



## 1. GENERAL GOVERNANCE

Egypt is a parliamentary republic. Central government comprises a cabinet, ministries, and executive units, supported by executive and regional councils, centres, and other bodies, mainly headed by the ministries. The two most influential are the Ministry of Planning, which prepares public financing proposals and develops the Economic and Social Development Plan of Egypt, and the Ministry of Finance (MoF), responsible for allocating budgets to ministries. Ministries design, implement and monitor policies, usually with executive councils, centres and other public bodies. Social partners like federations, chambers and trade unions, and NGOs are not actively involved in governance.

Administrative organisation at national level is around ministries, their directorates, councils and other public bodies. There are 27 governorates, headed by governors appointed by the Prime Minister, which include directorates of the central ministries. Below the governorates are the district or urban-level 'Markaz' and local administrative units, i.e. villages, towns and city neighbourhoods. Each level is accountable to the next. The national budget is allocated by central and local administration. Any spending request must pass from village to district to governorate before becoming part of a budget request from one of the directorates at governorate level. These are determined by MoF and approved by cabinet and parliament.

Federations, chambers and trade unions have an advisory role in governance and policy making at sectoral and national level. Apart from industry, trade, tourism and construction federations, who participate in executive councils and policy coordination bodies, employers' and private sector participation in policy is limited. In VET, one of the most active is the Egyptian Tourist Federation. Enterprise Training Partnerships (ETPs) have been set up in several sectors in order to establish a close dialogue between private sector and VET training providers. However, the mandate of ETPs is not clear enough and their sustainability is at risk until a formal status is decided.

## 2. VET GOVERNANCE

### Key roles and functions

Nationally, the main actors are the Ministry of Education and Technical Education (MoETE), the Ministry of Manpower and Migration (MoMM) and the Ministry of Trade and Industry (MoTI). MoETE is involved in all functions of VET governance: formulating the national policy framework; provision of legislation; management of VET provider networks; mobilising financial resources; managing public-private partnerships for VET; evaluating and reviewing VET policies; research and development (R&D); and data and statistical provision. MoMM is involved in four out of seven functions. Equally important are the National Human Resource Development Council (NHRDC), and its two executive councils: The Executive TVET Council and the Executive Workforce Skills Development Council. They have only recently been established and, as of June 2016, are not yet operational. NHRDC is responsible for national policies and operational strategies for all levels and fields relating to education and training.

At sectoral level, the main actors are social partners, i.e. federations and chambers, and enterprise training partnerships (ETPs). They and private sector stakeholders have a mainly consultative role in VET governance through participating in bodies and institutions related to coordinating and implementing policy. The Chambers of Industry and Commerce also evaluate and review VET policies, while the Industrial Training Council represents sectoral skills needs.

Regionally and locally, school-to-work units, and regional TVET councils are involved in formulating the national policy framework, though not as decision-makers. The school-to-work units and TVET councils also evaluate and review VET policies. MoETE's directorates and its local departments, and MoMM's directorates and local field offices, are involved in mobilising financial resources. Various VET providers implement decisions but rarely act as initiators in VET governance. Three of the most



important are schools, vocational training centres (VTCs) and productivity and vocational training centres. Also, regional labour market observatories are involved in R&D and data and statistical provision.

### Financing

VET is financed through the national budget; enterprise financing through training levies or direct financing; and international financing through donors such as the EU, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United States Agency for International Development (USAID), and the World Bank. Public money allocated by MoF is the main source of VET financing. Examples of direct financing include apprenticeships, scholarships, introducing new specialisms into technical secondary education and technical colleges and an Arab contractors' scheme for upgrading facilities and improving management in some technical schools.

University education takes the largest share of the education budget (around 30%). Of the funds allocated to pre-university education, around 15% is for technical and vocational education and around 10% is for general secondary education. Between 2007-08 and 2012-13, expenditure on education almost doubled, though it is estimated that the budget for secondary education will need to rise by about 40% between 2014-15 and 2016-17. A high proportion of VET funding is spent on salaries, leaving few resources for development expenses like training, teaching and learning materials. Decentralised financing was piloted in 2008-09 and 2009-10, with funds transferred from MoETE, for example, to directorates at governorate level and then to departments of education at local level, and finally VET schools. An evaluation in nine governorates judged it a success, and it could be a step towards multilevel, multi-actor VET governance.

### Coordination mechanisms for VET policymaking

In legislative or normative-orientated mechanisms, instead of a unified vision and policy for VET, strategic policy documents co-exist in parallel, confusing or even fragmenting policy implementation. But the new constitution, approved by referendum in January 2014, refers to technical education and vocational training, signalling the need to strengthen TVET. It also says the proportion of GDP spent on education and higher education

will gradually increase. Also, the Ministry of Planning's Sustainable Development Strategy 2030 to maximise Egypt's competitiveness promotes the upgrading of technical education.

The VET system and coordination mechanisms for policymaking are complex often a mixture of centralised and decentralised processes. VET governance in Egypt could be characterised as a mixture of centralisation and decentralisation. Budget and related TVET expenditure is 100% decentralized on the level of each individual governorate; managed by the MoE Director within the Governorate under direct management of the Governor. On school level; still centralized to the Governorate Education Director. (Egypt is of 28 Governorate). At the same time in terms of decision making, strategy and policy the system is still centralised. Among others the following processes are centralised: curricula development, books editing and printing, Education system, Regulations and law application.

MoETE was restructured in 2014, with one of its eight main sectors covering technical education. The inclusion of technical education in the ministry's name highlighted TVET's importance in the new political agenda. A top-down system of cascading councils for VET governance starts with the NHRDC, chaired by the prime minister, which sets objectives with its executive councils - the TVET Council and the Skills Development Council. These in turn are coordinated by its technical secretariat. Also, regional human resource councils are planned at the governorate level. The TVET Council and the Skills Development Council have their own executive units, following up on decisions and coordinating with regional councils. NHRDC is in charge of national policies and operational strategies for the entire education and training system. The TVET Council and Skills Development Council deal with implementation, development of systems and procedures, quality standards, and labour market analysis aiming at partnership development with business and social partners. The TVET Council has a mandate to follow up on development and implementation of the National Qualifications Framework (NQF)

Institutionalised policy advice oriented mechanisms comprise mainly national councils, with negligible participation by NGOs. The councils have extended responsibilities and liabilities, but no decision-making role. The Industrial Training Council (ITC) and Construction Skills Development Council (CSDC)

drive demand for training and coordinate existing training projects to make them more effective. The Education Development Fund supports educational development at different levels and is currently piloting an 'integrated technical cluster'. Various new structures foster coordination with national and international partners, including the Planning and Coordination Unit and the Research and Development Unit, while the new School-to-Work Transition Unit promotes an outcome-oriented VET vision nationally and regionally, helping students into work.

In public-private structures, efforts are being made to engage business with VET governance and skills development through Enterprise Training Partnerships (ETPs) – 12 at sectoral level and 14 at regional/governorate level. Other public-private partnerships supported by international donations also focus on skills and technical education, and enterprises have started setting out their own initial VET programmes. A National Programme for Training for Employment aims to boost employees' skills with training and development, and ministries work with international partners on employment, education and TVET projects.

Federations, chambers and social partners have a consultative, non decision-making role in the councils, VET policymaking and objective setting. NGOs and non-profit organisations help implement labour market policies but are not part of deciding and coordinating VET policy.

Focusing on knowledge creation orientated mechanisms, reports since 2011 have called for sector-based human resource development, and decentralisation of TVET organisation, information and management systems and financing. But their impact is unclear. Also, there is no precise data on alternative learning pathways, for example the number of vocational training centres and which ministries are responsible for them. A national labour market information system is also lacking, but regional labour market observatories have been created to gather data that could fill this gap. Also, a concept for careers guidance exists as a platform for employment and education projects by national authorities and donors.

An independent body reporting to the Prime Minister aims to improve quality assurance but few VET organisations have been accredited, as there is not yet a comprehensive and functional quality assurance system for standardisation, accreditation

and certification.

### Country typology

VET governance is still centralised in Egypt, but modernising thanks to: a system of cascading councils and regional structures; appointing a deputy minister for technical education, making TVET part of the constitution; restructuring MoETE to include a school-to-work transition unit, and a planning and coordination unit for TVET; and piloting fiscal decentralisation in education. But there is no well-structured VET system or qualitative vocational programmes because of factors including the lack of a comprehensive VET reform strategy, limited school autonomy, insufficient financial resources, lack of monitoring and evaluation systems, input rather than output or results-based management, and a lack of accountability. Lack of an overall VET vision or close cooperation between ministries, plus overlapping responsibilities among public bodies and councils, also produces functional gaps and fragmentation in governance.

### Development assessment

TVET governance development is targeted. While some elements of the system, like exams and assessments, the curriculum, textbooks and inspection are under central control, other stakeholders can run their own initiatives. So education networks, local authorities and training providers have significant decentralised authority. Governance is fragmented at central level, with MoE and MoEc managing and financing two different systems. Local authorities have a significant role in TVET organisation as owners of MoE schools. Employers also have a positive role, through MAI's prominent part in developing TVET policy, as well as implementation and reform. Government often calls on it to engage in training issues, it has built up its own organisation to deal with TVET, and it has a considerable presence on national forums. Histadrut is less active. Also, while collaboration between ministries, MAI and other stakeholders is extensive, it is also ad hoc.

### Ongoing work in policy development

Piloting decentralised expenditure in education and training is a significant step towards multi-level, multi-actor governance in VET. More implantation of this is anticipated, which will affect the mobilisation of financial resources governance function. The School-to-Work Transition Unit, with its division on careers guidance, equates to good multi-level



governance as it is involved in several governance functions: formulating VET national policy framework; public-private partnership in VET; and evaluation and review of VET policies.

A protocol in four governorates between MoMM, the Foundation of the Liberal Forum and the trade union for workers in the private sector to implement a Training and Employment Programme is a significant public-private partnership in vocational training. It enhances multi-level governance, corresponding to the functions of sectoral funding, and partnerships between public bodies and social partners.

### 3. POLICY POINTERS

Policy makers may wish to consider the following points for reflection, with a view to working towards their implementation in line with national priorities and in the context of national, regional, and local needs.

#### Overall planning and management

1. Define a shared vision for VET, for example through a national strategy.
2. Develop multi-actor, multi-level VET governance to enhance its attractiveness, quality and responsiveness to labour market needs. Engage all stakeholders in formulating a VET policy agenda, develop a framework to involve the private sector, employers and social partners in every VET governance function, and define the best fields to engage business in VET.
3. Increase capacity and accountability of public and private stakeholders, social partners and NGOs at all levels of governance.
4. Develop a national system of VET assessment, certification and quality assurance.
5. Clarify the mandate of ETPs, and provide them with a clear institutional and financial sustainability in order to enhance social dialogue and public-private partnerships.
6. Implement VET initiatives for socially vulnerable and disadvantaged groups.
7. Establish a national system for vocational guidance from an early stage in education.
8. Strengthen CVTs' function by identifying qualification levels, criteria setting and approval

issues of their operation (trainers, equipment, courses etc.).

9. Develop a national, accessible VET database for all levels of governance.

#### Finance and funding

1. Consult with social partners and VET providers on financial incentives for public-private VET financing. Develop a framework for these incentives for private stakeholders and social partners, institutionalise it through legislation and regulation and engage beneficiaries in implementing and monitoring it.
2. Develop and adopt a regulatory framework to enhance VET providers' financial autonomy.
3. Move towards fully implementing the 'decentralised expenditure pilot' in education and TVET.
4. Cooperate with social partners, civil society and VET to restructure the Training Fund. Restructure the training levy to meet employers' and employees' needs.

#### Coordination mechanisms for VET policy making

1. Clarify roles and responsibilities of actors and stakeholders in VET governance to tackle overlaps, fragmentation and confusion in policymaking.
2. Enhance ministries', agencies' and other stakeholders' capacities to reform policy coordination mechanisms.
3. Design a mechanism to strengthen public and private stakeholders' participation in VET policy making, and the cooperation and coordination among them.
4. Upgrade the General Administration for Information, Statistics and Computers' information systems and train MoETE's executives and staff on evidence-based policymaking.