and migration being analysed separately, thus creating new, more specific research fields under the umbrella of human capital. Instead of focusing on defining human capital, an area already addressed thoroughly in the works of Schultz and Becker, research began to concentrate on specific analytical areas, the most important being decision making, return on investment and productivity per worker.

Human capital – and education in particular – was considered in the 1980s by Robert Lucas and other economists as a factor in the endogenous growth model (see McMahon (1999) for a review of endogenous growth models and human capital literature), and this initiated the debate on how to define the efficiency of investments in human capital and how to calculate the efficiency coefficient. Two main schools of thought on efficiency subsequently developed. The first approach focused on questions relating to public expenditure, for example: How much should governments spend on human capital? What is the optimal distribution of resources between schooling and non schooling sectors? Within the schooling sector, how should resources be allocated between basic (including primary), secondary, and higher education? The second approach focused on measuring efficiency resulting from the returns on investment, and on how subsidies and taxation policies could impact on such returns (see, for example, Dupor, 1996; Kaplow, 1996; Barro, 2005). Similar efficiency analyses have been applied at both household and individual levels to identify the optimal use of resources invested in human capital.



By the 1990s the concept of opportunity had been added to the definition and assessment of return<sup>25</sup>, going beyond the concepts of future monetary and psychic income introduced by Becker. Opportunity, initially defined by Sen (1999) as freedom, took into account such dimensions as access to social and economic arrangements, as well as participation in political and civil activities. The inclusion of opportunity in the assessment of returns on capital investment was essential in order to go beyond traditional human capital theories and approaches, and to understand the mechanisms of human capital investment and their returns in the modern world.

While the acquisition and manipulation of monetary data and the calculation of returns in such terms is relatively straightforward, the quantification and calculation of non monetary returns is more complex. In the latter category researchers have traditionally included dimensions such as fertility rate, gender equality, life expectancy, attitudes towards better opportunities, empowerment and participation in civil society, as well as democracy and quality of life<sup>26</sup>.

---

<sup>25</sup>The first definition of development as opportunity was provided by Sen (1999, p. 3): 'Development can be seen, it is argued here, as a process of expanding the real freedom that people enjoy. Focusing on human freedoms contrasts with narrower views of development, such as identifying development with growth of gross national product, or with the rise in personal incomes, or with industrialization, or with technological advance, or with social modernization. Growth of GNP or of individual incomes can, of course, be very important as a means to expanding the freedoms enjoyed by the members of the society. But freedoms depend also on other determinants, such as social and economic arrangements (for example, facilities for education and health care) as well as political and civil rights [...]. Viewing development in terms of expanding substantive freedoms directs attention to the ends that make development important, rather than merely to some of the means that, inter alia, play a prominent part in the process'. Sen's work represented the beginning of the acknowledgement of a complex dimension of development that was soon taken into consideration in the policy work of international organisations such as the World Bank (see the World Development Reports since 2000, which always focus on both economic development and access to opportunities).

<sup>26</sup>The United Nations Development Programme (UNDP) Human Development Index (HDI) represented an initial step towards merging monetary and non monetary returns. It is in fact the combination of three indexes: (a) real per capita income; (b) education, i.e. basic enrolment, the high school graduate ratio, and the functional literacy rate; and (c) life expectancy at birth. In response to critics and the limits of the HDI, additional indexes have been developed by UNDP, such as the Human Poverty Index, the Gender Development Index, as well as others focusing more on access to opportunities and rights.

## Annex 2.

### Tool 1 – ‘Scanning’ of OSC (overall system capacity)

#### Technical notes for implementation and analysis (reserved for ETF experts)

1. The more respondents included, the greater the validity of the survey.
2. The survey will best feed into the policy dialogue when the stakeholder group of respondents is clear and represented (for example equal numbers of respondents from government, social partners, providers and from different governance levels – central, regional, local).
3. The survey can be used to stimulate a discussion within a workshop (first with discussion in homogenous groups and agreement on scores, including narrative justification of the scores, and then through discussion among the groups on common and different viewpoints).
4. The survey can be used for a wider consultation (online for example).
5. The analysis should always be run by stakeholder groups to identify the diversity of perception and stimulate a policy dialogue on this. It should also be run by, for example, region or sector should the sample be representative enough.
6. The survey could be implemented partially: for example, by using selected building blocks or taking only policy analysis into consideration, or policy making, or only one of the four components of the OSC (relevance, sustainability, innovation, policy learning), should there be a justification for such a decision.





## PART I GENERAL INFORMATION

### 01. General information on institution / organisation

1. Country

2. Institution / organisation

3. Type of institution / organisation

01 ☐ Ministries or similar government bodies

02 ☐ Regional government

03 ☐ Local government

04 ☐ Employers' organisations

05 ☐ Employees' organisations (e.g., Trade Unions)

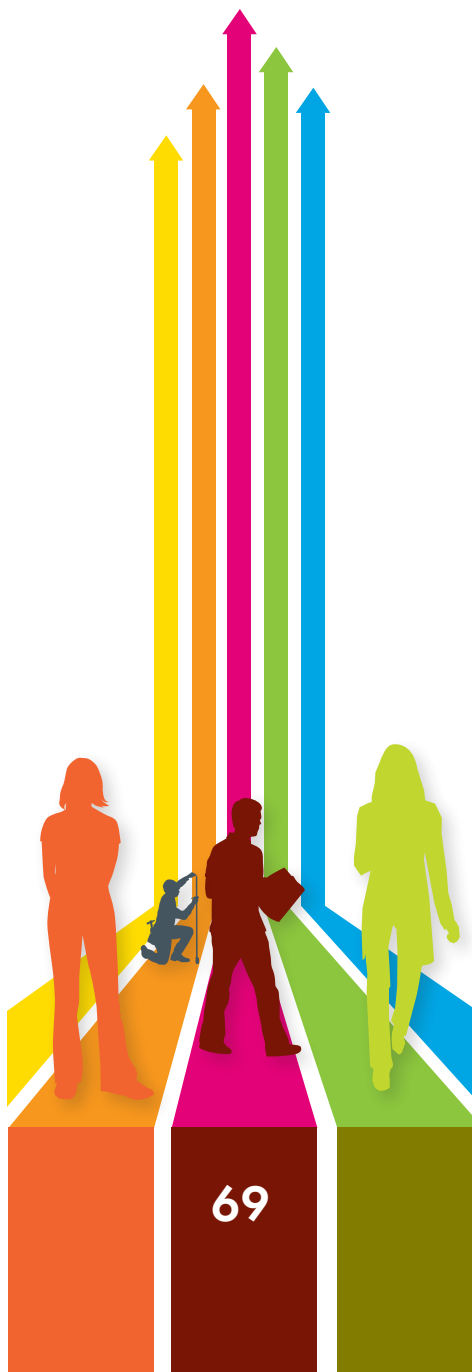
06 ☐ Chambers of commerce

07 ☐ VET providers

08 ☐ Universities/research centres

09 ☐ International agencies/organisations

10 ☐ Other (please specify):



## 02. General information on interviewees

Surname	
Name	
Position	
Telephone	
Fax	
Email	

ETF experts can complete the forms up to Section 2. From Section 3 onwards, interviewees can fill in the forms under the supervision of the ETF experts.

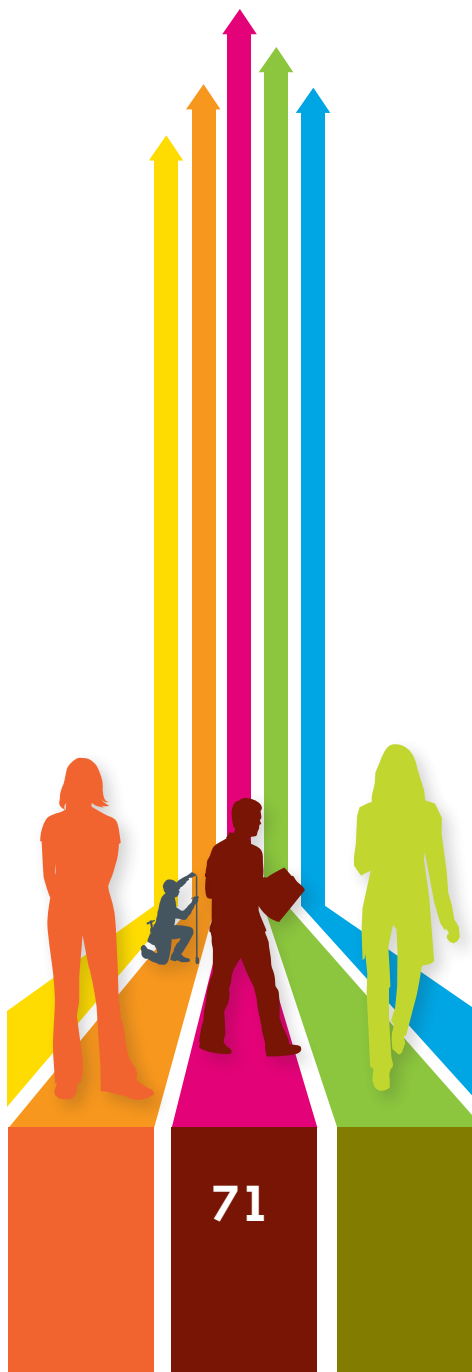
Based on your previous judgement as expressed during the perception survey and your specific knowledge of the topics, please indicate on a five point scale (NV = never, RR = rarely, NR = normally, OF = often, AL = always) your assessment on each basic principle (or capability) and related critical factors (or potential investment areas).

See also LEGEND for further specifications.



## BUILDING BLOCK I POLICY VISION

Capabilities (Indicators)	Please circle or tick				
Analysis of VET policies takes into account the socioeconomic situation of the country	NV	RR	NR	OF	AL
Vision for VET in the country is informed by its socioeconomic development perspectives	NV	RR	NR	OF	AL
Analysis of VET policies takes into account resources performance (financial and human) based on evaluation	NV	RR	NR	OF	AL
Vision for VET in the country informs the allocation of resources (financial and human) to specific actions	NV	RR	NR	OF	AL
Analysis of VET policies takes into account the results of innovative experiences and pilots in the area of skills generation	NV	RR	NR	OF	AL
Vision of VET supports the promotion of innovation at all levels in the system	NV	RR	NR	OF	AL
Vision-building process for VET follows a documented cycle	NV	RR	NR	OF	AL
Vision for VET informs all subsequent actions of policy decision making	NV	RR	NR	OF	AL



## BUILDING BLOCK II POLICY VISION

Capabilities (Indicators)	Please circle or tick				
Analysis of VET policies takes into account the economic competitiveness of the country	NV	RR	NR	OF	AL
VET policies are formulated on the basis of their potential contribution to economic competitiveness	NV	RR	NR	OF	AL
The relation between VET and economic competitiveness is analysed in terms of resources (financial and human)	NV	RR	NR	OF	AL
Resources (financial and human) are allocated to support a continuous efficient relation between VET policies and economic competitiveness	NV	RR	NR	OF	AL
Analysis of VET policies takes into account the results of innovative actions and pilots related to the promotion of economic competitiveness	NV	RR	NR	OF	AL
VET policies support innovative experiences and pilots in relation to economic competitiveness at all levels of the system	NV	RR	NR	OF	AL
Institutional mechanisms allow for continuous evaluation of the contribution of VET to economic competitiveness	NV	RR	NR	OF	AL
Lessons learned from the evaluation of policies are used as the basis for developing actions aimed at supporting economic competitiveness	NV	RR	NR	OF	AL



### BUILDING BLOCK III VET IN RELATION TO SOCIAL DEMAND AND SOCIAL INCLUSION

Capabilities (Indicators)	Please circle or tick				
Analysis of VET policies takes into account the social demands of the country	NV	RR	NR	OF	AL
VET policies are formulated on the basis of their potential contribution to social inclusion objective	NV	RR	NR	OF	AL
The relation between VET and social demands is analysed in terms of resources (financial and human)	NV	RR	NR	OF	AL
Resources (financial and human) are allocated to support a continuous efficient relation between VET policies and social inclusion	NV	RR	NR	OF	AL
Analysis of VET policies takes into account the results of innovative actions and pilots related to social inclusion	NV	RR	NR	OF	AL
VET policies support innovative experiences and pilots in relation to social demands at all levels of the system	NV	RR	NR	OF	AL
Institutional mechanisms allow for continuous evaluation of the contribution of VET to social demands	NV	RR	NR	OF	AL
Lessons learned from the evaluation of policies are used as the basis for developing actions aimed at supporting social demands	NV	RR	NR	OF	AL





## BUILDING BLOCK IV INTERNAL QUALITY AND EFFICIENCY

Capabilities (Indicators)	Please circle or tick				
Analysis of VET policies takes into account the relation between the internal quality of VET and the socioeconomic situation of the country	NV	RR	NR	OF	AL
Policies related to quality of VET are formulated on the basis of their potential impact on the country's socioeconomic development	NV	RR	NR	OF	AL
The relation between VET internal quality and its impact on the socioeconomic situation of the country is analysed in terms of resources (financial and human)	NV	RR	NR	OF	AL
Resources (financial and human) are allocated to support a continuous efficient relation between VET internal quality and the socioeconomic development of the country	NV	RR	NR	OF	AL
Analysis of VET policies takes into account the results of innovative actions and pilots related to internal quality	NV	RR	NR	OF	AL
VET policies support innovative actions and pilots in relation to the internal quality of VET at all levels of the system	NV	RR	NR	OF	AL
Institutional mechanisms allow for continuous evaluation of the internal quality of VET	NV	RR	NR	OF	AL
Lessons learned from the evaluation of policies are used as the basis for developing actions aimed at supporting the internal quality of VET	NV	RR	NR	OF	AL



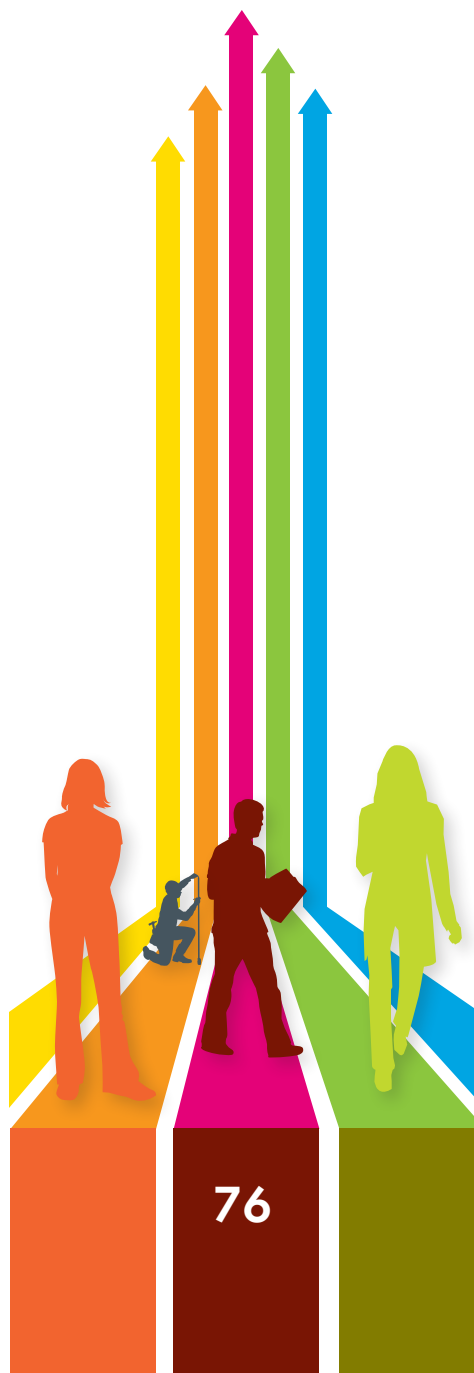
## BUILDING BLOCK V GOVERNANCE AND FINANCE

Capabilities (Indicators)	Please circle or tick				
Roles and responsibilities of actors are clear, allowing for analysis of VET policies and performances in a continuous cycle	NV	RR	NR	OF	AL
Roles and responsibilities of actors are clear, allowing for the implementation of policies and the delivery of VET policies	NV	RR	NR	OF	AL
Analysis of distribution of resources (financial and human) among actors takes into account needs and performance	NV	RR	NR	OF	AL
The distribution of resources (financial and human) among actors guarantees the delivery of actions	NV	RR	NR	OF	AL
Analysis of VET policies takes into account the results of pilots and initiatives emerging from inter-institutional cooperation	NV	RR	NR	OF	AL
VET policies support cooperation among actors and pilot innovative initiatives	NV	RR	NR	OF	AL
Analysis of VET policies takes into account feedback collected among multiple actors	NV	RR	NR	OF	AL

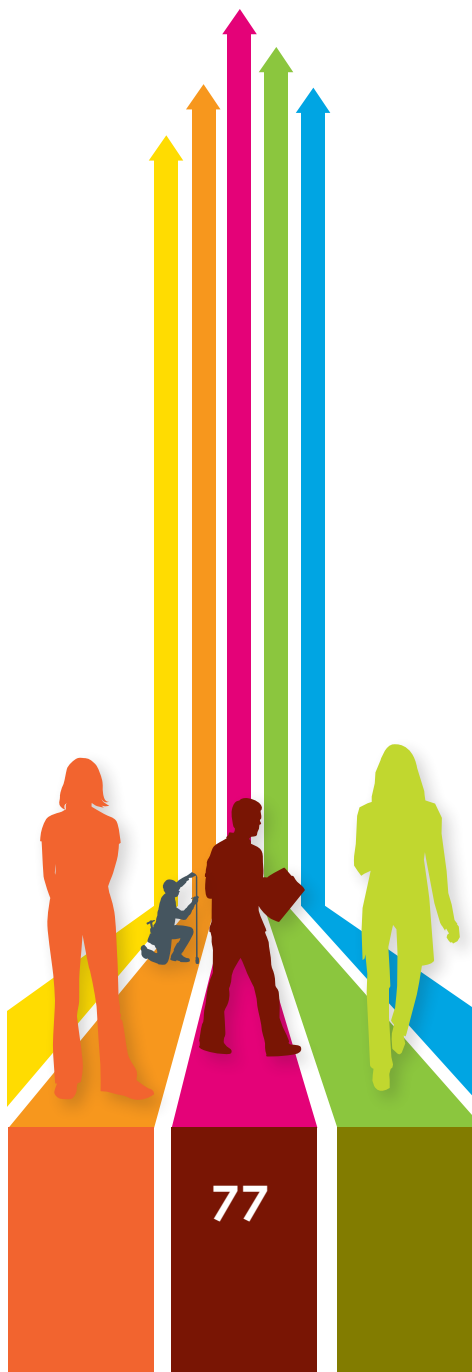


## Legend

Acronyms	Specification	Description
BB	Building block	Key policy areas for VET in the Torino Process
RL	Relevance	VET policies meet social and economic context, as well as the country's own economic and social objectives
ST	Sustainability	VET policies ensure relevance both in the present and in the future, by providing equal opportunities for today's and tomorrow's citizens, including access, availability of resources and opportunities to strive for efficiency and effectiveness
IN	Innovation	VET policies account for planning ahead, meeting the evolutionary nature of learning and the development of competences
PL	Policy learning	The VET system learns from the country's own policies and practices as well as from international policies and practices. This represents the ability to engage in a continuous learning cycle
PA	Policy analysis	The collective ability of VET stakeholders to engage in a systematic investigation of alternative policy options, including problem solving, data collection and interpretation, and prediction
PM	Policy making	The collective ability of VET Stakeholders to engage in a complex process leading to the delivery of expected outcomes in relation to policy analysis and context demands



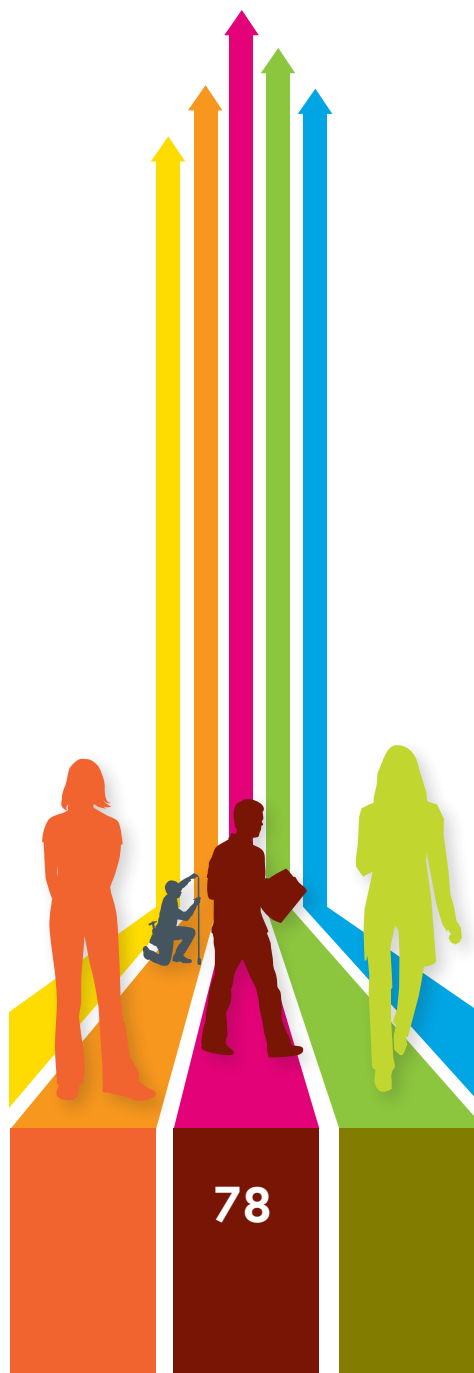
Level of Assessment	Abbreviation	Specification
Never	NV	Ad hoc/sporadic presence in relation to some pilots/projects/initiatives
Rarely	RR	Initial presence in most pilot/projects/initiatives
Normally	NR	Structured presence – but only in some VET functions (acquired practice in thematic areas)
Often	OF	Defined presence in all VET functions (acquired practice)
Always	AL	Consolidated presence (documented and based on evidence, procedures and the institutional architecture)



## PART II CRITICAL CAPABILITIES

### Full descriptors for basic capabilities and related assessment levels

Surname Name	Assessment Levels				
	Never (NV)	Rarely (RR)	Normally (NR)	Often (OF)	Always (AL)
<b>Evidence</b>	Evidence processes (creation, mediation and use of evidence) are unknown/non existent. It is difficult to find evidence, including data, and indicators to properly analyse and set policy objectives.	Evidence is created and is available but there is an overlapping of roles among actors and no/little use of evidence in support of policy analysis and policymaking.	Evidence partially informs policy analysis and policymaking. There is a clear distribution of roles and functions among actors and ad hoc use of research.	Evidence is a key pillar of policy analysis and policymaking. Evidence is available for all actors and is accessible, allowing for policy analysis and policy priority formulation to take place transparently. Evidence is available for all actors and is accessible, allowing for policy analysis and policy priority formulation to take place transparently.	Policy analysis is evidence based, building on reliable and relevant data and indicators, as well as a sound monitoring system, the results of which are used as the basis for defining policy priorities and future actions.



#### Holistic view of VET

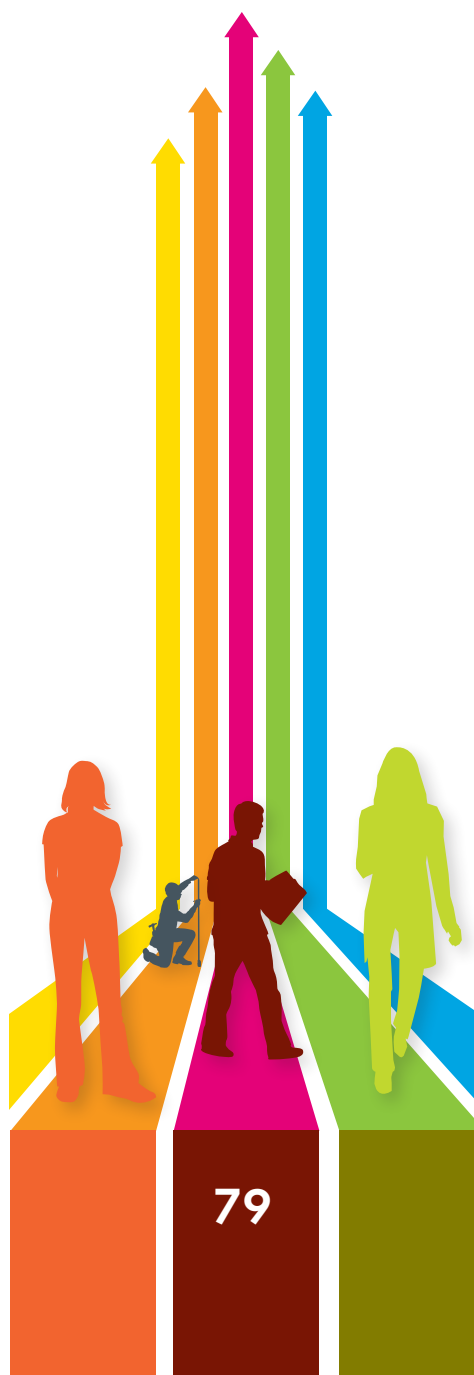
The concept of VET is limited (usually targeting only young people) and there is no connection between VET and the social and the economic environment. Inter ministerial alignment of vision and strategies is absent.

The concept of VET is under review and some pilots are in place to extend VET provision to include both young people and adults. The connections among functions are partial and the connections with the broader socioeconomic environment are emerging as important factors in the shaping of VET. Inter ministerial alignment of vision and strategies is being considered and takes place on an ad hoc basis.

The concept of VET is broadening, with increased relevance given to a wide definition and coverage of the VET system. Communication, among functions, as well as considerations linked to the socioeconomic environment, take place under specific objectives. Line ministers and other actors in the system are cooperating under specific shared objectives, though the whole system is not covered nor is it aligned under a common vision and strategies.

The country adopts a broad concept of VET for both young people and adults and adheres to a system approach, taking into account not only the system functions and how they communicate, but also how the VET system responds to the socioeconomic environment in which it operates. Inter ministerial cooperation as well as the views of other actors in the system are embedded in the policy arrangements, though not all policy cycle phases are covered.

The country adopts a broad concept of VET including both young people and adults and adheres to a system approach, taking into account not only the system functions and how they communicate, but also how the VET system responds to the socioeconomic environment in which it operates. The views and complexity of VET policies outreach is captured in the VET policy cycle throughout the policy phases.



Ownership	External donors lead in the shaping of the VET agenda with little/no alignment of vision, often resulting in multiple, uncoordinated interventions/pilots.	Stakeholders involved in VET functions are clearly mapped and known. Access to information and policy direction is not shared among them, leaving the country with an uncoordinated vision and strategies, with multiple processes taking place in parallel and actors in the system having low accountability.	Stakeholders are known and their awareness is high on the need to move towards a definition of VET policies and objectives, and to shape a vision that is the basis for external cooperation inputs and a development agenda. This process is in place in some specific objectives and functions, but is not yet present at the system level.	The country's national level authorities lead in the definition of VET policies and objectives and shape a vision that is the basis for external cooperation inputs and the development agenda. The vision and the methods of work are shared by actors in the system, though they are not inclusively involved in the VET vision and strategies or in shaping all policy cycle phases.	The country stakeholders lead inclusively in defining VET policies and objectives, shaping a vision that is the basis for external cooperation inputs and the development agenda. The vision and the methods of work are shared by actors in the system.
Participation	There is no clarity on the roles and actors that should be part of the policy dialogue. Actors don't know each other, and they are not connected.	Actors know each other but they work in isolation. They meet only under external leadership and have no common objectives.	Actors have some common objectives and cooperate on specific issues (some networks are present). They meet regularly to exchange ideas and work together to contribute to the objectives.	There is a vertical and horizontal coordination of actors and the dialogue is properly consultative, with roles and functions defined. However, bottom up and top down communication and cooperation processes need to be strengthened.	Partners cooperate in full, through horizontal and vertical dimensions.



#### Policy cycle management

Policy cycle management is rarely documented. There is limited transparency and communication and poor tracking of the delivery and performance of policies.

Policy cycle management is frequently documented and regular reports are provided to track delivery and progress. However this practice is not yet in place throughout the system.

Policy cycle management is documented and defined. Practices are frequently implemented throughout the system, and all levels of implementation and delivery are involved in the process.

Policy management structures are in place, they are standardised, documented, communicated and applied. The system itself tracks performance, reflects on results and adjusts the policy cycle management indicators to meet the evolutionary nature of the sector and its development needs.

Policy cycle management is regularly monitored and reviewed, and benchmarking and identification of good practices are common practices.



### Annex 3.

#### Definition of thematic development stages

In the case of the thematic priorities identified as the target interventions for ETF work in the country, an analysis should be carried out to identify the current stage of development before defining the modality of intervention.

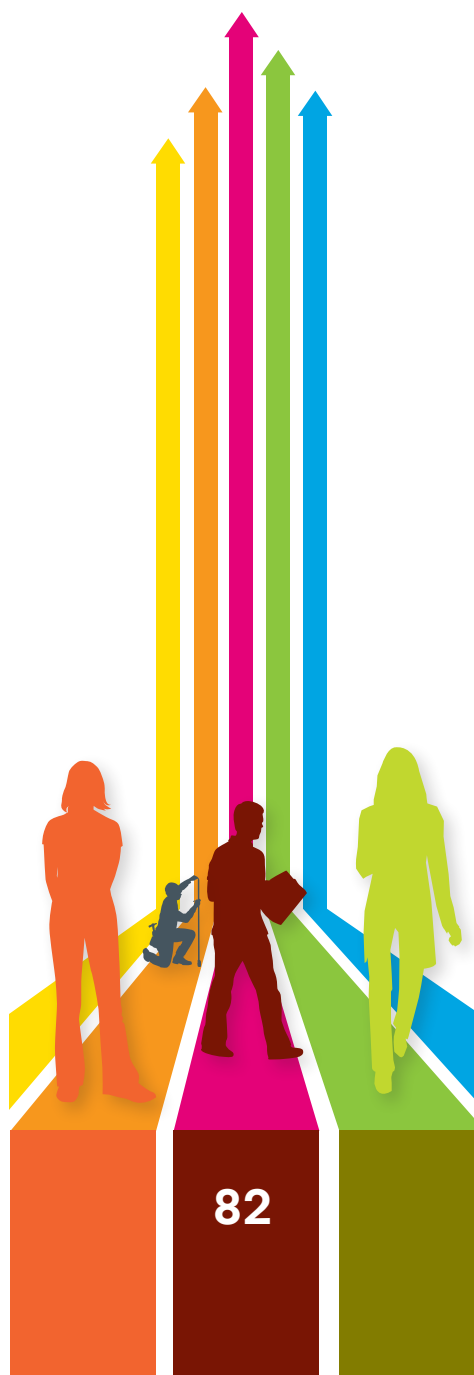
Based on ETF position papers and international practice in the policy area, each community of practice (COP) in the ETF defines the descriptors of thematic development stages and specific intervention modalities. This analysis forms the basis for planning the ETF operations and targets.

The descriptors of thematic development stages should refer to:

1. Content knowledge/understanding/practice in the specific policy area.
2. The governance mechanisms in the policy area.
3. The development stage of tools and instruments.

Set out below are the criteria used to define development stages, as formulated by the ETF.

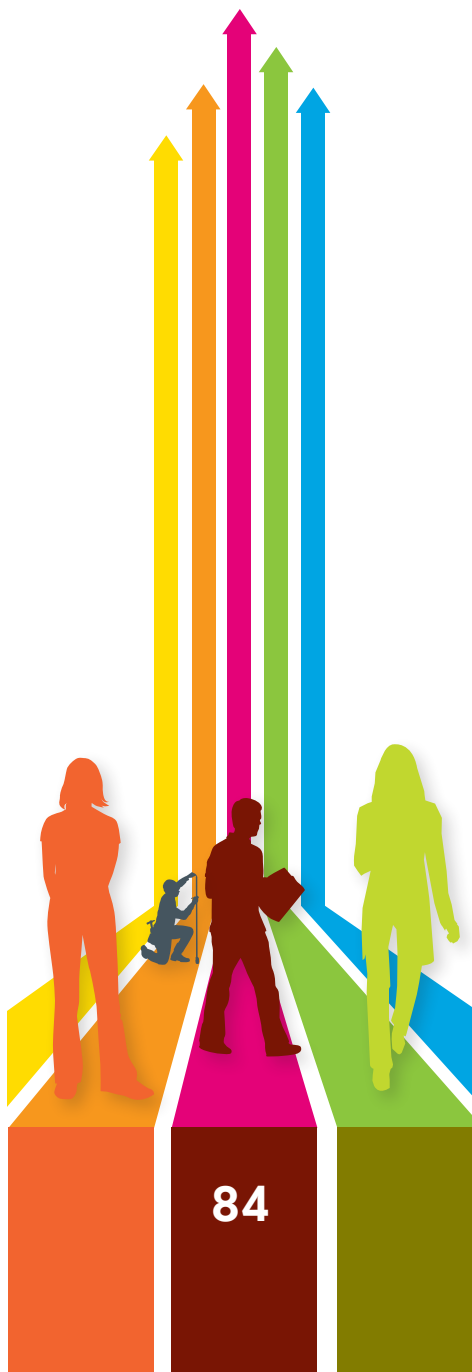




<p>Governance</p> <p>Assignment of tasks and responsibilities for policy making</p> <p>Partnership in the different policy stages</p>	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	<p><b>Ad hoc:</b> the country has no or very few policy measures and institutional arrangements in the policy area.</p> <p>Policy analysis is run on an ad hoc basis, with no/limited use of policy analysis results to inform policy definition, monitoring and evaluation. Evidence is collected on an ad hoc basis to fulfil specific needs. There is low/limited coordination and consultation with stakeholders. Stakeholders are not or only partially organised.</p> <p>Policy making management is documented on an ad hoc basis and there is limited transparency/communication and monitoring of delivery/performance.</p>	<p><b>Initial phase:</b> in which the basic capacity for policy making is developed. Some ad hoc policy measures are in place and there is increasing awareness of the need for adequate structure. A key stakeholder is responsible for policy but the (vertical or horizontal) involvement of other stakeholders is very limited.</p> <p>Policy analysis in connection to policy development is at an initial phase. There is awareness of the need to reinforce the link and the country is actively engaging in increasing participation and evidence processes. There is good communication and interaction among stakeholders, yet this is not organised efficiently and is mostly takes place in informal settings and/or is related to specific actions.</p> <p>Policy making management is frequently documented and regular reports are provided to track delivery and progress, however the practice is not yet in place throughout the system.</p>	<p><b>Structured initiative:</b> a preparatory phase where further capacity for policy making is developed. Other stakeholders are informed about policy initiatives, but are given a very limited decision making role. Coordination is mostly at the national, horizontal level.</p> <p>Policy analysis is frequently used in connection with policy development and forms part of the practices used in sector development. Evidence is collected on a cyclical basis, and the functions and roles of actors are defined allowing for the optimisation of processes and results.</p> <p>Policy making is documented and defined, the responsibilities of actors are clear and shared ownership is established. Practices are frequently implemented throughout the system, and all levels of implementation and delivery are ultimately involved in the process.</p>	<p><b>Defined:</b> indicates a good capacity for policy making. Policy management structures are in place, they are standardised, documented, communicated and are being applied. Key ministries, social partners and other stakeholders participate and share responsibilities, at both the horizontal and vertical level, in some stages of the policy making.</p> <p>Policy analysis and policy making principles are applied throughout the system. The system itself tracks performance, reflects on results and adjusts the policy cycle management indicators to meet the evolutionary nature of the sector and its development needs.</p>	<p><b>Consolidated:</b> indicates optimised capacity for policy making. Policy measures are regularly monitored and reviewed, and benchmarking and identification of good practice are common. Multilevel governance, both vertical and horizontal, is applied in all stages of policy making.</p> <p>The country's governance of HCD policies is internationally recognised as good practice and is regarded as a reference for policy learning in other countries.</p>



Systems and tools Policy making tools, systems and management processes at the disposal of institutions and stakeholders assigned for each policy area	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	<p><b>Ad hoc:</b> no or very few tools and systems for policy making exist in the institutions to assist stakeholders in developing policy.</p> <p>The country has no, or only a very general, vision to ensure the sustainability of HRD policies.</p> <p>The country has no or a very limited capacity to manage change or to anticipate future needs.</p>	<p><b>Initial phase:</b> in which the basic capacity for policy making is developed. Some tools, systems and processes in the key institutions are in place to undertake certain tasks in the policy making cycle, but others are lacking.</p> <p>Some policy measures have been established to ensure the long term planning of HRD policies and their link with the environment, the economy and the society as a whole.</p> <p>HRD policy development is mainly reactive to the needs defined in other areas but some pilot schemes have begun to test possible changes at HRD system level.</p>	<p><b>Structured initiative:</b> most systems, tools and processes related to the policy area in the key institution and in relation to some of the stakeholders are in place, and there are plans to develop others where they are lacking.</p> <p>HRD policies have a long term strategic plan, including the existence of several scenarios for economic, environmental and social sustainability. Analysis of the needs for change is undertaken and plans to introduce changes are developed, but not implemented in full. The country uses pilot experiments to test new initiatives, and evaluates them before mainstreaming.</p>	<p><b>Defined:</b> indicates good capacity for policy making. Systems, tools and processes are developed and put into practice in the different stages of policy making.</p> <p>HRD policies define the resources needed to meet long term plans and ensure their contribution to a greener and more competitive economy. Plans for improvement are implemented, policy monitoring and evaluation capacity is developed in some areas and HRD institutions' staff receive regular training.</p>	<p><b>Consolidated:</b> indicates optimised capacity for policy making. Existing tools, systems and processes are regularly assessed (including peer review and benchmarking), and continuing improvement of the full policy making cycle is ensured. Identification of good practice is routine, and learning from past and present experience allows the HRD system to anticipate changes and address them proactively, including the development of staff competences. In the long term, HRD policies sustain the country's economic and green strategies in a cost efficient way. The country has mechanisms for knowledge management and resource management that allow for the transmission of accumulated experiences and lessons over time and space.</p>

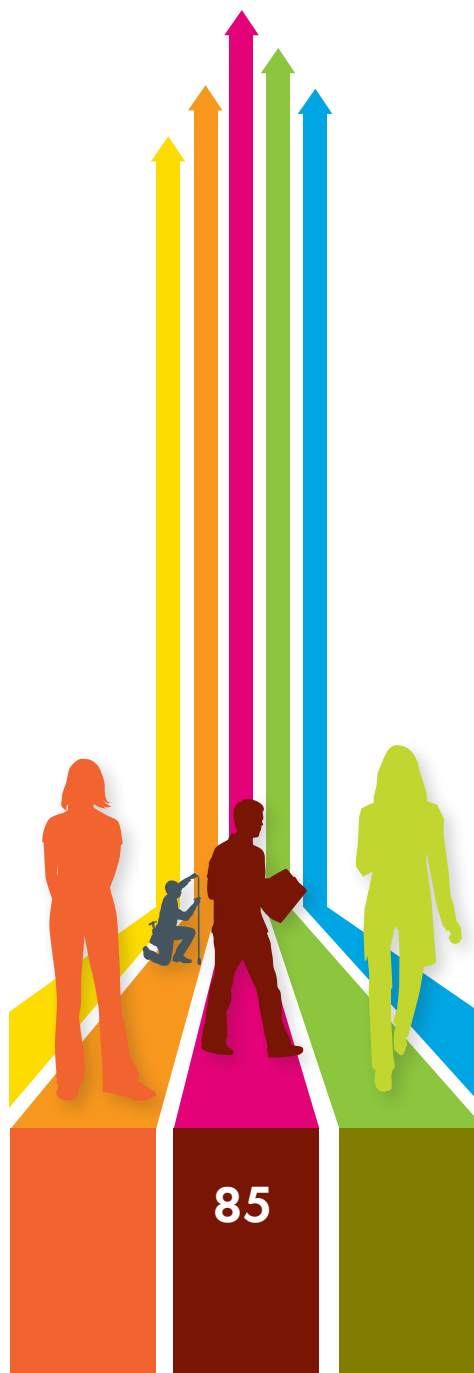


### Example 1. National qualifications framework

In its publication *Changing qualifications*, Cedefop (2010) identifies five stages of change that can be used to mark the extent to which reforms have actually been translated into action in the area of qualifications. Based on these descriptors, it is possible to associate modalities of work and capacity targets with each stage of policy development. An example is given below.

#### Qualifications and qualification systems

Policy Stage	Descriptor	Modality of Work	Target Intervention(s)	Institutional capacity Progress indicators
<b>Ad hoc</b>	Policy discussions, where discussion or debate is taking place regarding change, but there are as yet no clear plans for a policy or implementation programme.	Awareness.	Define needs including institutional capabilities, and, if in line with the government's agenda define a road map for action.  Institutional capabilities needs assessment.	Awareness of NQF purposes and issues among local actors.
<b>Initial</b>	Policy, where the direction is set, perhaps through legislation or a high level decision, but there are as yet no clear plans or strategies for implementation.	Conceptualisation.	Training of actors in content, tools and methods. Development of strategies and legal framework, and creating institutional architecture.	Actors have acquired knowledge and skills to increase ownership of NQF development process. Presence of policy networks (often in specific sectors). Clarity of roles and functions of actors described in a legislation or other forms.
<b>Structured</b>	Implementation, where the infrastructure to effect change is in place and elements such as the choice of a leading organisation and funding arrangements have been decided on.	Implementation.	Pilot of actions to support policy implementation, and the establishment of routine performance tracking and delivery mechanisms at all levels in the system. Work on extended network for improved delivery.	A set of tools and approaches are available to support the reform of qualifications systems, the implementation of NQFs and the redesign of vocational qualifications.



Policy Stage	Descriptor	Modality of Work	Target Intervention(s)	Institutional capacity Progress indicators
<b>Defined</b>	Change in practice, where through pilot schemes and full scale application of initiatives, education providers or other stakeholders take policy through to the final stage, which is full implementation.	Implementation/ monitoring the policy cycle in place.	Support of review processes and partnership approach, including consolidation of capacity across network for consolidation preparation.	New, outcomes based qualifications available; occupational standards developed. NQF populated with qualifications. Greater range of qualifications types available. NQF supported by QA systems.
<b>Consolidated</b>	Effect, where the new system brings benefits to learners, stakeholders, organisations or society, and where reform or policy change can be evaluated.	Independent policy learning.	Exit – act as external evaluator/critical friend. Impact evaluation and self renewal.	



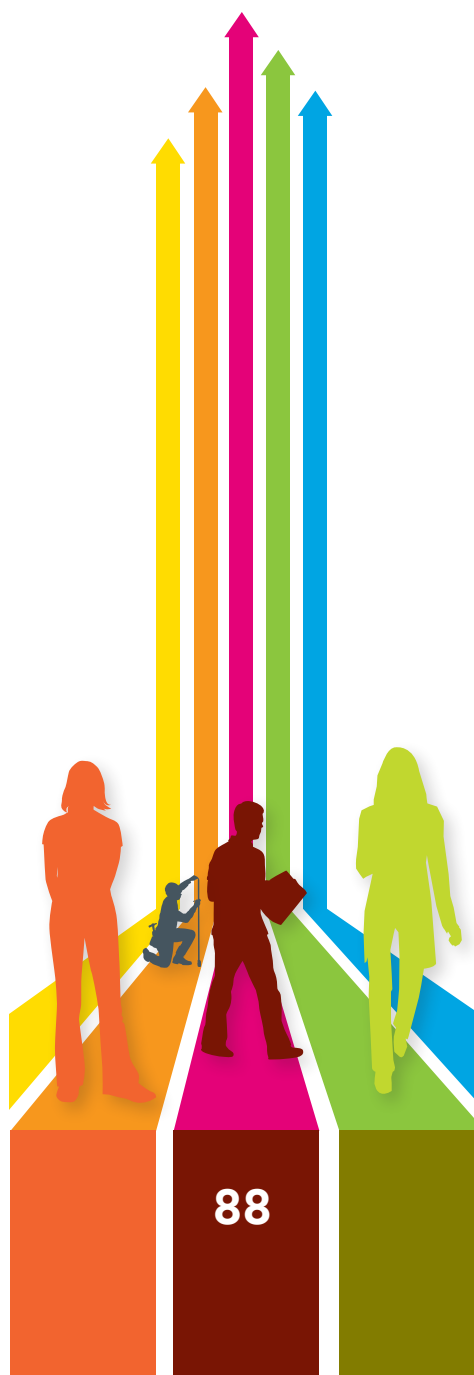
## Example 2. Governance

### Governance of VET

Policy Stage	Descriptor	Modality of Work	Target Intervention(s) by Policy Level	Institucional Capacity Progress indicators
<b>Ad hoc</b>	The roles and responsibilities of the actors are not clear, processes are difficult to track, partnership is not developed and actors are not organised and/or are disconnected. There is no clarity in approach or in terms of strategies. Consultation among individuals belonging to different groups exists on an ad hoc basis.	Awareness and mapping.	Mapping of governance structure and modalities, identification of targets. Awareness of role and benefits of cooperation and social partnership in the context of VET. Institutional capabilities need assessment and mapping of capabilities by groups of actors.	Availability of information and data on governance structure, roles and functions and mapping of needs is clear and validated among actors.
<b>Initial</b>	Single actors need to develop, and roles and functions have to be clarified to better contribute to the governance of the system. Access to information for all actors is still problematic which prevents coalition building, strategy formulation and implementation, in addition to convergence over the approach used. Consultation mechanisms are sporadic, informal and inconsistent at this level.	Conceptualisation and institutional/organisational development	Institutional/Organisational development. Definition of legal frameworks, procedures, institution building. Strategic development, and definition of approach. Institutional capabilities and those of single actors developed (at different governance levels and within specific functions to be specified in the intervention logic). Establishment of institutional performance targets and monitoring mechanisms.	Coalitions are built and role of actors, vision and position vis à vis policy domains is clear, providing the basis for a sound social dialogue on skills policies cycle.

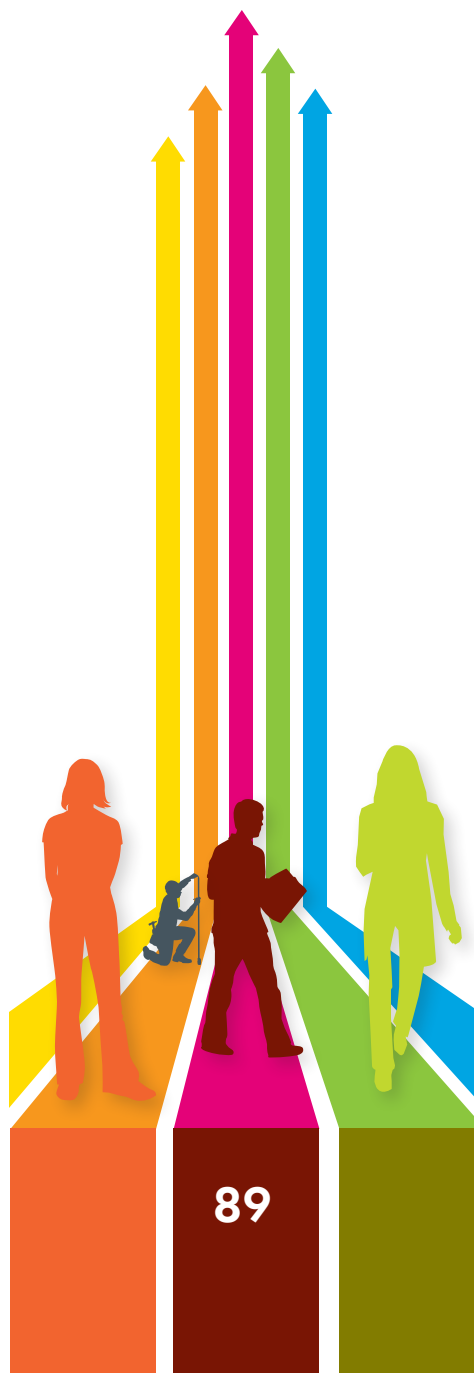


Policy Stage	Descriptor	Modality of Work	Target Intervention(s) by Policy Level	Progress indicators
Structured	Actors have good capabilities and development processes are in place, however delivery is weak and coordination and policy networks are to be strengthened. Access to information is defined though not always shared by all the actors in the system, and may be randomly used for formal negotiation on policy decisions.	Implementation, including delivery of functions according to the mandate, with defined roles (at different governance levels). Coordination mechanisms are to be developed and strengthened to improve delivery and implementation as well as efficiency and effectiveness. The creation of policy networks to be supported.	Pilot of actions to support policy implementation, establishment of routine performance tracking and delivery.  Pilot and consolidate coordination mechanisms (among actors, vertically and horizontally).  Competences of actors in relation to participation, negotiation, partnership mechanisms and policy networking are developed.	Increased number of actions, pilot projects and reform actions carried out by actors in the system, under a coordinated approach and clear governance accountability and reporting. Presence of monitoring system is shared among actors.



Policy Stage	Descriptor	Modality of Work	Target Intervention(s) by Policy Level	Progress indicators
Defined	System functions, roles and responsibilities are clearly mapped and in operation. Coordination mechanisms are up and running and policy networks are active. Accountability in implementation and joined up policies and bottom up processes need still to be streamlined. Innovation is to be embedded in the system to ensure the further adaptation and development of governance modes.	Implementation and monitoring are in place, with the introduction of innovative tools for governance and functions delivery and monitoring.	Support given to monitor implementation and analyse potential efficiency gains. Introduction of innovative tools, methods and arrangements to strengthen and develop the governance area. Support given to policy networks. Evaluation of trade off and cost benefits – analysis of efficiency gains and capacity development for innovation.	Social dialogue is in place and multilevel governance arrangements allow for increased relevance of VET policies and impact on HCD development.
Consolidated	Consultation is at the core of the system, while transparency and access to information is ensured at all governance levels. Government strategy is clear, monitored and improved for the benefits of the sector.	Independent policy learning.	Exit – act as external evaluator/critical friend. Impact evaluation and self renewal.	





## Annex 4.

### Capacity building process summary table

Tick the box	Description	Target progression
Country overall system capacity (TRP)		
Thematic area development stage		
Title of intervention		
Target capabilities (technical and horizontal dimension to be specified)		
Stakeholders group – definition		
Activity participants – definition		
Progression assessment modalities for capabilities development		



## Activity description table

Tick the box	Description
Title of intervention	
Target capabilities dimension	
Activity objective	
Selected method	
Learning expectations	
Means of verification	

## Annex 5.

### RAC (Rapid Assessment of Capacity) in ETF operations

**Scope:** Within the framework of ETF operational activities, the RAC is proposed as an evaluation step to be undertaken at specific points in the capacity building process (for example, at the end of a cycle, at the end of a project, or periodically to track the outcomes of capacity initiatives). Given the diversity of ETF operations and their life cycles, exactly when to implement a RAC it is not prescribed. The assessor should consider how best feedback on the outcome of capacity activities can be collected and when.

**Background of the RAC:** For more information, see: [http://capacity4dev.ec.europa.eu/public\\_cd\\_tc/document/rac\\_methodology\\_cd\\_seminar](http://capacity4dev.ec.europa.eu/public_cd_tc/document/rac_methodology_cd_seminar)

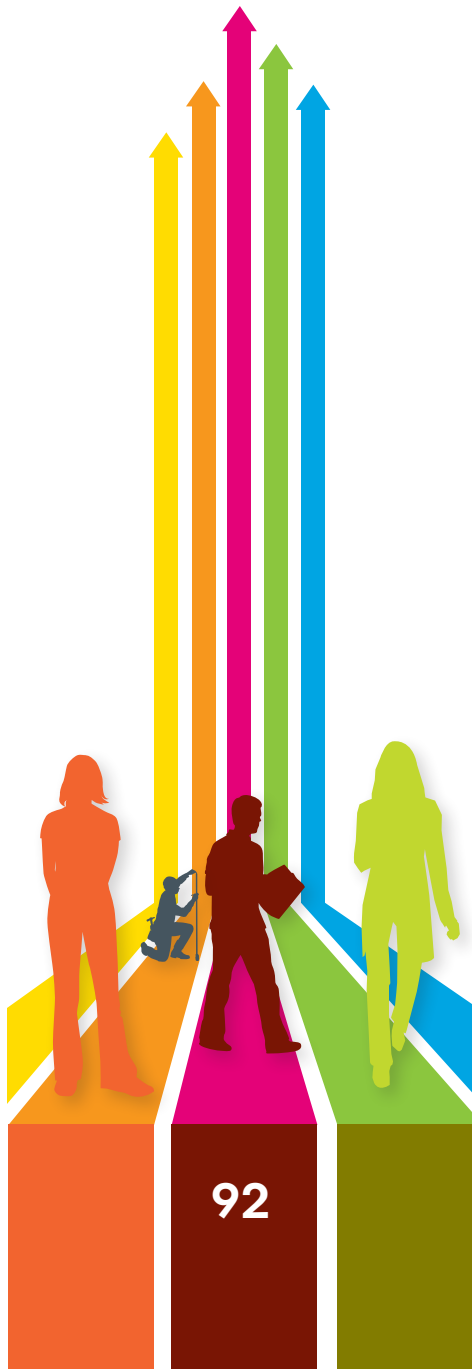
**Adaptation to the ETF specific remit of the work:** The ETF aims to support capacity for the development of human capital. The scope of the ETF's work is to enable the VET systems of its partner countries to be relevant, sustainable, oriented towards innovation and able to learn in a continuous cycle around policies. To achieve such a change process, the ETF supports VET stakeholders (institutions and organisations) in developing their capabilities, which include vertical specific competences around VET thematic areas and horizontal process competences. The horizontal focus of the ETF work provides support in a number of areas: ownership; taking a holistic view of VET; participation, evidence based policy analysis and policy making; and the efficiency and effectiveness of policy cycle management.

ETF programmes and projects targeting capacity as a key objective define their scope of action in relation to the system and the stakeholders' specific development needs, as analysed through the Torino Process and the policy dialogue within each country. Capacity building actions aimed at supporting the development of horizontal and vertical competences require the involvement of individual stakeholders' representatives, who are called upon to introduce change into their own groups in order to impact the system.

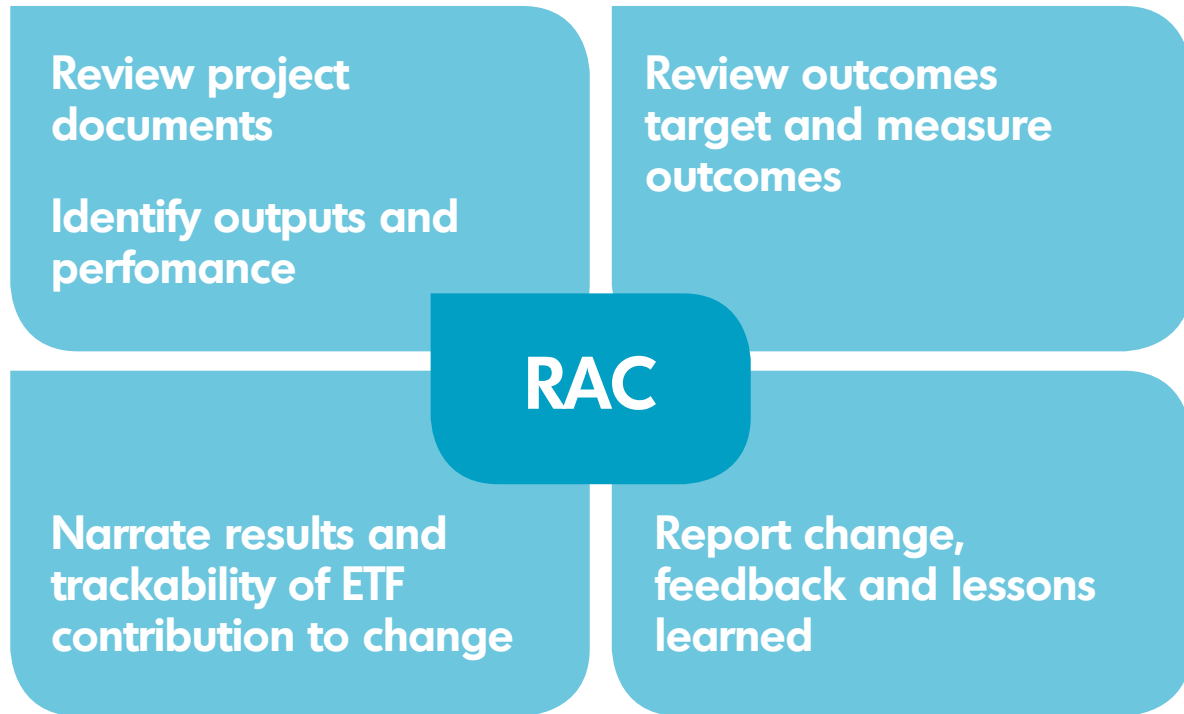
The scope of ETF support to capacity is **not** to support the individual level of capacity but to achieve change at the stakeholder level, thus making an impact on the system. However, in terms of evaluation it is important to make time for careful reflection and collect feedback on how the capacity actions are moving stakeholders forward (and not only the individual representatives) and what outcomes are generated by the capacity actions.

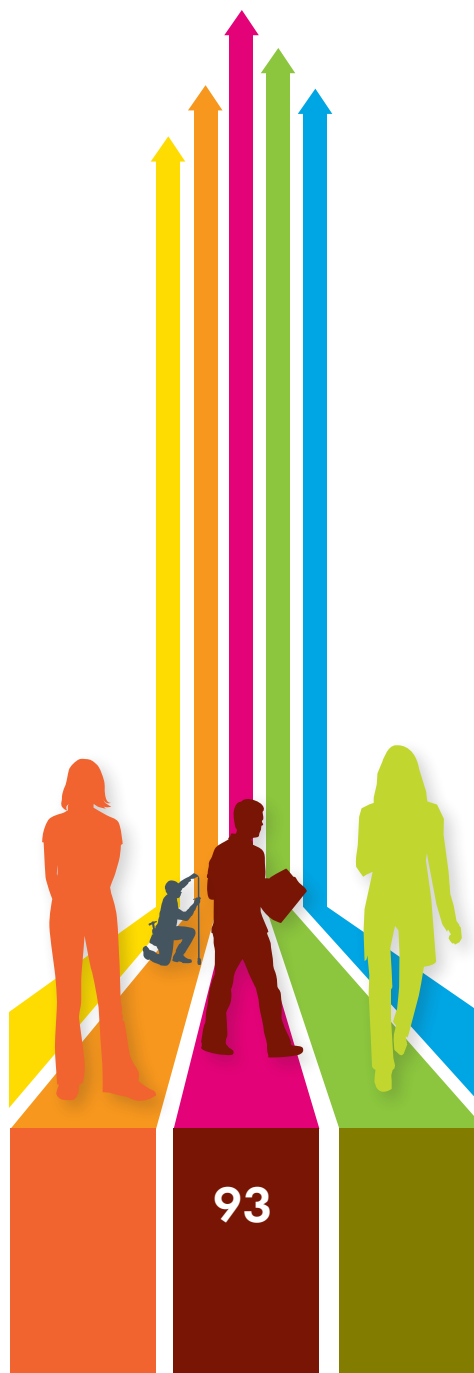
The original RAC was intended to be applied to large EU interventions and, as such, the methodology was regarded as too unwieldy to be embedded in ETF operations. As a consequence, a revised proposal has been tested in Tajikistan within the framework of the School Development Project.





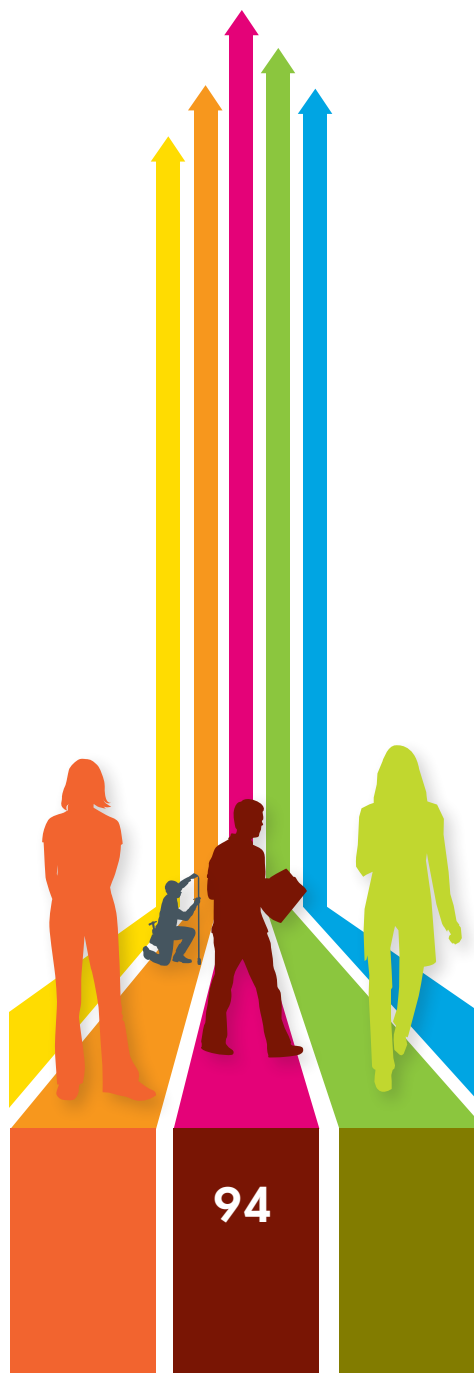
### The four actions of the RAC:





- a. Review of project documents:** The team should carefully review the project documents and map the milestones of activities that took place in the period under evaluation. For each activity selected the key output should be described and the performance rated against the target (fully achieved, partially achieved, not achieved).
- b. Review of outcomes:** From the log frame and the project's expected results it should be possible to track the desired area of improvement that the programme/project has been targeting. Specifically, the five areas (ownership, holistic view of VET, participation, evidence, policy cycle management) should be looked at (a project/programme could look at one or more of these areas) and progress evaluated (outcomes of capacity actions).
- c. Narration of results:** Participants involved in the capacity building actions and their immediate network (it could be colleagues or beneficiaries) shall be involved in a focus group meeting (of 2–3 hours) to narrate the change processes put in place as a result of the initiative and the specific contribution of the ETF project. At this stage it is also important, in the case of large programmes/projects aiming at system change, to track the 'opportunity framework' (those political factors that have supported the change process). It is up to the project team to consider if the opportunity framework needs to be examined.
- d. Reporting change:** The RAC report should not exceed five pages: one page to track the review of project documents and outputs, one page to evaluate the outcome level, two pages to narrate the results (out of the focus groups and any interviews) and one page outlining the feedback, lessons learned and way forward (to be regarded as important information for continuing the project or engaging in new activities). An annex with the list of people met and the questions put to the focus groups will complete the report.

**Practical details:** No specific material is needed. It is foreseen that the RAC will need a total implementation time of 10 days: 3 days preparation, 5 days of mission (this depends on the size and scope) and 2 days for closing the report. The team should be composed of ETF staff; this is a project activity, not an external evaluation. The team should take as much time as necessary to prepare the focus group discussion and should put the questions in writing. You might also want to consider other media for capturing the narration of results.



## Application of RAC to School Development – Tajikistan

The RAC will evaluate:

1. the overall development of practitioners' competences;
2. readiness to engage in policy dialogue;
3. evidence built on the benefit of quality assurance at providers level;
4. change achieved at providers level and contribution of ETF activities.

### 1. Review of project documents

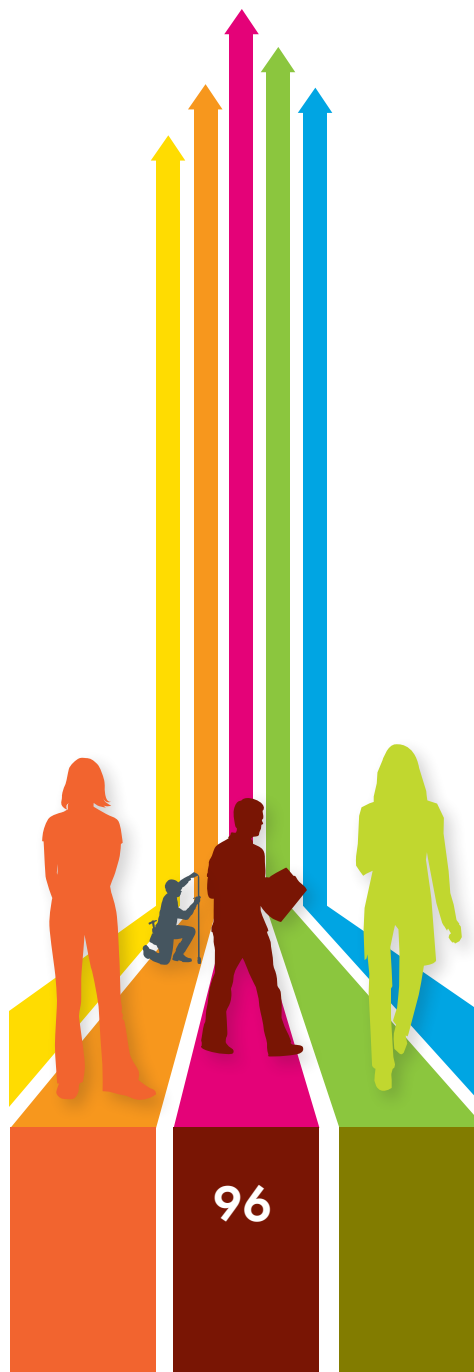
The specific objective of the project is **to support the interaction of policymakers and practitioners from vocational schools charged with the effective development and implementation of vocational education policies with the aim of schools in Kazakhstan, Kyrgyzstan and Tajikistan becoming lifelong learning centres.**

To achieve this result, the project has planned activities to strengthen the capacity of practitioners from VET schools in relation to the competences required to support school development and quality assurance at the providers' level. From 2014 practitioners are expected to engage in active networking and contribute to shaping policy change at the national level.



The following form should be filled in by the project team.

ACTIVITY	OBJECTIVE OF ACTIVITY	PERFORMANCE	EVIDENCE SOURCE
Training module 1			
Training module 2			
Training module 3			
Study visit			



The following form should be filled in by the project team.

ACTIVITY	OBJECTIVE OF ACTIVITY	PERFORMANCE	EVIDENCE SOURCE
Training module 1	Usefulness in relation to competences. Rate from 1 to 5 (where 1 is the lowest and 5 is the highest)	Usefulness in relation to actions implemented after the activity. Rate from 1 to 5 (where 1 is the lowest and 5 is the highest)	What actions have you put in place after the activity?
Training module 2			
Training module 3			
Study visit			





## 2. Review of outcomes

a. Vertical competences of participants in relation to quality assurance

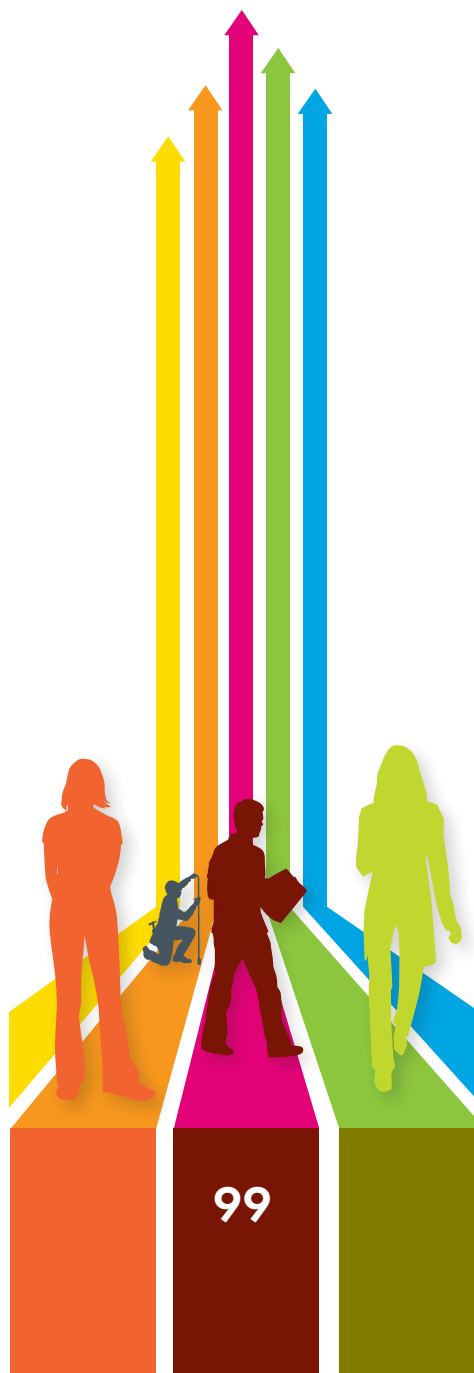
The following form should be completed by the participants to the activities.

Question	Narrative answer	What is the contribution of the ETF project/ activities to your current competences in the subject? Rate on a scale from 1 to 5 (where 1 is the lowest and 5 is the highest)
What is quality for you?		
What is the role of VET providers in quality assurance?		
What changes need to take place in the national policy supporting quality assurance?		
What practices do you know that can support VET providers' involvement in the policy dialogue?		
Why and in what ways is it important for a VET provider to work with the private sector?		



#### a. Horizontal competences

Question	Narrative answer	What is the contribution of the ETF project/ activities to your current competences in the subject? Rate from 1 to 5 (where 1 is the lowest and 5 is the highest)
<b>EVIDENCE</b> What evidence (examples) from your school could you give to policymakers for the improvement of quality at the providers' level?		
<b>PARTICIPATION/HOLISTIC VIEW</b> How important is it to work with other VET providers and exchange experiences?		
<b>PARTICIPATION</b> What practical steps could be taken to establish a permanent network among VET providers?		
<b>OWNERSHIP</b> What policy change would you support, together with other VET providers, to improve the quality of VET?		



### 3. Narration of results

Focus groups will involve the team that took part in the capacity building activities and (up to) five teachers involved in the survey in 2009.

#### Introduction (10 minutes):

- Introduce the exercise, mentioning that this is a key opportunity to give the ETF feedback on the support which has been developed in the last year, and that it is important not to judge what is happening in the school, but rather to take stock of how a process is going. Please mention that this programme has been supporting training, but that no additional funds were given to the school.
- Ask the participants to introduce themselves briefly, and ask them to write their name on a post it, so that you can remember the names during the focus group session.
- Mention that the focus group will last around two hours. Also state that if they have any questions they can ask at any time.
- Ask if there are any questions or if any clarification is required, and then start the exercise.

#### Awareness of change process (10 minutes):

First ask the participants if they know that the school is part of the School Development Project of the ETF?

Ask the participants to write their answer on a post it.

For those who answer yes, ask them what the project is about.

Take the answers and write them on a board. Comment on them and clarify, if necessary, what the project is about.

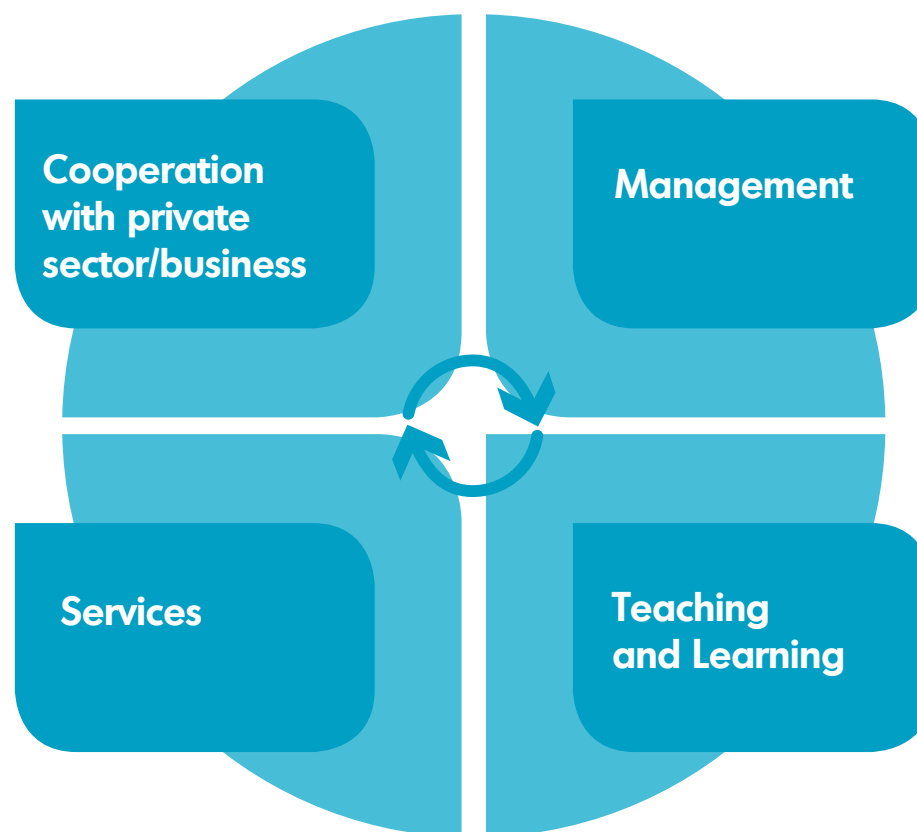
**Rate: Clarity of the project's purpose and transparency in communication within the school.**



### Changes in the school since 2010 (50 minutes)

Ask participants to search their memories – we need to know what innovations there have been in the school since 2010.

What has been introduced into the school since 2010 in relation to the following areas?





- Ask focus group members to think for five minutes and write their answers on a post it (with only one item on each post it) and then place it on the board next to the area of change, as shown above.
- Cluster the post its. Ask participants to tell you more (narration), and ideally record/video them.
- Ask participants to identify the added value of these changes (why are they important, what is good about them, etc.).

**Rate: Change in relation to the four areas of school development and the added value of change**

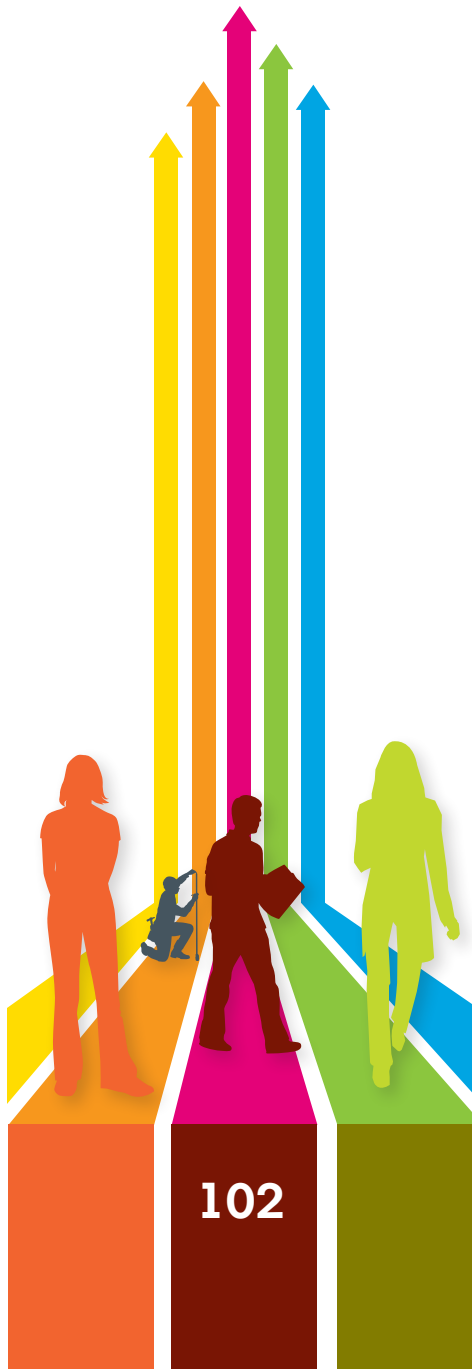
#### **Attribution to the ETF programme/activity (10 minutes)**

- Which of these ideas was generated from the ETF supported activities?

**Rate: Attribution to ETF activities of catalysing change processes**

#### **Process of change – drivers (20 minutes)**

- Ask participants to share the process behind the changes that took place (if change did not take place, please ask participants to identify the obstacles and issues that have prevented them from moving forward)
- Take each item and ask participants to track at least 3 milestones.
- What factors have either facilitated or created obstacles for implementation?



Ask participants to refer to the following three levels:

**National policies – legal**

**Stakeholders of the school**

**Personnel and students**

**Rate: Enabling and disrupting factors, initiatives taken to overcome them and their results**

**Sustainability (15 minutes)**

- End with an open question asking what's next.

Let the group elaborate on this and come up with ideas. Ideally record them.

Wrap up for all steps.

**Conclude by thanking them for their time and efforts.**

You can distribute an ETF pen and/or bag to each participant as a thank you gesture.



## BIBLIOGRAPHY

### On human capital

Barbaro, S., *The combined effect of taxation and subsidization on human capital investment*, Johannes Gutenberg University Mainz, 2005.

Becker, G.S., *Human capital: a theoretical and empirical analysis with special reference to education*, 2nd edition, National Bureau of Economic Research, distributed by Columbia University Press, New York and London, 1975.

Dupor, B., 'Some effects of taxes on schooling and training', *American Economic Review*, Vol. 86, No. 2, May 1996, pp. 340–46.

Kaplow, L., 'On the divergence between "ideal" and conventional income tax treatment of human capital', *American Economic Review*, Vol. 86, No. 2, May 1996, pp. 347–52.

Levin, H.M., 'Work and education', in Psacharopoulos G. (ed.), *Economics of education: research and studies*, Pergamon, Oxford and New York, 1987.

Lewis, W.W., *The power of productivity*, The University of Chicago Press, Chicago, 2004.

Lucas, R., 'On the mechanics of economic development', *Journal of Monetary Economics*, Vol. 22, No. 1, 1988, pp. 3–42.

McMahon, W., *Education and development: measuring the social benefits*, Oxford University Press, New York, 1999.

Mehta, A., Quising, P. and Camingue, S., *Education and structural transformation in Asia*, Asian Development Bank Economics and Research Department, 2008.

Pritchett, L., et al., 'Looking like a state: techniques of persistent failure in state capability for implementation', CID Working Paper No. 239, June 2012.

Schultz, T.W., 'Investment in human capital', *The American Economic Review*, Vol. II, 1961.



Sen, A., *Development as freedom*, Knopf Edition, New York, 1999.

Smith, A., *An inquiry into the nature and causes of the wealth of nations*, Cannan edition (reissued by Modern Library), Random House, Inc, 1937.

Todaro, M., *Economic development*, 6th edition, Longman, New York, 1997.

West, E.G., 'The Role of education in nineteenth century doctrines of political economy', in Blaug, M. (ed.), *The Economic Value of Education*, Aldershot, Hants, England, 1992.

### On institutions, organisations and networks

Anderson, J. E. Public policymaking: An introduction. Boston: Houghton Mifflin Company, pp. 1 – 34 (2003).

Bienzie, H. et al., *The art of networking: European networks in education*, Die Berater, Wien, 2007.

Börzel, T. 'Organizing Babylon – on the different conceptions of policy networks', *Public Administration*, 76 (summer): 253–73, 1998

Hazlehurst D., 'Networks and policy making: from theory to practice in Australian social policy', Discussion Paper No.83, July 2001. Available at:  
[https://crawford.anu.edu.au/degrees/pogo/discussion\\_papers\\_previous/No83Hazlehurst.pdf](https://crawford.anu.edu.au/degrees/pogo/discussion_papers_previous/No83Hazlehurst.pdf)

Hollingsworth, R., 'Some reflections on how institutions influence styles of innovation', 2002. Available at:  
[http://faculty.history.wisc.edu/hollingsworth/documents/some\\_reflections\\_on\\_how\\_institutions\\_influence\\_styles\\_of\\_innovation.htm](http://faculty.history.wisc.edu/hollingsworth/documents/some_reflections_on_how_institutions_influence_styles_of_innovation.htm)  
[http://faculty.history.wisc.edu/hollingsworth/documents/some\\_reflections\\_on\\_how\\_institutions\\_influence\\_styles\\_of\\_innovation.htm](http://faculty.history.wisc.edu/hollingsworth/documents/some_reflections_on_how_institutions_influence_styles_of_innovation.htm)

Kickert W.J.M, Klijn, E H. and Koppenjan, J.F.M., *Managing complex networks: strategies for the public sector*, SAGE, London, 1997.

North, D., *Institutions, institutional change and economic performance*, Cambridge University Press, Cambridge and New York, 1991.





## On capacity, policy learning and state capability

Asian Development Bank, *Results based public sector management: a rapid assessment guide*, 2012.  
Available at: [http://www.adb.org/documents/results based public sector management rapid assessment guide](http://www.adb.org/documents/results%20based%20public%20sector%20management%20rapid%20assessment%20guide)

Barber M. with Moffit, A. and Kihn, P., *Deliverology 101: a field guide for education leaders*, Thousand Oaks, CA, Corwin Ed, 2011.

European Commission, *Reforming Technical Cooperation and Project Implementation Units for external aid provided by the European Commission: a backbone strategy*, Brussels, 2008.

European Commission, *Toolkit for capacity development*, Brussels, 2010.

European Commission, *Evaluation methodology & baseline study of European Commission technical cooperation support*, Brussels, 2012. European Training Foundation (ETF), *Yearbook 2004: learning matters*, Office for Official Publications of the European Communities, Luxembourg, 2004.

European Training Foundation (ETF), *Yearbook 2005: teachers and trainers*, Office for Official Publications of the European Communities, Luxembourg, 2005.

European Training Foundation (ETF), *Yearbook 2007: policy learning in action*, Office for Official Publications of the European Communities, Luxembourg, 2007.

European Training Foundation (ETF), *Yearbook 2012: evaluation of vocational education and training systems, the role of evidence based policies*, Office for Official Publications of the European Communities, Luxembourg, 2012.

European Training Foundation (ETF), 2013, *Good Multilevel Governance for Vocational Education and Training. Working document*. Office for Official Publications of the European Communities, Luxembourg, 2013.

Gesellschaft für Internationale Zusammenarbeit (GIZ), *Capacity works manual*, 2010.

Keijzer, N., Spierings, E., Phlix, G. and Fowler, A., 'Bringing the invisible into perspective', Reference paper for using the 5Cs framework to plan, monitor and evaluate capacity and results of capacity development processes, European Centre for Development Policy Management, Maastricht, 2011.



Organisation for Economic Co operation and Development (OECD), *The challenge of capacity development: working towards good practice*, OECD, Paris, 2006.

Wartenbergh Cras, F., 'Bridging research, policy and practice in education and training: the case of Kosovo', 2011 (unpublished).

World Bank, *A review of capacity development results in World Bank projects*, World Bank, Washington, 2011.

World Bank, *Evaluating capacity development results*, World Bank, Washington 2012.

### On networks

Bienzle, H. et al., *The art of networking*, European Networks in Education, die Berater, Wien, 2007.

Canary, H.E. and Mcphee, R.D., 'The mediation of policy knowledge: an interpretive analysis of intersecting activity systems', *Management Communication Quarterly*, Vol. 23, No. 2, 2009, pp. 147–87.

EuropeAid, Reference document (n°6) on 'Toolkit for capacity development', final draft, European Commission, March 2009.

European Commission, 'Towards more knowledge based policy and practice in education and training', Commission Staff Working Document, SEC(2007) 1098, Brussels, 2007.

European Training Foundation, *ETF yearbook 2008*, Office for Official Publications of the European Communities, Luxembourg, 2008.

European Training Foundation, Chapter 1, *ETF yearbook 2012*, Office for Official Publications of the European Communities, Luxembourg, 2012.

European Training Foundation, Chapter 3, *ETF yearbook 2012*, Office for Official Publications of the European Communities, Luxembourg, 2012.

European Training Foundation, Chapter 4, *ETF yearbook 2012*, Office for Official Publications of the European Communities, Luxembourg, 2012.



European Training Foundation, Chapter 8, *ETF yearbook 2012*, Office for Official Publications of the European Communities, Luxembourg, 2012.

European Training Foundation, Concluding chapter, *ETF yearbook 2012*, Office for Official Publications of the European Communities, Luxembourg, 2012.

Grindle, M.S. and Thomas, J.W., *Public choices and policy change: the political economy of reform in developing countries*, The Johns Hopkins University Press, Baltimore, MD, 1991.

Grootings, P., 'Facilitating policy learning: active learning and the reform of education systems in transition countries', in Maclean, R. and Wilson, D. (eds), *International handbook of education for the changing world of work*, Springer Science+Business Media B.V., 2009.

Grootings, P. and McBride, V. 'Facilitating policy learning', Chapter 9 in *ETF yearbook, 2004*, Office for Official Publications of the European Communities, Luxembourg, 2004.

Grootings, P. and Nielsen, S., *Policy learning: applying the changing learning paradigm for policy advice on VET reforms in transition countries*, Fourth report on vocational education and training research in Europe: background report, Volume 2, Office for Official Publications of the European Communities, Luxembourg, 2008.

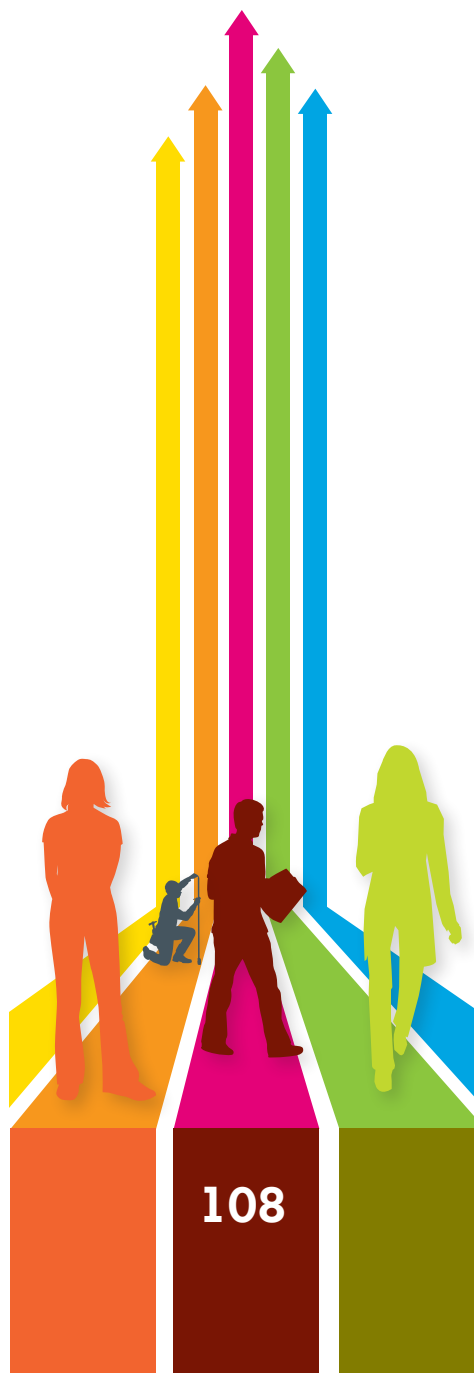
Héritier, A., 'New modes of governance in Europe: policy making without legislating?', in Héritier, A. (ed.), *Common goods – reinventing European and international governance*, Rowman & Littlefield Publishers, Lanham, 2002.

Honig, M.I., *Complexity and policy implementation: challenges and opportunities for the field*, State University of New York Press, Albany, 2006.

Knoepfel, P. & Kissling Näf, I., 'Social Learning in Policy Networks', *Policy and Politics*, 26(3); 343 367, 1998

Nikolovska, M. and Vos, A., European Training Foundation, *ETF peer learning: from policy learning to policy change in partner countries*. Office for Official Publications of the European Communities, Luxembourg, 2008.

Pons, X. and van Zanten, A., *Knowledge circulation, regulation and governance: literature review (part 6)*, Knowledge and Policy in Education and Health Sectors, June 2007.



Raffe, D. and Spours, K., 'Three models of policy learning and policy making in 14–19 education', in Raffe, D. and Spours, K. (eds.), *Policy making and policy learning in 14–19 education*, Institute of Education, University of London, 2007.

Stone, D., 'Learning lessons, policy transfer, and the international diffusion of policy ideas', CSGR Working Paper No.69/01, The University of Warwick, Centre for the Study of Globalization and Regionalization, 2001.

Ukeles J.B., Policy Analysis: Myth or Reality? *Public Administration Review*, Vol. 37, No. 3 (May–Jun., 1977), pp. 223–228

World Bank Institute, *Capacity development briefs – catalyzing collective capacity for change: ten points for a new operational approach to capacity development*, WBI, May 2010.

### Online resources

<http://capacity4dev.ec.europa.eu>

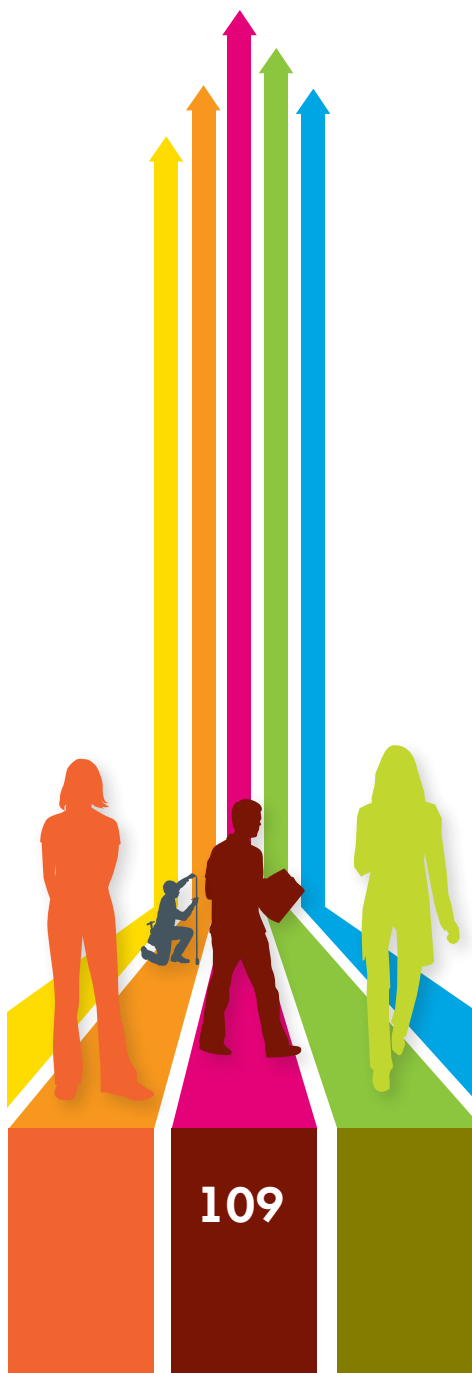
<http://www.ecdpm.org/>

<http://www.lencd.org/>

[http://www.hks.harvard.edu/centers/cid/programs/building\\_state\\_capability/about state capability](http://www.hks.harvard.edu/centers/cid/programs/building_state_capability/about_state_capability)



## Policy briefs



109

# INFORM

ISSUE 18  
JUNE 2014

NEWS AND VIEWS  
TO KEEP YOU  
IN THE KNOW  
FROM THE ETF  
COMMUNITY

## BETTER QUALIFICATIONS

Our previous Policy Brief on qualifications systems focussed on qualifications frameworks. Most ETF partner countries now have NQFs at one stage or another. The majority have legislated their NQFs, others have begun piloting new standards and qualifications, while another group is in the vanguard and has established or designated authorities to manage the NQF and begun to populate its framework with new, outcomes-based qualifications. But these constructions will have no impact if not populated with new, outcomes-based qualifications.

So, in this edition, we drill down to the qualifications themselves. We try to capture – and encourage – the reforms underway in our 30 partner countries. We look at the role of qualifications in VET, how they are defined and developed; how their quality and relevance should be established and how they should be assessed to ensure societal trust and recognition; and how they are affecting curricula.

### WHY QUALIFICATIONS MATTER

Better qualifications are necessary because, more than ever in a world of change and mobility, people need a clear and trusted way to demonstrate their competence to perform a job. Qualifications establish the all-important links between the worlds of work and education; they create a common language between employers and schools.

Employers want skilled staff. They are mainly interested in competence, what a worker can do in practice. But labour markets cannot function if employers have to conduct analyses whenever they recruit new staff. So they look at socially-recognised and widely-approved qualifications.

But qualifications do not only help individuals get their first job. For many, changing jobs or occupation is a necessity. Societies need qualifications which facilitate and recognise lifelong learning, including learning that has taken place after individuals leave the education system. Traditional vocational qualifications cannot do this.

### CONTENTS

- Main elements of vocational qualifications systems
- How ETF partner countries are reforming their vocational qualifications
- ETF recommendations for better vocational qualifications



*Qualifications establish the all-important links between the worlds of work and education; they create a common language between employers and schools*





## 1. ETF – A knowledge broker in a time of turmoil: learning better how to find solutions to intractable problems, I. Cumming

### 1. Introduction

As we face multiple and accelerating crises and challenges in training and beyond, more than ever, the importance of our collective knowledge and the need to make the best use of it, remain paramount. For the ETF this translates into our actions in policy learning, not despite, but because of the complex nature of policy life cycles.

This briefing shows how critical knowledge management will remain as part of the ETF's operations, and that only by harnessing new methods, ways of thinking and working together will we be able to deal with the emerging and intensifying challenges facing us.

The ETF needs to have the most robust knowledge gathering and dissemination processes in place across the range its operations: strategic projects, thematic development and country based work. This briefing presents a practical model for ETF leaders, managers, experts and project teams, as well as all our partners in the wider field, to use these new tools and approaches in assimilating and applying knowledge and performing optimally within a new environment.

### 2. Rationale

For the ETF, operational knowledge management is like a double threaded helix, a coded message detailing how to approach efforts in evidence based policy development. On the one hand, the ETF embraces and promotes the development of a culture of practice and an awareness of evidence as policy. In practical terms this translates into the creation and nurturing of communities and networks across the partner countries with whom ETF has engaged in a process of knowledge sharing and mutual learning regarding the why and how of evidence in policy. The Torino Process and Torinet, for example, embody this thread of the helix.

On the other hand, the second thread of the helix represents knowledge management itself. Increasingly, the process of expertise development calls for new approaches and practice in the way we deal with knowledge. A productive policy learning process requires robust strategies for knowledge management, both for the ETF and its partners. It is a shared journey.





This is where the ETF can contribute a significant step change, even with modest resources. At the same time as fostering policy learning, the ETF can also introduce knowledge management strategy and practice. As a trusted intermediary, the ETF is in a unique position to share approaches and methods for best dealing with the complex and social nature of policy issues, multiple stakeholders and training governance.

The ETF shares its own experience in knowledge management practice but also brokers that of others. The focus here is explanatory – looking at the why and what – and also practical and descriptive – taking in the how and when. Working together with its partners, the ETF moves theory into action by applying tools and methods of knowledge management. This enhances the mutual learning process, providing inspiration to create and nurture new ways of meeting the challenges involved.

This approach to knowledge management remains fully consistent with the ETF's own successful institution building programme, which has incorporated the emergent concepts of peer policy learning and facilitation since its inception, and especially at those times when it has been a key player in supporting countries undergoing significant socioeconomic transition. Finally, the practices which the ETF are developing are also robust enough to withstand the growing disruptions in countries' societies and economies.

### 3. ETF knowledge sharing in practice

Highlighting a sequence of real activities, projections of ongoing work and newly planned activities for 2013–14, this section will provide a set of 'real and rich pictures' illustrating the conceptual rationale for knowledge management as enacted in the many practical contexts of ETF work: countries, regions, thematic areas, strategic capacity and policy efforts.

These can perhaps best be presented through the following seven dimensions:

- knowledge brokering
- knowledge as networks
- knowledge as collaboration and cooperation
- knowledge as expertise
- knowledge as ideation (the process of forming ideas)
- knowledge as partnership
- knowledge as policy



ETF as knowledge broker: The ETF maintains close contact with the EU and international actions and projects promoting and enquiring into evidence based policy development – projects such as, Evidence Informed Policy in Education in Europe (EIPEE), Evidence Informed Policy and Practice in Education in Europe (EIPPEE), Know&Pol, Crossover – Policy Making 2.0 and other research projects falling under the EU social science, education and training, and evidence policy areas. The ETF acts as not only as a full participant in these projects, but more importantly as a gatekeeper, facilitator and intermediary, relaying information back to the ETF's partners. The knowledge broker role extends beyond evidence based practice in training to providing oversight on the current trends and developments in education and learning in the areas of knowledge of learning and the co evolution of socio technology (Learning Skills and Learning Technologies). In this interfacing role the ETF acts as both a capacity enabler and developer.

**Networks:** By ensuring that adequate attention is given to creating appropriate and sustainable networks in the design and execution of projects, the ETF fosters robust mechanisms for the interchange of knowledge and ensuring access to expert sources for professional development. Although often seen only as a means to an end (the project objectives), the self building and repairing network is actually a potent knowledge mechanism itself. The ETF has demonstrated this repeatedly in various initiatives (e.g. the National Observatories to the Qualifications, Social Inclusion, Torinet, the Torino Process) and in the regional country communities it has created. Its newest challenge is to promote these communities, while at the same time retaining linguistic diversity and dealing with the challenges posed by access to technology (also ability) and the prohibitive costs of setting up face to face meetings between people from different regions.

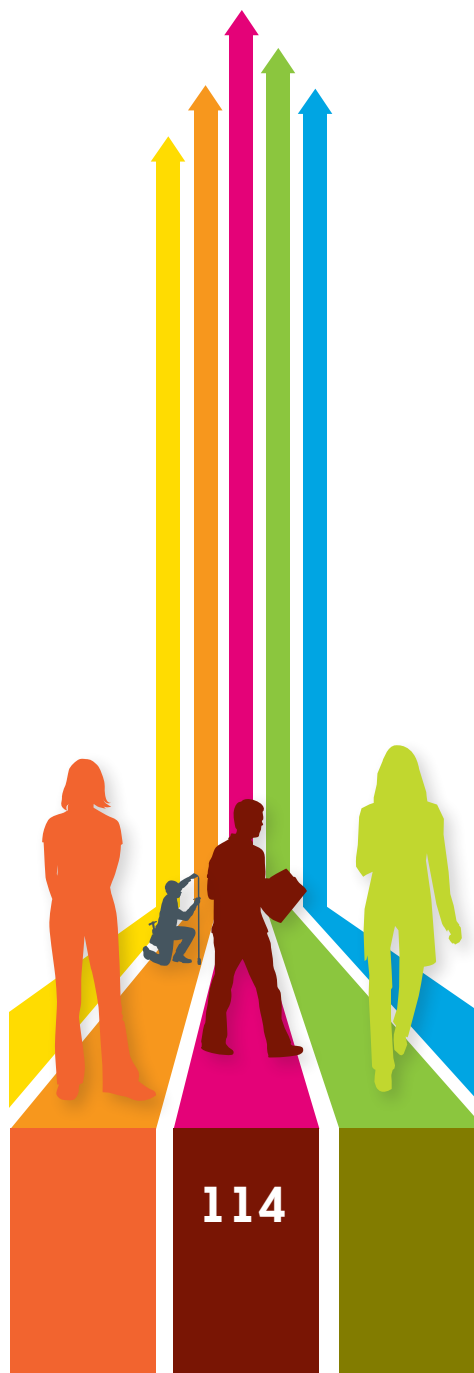
**Advanced collaboration tools – leveraging the technology of knowledge:** The introduction of ETF Connections (social computing) offers enhanced interaction and leads to improvements in efficiency and effectiveness. By projects adopting ETF Connections, both internal and external communities can share common functional platforms. The blurring of organisational boundaries can become an advantage to inter organisational learning rather than an obstacle! Tools such as ETF Connections are fast, lean and scalable, meaning they work for small project teams as well as for open and public platforms like the Qualification Platform or the Social Inclusion project. For a modest investment, the ETF maximises both the returns and projects' sustainability. This is clearly an ETF operational priority for network and content development and ETF Connections clearly has the capacity for exponential growth as well as for supporting multiple languages. The re invention of social computing or collaboration combined with fit for purpose tools allows the ETF to maintain its global reach with diverse partner countries. Currently the ETF is moving towards a public access policy for many of its communities of practice.





**Knowledge transfer and retention:** Knowledge workers' greatest asset, and the most important source for positive change, is the tacit knowledge they possess. Although a lot of experience cannot be externalised, new methods can assist in knowledge transition when changes occur in responsibilities, areas of expertise, and with staff arrivals or departures. An example of an approach which may be used more in the future is the ASHEN (Snowden, 2005) model which breaks knowledge down into its component parts (artefacts, skills or talents, heuristics, experience, natural talent) and then maps actions according to the intrinsic nature of those parts which behave differently.

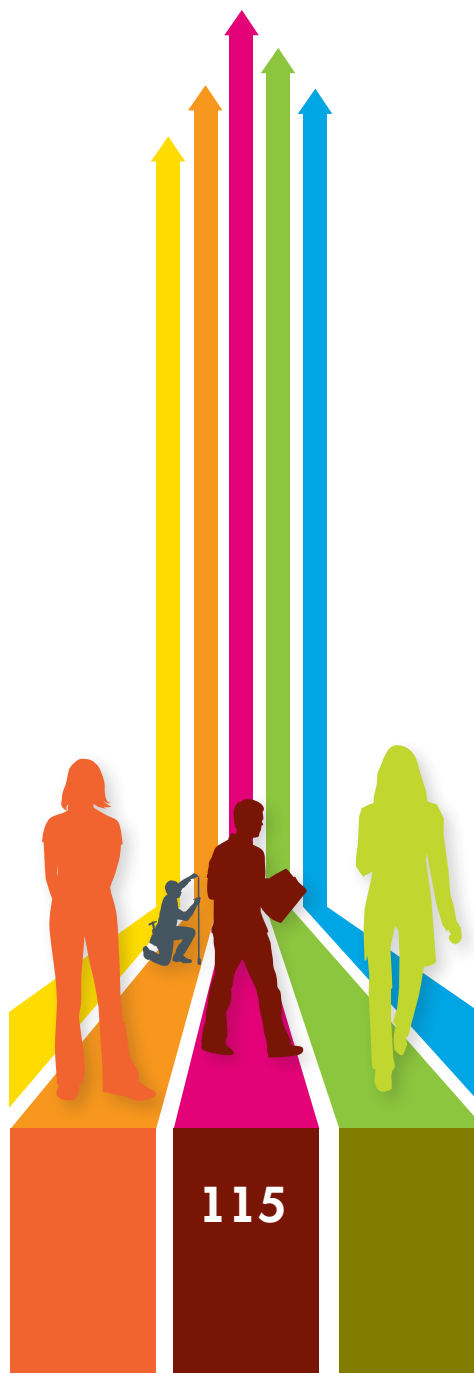
**Re thinking thinking – the ETF as a pioneer in the practice of creating new ideas:** How can we introduce tools and methods which encourage both creativity and efficiency and which are well grounded in theory? One role of knowledge management (perhaps the most important one to nurture) is that of introducing richer processes of reflection, critical action, thinking and learning at the conceptualisation and design phase of projects and then onwards into their execution. Here the key to good practice is leading by example, with the insights gained through pilot projects being widely shared and positively endorsed. This automatically leads to the adoption of the same approaches by other projects. The ETF is well equipped for these practices, having a knowledge workforce spread across multiple projects, regions and subjects. In this context, word of mouth frequently replaces the need for explicit dissemination. However, externalisation of this form of advanced methodical facilitation is unwise; these practices should be performed by well qualified and experienced ETF staff, whose core business this is. Projects introducing new skill sets to existing working practices need to be designed with capacity development objectives in mind. This may mean altering their timing and approach. Creating a deeper understanding of how we think about and work on problems and how we reach consensus and develop new actionable ideas is a huge challenge. The problem is that knowing everything is no longer useful or desirable, but knowing how to solve (or at least approach) intractable problems such as policy has become urgent. Establishing itself as a thought leader in this domain is, or should be, one of ETF's most critical desires. Some examples of practice have shown great promise by embedding knowledge management practitioners inside projects (notably, Kazakhstan, Tajikistan, Croatia: the Torino Process; Kazakhstan: Education–Business cooperation; Croatia: study visit and accession process; Tajikistan, Kosovo: Self Assessment, Southern & Eastern Mediterranean: Regional Qualifications; Torinet: Gamification of Policy Learning), and future plans include lateral thinking and the Six Thinking Hats tools from the De Bono School of Creative Thinking.



**Knowledge and partnership:** The ETF initiates specific actions to demonstrate and accelerate knowledge management practice in policy institutions and across the policy life cycle. However, this is done in partnership – which is the ETF’s greatest asset. Working closely with countries and sharing good practice can galvanise stakeholders to turn concepts into action. For example, education and business workshops in the Kazakh cities of Atyrau, Ust Kamenogorsk and Astana channelled innovations in thinking and interaction into the formulation of national policy as well as informing the Torino Process review work. Knowledge management methods were developed collaboratively to facilitate dialogue and reporting between groups of educationalists and businesses. Not only was this process seen to proceed more quickly than the usual procedures, it also encouraged much more participation and interaction. In addition, the ETF team shared knowledge regarding EU evidence based policy practices and developments, using knowledge management techniques to share the knowledge itself.

**Policy: seeing policy as a complex social system:** The field of knowledge management has been increasingly influenced by complex adaptive systems thinking, which is especially relevant for the areas of governance, policy and training development. This way of thinking focuses on understanding the nature of the problem and how this influences the determination of the means of action, rather than the other way round. It relies on the natural sciences more than the purely mechanistic disciplines and is informed by the nature of human organisations. The *ETF yearbook 2012* goes into more detail in this area. Treating systems as complex ecologies where the role of the manager is similar to that of a gardener or a game warden – rather than a mechanic or a big game hunter – is very much in line with the emergent and continuing role of the ETF. Complex adaptive human systems provide a framework for the ETF’s actions, and this may be seen in strategic projects such as Torinet, regional or country work or the thematic aspects focused on. In particular, developing approaches combining narrative capture with signification is a very promising comparative addition to the quantitative approaches of data and statistics. In 2013 progress will be seen in pilots in these areas.

As presented conceptually above, the ETF knowledge management strategy was put into action during the November 2011 Torinet conference in Turin. Under the topic, ‘Governance of evidence’, the role of knowledge was actively demonstrated by a team of lead experts brought into Torinet and guided by the ETF Knowledge Management Team in the development of key knowledge management presentations and exercises. In this way the ETF performed the role of knowledge broker, sharing research project knowledge on evidence in policy making (EIPEE, Know & Pol) and presenting some key knowledge management principles and practice. The role of conversation was introduced and applied to a core



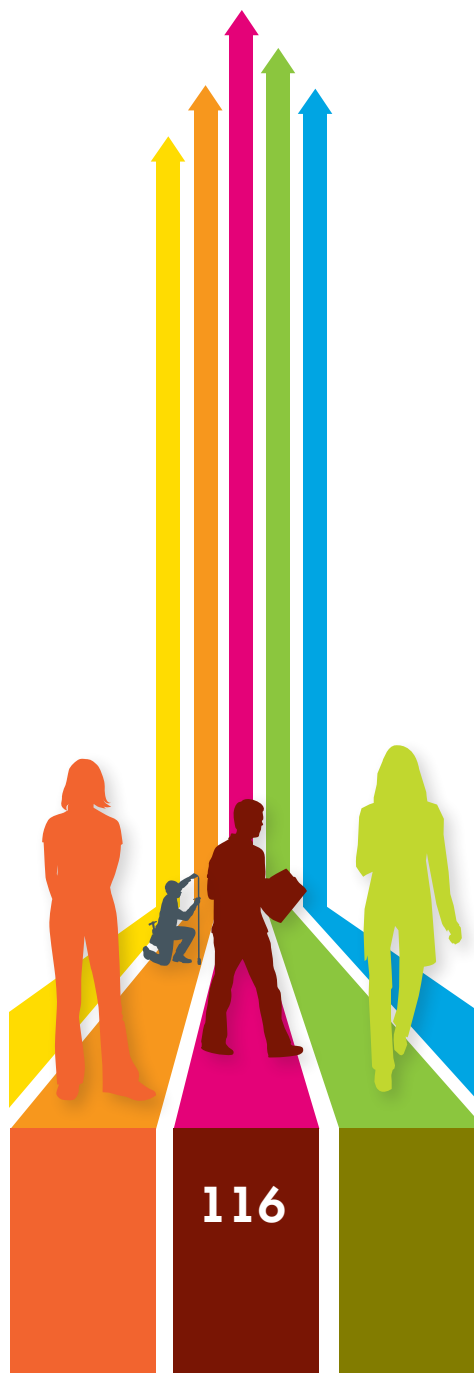
Torinet question: how might we improve the effectiveness of policy making? The nature of complexity in the policy life cycle was examined using the Cynefin framework (Snowden, 2007–10) including an exercise looking at the key components of the policy system: thinking, acting and sharing.

Also in November 2011, the ETF hosted a workshop for knowledge management practitioners from international organisations. This was held back to back with the Torinet event to allow ETF experts to meet knowledge management experts in both events. Designed for interaction, the intention of the workshop was that participants should share their experience and practice in the development and implementation of knowledge management strategies in international organisations, as applicable to the evidence based policy work of the ETF. Through exchanging experience and network learning, various institutional knowledge management strategies were presented and discussed, with participants highlighting what worked well and what difficulties were encountered. The event now further contributes to ETF work as an online professional network.

### Concluding remarks

The knowledge management policy consolidates concepts, strategies, practical implementation and reflections presented in the ETF Yearbook 2012 chapter on knowledge management (Cumming, 2012). In the 2013+ workplans for knowledge management further numerous examples of innovations, wider applications and greater thematic, country and project demand for knowledge management can be seen. These are good signs which underscore the usefulness of the strategy. The next challenge the ETF faces is how to demonstrate the transfer of the concept to partner institutions and countries while dealing simultaneously with internal capacity.

What does the future hold for knowledge management in the ETF? While sharing knowledge and expertise both as a practitioner and as a broker, the ETF has the opportunity to increase its own capacity to perform in an expert role. The partnership of practitioners, country experts and policy actors results in a very rich and productive learning environment, emerging from, and based within, the network itself. Consequently, the results can be far reaching, despite the modest size of the resources invested. By thinking and doing things differently, for example through the application of complex systems thinking to issues in education and training and the development of an evidence based policy life cycle, the ETF can continue to achieve its objectives through sharing good practice with its partners, in spite of the increasing environmental challenges. It will also further advance inter organisational learning across countries, regions and cultures: a major achievement indeed.



## Bibliography

Brown, P. and Lauder, H., 'Education, globalization, and economic development', in Halsey, A.H. et al. (eds.), *Education: culture, economy, society*, Oxford University Press, Oxford, 1997, pp. 172–92.

Browning, L. and Boudès, T. 'The use of narrative to understand and respond to complexity', *E:CO*, Vol. 7, No. 3–4, 2005, pp. 32–9.

Choo, C.W., *The knowing organisation: how organizations use information to construct meaning, create knowledge, and make decisions*, Oxford University Press, New York, 1998.

Covey, S.R., *The 7 Habits of Highly Effective People*, Free Press, New York, 1989.

Cumming, I., European Training Foundation, 'Knowledge management in education and training policy development, and the role of ETF', Paper prepared at the workshop on 'Living knowledge: making the most of knowledge management in international organisations', Turin, 25 November 2011 (unpublished).

Cumming, I. and Ouzoun, D., European Training Foundation, 'Education–business cooperation – participation and shared responsibility in VET development: best practices, opportunities and limitations', Paper prepared at the regional workshops, Atyrau and Ust Kamenogorsk, Kazakhstan, 3 and 6 October 2011 (unpublished).

Cumming, I. and Ouzoun, D., European Training Foundation, 'Knowledge management and quality assessment as a basis for evidence provision', Paper prepared at the national workshop, Astana, Kazakhstan, 11 October 2011 (unpublished).

Cumming, I., European Training Foundation, 'Knowledge management in a time of turmoil – the ETF's role as a knowledge broker for policy learning and facilitation', in *ETF yearbook 2012: evaluation and monitoring of vocational education and training systems and the role of evidence based policy in their reforms*, Office for Official Publications of the European Communities, Luxembourg, 2012.

Delvaux, B. and Mangez, E., *Towards a sociology of the knowledge–policy relation: literature review*, Know & Pol, 2008. Available at: [http://knowandpol.eu/IMG/pdf/literature\\_sythesis\\_final\\_version\\_english.pdf](http://knowandpol.eu/IMG/pdf/literature_sythesis_final_version_english.pdf) (accessed 2 July 2012).

ECDPM (European Centre for Development Policy Management), website: <http://www.ecdpm.org/> (accessed 2 July 2012).



European Training Foundation, 'Knowledge in action: proposal for an ETF knowledge management strategy and implementation plan 2010–13', ETF, Turin, 2010 (unpublished).

European Training Foundation, 'Concept note: contribution of knowledge management to ETF's analytical reviews and policy facilitation in VET in partner countries', ETF, Turin, 2011 (unpublished).

European Training Foundation, *ETF yearbook 2012: evaluation and monitoring of vocational education and training systems and the role of evidence based policy in their reforms*, Office for Official Publications of the European Communities, Luxembourg, 2012.

European Commission, *Taking European knowledge society seriously*, Report of the Expert Group on Science and Governance to the Science, Economy and Society Directorate, Office for Official Publications of the European Communities, Luxembourg, 2007.

European Commission, 'Towards more knowledge based policy and practice in education and training', Commission Staff Working Document, SEC(2007) 1098, Brussels, 2007.

European Commission, *Scientific evidence for policy making*, Office for Official Publications of the European Communities, Luxembourg, 2008.

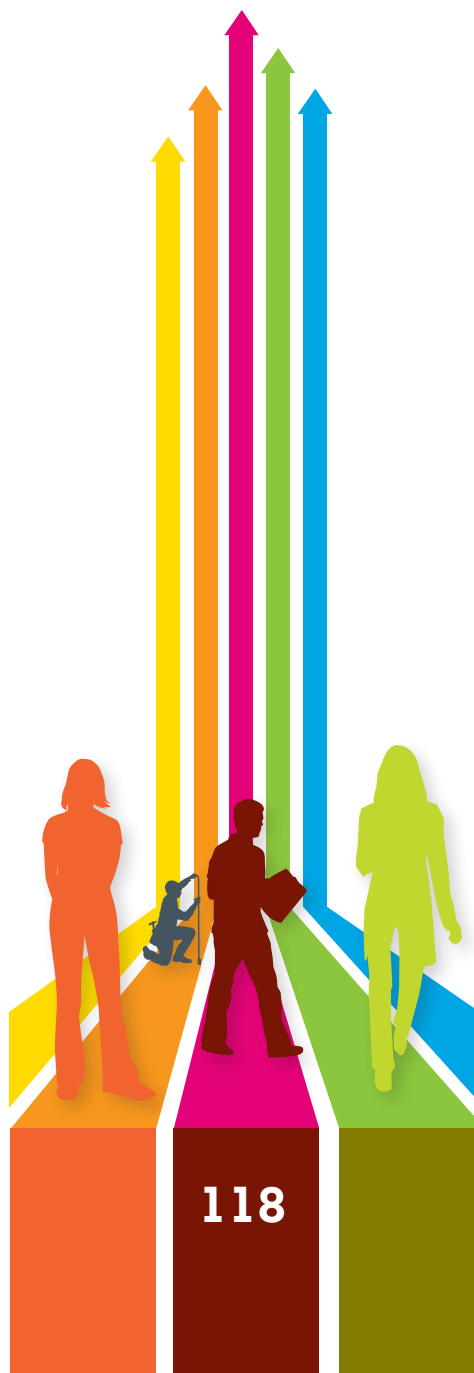
European Commission, *Communicating research for evidence based policymaking: a practical guide for researchers in socio economic sciences and humanities*, Office for Official Publications of the European Communities, Luxembourg, 2010.

German EU Presidency, 'Knowledge for action – research strategies for an evidence based education policy', Symposium, 28–30 March 2007, Frankfurt am Main, 2007.

Gladwell, M., *The tipping point: how little things can make a big difference*, Little, Brown and Company, Boston, 2000.

Gough, D., Tripney, J., Kenny, C. and Buk Berge, E., 'Summary', in *Evidence Informed Policymaking in Education in Europe: EIPEE final project report*, EPPI Centre, Social Science Research Unit, Institute of Education, University of London, London, 2011, pp. 5–11.

Grootings, P. (ed.), European Training Foundation, *ETF yearbook 2004 – learning matters*, Office for Official Publications of the European Communities, Luxembourg, 2004.



Grootings, P. and Nielsen, S., 'Policy learning: applying the changing learning paradigm for policy advice on VET reforms in transition countries', in Cedefop, *Modernising vocational education and training – fourth report on vocational training research in Europe: background report*, Vol. 2, Office for Official Publications of the European Communities, Luxembourg, 2009, pp. 269–92.

Gurteen, D., *Gurteen community cafés* [online]. Available at: [www.gurteen.com/gurteen/gurteen.nsf/id/kcafes](http://www.gurteen.com/gurteen/gurteen.nsf/id/kcafes) (accessed 1 January 2012).

Haskins, R. and Baron, J., *Building the connection between policy and evidence: the Obama evidence based initiatives*, Nesta, London, 2011.

Healy, A. and Verdier, E., 'Knowledge systems and vocational training policy in the regions – the case of two regional observatories on employment and training: Rhône Alpes vs Provence Alpes Côte d'Azur', European Conference on Educational Research, 2009.

Juarrero, A., *Dynamics in action: intentional behavior as a complex system*, 1st edition, MIT Press, Cambridge, MA, 2002.

Knowledge and Policy project, website: <http://www.knowandpol.eu/> (accessed 2 July 2012).

Kurtz, C.F. and Snowden, D., 'Bramble bushes in a thicket: narrative and the intangibles of learning networks', in Gibbert, M. and Durand, T. (eds.), *Strategic networks: learning to compete*, Blackwell, Malden, MA, 2007, pp. 121–50.

Mosier, K.L. and Fischer, U.M. (eds), *Informed by Knowledge: expert performance in complex situations*, Psychology Press, New York, 2011.

Nielsen, S., Scepanovic, D. and Aribaud, M., European Training Foundation, 'Strengthening the system of education research and reporting for evidence based policy development in Serbia', Clearinghouse Brokerage Proposal, ETF, Turin, 2011 (unpublished).

OECD (Organisation for Economic Co operation and Development), *Evidence in education: linking research and policy*, OECD, Paris, 2007.

Robinson, Sir K., 'Bring on the learning revolution', *TED Talks* [online], 2010. Available at: [http://www.ted.com/talks/lang/en/sir\\_ken\\_robinson\\_bring\\_on\\_the\\_revolution.html](http://www.ted.com/talks/lang/en/sir_ken_robinson_bring_on_the_revolution.html) (accessed 1 January 2012).



Snowden, D., 'New wine in old wineskins: from organic to complex knowledge management through the use of story', *Emergence*, Vol. 2, No. 4, 2000, pp. 50–64.

Snowden, D., 'The origins of Cynefin', Parts 1–7, *Cognitive Edge*, 2007–10. Available at: [http://cognitive-edge.com/uploads/articles/Origins\\_of\\_Cynefin.pdf](http://cognitive-edge.com/uploads/articles/Origins_of_Cynefin.pdf) (accessed 26 July 2012).

Toffler, A., *The third wave*, Bantam Books, New York, 1981.

Wilby, P., 'Education won't save the west', *The Guardian*, 11 March 2011.

Zakhary, A., 'Evidence based policy: importance and issues', Paper presented at the Torinet workshop, Turin, 3–4 November 2010 (unpublished).

#### Technical notes

ETF Connections is based on the commercially available IBM Connections® platform developed by IBM®.

The ASHEN model and Cynefin framework are methods developed by Cognitive Edge™.

Six Thinking Hats® is a parallel thinking approach belonging to the De Bono Group LLC.





## 2. Capacity building and territorial governance of VET: lessons learnt from the approach developed in Tunisia, M. Dorléans

Since the revolution that led to the change in political regime in January 2011, Tunisia has been deploying efforts to ensure good and shared governance of its public policies, at all levels – particularly as the absence of good governance was clearly recognised as one of the root causes of the uprising.

In this context, ETF was approached to facilitate strategic reflection on regional development and decentralisation, from the specific perspective of skills matching between the training provision and the labour market to sustain economic development. It was agreed that ETF support would be structured around an intervention in one specific governorate, to ensure the accuracy of their recommendations, which would be drawn from field experience. The Mednine governorate, in the south of the country near the border with Libya, was selected by the government. The scope and content of the intervention was defined during 2011, through a number of in depth consultations with the various stakeholders, in order to secure their full ownership of and commitment to the future project. The guiding principle of this project was the promotion of a public–private partnership approach at the territorial level between actors in the fields of education, training, employment and business to improve the match between the skills supply and demand. In order to achieve this objective, four complementary lines of lines were identified and translated into four components of the project:

- Capacity building of the territorial stakeholders, making them conscious of their respective roles and responsibilities, trained and equipped to fulfil these, and coordinated to collectively identify solutions;
- Development of methodologies and tools to enable analysis, monitoring, anticipation and evaluation of the regional employment and training dynamics;
- Implementation of innovative actions based on public–private partnerships to contribute to address local skills mismatches and build trust among actors;
- Consolidation and capitalisation of results obtained through the three first action lines, to feed the national reflection on decentralisation and regional development.







This section is written within the framework of the ETF Torinet initiative, which endeavours to capture and promote good practice in the area of capacity building, and aims to share the lessons learnt and recommendations drawn from the first component of the project in Tunisia. This will ultimately lead to the identification of the specific features required for successful capacity building related to territorial governance of skills development, including, more specifically, the governance of VET policies.

## 1. Capacity building at territorial level: a right mix of actions, from awareness raising to technical training, on the job coaching and innovative actions based on partnerships... because the process matters as much as the actions

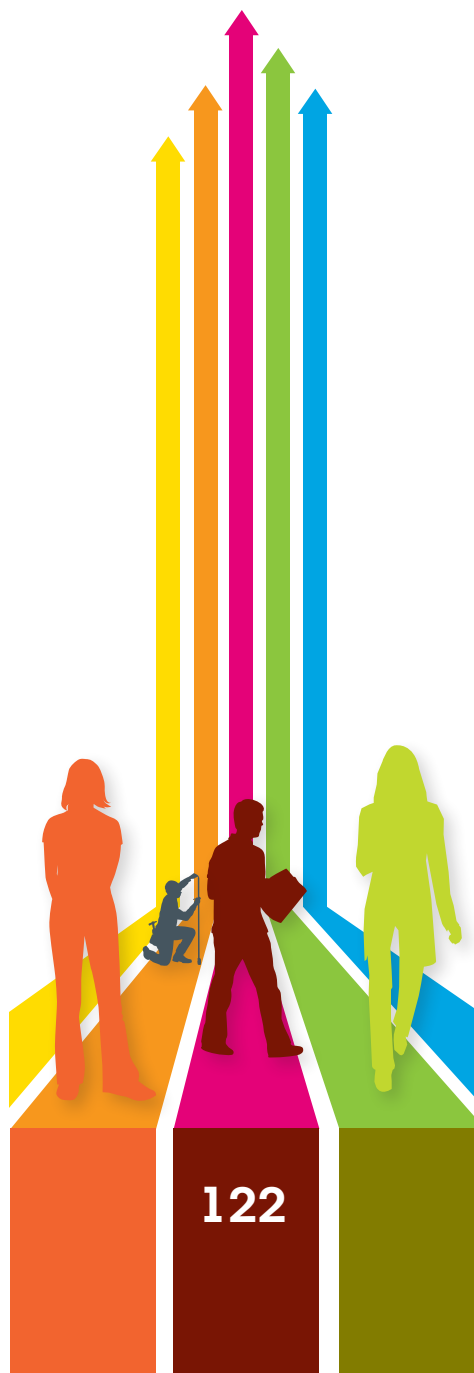
### *1.1 Effective awareness raising is based on the active role of beneficiaries for shared initial diagnostic assessment*

It is commonly currently recognised that for capacity building to have full impact and be sustainable, it has to rely on a **strong willingness** of the beneficiaries themselves. As long as capacity building is 'only' about 'filling the gaps', about trying to transfer, through training or other means, competences or resources that have been externally identified as in short supply, there is little chance that subsequent changes will be long lasting. As a broad literature has documented since the late 1990s, capacity building needs to be an endogenous process, led by institutions (which are at the same time actors and beneficiaries) which have identified their own objectives, challenges and needs and the modalities to address them. Incidentally, this change of perspective has been formalised by a change in terminology, with the term 'capacity development' gradually replacing 'capacity building', which also emphasises that capacities generally exist already and have to be reinforced or developed rather than 'built', and that the **process (of development) matters at least as much as the outputs** or actions undertaken to build capacities.

These features constitute a particular challenge in contexts such as that of Tunisia. Indeed, in countries where power has long been extremely centralised, and where local, regional and all types of what we call 'territorial'<sup>27</sup> actors have traditionally been expected to execute instructions and deterred from displaying any kind of initiative, expecting that beneficiary institutions will have a proactive approach is unrealistic. Similarly, in a country where circulation or sharing of information, has been non existent, it is unlikely that stakeholders would spontaneously adopt a positive and dynamic attitude to creating a

---

<sup>27</sup>The term 'territorial' has been adopted here with a view to ensuring a general analysis and avoiding confusion. Being generic, the term both overcomes the difficulty of reflecting various administrative organisations (some countries are divided into regions, other districts, other governorates, departments, etc.) and clearly indicates that the subnational dimension is concerned (while 'regional' often refers to a cross country dimension, which will not be dealt with here).



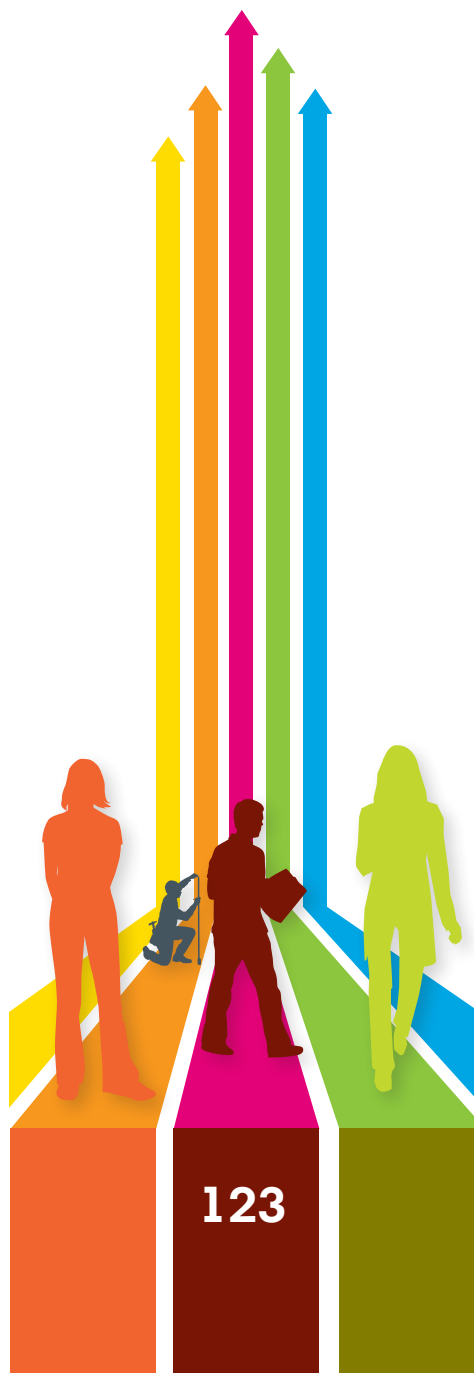
coordination platform among themselves for exchanging information on local labour markets and training systems. With respect to both these aspects, a full shift in mind set is required, meaning that any effort in the capacity building field needs to start with **awareness raising**. To succeed, this awareness raising has to be 'subtle', that is based on **evidence** on the one hand and on **active participation of the target beneficiaries** on the other. Indeed, the effectiveness of sensitisation actions is increased if they build on concrete facts and figures, related to the subject of awareness raising (for instance, the local labour market situation, the local training supply, the outplacement of employment services), and if these data are submitted for discussion among stakeholders. Indeed, by having local stakeholders collectively reflect on the training skills and economic development issues and identify or design solutions or adaptive measures for joint implementation, this is already promoting the attitude aimed at. At the same time, **a shared and agreed analysis** of the baseline situation of the challenges ahead is established among stakeholders. This common understanding ensures **ownership** of capacity building actions. Even in countries in which the analytical function is quite well developed, it is often located only at central levels, so this process represents an important landmark in territorial capacity building.

Finally, it must be noted that it is important to avoid **a top down approach**, in which the analyses are carried out for or about the concerned territory by other actors, but instead to (re)construct a local diagnostic assessment by the territorial actors themselves. This can be completed, for instance, through **participative analytical methods** such as SWOT (strengths, weaknesses, opportunities, threats) analysis workshops where externally produced data may be brought in to strengthen the debate, but the main lines of assessment are defined by the local actors.

*1.2 Training should be conceived as a mid to long term process, based on a functional approach to territorial skills governance and combining different modalities which are as close as possible to working conditions*

Based on this shared diagnostic assessment, it is then possible to move to the identification of each actor's **respective roles and responsibilities** and to assessing **individual training needs** so that each actor can fulfil his role. Such sequencing of capacity building actions is crucial, because it means that:

(i) A systemic and sector wide view is adopted from the beginning. The starting point is functional and organisational, avoiding a purely 'technicist' and scattered approach based on identifying capacity and training gaps for each institution.



(ii) The individual (institution based) considerations are not the final objective, they are simply a means, a '*passage obligé*' to ensure the success of the public-private partnership approach.

What clearly appeared in terms of training needs, which is probably valid in many different contexts, is that the degree of needs differs greatly from one stakeholder to the other, calling for tailor made training plans. For example, **social partners** usually have greater needs for basic training on their role in skills development. Although their representatives in the capital may be involved in the governance of skills or VET with the government at central level, it is likely that, through lack of means (for example, human resources, time, tools for skills needs identification) employers' federations or trade unions (which have even fewer resources, in Tunisia at least) will overlook the issue of skills, qualifications and training in their work programmes. The former may focus on business delivery, the latter on wages, with neither spontaneously seeing the link between these central concerns and training. Or both groups may be inclined to leave training matters to the State, as in the 'old' times, which are still not far away.

**A mid to long term approach to training** is also to be preferred to ad hoc, or repetitive one shot training actions, because this places stakeholders in a process. This makes it clear from the outset that training is part of a broader approach to improve skills matching at territorial level, and gives actors a sense of the overall system within which they have to play their part. Having the full picture, they are more likely to feel more concerned and committed to the territorial governance of VET or skills development.

In the case of Tunisia, specific training plans over a two year period were designed for: (a) the regional administration for VET, (b) public employment services, (c) employers' federations, (d) VET centre councils, and (e) the multi stakeholder steering committee set up for the project, with a view to gradually converting it into a territorial economic and social committee.

Training sessions are organised on a regular basis, but it is noticeable that other types of capacity building support, such as **coaching**, or **on the job support**, are needed to complement these more traditional forms of training, especially in the territorial context. Indeed, the desired change in mind set to move to a dynamic, proactive functioning of stakeholders, is demanding. It cannot be achieved through training sessions only, but requires **interventions closer to the daily working** environment.



### *1.3 Concrete, innovative actions are key to building trust among stakeholders and preparing the ground for longer term collaboration*

As previously mentioned, capacity building is no longer about transferring knowledge and competences according to the old fashioned view that sees knowledge and competences as lying elsewhere, and that would confine stakeholders to the passive role of recipients. On the contrary, stakeholders should be supported as they begin to move in the desired direction of cooperation and collaboration, further to their aim of improving the links between the labour market and the training provision. Therefore, once the process of awareness raising is completed, or as it develops, **moving to action** represents a crucial way forward that should not be delayed for too long. In the Tunisian case, those innovative actions have been identified by the various institutions themselves, often (but not exclusively) by taking a **sectoral entry point**. This perspective can facilitate communication and mutual understanding among actors, and helps to overcome the difficulties linked to, for instance, the clash of different institutional cultures.

Those innovative, concrete actions, may be diverse in nature, depending on the most urgent context specific issues, for example: a communication or orientation campaign for youth from the general education system (using pairings of one trainer and one employee from the private sector), to provide information about jobs and related training paths; creating networks of training institutions and intermediary employment services; building networks of alumni for improved school to work transition and career monitoring; and providing internships for jobseekers within the project to familiarise them with institutions.

Beyond the achieved results, these actions add value through allowing institutions to know each other better and by **building trust and confidence**, an essential component of the partnership approach.

## **2. Potential risks and key success factors for capacity building at the local level**

### *2.1 Lessons learnt and potential risks identified from the Tunisian experience*

Throughout the Tunisian experience, **lessons learnt and potential risks** have been highlighted, namely:

- the danger of setting up parallel, inconsistent reform processes for the decentralisation of VET and employment, without clear leadership;



- inter ministerial inconsistency in government messages with regard to VET re valorisation (for instance, the ministry of education encourages technical education students with good grades to continue in general education instead of 'using them' to valorise the vocational training path that they could chose);
- the importance of allocating resources to territorial levels if they are to be empowered (starting with appropriate human resources);
- the limited commitment of trade unions and the unequal participation of employers in the process, together with the need for initial awareness raising before capacity building can take place;
- the potential reluctance of trainers to move towards a more demand driven system and the need for specific actions to make them sensitive to the benefits of public-private partnerships;
- the difficulty of implementing the plan for encouraging employment, linked to gender disparities and the limited mobility of interested interns;
- the absence of effective coordination of the various initiatives at the territorial and/or thematic level, which is necessary to capitalise on experiences, up scale the best ones and establish a robust monitoring and evaluation mechanism.

## *2.2 Short term remediation actions and longer term orientations*

Some concrete steps may be taken to address these difficulties. Set out here are the most generic ones, which could probably also apply in other country contexts.

### At the local level

Firstly, it is possible to embed capacity building into the existing framework while making it more transparent. This includes:

- (i) *capitalising on existing resources* by inventorying and disseminating whatever tools and methods for better governance, skill matching or VET system functioning are currently in place;



(ii) *institutionalising* collaboration among regional partners by setting up an official territorial coordination framework on skills and VET in each governorate, which would have simple tools for analysing and monitoring training–employment dynamics (e.g. setting up a dashboard with territorial indicators);

(iii) *devolving responsibilities* to actors and building their capacities (accountability will develop only in a stabilised socio political context)

Second, it is important to promote public–private partnerships by:

(i) *raising awareness* in trainers and mobilising social partners to play a key role in such actions, addressing, particularly in matrix organisations, the disconnect between sectoral branches (more engaged) and regional units (with low interest);

(ii) *giving priority to concrete and technical actions.*

#### At the national level

It has been proved important to:

- *ensure a univocal governmental message in favour of VET*: set up cross ministerial meetings or even a commission, with a clear time frame and deliverable objectives, to work on a comprehensive strategy for human resources development, including pathways between education higher education and VET, and harmonisation of the VET supply (e.g. with the ministries of tourism, agriculture, health, defence );
- *reinforce decentralisation of the ministry*: create a participatory reform process, through consultation meetings with civil servants, based on clear scenarios and policy options;
- *ensure working synergies and maximise the impact of external aid*: set up a coordination platform of national and international partners working on the territorial governance of VET and employment issues under the leadership of the ministry (objectives: information sharing, evaluation of pilot projects, mainstreaming in the national strategy).



### *2.3 In conclusion: beyond the capacity building intervention: key (relatively) exogenous success factors for territorial governance of VET*

In addition to the strategies set out above, which aim to guarantee a coherent capacity building intervention and thus maximise its impact, other factors are important determinants of success, although they are not directly under ETF control. These include: leadership skills, the commitment of national stakeholders, the capacity for close monitoring and evaluation, based on a reasonably solid information system and an institutionalised knowledge management function, and, finally, having an identified place for strategic reflection on territorial governance.

#### Leadership skills

As discussed earlier, capacity building for the territorial governance of VET aims to set up a public–private partnership approach within which the main objective is to improve the match between the supply of skills (as provided by the education and training system) and the demands of the labour market. This supposes that an institution is able to involve actors from both sides. In the Tunisian case, the Ministry for VET and Employment has, for decades, issued regional directions regarding VET and employment, so the institutional positioning was largely in place. But experience has shown that it is not sufficient to officially devolve responsibility to an institution. The *attitude* of its head has a profound influence on the scope and impact that actions will have. Under the same mandate, within the same functions, underpinning the same tasks, very different concrete steps can be taken, depending on the willingness, but also the dynamism and charisma, of the leading stakeholder. This prompts us to ask: can leadership skills be taught; can leadership capacities be built? It is well known that leadership skills partly rely on *personality*, on which external actions will have little effect. However, some basic principles, tools and techniques can be taught, using methods adapted to fit the situation. In this area, there is no need for formal training; most useful are the ‘learning by doing approaches’, such as ‘*shadow learning*’, otherwise known as *on the job* and *peer to peer learning* (in which, for example, the director of an institution shadows a peer in another organisation for a couple of days in order to ‘experience’ leadership from the inside).



### The commitment of national level actors to empowering territorial governance at the territorial and national levels for the good governance of VET

Returning to the institutional perspective, capacity building efforts for improved territorial governance will only be rewarded if the national stakeholders not only allow territorial actors a certain amount of freedom, but also encourage them, follow up on actions and involve themselves in the dynamics of the process. Indeed, territorial actors' room for manoeuvre is still often very ill defined, and therefore the **continuous involvement of the national level** to clarify this and eliminate any grey areas of power, is crucial.

The term 'national level' refers to a range of key stakeholders for the governance of VET: the ministry in charge of VET, of course, but also social partners (employers and trade unions), who have a double role – that of mobilising their counterparts at territorial level, as discussed previously, and identifying and eliminating possible constraints or bottlenecks (in terms of legal framework, cooperation agreements, among other factors) which may prevent the territorial governance of VET from becoming viable and effective. This key success factor can, to a certain extent, be managed within the capacity building intervention, by precisely planning the role of the national stakeholders at the initial design phase. However, some degree of uncertainty remains in relation to the extent of the political will for change at the highest levels and the resources, in particular human resources, which are dedicated to the project.

### Monitoring and evaluation, preferably based on a solid information system and effective knowledge management

While planning the capacity building intervention, it is important to clarify the monitoring and evaluation modalities at this stage. This will make it easier to rapidly adapt the intervention, taking account of any unforeseen challenges (difficulties, bottlenecks, constraints) on the one hand, and scaling up positive innovative (pilot) actions on the other. Less controllable, and implying a much broader intervention, beyond the objective of capacity building for VET territorial governance, is the availability of a solid information system on which to anchor the monitoring and evaluation process. To be effective, this system should cover both the training and employment fields, within an integrated vision of monitoring skills matching. This monitoring and information gathering function would also benefit from good knowledge management systems, including documentation management and circulation of information. In many contexts, information systems are still the weak link mitigating against well running education and training systems.





### Strategic reflection framework on territorial governance of vocational education and training

Last but not least, the overall impact of the whole intervention will be all the more sustainable if it can be factored into a national strategic vision for VET territorial governance. This vision is more likely to be achieved if the strategic reflection process is provided with a clear framework and sufficient resources. This could mean setting up a specific unit entirely dedicated to the design and formulation of the vision and strategy, and with no additional responsibilities that could divert its members from this objective.

The path towards needs based and thus effective vocational education and training policies is a long, demanding, but ultimately rewarding one.