

Governance arrangements for vocational education and training in ETF partner countries

Analytical overview 2012–17



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PREFACE

By definition, governance in vocational education and training (VET) includes the policy areas of financing (who pays for services, and how), partnerships (who is doing what, and how, for win–win approaches) and assuring quality (making sure the service is good). According to international experience, governance is a key strategic policy area for effectively modernising VET, looking towards the future¹. The European Training Foundation (ETF) is very much aware of this.

Ensuring good governance in VET is a difficult task as it is a complex policy area located at the intersection of education, training, and social, economic and labour market policies, contributing to socioeconomic national goals while balancing regional development (ETF, 2013). The economic and social dimensions of VET skills are strongly challenged by high youth unemployment in many countries worldwide. At the same time, technological changes and the rapid digitisation of many occupations are putting pressure on VET policies and systems, in both developed and developing countries, to provide high-quality skills in order to respond to such employment shifts.

Countries aim to raise the status and profile of VET in the face of competition from the higher education sector. The parity of esteem of VET with other education sectors is a crucial issue in many countries. VET should become an optimal learning option for students, families and employers. There is also a need to tackle the effects of skills mismatches to improve the employability of the youngest cohorts and senior workers in the labour markets. For all these reasons, the most attractive and innovative VET systems in the European Union (EU) and worldwide build on the development of effective multilevel partnership approaches by giving an effective role to the social partners and other industrial (private) actors within the policy-making cycle, while enhancing the policy functions of regional and local actors. This can create the necessary conditions for more autonomous, attractive, excellent and accountable VET institutions.

Good multilevel governance in VET allows such dimensions to be tackled (involvement, coordination and public and private interaction to shape relevant skills). This approach must address the institutional, financial and informational aspects of steering VET policies and systems. All these issues have been brought to the fore to be urgently tackled by partner countries within

the framework of the ETF Torino Process, which was launched in 2010 and has since had three additional rounds (2012, 2014 and 2016)². Since the first round, VET good multilevel governance has been identified by the Torino Process as a major issue for unleashing the potential to drive successful systemic VET reforms in partner countries.

This report monitors a six-year period (2012–17). It aims, first, to take stock of progress in VET governance and second, to inform further policy development in good multilevel governance in partner countries. It provides a comparative analytical overview of the main progress, major trends and types of VET governance arrangements and coordination mechanisms for VET policy making that are currently running in the four ETF operational regions, namely Central Asia, Eastern Europe, South Eastern Europe and Turkey, and the Southern and Eastern Mediterranean, reporting on 23 partner countries in these regions. The report also presents a selection of eight country cases and introduces key policy areas for further reforms, addressing VET good multilevel governance approaches in the four ETF geographical regions.

The report reflects intensive partnership work developed among the ETF and partner countries during this period in the strategic policy area of good multilevel governance in VET. Thus, the paper is mainly addressed to key VET stakeholders in partner countries, as a tool for further policy development and self-reflection addressing the issue of VET governance to modernise country systems. Further, this report can inform VET communities, researchers and practitioners in partner countries and in the EU and international arena.

Thanks are due to ETF thematic and country experts who have supported the implementation of the Torino Process rounds and contributed to this report by commenting on and assuring the quality of the information it contains.

¹ Among some key sources, see, for instance, UNESCO (2016).

² The Torino Process is a participatory process leading to an evidence-based analysis of VET policies in a given (ETF partner) country. It builds consensus on the possible ways forward in VET policy and system development. This includes the determination of the state of the art and vision for VET in each country and an assessment of the progress that countries are making in achieving the desired results. The added value of the Torino Process lies in the fact that it embeds VET within the socioeconomic context and ensures that the analysis is informed by relevant evidence and takes place through structured dialogue.

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EXECUTIVE SUMMARY

This cross-country analytical report addresses the European Training Foundation's (ETF) need to actively monitor vocational education and training (VET) reforms in its partner countries in terms of good multilevel governance. The period covered by the report is 2012–17. The main objective is to provide an analytical overview of major progress, current trends and types of VET governance arrangements in the four ETF operational regions by reporting on 23 partner countries.

The ETF acknowledges that good multilevel governance in VET should be understood as a model for VET policy-making management based on coordinated action to effectively involve VET public and private stakeholders at all possible levels (international, national, sectoral, regional/local, provider) in objective setting, implementation, monitoring and review. Good multilevel governance in VET aims to reinforce the interaction and participation of such stakeholders while improving the relevance, accountability, transparency, coherence, efficiency and effectiveness of VET policies (Leney, 2015).

The information and analysis presented in this report roll out from a methodology – analytical framework/data collection tool – developed by the ETF for a baseline inventory of VET governance arrangements in its partner countries. The analysis builds on the assessment of progress made in relation to seven VET governance functions, coordination mechanisms for VET policy making and ETF country progress indicators (CPIs).

From 2012 to 2017, the four regions and 23 partner countries experimented with minor and, in some cases, major shifts in the distribution of responsibilities from central to vertical and horizontal levels. Such application of the subsidiarity principle requires assessment of leadership and management capacities of VET stakeholders at the vertical level (from national to sectoral, sub-national and VET provider levels).

Partner countries have understood and acknowledged that the VET good multilevel governance approach is an effective way to support the reform and steering of VET policies and systems. To a greater or lesser extent, all partner countries acknowledge that

inclusiveness and openness to involve multiple actors at vertical and horizontal levels is a useful method for reforming VET systems.

On the horizontal level, fair progress can be highlighted in terms of an increased, recognised and more effective role of social partners in VET policy formulation, mainly at national, sectoral and VET provider levels (e.g. Morocco, Kazakhstan, Georgia, Turkey and Ukraine). It is important to recognise the more institutionalised role of both national (Serbia, Georgia, Jordan) and sectoral social partners through councils/committees (Moldova, Kazakhstan), resulting in a more consolidated role for such non-state actors. However, social partner networks and capacities to participate in VET policy development in cooperation with governments need to be further strengthened, in particular at sectoral levels.

Most of the partner countries already have a joint vision in place (around 80% of partner countries hold a 'medium' to 'high' vision for VET). Eastern Europe and South Eastern Europe and Turkey are the regions in which a joint VET vision is more consolidated among governments and non-state stakeholders.

Fair progress has been recorded in policy leadership and coordination in relation to general planning and management in most partner countries, as they have a line minister in charge of VET policies who defines overall policy and the managerial framework for implementation. However, in some partner countries there is still a need to clarify ministerial roles, and little progress has been recorded during this period on inter-ministerial cooperation outcomes. Executive and/or supervisory national VET agencies could contribute significantly to improving policy performance.

The governance of VET financing is still characterised by highly centralised approaches and fragmented management practices in many partner countries. Most VET funds come from public revenues, with little room for financial (or curricular) autonomy of VET providers (with some exceptions, such as Israel and Russia). The findings of this report call strongly for the opening and sustaining of a systematic and structural dialogue with partner countries on this issue.

In this context, for example, there is a definite need in partner countries for policy dialogue on fiscal decentralisation, providing an opportunity to discuss and assess how to implement incentive policies (financial and non-financial), including the use of tax/levy systems for more effective engagement of employers and other private actors in VET policy development.

On the vertical level, further progress has yet to be demonstrated in the strengthening of the role of regional and local actors (with some exceptions such as Ukraine, Kazakhstan, Tunisia, Morocco and Armenia). Vocational school autonomy is still to be discussed in many partner countries. The role of the so-called VET centres of excellence, multifunctional VET centres, VET resource centres, and/or sectoral bodies in partner countries (e.g. Moldova, Albania, Morocco, Armenia and Azerbaijan) is a key driver for steering such policy dialogue on the modernisation of VET networks. This type of institution contributes greatly to optimising and/or rationalising VET networks as well as to the effective implementation of VET public–private partnerships.

Hence, a possible way to reform VET governance settings is to continue to enhance the role of industrial actors on the horizontal level (across national, sectoral and regional layers), while empowering the role and autonomous management of VET institutions on the vertical level. Both political will (at national level) and increased capacity of local actors will be required to deconcentrate, delegate or devolve power to regions or most local levels. The size of partner countries is a key factor.

In this regard, there is a need to empower the roles of VET regional stakeholders in addressing the formation and implementation of local partnerships. The evidence gathered in this report indicates that progress can be described as ‘medium’ for a few partner countries and ‘low’ for a large majority of them.

Assessing coordination mechanisms for VET policy making, the progress in partner countries is ‘medium’ to ‘high’ on the revision of VET strategic frameworks and the review of institutional settings (mushrooming of council systems), and ‘fair’ on setting up

management information systems and developing mechanisms and tools to improve labour market intelligence and/or matching skills.

All these developments during the period 2012–17 confirm the progressive transformation of VET governance systems in partner countries, moving from centralised models and modes of steering policies towards so-called hybrid models.

Such hybridisation is highlighted as a key conclusion for this period. There is a move away from highly centralised bureaucratic or school-based models towards VET governance models and modes that seek more balanced participation and inclusiveness of non-state stakeholders in the policy processes, as well as an increased role for vocational schools in shaping governance and partnerships.

The cross-analysis of eight country cases (Kazakhstan, Moldova, Ukraine, Albania, Serbia, Jordan, Morocco and Tunisia) confirms such trends. The partner countries are allocating consultative and/or executive advisory functions to tripartite councils (national, sectoral, regional), with employers having stronger voices, while showing clear intentions to decentralise certain functions to sub-national level (regional/local) and balancing a future vision in which vocational schools will be more autonomous (some relevant experiences in VET centres of excellence and innovation).

There is a strong need for effective social dialogue in VET and skills policies within a lifelong learning perspective at national level, as facilitating the implementation of systemic social partnership approaches at sectoral, regional and VET provider levels remains a challenging issue in many partner countries. Supporting the further formation, implementation and consolidation of sustainable public–private partnerships in VET (including, for example, the governance of apprenticeship systems and work-based learning) should be a clear priority for partner countries.

In this context, the operationalisation and further development of the public–private partnership concept in VET is a must for (all) partner countries as a way forward for the further development of VET. This is particularly important in the context of the

VET dual model, which many partner countries would like to implement. Addressing systemic reforms to modernise VET and make it more attractive will need to be underpinned using hard coordination mechanisms (review of VET legislation, as in Albania and Ukraine), while balancing the increased use of soft (deliberative) tools to build trust and frame thematic fields of policy cooperation among VET stakeholders.

In summary, reviewing and supporting the institutional and social dialogue capacities of public and private VET stakeholders at all levels, reviewing VET financing policies, and addressing the new role to be played by vocational schools are core areas for supporting VET reforms in partner countries approaching VET good multilevel governance in the years to come.

1. INTRODUCTION: METHODOLOGICAL REMARKS

1.1 Conceptual approach

This report addresses the ETF's need to actively monitor VET reforms in the partner countries in the area of good multilevel governance in VET. The period covered is 2012–17.

For the purpose of the analysis, good multilevel governance in VET is conceived as a process-driven approach for governing through shared responsibility and coordinated action. It can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation, in more or less continuous negotiation, deliberation and implementation, and that does not assign exclusive policy competence or assert a hierarchy of political authority to any of these levels (Schmitter, 2004).

The ETF acknowledges that good multilevel governance in VET should be understood as a model for VET policy-making management based on coordinated action to effectively involve VET public and private stakeholders at all possible levels (international, national, sectoral, regional/local, provider) in objective setting, implementation, monitoring and review. Good multilevel governance in VET aims to reinforce the interaction and participation of such stakeholders while improving the relevance, accountability, transparency, coherence, efficiency and effectiveness of VET policies.

The principle of subsidiarity is key for implementing the deconcentration, delegation and/or devolution of responsibilities to other VET policy actors. The horizontal and vertical dimensions of good multilevel governance of VET address complex relationships between governmental and non-governmental actors, and form new social partnerships. This could enhance the efficiency and effectiveness of VET reforms that address institutional arrangements, communication and financing. Eventually, this could enhance the performance of VET systems.

The ETF good multilevel governance approach in VET builds on the rationales supporting the EU Open Method of Coordination (OMC). The OMC contributes as a policy-making process in the transnational coordination from the EU supranational governance level and influences national policy

priorities and agendas in the education and training policy area. In other words, the OMC is a model of multilevel governance, as it requires EU Member States' coordination and cooperation across vertical and horizontal governance levels. In this context, the education and training policy area has produced a relevant body of law for enhancing cooperation among EU Member States and EU institutions.

For example, the Education and Training 2020 Framework shows how European governance structures (in this case, the European Council and European Commission) deliver non-binding recommendations to Member States in order to steer policy priorities in a soft way and monitor expected performance in the field of education and training (Wilkoszewski & Sundby, 2014). The Riga Conclusions (2015) on a new set of medium-term deliverables in the field of VET, as a result of the review of short-term deliverables in the Bruges Communiqué, is another recent example of how EU processes are influencing the review of Member State priorities for governing VET policies and systems³.

1.2 Focus, scope and tools of the analysis

As previously stated, the main objective of this report is to provide an analytical overview of major progress, current trends and types of VET governance arrangements in the four ETF operational regions by reporting on 23 partner countries. These regions and countries are as follows:

- Central Asia: Kazakhstan, Uzbekistan;
- Eastern Europe: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, Ukraine;
- South Eastern Europe and Turkey: Albania, Bosnia and Herzegovina, Kosovo⁴, Montenegro, North Macedonia, Serbia, Turkey;

³ For more information, see Galvin Arribas (2016 and 2018).

⁴ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence – hereinafter 'Kosovo'.

- Southern and Eastern Mediterranean: Egypt, Israel, Jordan, Lebanon, Morocco, Palestine⁵, Tunisia.

The information and analysis presented in this report builds from a methodology – the analytical framework/data collection tool – developed by the ETF for a baseline inventory on VET governance arrangements in partner countries (see Annex 1). This inventory is a tool for systematically mapping and monitoring policy developments and reforms in partner countries driven by good multilevel governance approaches in VET⁶.

The mapping section of the data collection tool focuses on identifying key public and private VET stakeholders at international, national, sectoral, sub-national (regional, local) and provider level operating in seven VET governance functions. Such functions target the policy areas of general planning and management and financing within the VET policy cycle (from formulation to implementation, monitoring and review of the VET policy framework).

The seven VET governance functions are:

1. Formulation of VET national policy framework (goals, strategies, plans, etc.);
2. Provision of legal/regulatory/normative framework;
3. Management of VET provider networks;
4. Mobilisation of financial resources (budgeting and allocation);
5. Management of public–private partnerships for VET and skills provision;
6. Evaluation and review of VET policies (including audit systems for VET financing);
7. Research and development; data and statistics (management information systems).

The analysis then builds on an assessment of the progress made in the field of coordination mechanisms for VET policy making. This allows the provision of, for instance, additional information on VET governance and financing arrangements (e.g. cost-sharing mechanisms for mobilising additional budgetary resources for VET development). The four types of coordination mechanism used to further analyse VET governance arrangements in partner countries are:

1. **Legislative or normative oriented** (e.g. VET legislation and other training regulations – national, regional tripartite agreements; skills policies regulated by labour laws, national qualification frameworks, etc.);
2. **Institutionalised policy advice/making oriented** (e.g. national agencies and other supervisory (tripartite) bodies; national/sector/regional skills councils; steering or joint social partner committees; interministerial working groups);
3. **Public–private structure oriented** (e.g. social dialogue arrangements; collective bargaining agreements for skills development/provision at sectoral and company level; public–private arrangements for funding vocational skills, work-based learning arrangements);
4. **Knowledge-creation oriented** (e.g. performance-based indicators and benchmarks; evaluation and monitoring tools; institutionalised information offices (e.g. observatories); recommendations, joint opinions, declarations, frameworks of action (soft regulations); occupational standards).

1.3 Hypothesis, drivers and other indicators supporting the analysis

Given all these elements, the initial hypothesis is that, based on antecedents recorded from 2012 when the ETF started to implement the VET good multilevel governance approach, centralised VET governance models and modes were the dominant way of managing VET policies and systems in partner countries⁷.

⁵ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual position of the Member States on this issue – hereinafter ‘Palestine’.

⁶ The main sources for this report, which are, in turn, the key references for the ETF VET governance baseline inventory, are the ETF Torino Process reports (2010, 2012, 2014 and 2016 editions) and key findings of ETF FRAME and GEMM projects

⁷ This was the case, to a greater or lesser extent, in the 23 partner countries analysed in this report, regardless of their organisational form (unitary centralised, regionalised, or regional and/or federal states).

According to the ETF experience, it is also plausible to assume that four drivers would guide strategic reforms in partner countries in the four geographical regions, to steer VET policies and systems aligned to the VET good multilevel governance approach. These drivers are:

- VET in Europe: the Europeanisation of VET policies and systems (in the international context)⁸;
- VET for socioeconomic regional development and innovative sectoral industrial policies;
- VET to respond to labour market skills needs (mismatches, shortages) and to increase the employability of young people and those in at-risk groups;
- VET's image, attractiveness and excellence: VET within a lifelong learning perspective.

Further, the analysis is expanded with the use of ETF country progress indicators (CPIs) in the area of VET governance as a tool for summarising the progress observed in each country⁹. In addition, one indicator of employment and one indicator of policy analysis and system-wide monitoring were used for the purpose of this report. The definition and descriptors of the three VET governance indicators used in this report are given below.

- **GOV1. Comprehensive vision for VET** – This indicator captures the multi-actor and multi-tier nature of VET. A vision agreed across the relevant ministries indicates a system-wide approach, with VET linked to the country's broad goals. Explicit input in shaping this vision from outside the government – namely from social partners, sector employer and employee organisations, civil society and community representatives – marks a

further step. The vision turns into institutionalised interactions among actors and levels, with the additional key element of VET financing, which provides a sound basis for the VET vision and reform plans.

- **GOV2. Horizontal coordination mechanisms** – The horizontal dimension of multilevel governance refers to coordination and cooperation among actors at the same level. It underlines the role of social partners and civil society in the social dialogue context. One descriptor is the existence of at least a negotiated agreement that addresses skills development. Social partners, chambers and sectoral bodies ensure proximity to the users and are therefore able to foresee future needs. Their capacity to influence priorities for VET financing and/or funding and their formally recognised role in VET indicate progress in horizontal governance. Further progress is indicated by the involvement of other actors, such as civil society organisations and VET experts.
- **GOV3. Vertical coordination mechanisms** – Within multilevel governance, the vertical dimension addresses the linkages between higher and lower levels, from the supranational to the local level. Regional and local authorities remain essential for territorial VET governance. Translating policies into actions that deliver desired outcomes to citizens relies on governance arrangements that ensure the flow of information both upwards and downwards between administrative layers. Progress is indicated by a recognition of the sub-national level; the effective articulation between levels through existing coordination mechanisms; mechanisms that allow innovation, rather than promoting bureaucratic rigidity or compliance; and clearly agreed roles and responsibilities between all levels.

All these analytical fields and evidence allow assessment of progress by partner countries on VET good multilevel governance during the period 2012–17. Taxonomies of VET governance arrangements and major trends on coordination mechanisms for supporting further reforms are just some of the key insights provided by this report.

⁸ This driver might be fully operational for further policy developments in the South Eastern Europe and Turkey region, whereas in the other ETF regions it could also fuel VET reforms, to a greater or lesser extent, by addressing identified policy processes and the further establishment of coordination mechanisms, depending on the institutional arrangements in each country.

⁹ The CPIs have been assessed by ETF experts in their respective areas of expertise and deployed within ETF strategic projects. The assessment presented in this report refers to 2016 (baseline) governance CPIs (GOV1, GOV2 and GOV3) (Taurelli, 2016).

2. AN OVERVIEW OF KEY FINDINGS IN 23 PARTNER COUNTRIES

This section presents the key findings of VET governance analysis for the period 2012–17, addressing the areas of general planning and financing and coordination mechanisms for VET policy making that exist in the four ETF operational regions and the 23 partner countries covered by the report. Further, key typologies and a selection of eight partner country approaches to the informational, financial and institutional dimensions of VET good multilevel governance are reported.

As previously stated, the initial hypothesis (that centralised VET governance models and modes were the dominant way of managing VET policies and systems in partner countries), together with self-assessment of ETF CPIs and the monitoring of VET coordination mechanisms, are the key criteria for assessing progresses during this period¹⁰.

2.1 General planning, management and financing of VET

From 2012, the four regions and 23 partner countries experimented with slight or, in some cases, significant shifts in the distribution of responsibilities from central to vertical and horizontal levels. Such application of the subsidiarity principle requires the assessment of leadership and management capacities of VET stakeholders on the vertical level (from national to sectoral, sub-national and VET provider levels). On the horizontal level, fair progress can be highlighted in the form of an increased, recognised and more effective role for social partners in VET policy formulation, mainly at national, sectoral and VET provider levels.

Between 2012 and 2017, the highly centralised VET systems in most partner countries have moved, to a greater or lesser extent, towards more inclusive and participatory models and modes for managing VET policies and systems. This can be defined as a hybridisation of VET governance models and modes.

Thus, based on evidence collected for this period, VET governance remains relatively centralised, though it shows signals of becoming more inclusive and participatory.

The hybrid concept refers to the idea that the state (represented by national governmental stakeholders) passes certain responsibilities to, or simply consults and engages with, other bodies or stakeholders at vertical (regional/local powers, VET providers) and/or horizontal levels (social partners, civil society representatives) to support VET policy making in the different phases of the policy cycle.

This entails various stakeholders implementing institutional cooperation, working more closely with governments, and deploying deliberative and/or executive capacities and functions at the different governance levels (national, sectoral, regional, provider). Examples of this include participating in advisory national tripartite or sectoral councils, implementing cooperation among social partners (employers) and vocational schools, performing new roles on behalf of the central level within territorial governmental departments and/or local offices, giving VET institutions the chance to have some freedom in designing curricula, and involving employers in school operations and provision¹¹.

These shifts have led to the development of VET coordination mechanisms (e.g. policy dialogue on VET strategies, institutional development of national, regional and sector councils and, in some countries, agencies, local offices, etc.) that are facilitating policy coordination by supporting the line ministers in charge of VET development.

However, in global terms, the governance of VET financing is still characterised by centralised – and fragmented – management practices in terms of policy leadership and coordination (by whom and how the budget is owned and distributed). In most partner countries, VET funds are mainly public and are allocated through input-oriented formula

¹⁰ Ibid.
The key findings presented in this report are based on the information available at the time of writing and are subject to change.

¹¹ The hybrid concept is linked to post-bureaucratic education and training models, which are those that have evolved from bureaucratic or school-based regimes. These models, among other features, balance centralisation and decentralisation and give more autonomy to school operations (see Greinert (2010) and Maroy (2008)).

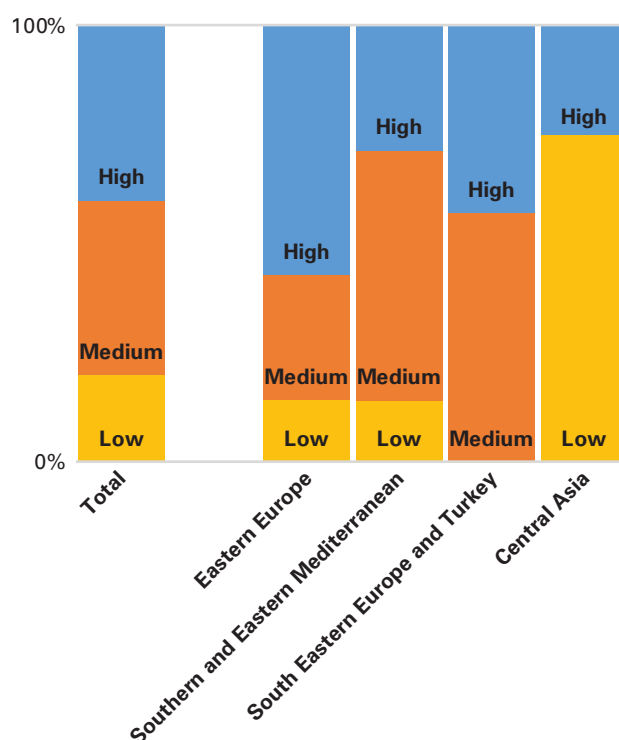
mechanisms, with a few exceptions (see subsections below)¹².

Furthermore, there is little evidence of, for example, budget-planning programmes developed by national authorities in which the profiles of VET providers are clearly taken into account to support regional or sectoral labour market needs. Indeed, another key feature to be highlighted is the limited financial autonomy of VET providers in many partner countries.

Nevertheless, the ETF CPIs are useful for providing evidence on the progress made by partner countries in addressing multilevel and collaborative forms of VET governance, even if the institutionalisation of these collaborative forms is progressing only slowly. In such a context, as the ETF experts have assessed, there exists at country level a shared vision for VET, which is considered the scenario leading to the institutionalisation of participatory governance of, and role for, VET. At this point it is important to reiterate that building a VET vision is a joint effort involving multiple stakeholders at different governance levels (Figure 2.1).

According to the ETF experts' assessment, around 80% of partner countries have a 'fair' to 'good' vision for VET ('medium' and 'high' categories in the chart). In Eastern Europe and in the Southern and Eastern Mediterranean a small share of countries have a 'low' vision for VET (14%), while in Central Asia three of the four countries remain at this starting level¹³. The South Eastern Europe and Turkey region has moved beyond this initial phase, with all countries showing an acceptable level of institutional sharing of the VET vision to integrate VET as a component to support socioeconomic development.

Figure 2.1 ETF assessment of the vision for VET in partner countries, 2016



2.1.1 Central Asia

The countries in Central Asia have made clear progress in moving VET up the policy agenda. They are spelling out their plans for the further engagement of more social partners (in particular, employers) in the short-, medium- and long-term development of their VET systems, linked to their ambitions for socioeconomic development. However, in the vast majority of the countries the focus is mainly on initial VET (IVET).

Further, there is an increased awareness of the role to be played by regional actors in VET policies, as well as of the importance of social partner involvement (in particular, employers cooperating with VET establishments, as the role of trade unions is still rather weak). Thus, during the period 2012–17 there was moderate progress in the region towards VET good multilevel governance approaches (represented in this case by two countries, as reported in Table 2.1).

¹² Input-based funding refers to formulas that are designed to allocate funds based on multiplying the number of students enrolled by a parameter of unit costs. This formula can be supplemented by including the costs of various training courses. This method gives little room for improving efficiency in the training process and is not responsive to employment and labour market needs (Ziderman, 2016).

¹³ Although four Central Asia partner countries have been assessed through CPIs, this section presents only two countries, as they are those included in the VET governance inventory.

Table 2.1 Policy-making processes in VET general planning, management and financing in Central Asia

Country	Key features
Kazakhstan ¹	VET governance can be characterised as hybrid. From 2010 a number of institutional arrangements have been made or planned that indicate a movement towards a more multilevel and multi-actor approach. The country has developed regional VET hubs. The role of stakeholders at national, regional and local levels has been strengthened, while VET providers are being granted a certain degree of autonomy. The distribution of responsibilities both among ministries and between the central and regional levels has been clarified.
	VET in Kazakhstan is funded mainly by the state from national and regional budgets. During the period 2013–15, the state increased funding for VET with the strategic objective of reforming the system, from KZT 102 billion to KZT 111 billion. Over this period, the proportion covered by regional budgets has constantly increased, while national allocations have decreased. For example, from the KZT 111 billion allocated in 2015, KZT 87.6 billion came from regional revenues and the rest from the national basket.
	A large number of students pay fees, and this should be considered as a source of VET funding in the country. In 2015, the total funding for education at all levels was KZT 1,287.0 billion, including the VET system (0.2% of GDP). VET system financing in 2015 was KZT 111.0 billion, consisting of KZT 23.4 billion from the national budget and KZT 87.6 billion from the local budget ² .
Uzbekistan	VET governance can be seen as centralised, although further progress towards a more participatory approach has been made, in particular in terms of providing greater freedom at school level, accompanied by an increased role for employers in the national policy dialogue framework. Thus, VET governance can be typified as centralised moving to hybrid. The VET system is expected to undergo a reform, given the five new priorities/objectives recently set for the country (within the framework of the new State Strategy on Further Development of Uzbekistan 2017–2021, adopted in February 2017 by the Decree of the President of the Republic of Uzbekistan), even though some are only indirectly related to VET.
	The Ministry of Higher and Secondary Specialised Education defines the objectives in the VET system in consultation with the Centre for Specialised Secondary Vocational Education (CSSVE), the coordinating VET governance body, which is under the authority of the Ministry of Higher and Secondary Specialised Education. The CSSVE will remain responsible for curricula.
	Thus, to a certain extent, VET governance and policy making is becoming more participatory, as the employers' associations and trade unions play a role in shaping VET policy and decision making through their obligatory participation in the process. The increased active role of the Chamber of Commerce and Industry of Uzbekistan is crucial in this respect, as it promotes education–business cooperation and possible innovations that would help to articulate industry needs in the VET content.
	VET is financed mainly by the state, from the central government budget. The country allocates one of the highest levels of public expenditure to the VET sector in the region. The Ministry of Finance is in charge of the system of financing the education system, while the Ministry of Economy is responsible for the development of infrastructure. The amount of spending on education rose from 8.3% of GDP in 2012 to 8.6% of GDP in 2015. This is partially met through both budgetary and extra-budgetary funds, which accounted for 7.4% of GDP in 2012 and 7.7% of GDP in 2015. Freedom of action has been established for each VET institution. There is a director's fund that enables financial decisions to be taken, relevant resources to be allocated, evaluation to be developed and personnel decisions to be made.

¹ See more information on Kazakhstan in Section 2.4.

² In 2015, KZT started to devalue. Exchange rate in March 2018: EUR 1 = KZT 398.58.

2.1.2 Eastern Europe

In Eastern Europe, the increased visibility of VET in the setting of the policy agenda is clear evidence of the shift of VET's role in these countries by key national VET actors, in terms of its potential role in addressing socioeconomic and regional development challenges. VET visions are not yet fully developed, as the tradition of reform by legislation still dominates in the region. Such issues still influence policy practices when attempts are made to modernise institutional arrangements towards more effective tripartite approaches, which is, perhaps, the ambition of some countries in the region.

Enhancement of the employers' role in VET policy making in Eastern Europe is clearly progressing, while greater importance is given to the voice of the regional administrations and the role of VET establishments. The employers are very aware that vocational skills provision should respond to their requirements and those of the labour market. Thus, skills shortages and gaps could function as incentives to support further enhancement of their policy role. European policies embedded in VET reforms also exert an influence, and this is also fed by the significant increases in funding from donor interventions in some countries in the region (e.g. EU budget programmes in Georgia and Armenia).

2.1.3 South Eastern Europe and Turkey

The countries in the South Eastern Europe and Turkey region have comprehensive and well-developed strategic visions for VET, clear objectives and policy priorities, and consequent strategies for the medium- to long-term development of their VET systems. In some cases, this has led to legislative reforms and, in more concrete terms, to the development of institutional mechanisms to support the necessary policy advice for monitoring such strategies. The economic reform programmes developed in cooperation with the European Commission played an important role in improving monitoring capacities in the region¹⁴.

¹⁴ For more information, see: http://europa.eu/rapid/press-release_IP-18-3342_en.htm

The proximity and status of some acceding countries to the EU are shaping a clear trend driven by a 'Europeanisation' of VET governance models and modes. The institutional reforms are characterised by VET good multilevel governance approaches. However, more visible policy outcomes from this structured vision need to be translated into policy implementation in the region. For instance, in most of the countries, more effective social partner involvement throughout the VET policy cycle will be necessary in order to reform VET systems in line with EU policy patterns.

2.1.4 Southern and Eastern Mediterranean

Southern and Eastern Mediterranean countries have been making efforts in recent years to move VET higher up the policy agenda. Policy makers in these countries are acknowledging that VET can provide the required support for improving youth employability and for increasing the further integration of women in labour markets. Thus, during this six-year period the role of VET in the region has been enhanced. However, there are still significant differences between Maghreb and Mashreq countries in terms of the speed and form of VET reforms. Overall, there are still substantial needs in relation to reviewing and implementing new institutional arrangements for effective policy coordination among major VET actors through good multilevel governance.

Some promising practices have been introduced to shape national actors' coordination, involve more VET regional actors and social partners, and give more importance to the role of school self- management. In other words, VET good multilevel governance in the region is now higher up the policy agenda, as vocational skills are now clearly seen as a vehicle to tackle high rates of youth and female unemployment in the countries. The contribution of the ETF GEMM project has been highly relevant in this respect¹⁵.

¹⁵ For more information on the outcomes of the GEMM project, see for instance: www.etf.europa.eu/en/publications-and-resources/publications/gemm-final-report-summary

Table 2.2 Policy-making processes in VET general planning, management and financing in Eastern Europe

Country	Key features
Armenia	VET governance can be regarded as mixed-centralised, although important steps have been taken towards a more participatory approach. There is a comprehensive vision for VET as well as a clear plan for its development in accordance with labour market needs. Thus, there is in place a clear model and mode characterised by a centralised approach, moving towards hybridisation.
	The Ministry of Education has consolidated policy coordination by taking over responsibility for VET from the Ministries of Agriculture, Energy, Culture and Health and by bringing vocational schools into a single VET structure. The national tripartite VET Council advises on and supports policy coordination. The VET system is structured around a network of regional VET colleges that will develop partnerships with vocational schools and employers in each of the 12 regions of Armenia.
	The main source of VET financing is the state budget. Middle VET (specialized secondary education) has been also privately financed (through enrolment fees), and international donors are also important. Donors have helped to improve the system. The EU provided around EUR 40 million from 2007 to 2013. EU assistance has focused on innovation and on refurbishing colleges that have gone on to become models for developing the network of schools and colleges nationwide. EU support has also included technical help for preliminary vocational schools and funding to validate non-formal and informal learning and career guidance, among other initiatives. Until 2013, the United Nations Development Programme helped VET reform through support from the Danish Government. Twelve VET Regional Resource Centres are key VET institutions set up in 10 regions.
	The Ministries of Education and Finance plan the budgets for vocational schools. However, VET institutions are in charge of managing school budgets. Therefore, they have some autonomy in allocating funding. Also, as middle VET has, until now, been also privately financed, college principals have had autonomy in employing teachers, using student numbers as key criteria.
Azerbaijan	VET governance remains centralised. In spite of attempts to move towards more participatory approaches, it is not yet possible to detect hybridisation. The Ministry of Education, the Ministry of Labour and Social Protection of the Population and, to some extent, the Ministry of Economy and Industry are the main bodies responsible for the country's VET strategy, while the Cabinet of Ministers coordinates the implementation of state programmes.
	The Ministry of Education and local administrations share managerial control over the VET system. Until recently, the VET sector operated without a strategic development framework, and the lack of a coordination mechanism or platform (council) for stakeholders significantly affected the efficiency of the system.
	The State Agency for Vocational Education under the Ministry of Education (leading on the main policy developments) was established in April 2016 to improve the efficiency of IVET and ensure the development of a competitive skilled workforce. International experience was considered and an appropriate decision made. The agency is taking on the functions of the ministry in developing and implementing IVET policy.
	In 2016 Azerbaijan undertook important measures to change the course of VET and the main pillars of VET reform were established. The Strategic Roadmap for VET adopted in December 2016 and Presidential Decree No 1897 of 16 March 2016 set out the short-, medium- and long-term vision for VET development.

Continued

Table 2.2 Continued

Country	Key features
	<p>The VET system is financed mainly by the state. The Ministry of Education is the coordinating body for issues relating to general education and can request funding for particular priority areas from the Ministry of Finance or from the Ministry of Economic Development for VET capital investments. However, the Cabinet of Ministers and the Ministry of Economy and Industry make decisions on the allocation of the state budget. The Ministry of Education allocates resources and makes funding decisions in line with estimates prepared by educational institutions. The Ministry of Finance through Local Executive Committees then allocates the resources to each institution.</p> <p>About AZN 31 million (almost EUR 17 million, calculated at the official Central Bank of the Republic of Azerbaijan exchange rate of AZN 1.8374 = EUR 1 on 27 August 2016) is allocated to IVET annually and is mainly spent on wages, with only a small portion on minor repairs in providers' facilities. In the current context, when joint financing with employers is almost absent, it is obvious that budgetary spending is extremely low. This is a major impediment to VET development, and one that has hindered the effective implementation of reforms during this period. Public-private partnerships are gaining importance in understanding future progress in vocational school reform. In this respect, the creation of VET Resources Centres for support on optimising the VET network is a clear indication of possible new roles to be given to the private sector.</p> <p>One indication of increased private engagement in VET is the funding flows coming from the National Fund for Entrepreneurship. The support includes local budgets; funds from local offices, enterprises and organisations, regardless of the form of ownership; foreign direct investment; loans and grants from the country's banking system; loans from international organisations and foreign countries; and EU technical and financial assistance. Most of the funds will be provided through budget restructuring, co-financed by the private sector and various investors. AZN 200 million (about EUR 90 million, calculated at the official Central Bank of the Republic of Azerbaijan exchange rate of the of AZN 1.8399 = EUR 1 on 22 February 2017) has been allocated for implementation.</p>
Belarus	<p>Despite centric policy-making approaches, Belarus is moving towards a hybrid system of VET governance. There is evidence of decentralisation, such as the transfer of VET funding and ownership of vocational schools to the regional level.</p> <p>The President of the Republic of Belarus and the Council of Ministers are responsible for VET policy making, and the Ministry of Education is responsible for coordination with line ministries and for implementation of policy at national level. At regional (oblast) level the regional executive authorities (education departments) are responsible for implementing and monitoring VET policy and organising VET provision. The Republic VET Institute provides scientific and methodological functions at national level, including the development of state standards (in consultation with line ministries and social partners), scientific and methodological provision of the educational process, as well as the coordination of VET teacher professional development and quality assurance of VET at national level.</p> <p>The main source of VET financing is the state, with other sources including founders' funds, profit-making activities, donations from legal entities, and scholarships. The delegation of authority to lower levels of governance mainly takes the form of funding public VET institutions from the regional budgets, as well as transferring property to the regions or, in some cases, into municipal ownership. In recent years, a large number of secondary specialised institutions (colleges and technikums) have been reorganised into structural units of higher education institutions and other educational organisations.</p> <p>VET providers are autonomous in organising their educational process and in carrying out their financial, economic and other activities, as per the norms stipulated in legislation and its statutes.</p>

Continued

Table 2.2 Continued

Country	Key features
Georgia	VET governance is still centralised spite some indications on more engagement of social partners in policy dialogue and the role of the National Centre for Educational Quality Enhancement for policy implementation.
	The government develops broad national development policies and strategies, and holds complete responsibility for setting objectives for VET, following consultation with the Ministry of Education and Science and its agencies, social partners, the government of the two autonomous republics (Ajaria, Abkhazia) and international partners.
	VET is financed mainly by the state, with substantial support from the international donor community. Almost 50% of enrolments in authorised VET providers are privately financed by students, and the majority of providers are private. The Ministry of Education and Science aims to embed the experience and conceptual vision of social partnership in national VET policy making. To that end, it has established a Unit for Social Partnership Enhancement in the VET Department which coordinates private–public partnerships and acts as the secretariat for the National VET Council (NVETC). Since 2015, the NVETC has established nine thematic working groups to prepare and consult on VET policy initiatives alongside the international donor community.
	The establishment of a network of well-funded and well-managed VET providers nationwide is one of the key objectives of the ongoing VET reform. Funding for VET increased by 173% during the period 2013–16. Financing of VET in Georgia is defined by Decree No 244 of the Government of Georgia, which outlines the details of voucher and programme financing. Voucher financing is allocated for implementing study processes and for the remuneration of teachers, while programme financing is allocated for the remuneration of staff and for other running costs. The Georgian VET system also benefits from complementary donor funding, with the EU and the USA the biggest contributors.
	The Ministry of Education and Science allocates funding for VET institutions. Public VET institutions receive voucher- and programme-based funding, while authorised private VET providers have not been eligible. The new Law on VET, which is expected to be adopted in 2018, would allow public funding of all authorised providers.
Moldova ¹	Given that the main actors in VET policy making are the Ministry of Education, Culture and Research and other ministries and public authorities, VET governance still has certain centralised characteristics. However, it is undergoing a significant process of reform, and is clearly moving towards hybridisation, which is characterised by increased involvement in policy implementation of social partners (sectoral actors) and VET providers. The institutions concerned operate under their own rules and are accountable to the Ministry of Education, which was merged with the Ministry of Culture and Research following the public administration reorganisation at the end of 2017.
	The ‘Platform for social dialogue in vocational education and training’ concept was developed and approved by the Order of the Ministry of Education. It aimed to create an effective instrument for the cooperation of the VET system with the social partners in order to standardise their positions, streamline the decision-making process and harmonise the interests of all parties.
	The increasingly influential social partnerships and the institutionalisation of the sectoral approaches though the creation of sector committees highlight the above-mentioned trends. Around half of the investment funds for education are allocated by the state and the remaining portion comes from businesses or donors. A key criterion regarding the allocation of state funds is performance.

Table 2.2 Continued

Country	Key features
Russia	<p>In recent years, expenditure on technical and vocational education and training (TVET) has increased slightly. The increase in expenditure was greater in 2016 (than in 2015), with a total of MDL 158.7 million for technical and vocational education and MDL 108.6 million for post-secondary technical and vocational education. In 2016 VET's share of the total budget for education (state budget) was 12.6%. Of the total of MDL 160.0 million, MDL 96.0 million represents investments made for the Vocational Centres of Excellence under the Ministry of Agriculture, the Ministry of Education, Culture and Research and the Ministry of Health, Labour and Social Protection (MDL 20.3115 = EUR 1 in December 2017).</p>
	<p>The recent law on Sector Skills Committees (244/23 November 2017) aims to enhance and streamline collaboration between employees and employers for VET development within a lifelong learning perspective, according to labour market demands². In addition, a strategy for the setting up of 11 VET centres of excellence implies a clear move towards more autonomous VET institutions.</p>
	<p>VET governance can be considered regionalised, and in recent years it has shown a slight move towards decentralisation (both to the regional level and to VET institutions). The Ministry of Education and Science is responsible for the development and implementation of a national policy for VET. Governance of the VET system takes place at regional level. Supervision of educational providers has been delegated to regional educational authorities since 2010.</p>
	<p>Funding is also decentralised: there are federal and regional budgets. The main financial source for VET are the regional budgets, while there are also contributions from private sources, such as organisations and individuals.</p>
	<p>VET providers enjoy a high degree of autonomy. At the level of public VET providers, management and policy making are functions of the director and a collective body of staff working in the VET institution. Some providers also have supervisory boards or trustees involved in management and decision making. In private VET institutions, the board, usually consisting of the institution's owners, performs these functions. It is important to note that by law, education providers must have their development programmes endorsed by the founder of the institution.</p>
	<p>VET providers have discretion in how they spend funds received from the public budget, as long as the funds are spent on educational programmes. Over the past decade, their freedom to decide on the allocation of funds has further increased as a result of the introduction of per-capita financing in education. Providers are free to spend extra-budgetary funds at their discretion, without the founders of institution approval.</p>
	<p>The VET system is funded mainly by the state (86.7%). The remaining funds are contributed by extra-budgetary (private) sources, including individuals (8.9%), organisations (3.8%) and others. Private VET providers receive 70% or more of their funding from private sources.</p>
	<p>The budget for VET is made up of both budgetary and extra-budgetary revenues. Regional budgets are the main source: in 2014, consolidated federal and regional allocations to secondary VET stood at RUB 208.1 billion, and allocations to vocational training and continuing VET (CVET) amounted to RUB 21.1 billion. Overall public spending on VET in 2014 stood at 7.5% of the national expenditure on education and 0.23% of the country's GDP. The budget for education was cut in 2015 owing to economic difficulties, and further reduced in 2016.</p>

Continued

Table 2.2 Continued

Country	Key features
Ukraine	VET governance is hybrid regionalised and is moving towards a major attempt to decentralise to the 24 Ukrainian regions. The process of VET decentralisation commenced as part of the nationwide decentralisation of power reform initiated in 2014. In fact, as indicated in the joint Ministry of Education and Science (MoES) of Ukraine and ETF document <i>Decentralising Vocational Education and Training in Ukraine: Momentum for Action</i> (ETF & MoES of Ukraine, 2017), VET decentralisation is the first big initiative of the Ukrainian Government in the area of education.
	The Minister of Education is main initiator of the policy-making process, while the Minister of Finance is responsible for the final decision making on the budget for the sector. Power and responsibility for VET at the regional level is vested in the Departments of Education and Science of the regional state administrations, which normally incorporate subdivisions in charge of the implementation of the state policy on VET.
	The state (mainly the Ministry of Education and Science, the Ministry of Finance and the Ministry of Social Policy) is dominant in every function of the VET policy cycle. In fact, social partners' involvement in policy making is still to be fully institutionalised. Experiences on public–private partnerships have been significantly enhanced (e.g. employers' industrial centres, sectoral skill councils) and the social-public dialogue on policy initiatives is a prerequisite for the legislation process.
	Following the decentralisation of funding to the city level, VET financing seems to be remaining within the sphere of regions. The VET sector has been under-financed during the whole period of Ukraine's independence, resulting in the decline of VET quality. The shortage of funding is multifaceted. According to data from the State Statistics Service, allocations for VET over the past five years in Ukraine totalled 0.4% of GDP, representing an average of 6.2–6.4% of all education allocation.
	Public and municipal vocational schools are mainly financed from state and local budgets, and in addition, they receive subventions. VET decentralisation in Ukraine is expected to act as a catalyst for effective reforms. This should enabling VET providers to respond to regional labour market skills needs underpinned by increased public–private partnerships to attract donors to invest in the VET system.

¹ See more information on Moldova in Section 2.4.

² <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=373349&lang=1>

2.2 Monitoring coordination mechanisms for VET policy making

The review of progress in VET good multilevel governance presented in the previous section indicates that VET reforms in the four ETF working regions and 23 partner countries during 2012–17 have been underpinned by different types of coordination mechanisms to shape and, more importantly, to implement VET reforms.

These mechanisms should also be seen as policy options (modalities) and/or tools for steering such VET reforms from a systemic perspective, in the short-, medium- and long-term perspective. To increase and consolidate ETF evidence, this section presents ETF CPI results to provide a more concrete assessment of progress made in the implementing of such coordination mechanisms by partner countries.

Coordination mechanisms for VET policy making are defined as structured, outcome-oriented partnership processes, policy tools and methods to effectively support IVET and CVET policy making within the

Table 2.3 Policy-making processes in VET general planning, management and financing in South Eastern Europe and Turkey

Country	Key features
Albania ¹	Governance in VET remains centralised. The new Law on VET (No 15, 16 February 2017) reiterates the need and specifies the forms for active involvement of various stakeholders (such as social partners, national and regional agencies and local employers). By-laws are being drafted but have not yet been adopted. These by-laws will prepare the ground for implementing a governance model that involves more stakeholders.
	The Ministry of Finance and Economy has been in charge of VET since 2017. In compliance with the EU sector approach, Order No 129 of the Prime Minister (2015) established an Integrated Policy Management Group (IPMG), including for the employment and social sector. Its task is to coordinate and supervise labour/employment, skills (VET), social inclusion and social protection policies. The IPMG is chaired by the Ministry of Finance and Economy and involves representatives from relevant sector ministries, public agencies (VET, the employment service, and the labour inspectorate), leading social partner organisations and donor organisations. To date, the IPMG is not yet fully functioning as a self-steered mechanism that influences policy and assesses progress with reforms.
	VET budgets have increased during 2016 and 2017. In addition, the VET sector in Albania enjoys major inflows of donor funds, including from the EU as the biggest donor, the governments of Switzerland, Germany, Italy and Austria, and other sponsors. They support the implementation of the National Strategy for Employment and Skills adopted in 2014, which sets out the reform path up to 2020, through national reform measures and the modernisation of pilot institutions.
Bosnia and Herzegovina	Despite the country's federal nature, VET governance in Bosnia and Herzegovina can be considered a hybrid model with a tendency towards regionalisation. The complexity of the administrative settings in the country creates an inherent tension between regional management and national coordination. The governance structure in Bosnia and Herzegovina still results in some cases of fragmentation and weak coordination, as reflected in the gaps in the country-wide VET governance system.
	Progress on VET governance and systemic reform is characterised by slow policy implementation, country-wide regulation and the simplification of procedures. Moving towards an effective multilevel system of VET governance will take some time.
	However, VET policy making combines activities at multiple levels of governments: state level, which is particularly important in relation to initiatives that are oriented to the EU, the level of the entities and Brčko District, and the cantonal/regional and municipal levels. Each of the two entities (Republika Srpska and the Federation of Bosnia and Herzegovina) and the Brčko District has its own independent administrative and financial system, and each manages the implementation of VET policy separately. Vocational schools enjoy considerable autonomy under the Framework Law on Primary and Secondary Education and the Framework Law on Vocational Education and Training, including the freedom to include and implement content in accordance with demands of the local labour market.
	Tripartite councils have been formed in the Una-Sana, Tuzla, Bosnian-Podrinje and West Herzegovina cantons (in one form) and in Brčko District. The main source of VET finance is the state, and public expenditure for education allocated from the state budget still seems to be low in relation to VET sector needs.

Continued

Table 2.3 Continued

Country	Key features
Kosovo	VET governance in Kosovo is centralised. VET policy is designed, implemented, monitored and evaluated mainly by the relevant state agencies and groups of consultants and experts, usually supported by international donors. Since the 2012 Torino Process, efforts have been made through a number of initiatives towards improvement of the VET system and the development of VET good multilevel governance. In May 2015 Kosovo published a 'Strategy for improving policy planning and coordination in Kosovo 2016–2018' in order to redesign the government's core policy and financial planning processes and to try to avoid fragmentation and duplication.
	However, coordination deficits persist. The Agency for VET and Adult Education was created to support these aspects, but its contribution up to now has been limited by a lack of resources.
	The main sources of VET finance are the Ministry of Finance and international donors. However, there is a lack of a comprehensive financial model for VET at the state level, as there are limited provisions for a specific budget for VET at both central and municipal governance levels. International donors (such as the World Bank and GIZ) contribute significantly to ministries' activities and projects relating to VET.
Montenegro	VET governance is centralised, moving to hybrid. The Ministry of Education leads the education system, including the VET system. The Centre for Vocational Education, the Bureau for Education, the Examination Centre and the Institute for Textbooks and Teaching Aids support policy tasks. The government has established the National Council for Education. This has allowed progress to be made on social partners' role in VET policy making and public–private cooperation.
	In recent years there has been significant progress in VET reform in terms of the development of a legislative framework for VET policy and the VET system. The existence of a vision for VET, the establishment of public bodies, and the further improvement of the national qualifications framework (NQF) and the quality assurance system for VET in line with EU standards are significant achievements towards the implementation of multilevel VET governance.
	Public financing of education up to university level is entirely from the central level, from the state budget, with no contribution from local self-governments. The Ministry of Education covers all salaries, operational costs, heating costs and investments in infrastructure. However, there are financial obstacles that inhibit the progress of VET reform. This includes the further development of public–private arrangements for funding VET.
North Macedonia	VET governance can be described as hybrid, moving towards the distribution of responsibilities among state and non-state actors as well as to regions, and with more emphasis on the school level. Within the framework of the VET Strategy (2013–2020), a more decentralised model of governance has been adopted and is currently in progress, although it is hindered by fragmentation. Certain aspects of the of decentralisation process in (VET) education imply partial autonomy for secondary vocational education in the country.
	The main areas of responsibility are still institutionally assigned to ministries and public agencies, although there remains room for improvement in coordination, as well as deficiencies in funding and in the allocation of responsibilities at the sectoral and regional/ local levels.

Continued

Table 2.3 Continued

Country	Key features
	<p>The VET system is funded mainly by the state and specifically managed by the Minister of Finance and the Minister of Education and Science. The Ministry of Labour and Social Policy and the Employment Service Agency play an important role in the implementation of active labour policies through supporting and financing training related to the labour market and internships for unemployed youth. The financing of schools uses a methodology for setting allocation criteria for block grants for secondary education for each municipality and the City of Skopje. Municipalities receive block grants from the Ministry of Education and Science; these are generally used for salaries, student transportation, and heating costs. Development issues usually remain underfunded. Schools, or sometimes municipalities, cover certain operational costs for consumables. Efforts have been made to diversify financing sources and to increase the presence of international donors and non-governmental organisations (NGOs) that financially support projects relating to IVET and CVET.</p>
Serbia ²	<p>VET governance can still be regarded as centralised. The Ministry of Education, Science and Technological Development maintains its role as the key decision maker, leads on VET governance and all the national strategies relating to VET, and coordinates the other actors.</p>
	<p>At national level, the ministry is involved in all key roles and functions. The Council of VET and Adult Education is a consultation body with some monitoring functions. The Institute for Improvement of Education (IIE) plays a key role in drafting technical documents for VET implementation and is partially involved in other key functions, apart from the mobilisation of financial resources. The Institute of Educational Quality and Evaluation contributes to defining educational standards and is involved in evaluation, review, and research and development. VET providers have a certain degree of freedom in designing curricula.</p>
	<p>The main source of VET finance is the state, which also allocates the budget. Social partners do not contribute to the financing of VET, while companies are only partially and informally involved in it. Many activities aimed at reforming the VET system have been donor-driven by stakeholders (including international ones). The allocation of funds in VET follows a general model, which is still input-based for each type of school.</p>
Turkey	<p>VET governance development is (well)structured. A unified and comprehensive vision and strategy exist alongside many public–private partnerships. Key actors have efficient and adequate capabilities, and there is social dialogue and negotiation on VET policy decisions. There is a high degree of engagement at almost all governance levels from the public and private sectors, employers’ organisations and trade unions, sectoral organisations and society.</p>
	<p>The government sees social dialogue in VET as very important. NGOs and social partners are involved in decision making. The most active are the Union of Chambers and Commodity Exchanges of Turkey (TOBB), business confederations and associations, and other trade and employers’ unions and associations. They are involved in many functions of governance through public bodies such as the Vocational Education Council and public–private partnerships for skills development or capacity building.</p>
	<p>At regional and local level, the provincial and district national education directorates, the Provincial Employment and Vocational Education Board and the Provincial Employment Agency are in charge of both implementing VET policy and developing public–private partnerships at provincial, district and municipal levels. Two online systems provide data on VET and lifelong learning. However, there are shortcomings around coordination, mainly at local level, the involvement of local stakeholders in policy making, especially decision making, and the development of local public–private partnerships.</p>

Continued

Table 2.3 Continued

Country	Key features
	<p>In addition, social partners and private sector stakeholders have only limited involvement in VET monitoring and evaluation. Although public spending on VET has increased, financing and funding are inadequate, VET providers' financial autonomy is limited, and there is a lack of institutionalised financial incentives for public–private VET financing. Social partners, NGOs and private sector stakeholders are actively involved in many stages of VET policy making, while decision making, strategic planning and management are down to public bodies and their affiliated directorates, and provincial, regional and local authorities. Public bodies' tasks are often not defined. However, the reforms have taken significant steps towards a better-quality VET and lifelong learning system in line with EU standards aimed at increasing social inclusion and increased competitiveness.</p> <p>Better regulation, fine-tuning and simplification of processes have enabled Turkey to move towards 'defined' multilevel VET governance.</p>

¹ See more information on Albania in Section 2.4.

² See more information on Serbia in Section 2.4.

Table 2.4 Policy-making processes in VET general planning, management and financing in the Southern and Eastern Mediterranean

Country	Key features
	<p>In spite of recent reforms in institutional arrangements, VET governance remains centralised and quite fragmented in Egypt. TVET providers have only limited autonomy, an issue that affects both the pedagogical and financial aspects of school management.</p> <p>Between 2014 and 2015, TVET reform was speeded up. In the area of VET governance, the adoption of a system of cascading councils, including structures at regional level, was a first milestone. The creation of the position of a Deputy Minister for Technical Education, upgrading TVET to the level of the Constitution and restructuring of the Ministry of Education, including the establishment of a school-to-work-transition unit and a planning and coordination unit in the TVET sector, are also key achievements. VET in Egypt accounts for around 50% of secondary students. Word-based learning still represents only a small fraction of the total.</p> <p>The progress made in institutional reform and policy coordination suffered a setback when the Ministry of Technical Education was set up and subsequently disbanded only a few months after its establishment. However, one important development has been the creation of the Micro/Small and Medium Enterprises Development Agency, as per ministerial decree of 24 March 2017. In accordance with the decree, the Industrial Training Council, the Social Fund for Development, and the Technology Centres under the Education Development Fund will merge and the services provided by the three institutions will be reviewed in line with the mandate of the new agency.</p> <p>There are three types of mechanism for VET financing, namely public financing through the national budget (allocated by the Ministry of Finance), enterprise financing (direct VET financing by enterprises to employees) and financing through the activities of international donors (such as the EU, GIZ, USAID and the World Bank). From the total budget, around EGP 30 billion is allocated to pre-university education. Based on the available data, in which there are inconsistencies, 15% of the total funds for pre-university education is allocated to technological and vocational education, while around 10% is allocated to general secondary education.</p>

Egypt

Continued

Table 2.4 Continued

Country	Key features
Jordan ¹	VET governance is characterised by a centralised, top-down approach. The social partners are not fully involved in policy making and governance. Nevertheless, the ongoing VET reform and the very recent developments suggest that there is optimism for progress towards both good multilevel governance in TVET and increased efficiency in the TVET sector.
	The TVET system consists of three main subsectors – vocational education, vocational training and technical education – each of them operating under a different ministry. The overall sector is managed at the higher level by three councils that do not cooperate sufficiently to be able to support the overall common objective of planning and maximising the utilisation of human resources in Jordan.
	The new Human Resources Development Strategy foresees the establishment of a Skills Development Corporation that oversees vocational education, vocational training and technical education (provided by community colleges). The Centre of Accreditation and Quality Assurance and the E-TVET Fund (renamed the Skills Development Fund) will also operate under this new body. The new General Framework emphasises inclusive TVET, knowledge management, infrastructure and efficient multisource financing of TVET. Among other things, it calls for necessary changes in VET governance to be made to laws and regulations in order to ensure an integrated cross-ministerial approach to TVET that is led by the private sector and to implement internationally recognised standards.
	Finance for TVET comes from three main sources: the annual public budget, international donations and loans, and contributions from trainees, which are more symbolic than substantial. The public budget funds the functioning of vocational schools and training centres, while over 80% of the education budget goes on teachers' salaries. The sale of products also provides some income.
Israel	VET governance can be characterised as centralised, moving towards hybrid: it is still centralised to a large extent, yet some governance functions are deconcentrated to local authorities, provider networks and schools. For instance, district offices play an important role in the field and in terms of having first-hand knowledge of the providers and the local needs, and they are essential to the functioning of the system. Economic sectors also play an active role.
	TVET governance is centralised under the Ministry of Education, which serves 90% of TVET students, and the Ministry of Labour, Welfare and Social Services, in coordination with the Manufacturers' Association of Israel (MAI). The national office of each ministry and the district offices oversee district activities. In 2016 the Israeli Knesset launched an initiative to establish a Technological Education Council.
	Local authorities, the technological education networks, including AMAL, ORT, AMIT, ATID training providers, and MAI (representing large employers) and its affiliates have significant decentralised authority and all lead initiatives within regulatory frameworks. TVET providers have considerable local autonomy regarding curriculum requirements and partnerships/initiatives.
	A formal system of social partnership is lacking, but employers are represented through the frequent involvement of MAI in TVET policy development/reform activities. Histadrut, the trade union federation, is more marginal in TVET. Professional/subject committees are key coordination mechanisms between TVET stakeholders. Membership of each committee includes an academic, a Ministry of Education subject inspector, representatives of the Israeli Defence Forces, MAI, and the relevant industry professional body, as well as school personnel. There are approximately 19 such committees.

Continued

Table 2.4 Continued

Country	Key features
	<p>Government, local authorities and education networks provide the main funding for TVET that is governed by the Ministry of Education. MAI and its members contribute directly to initiatives and through the provision of facilities. The Israeli Defence Forces contribute to funding where schools operate on their premises. There are joint TVET projects between public and private bodies. TVET funding is carried out on a per-capita basis.</p> <p>A TVET Committee (2015), supported by the unions and technology education networks, is playing a significant role in defining policy and strategy and ensuring the active involvement of employers at central/local levels.</p>
	<p>VET governance is rather centralised. The Directorate General of Vocational and Technical Education (DGVTE) under the Ministry of Education and Higher Education is responsible for VET, which comprises initial and continuing VET. The DGVTE also has responsibility for the large private training sector. The Ministry of Agriculture is the only other ministry that is engaged in formal VTE through the technical agricultural schools.</p>
Lebanon	<p>The Ministry of Education and Higher Education and the DGVTE initiate policies and are the main decision makers for VET management and financing. However, their roles are not clearly defined and, consequently, sometimes overlap. Employers' organisations are almost absent from VET governance, with the exception of some initial training initiatives of the public sector. There is a lack of proper and efficient coordination between the public and private sector, especially in linking education to the employment and labour market.</p> <p>The main source of VET funding is the public budget. A very small amount of input is required from VET stakeholders (education and training providers or employers) on budget needs and allocations. The government is also responsible for the allocation of funds and for monitoring and evaluating processes. However, an important aspect of the VET sector is that around 60% of VET enrolments in the country take place in private VET providers.</p> <p>The VET system remains underfunded. Vocational schools are challenged by limited budget allocation, as around 50% of the revenues generated from tuition and examination fees is reallocated to the DGVTE. The remaining 50% is barely sufficient to cover maintenance, daily cleaning, and training activities.</p>
Palestine	<p>Despite initiatives aimed at decentralising decision making, VET governance is still centralised at system level. Some progress has been made in giving certain responsibilities to providers. For example, recently established centres of competence have a higher degree of autonomy, though how this will be maintained following the end of the international support programme needs to be monitored. The key actors are the Ministry of Education and Higher Education and the Ministry of Labour. The social partners are actively involved in initiatives relating to the implementation of the new TVET strategy and do have an institutionalised role in VET governance and policy planning. However, the real drive remains in the hands of the two ministries.</p> <p>As of late 2017, the cabinet decided to transfer the vocational training centres from the Ministry of Labour to the Ministry of Education and Higher Education. This decision is being challenged by the Ministry of Labour, and the transfer of responsibilities is not yet operational.</p>

Continued

Table 2.4 Continued

Country	Key features
	<p>The revitalisation of the Higher Council for TVET as the political and strategic working body is a current way of facilitating and coordinating decisions of the cabinet on ministers upon the recommendation of both the Minister of Labour and the Minister of Education and Higher Education. The chair of this council will alternate between the two ministers. The Higher Council will review the mandate, internal working procedures and regulations following its reactivation.</p> <p>The Ministry of Finance is the main source of funding for initial TVET. Government funding is basically used for fixed expenses (such as permanent salaries, running costs and developmental expenditure), but a large share of the funding for initial and continuing training is provided by international donors (such as international organisations). A national training fund is under discussion.</p>
	<p>VET governance is hybrid, based on the institutionalised trend towards regionalisation. Although decision making is still determined by centralised public entities, VET governance is steadily becoming multi-actor and partially multilevel, with a variety of public institutions, stakeholders and private actors. The involvement of stakeholders and social partners is increasing. This multi-actor approach has produced many instances of progress, such as an outstanding strategic vision and relevant VET outcomes, with good examples of public–private partnerships in VET.</p> <p>The new National Vocational Training Strategy (2016–2021) aims to develop a model of participatory governance for VET by creating multistakeholder commissions at national, regional and sectoral level. The VET Department (now State Secretariat) linked to the Minister of National Education, VET, Higher Education and Scientific Research is currently putting these commissions through a consultation process to define their composition, functions, role and mandate, and how they will articulate with each other.</p>
Morocco ²	<p>The main source of VET financing is the state budget, while additional sources are VET tax, business spending, household contributions, loans and donations from international donors. Thus, VET funding is based on a variety of sources, but is not allocated equally in all of the sectors. The public funding effort for the education and training system is fully in line with the recommendations of the National Education Charter for an average annual increase of at least 5% of the total budget.</p> <p>The budget devoted to vocational training represents 0.5% of GDP. Given the magnitude of training needs and their rapid expansion, the National Vocational Training Strategy might suffer from a shortage of financial resources. Nevertheless, it should be recalled that 70% of the annual income from the vocational training tax is currently used to finance the initial professional training of the Office of Vocational Training and Labour Promotion (OFPPT) and only 30% is reserved for the financing of continuing training. The new framework Law on Education, which also covers the financing of education and VET, will review some of the financing mechanisms. However, at the time of writing this report, the new law was not yet available.</p>

Continued

Table 2.4 Continued

Country	Key features
Tunisia ³	VET governance can be described as hybrid, moving towards a regionalisation-driven agenda. The Ministry of Vocational Training and Employment plays a leading role in the management of the vocational training and employment system policy cycle. It also ensures VET pedagogical supervision and the coordination and consistency of all training with different stakeholders, and monitors private training institutions. There are four implementing agencies under the direct supervision of the ministry: the Tunisian Agency for Vocational Training Provision (ATFP), the National Centre for Training of Trainers and Training Development (CENAFFIF), the National Centre for Continuing Education and Training and Professional Promotion (CNFCPP) and the National Agency for Employment and Self-Employment (ANETI).
	Moreover, efforts on planned reforms towards VET multilevel governance are visible. They include the improvement of the currently centralised steering system, the strengthening of the capacity of the structures under the umbrella of the Minister of Vocational Training and Employment, including the ATFP and the CNFCPP, and the reinforcement of capacities in relation to regional representation. A key aim of the reforms under discussion is to improve the governance and performance of VET centres by giving them more autonomy with the introduction of the principle of accountability. A mechanism for implementing VET reforms has been put in place around three components: a decision-making body (ministries and social partners), a project management unit at the Ministry of Vocational Training and Employment, and supervisors (established under the umbrella of the ministry, technical structures of ministries, social partners).
	VET financing comes mainly from the state budget and the tax on vocational training applied to companies. In addition, there is foreign funding in the form of loans or grants. Households also have a role in making contributions.

¹ See more information on Jordan in Section 2.4.

² See more information on Morocco in Section 2.4.

³ See more information on Serbia in Section 2.4.

policy cycle. Such mechanisms can be set up by VET stakeholders (public and private), at both vertical and horizontal governance levels, with binding or non-binding policy implications. They are mostly of a political, financial or technical nature.

The mechanisms can be structured on an ad hoc basis (e.g. interministerial cooperation groups, steering committees) and can be used strategically to consolidate VET policy development in the short, medium or long term (e.g. national VET agencies, NQFs, VET strategies and legislation) (Galvin Arribas (2016) in Leney (2015)).

Tables 2.5–2.8 provide an overview by region of major VET policy developments driven by partner countries addressing the four types of mechanism presented in Chapter 1: normative/legislative tools, institutionalisation processes, mechanisms for effective public–private cooperation among

VET actors (including financial mechanisms), and knowledge-based approaches for coordinating VET policy developments.

The tables do not provide exhaustive lists of all recorded mechanisms put in place during the period covered by the analysis (2012–17). Rather, they focus on a selection of the most relevant and effective mechanisms, according to ETF experience, which are paving the way, to a greater or lesser extent, for a systemic change on VET policy implementation in the 23 partner countries¹⁶. These findings are further documented in Section 2.4.

¹⁶ The blank cells in the tables have two different meanings. First, they can indicate that the policy mechanisms do not cover the period of analysis of this report and, consequently, have not been assessed as reported progress (e.g. a law that was delivered in 2002). Second, they can indicate that some relevant

Table 2.5 Coordination mechanisms for VET policy making in Central Asia – Progress overview, 2012–17

Country	Legislative/ normative oriented	Institutionalised policy advice/policy making	Public–private structure	Knowledge creation
Kazakhstan	Strategy Kazakhstan 2020, 2030 and 2050	National VET Council Regional sectoral- based skills councils National Association of VET Colleges	VET sectoral centres (education and business)	National Analytical Centre: 'employment map' for forecasting
Uzbekistan		Coordination councils for VET at state and regional levels State Testing Centre	Employers' involvement in designing professional standards, drawing up curricula and formatting final exams School–business cooperation initiatives	

As Table 2.5 shows, major institutional reforms have been addressed in the two ETF partner countries in Central Asia through the introduction of advisory-consultative bodies (councils) to coordinate policies from national to sub-national levels (vertical coordination mechanisms). In the case of Kazakhstan, this has also been accompanied by developments on country-vision, evidence-based policy approaches and increased partnerships on the horizontal level involving employers in policy implementation; this is also the case in Uzbekistan with the renewal of the prominent role of the Chamber of Commerce.

However, expanding the analysis by using the ETF-assessed CPIs¹⁷ for four countries in Central Asia¹⁸, the ETF experts assessed that progress was still

limited on the effective and structured involvement of and consultation with national stakeholders such as employers and civil society organisations. In this respect, three out of four countries are assessed as 'low' for the existence of horizontal coordination mechanisms (the exception is Kazakhstan, as reported in Section 2.4). The same assessment is made for vertical coordination mechanisms, mainly as a result of the continued use of centralised approaches accompanied by only limited autonomy for VET providers regarding the balance between financial management and curricula development.

The availability of evidence and the capacity and willingness to use it for decision making remain 'low' in the region (Figure 2.2)¹⁹.

For countries in Eastern Europe, Table 2.6 shows some areas in which progress in implementing coordination mechanisms and approaching VET good multilevel governance is assessed as 'fair'. In this respect, some national strategies have seen light to put skills at the core to contribute to their socioeconomic development. However, not all of them specifically target the issuing of a VET strategic framework as a key pre-condition for shaping a joint vision of the role of VET to support socioeconomic (and regional) development.

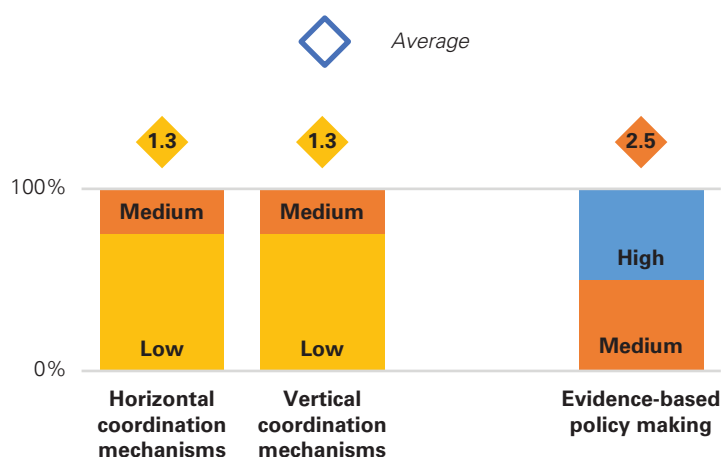
mechanisms or experiences in partner countries are not fully shaped or are not assessed as systemic according to the ETF information (e.g. work-based learning provided by individual companies that is not embedded and reported within the official national policy framework).

¹⁷ GOV2: horizontal coordination mechanisms between actors are in place; GOV3: vertical coordination mechanisms between national/sub-national/sectoral levels are in place; Torino Process: partner countries have evidence and use it for their system of monitoring and/or evaluation of education/VET policies.

¹⁸ Although in Section 2.1 Uzbekistan and Kazakhstan are presented as the countries in Central Asia analysed within the VET governance inventory, the CPIs assessed in this region also cover Tajikistan and Kyrgyzstan. Thus, Figure 2.2 covers four partner countries in Central Asia.

¹⁹ These results are also based on the ETF Torino Process Stakeholder Survey (2017d).

Figure 2.2 ETF assessment of vertical and horizontal coordination mechanisms in Central Asia, 2016¹



¹The average presented in Figures 2.2, 2.3, 2.4 and 2.5 is the mean value of the score of the countries belonging to the region.

Table 2.6 Coordination mechanisms for VET policy making in Eastern Europe – Progress overview, 2012–17

Country	Legislative/ normative oriented	Institutionalised policy advice/making	Public–private structure	Knowledge creation
Armenia	Armenia Development Strategy (2014–2025)	National VET Council	WorldSkills Armenia	VET public information campaigns
	VET Reform Programme Action Plan 2012–2016	National Centre for VET Development	VET regional resource centres	
	Review Education Law (2015–2016)	National Centre for Professional Education Quality Assurance (ANQA)		
	NQF Strategy			
Azerbaijan	Azerbaijan 2020: Vision for the Future	State Agency for Vocational Education	Employers' projects (ad hoc initiatives)	Framework (NQF) document
		Coordination committees for employment (in regions)	VET resource centres	
Belarus	Tripartite General Social and Labour Agreement (2016–2018)	Republican Institute of Vocational Education (RIPO)	Employers and VET institutions: internships	VET and higher education register system
		State Council for Labour and Social Affairs		Work Plan for Forecasting of Staff Needs
		Councils on Labour and Social Affairs		

Continued

Table 2.6 Continued

Country	Legislative/ normative oriented	Institutionalised policy advice/making	Public-private structure	Knowledge creation
Georgia	VET Reform Strategy (2013–2020)	National VET Council (NVETC)	Social Partnership (concept framework)	Electronic management and information system (EMIS)
		National Centre for Education Quality Enhancement (NCEQE)		
Moldova	Education Code (2014)	Republican Centre for VET Development	Tax exemptions for training costs	Moldovan Classification of Occupations
	National Development Strategy Moldova 2020	National Agency for Quality Assurance in Professional Education (ANACIP)	VET centres of excellence	Annual labour market studies and skills needs surveys
		National Council of Students in VET Institutions Sectoral committees		
Russia	Strategy for VET Development	Regional councils and sector qualifications councils (in regions)	Sponsorships International partnerships (international cooperation)	Skills identification for occupations in demand
Ukraine	New Education Law (2017)	Regional VET councils	Sector-specific practical training centres	Memorandum of Cooperation: Eberhard Schöck Foundation (Germany) and Ministry of Education and Science
	New VET Law (in progress)			

The tradition of using legislative mechanisms as the main way to organise the policy-making process is still dominant in the region. Nevertheless, VET legislation has been re-formulated in only two countries (Armenia, Moldova) during this period, while Ukraine is bringing to fruition an ongoing process to issue a new Law on VET (hopefully to be approved during 2018), following its major achievement to deliver a Law on Education in 2017.

The institutional mechanisms have been updated during this period as the targets of major reforms. These address in particular the strengthening of the institutional role of social partners in VET policy formulation and implementation at horizontal level

(e.g. VET national and sectoral committees), as well as empowering the role of regional and local VET in the policy-making process. The option to set up regional bodies is logically more developed in countries that have opted for the regionalisation/ decentralisation of VET policies. The two relevant examples are Russia and Ukraine.

Further, employers' involvement in VET is an increasing trend within Eastern Europe, as there are consolidated initiatives to address incentives for enhancing coordination among public and private VET actors (e.g. in Moldova, Ukraine and Belarus). Regarding knowledge-based coordination mechanisms, the regular labour market and

competence surveys (Moldova) and management information systems (Georgia) are good examples of the progress achieved during this period.

The countries in Eastern Europe have a 'fair' to 'good' ('medium' to 'high' categories in the chart) approach on informing skills development policies through labour market intelligence. It is possible to assess that at this stage there is a moderate level of data availability, and the existence of mechanisms to analyse and disseminate data can be considered 'fair' in Eastern Europe (Figure 2.3).

In the South Eastern Europe and Turkey region (Table 2.7), there is clear evidence that visions and strategic approaches have been reasonably well structured and coordinated across all countries. This has led to a revision of institutional set-ups in all partner countries in order to bring more actors on board and give them updated roles in policy advice, while strengthening their coordination role. This has resulted in a wave of development of council systems (e.g. Serbia, Albania, North Macedonia, Turkey and Montenegro). It has also led to the adoption of harder approaches when redesigning institutional arrangements in order to support policy leadership. This is demonstrated by the establishment of bodies with executive, supervisory and managerial functions to monitor policy implementation and review VET

policies (e.g. national agencies in Albania, Bosnia and Herzegovina and Kosovo).

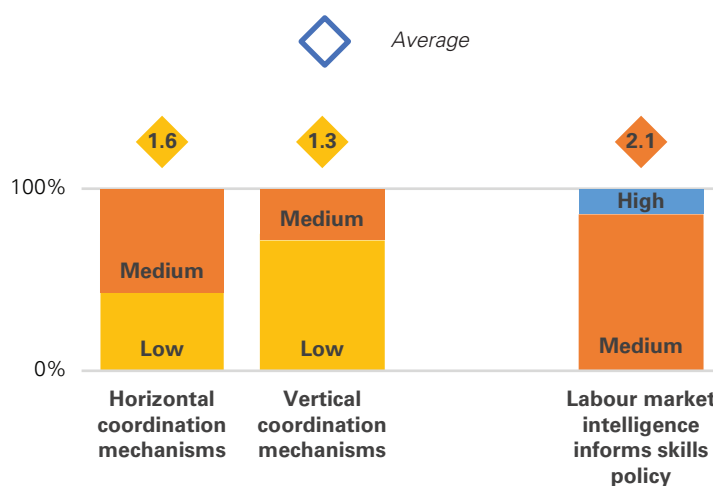
However, this strategic approach as a pre-condition for approaching the modernisation of VET governance modes and models has not been strongly correlated with the delivery of new legislation (except in Albania for VET and in Kosovo for the NQF).

In the case of Albania, Multifunctional VET Centres have been set up to strengthen the role of VET institutions in improving the tailored provision of quality training that is relevant for labour market needs in a number of occupations by involving labour market actors (social partners) in VET policy implementation. This is an option that might be useful for many partner countries when discussing how to optimise and rationalise VET networks (cost-effectiveness options).

Laws on NQFs, which are seen as enabling improved qualifications and institutionalising stakeholder cooperation, are at an 'intermediate' to 'advanced' stage. All countries have legislation (some of which has not been updated during this period) and designated lead institutions, and most have stakeholder platforms.

For the Southern and Eastern Mediterranean region, Table 2.8 shows that in some cases, 'fair' progress has been made by partner countries.

Figure 2.3 ETF assessment of vertical and horizontal coordination mechanisms in Eastern Europe, 2016¹

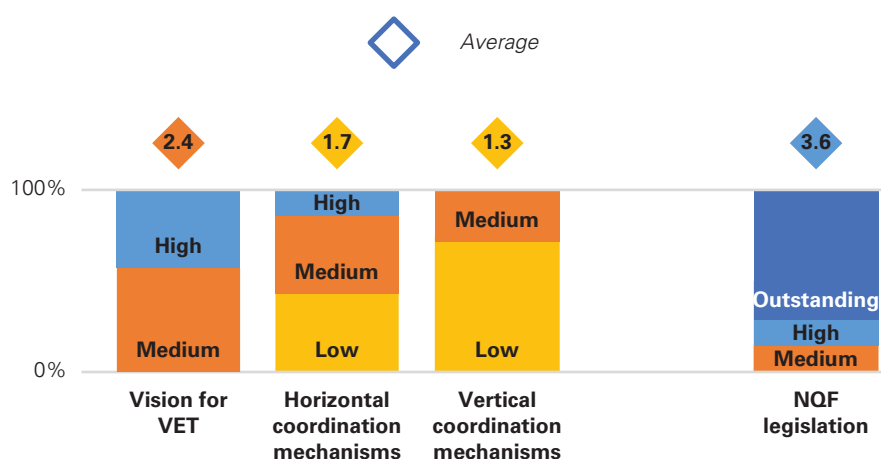


¹GOV2: horizontal coordination mechanisms between actors are in place; GOV3: vertical coordination mechanisms between national/sub-national/sectoral levels are in place; EMP1: labour market intelligence is used to inform skills development policies.

Table 2.7 Coordination mechanisms for VET policy making in South Eastern Europe and Turkey – Progress overview, 2012–17

Country	Legislative/ normative oriented	Institutionalised policy advice/policy making	Public–private structure	Knowledge creation
Albania	VET legislation process (2016)	National Agency for Vocational Education and Training and Qualifications (NAVETQ) Integrated Policy Management Group (IPMG)	Multifunctional VET centres	Mapping private providers
Bosnia and Herzegovina	VET Development Strategy VET legislation (Republika Srpska)	Agency for Pre-primary, Primary, Secondary Education (APOSO) Institute for Adult Education (Republika Srpska)	Social partners, public bodies and VET providers	VET database (quality assurance) (Banja Luka)
Kosovo	Law on VET NQF New Kosovo Education Strategic Plan (2017–2021)	National VET Agency (AVETAE)		Performance assessment indicators (2011–2016)
Montenegro	Montenegro Economic Reform Programme 2015–2017 Employment Social Reform Programme 2015–2020	VET Centre National Education Council VET and Adult Education Committees		Evaluations: Quality assurance in VET institutions
North Macedonia	VET Development Strategy	Vocational Education and Training Centre Council for Vocational Education and Training		Evidence-based VET system process: observatory Tracer studies
Serbia	Skills Vision 2020 aligned with EU 2020 Strategy Dual Education Law	National VET Council	Preparing ground for apprenticeship system Knowledge hub (Vojvodina)	
Turkey	Vision 2023 Development Plan (2014–2018) Turkish Qualifications Framework	National Council for Education	Protocols for funding VET (state/ employers)	Data system giving information on transition-to-work routes

Figure 2.4 ETF assessment of vertical and horizontal coordination mechanisms in South Eastern Europe and Turkey, 2016¹



¹GOV1: comprehensive vision for VET agreed across and beyond government; GOV2: horizontal coordination mechanisms between actors are in place; GOV3: vertical coordination mechanisms between national/sub-national/sectoral levels are in place; NQF1: NQF legislation was adopted.

Dialogue and cooperation have been focused on updating institutional arrangements in all of the countries. However, there is a need for further careful assessment of the effectiveness of emerging bodies. According to the ETF experience, overlaps in certain functions and the distribution of policy domains among different councils, as well as relevant policy outcomes of these bodies, are still a challenging issue across the region.

This should be clarified by reviewing and assessing policy settings, functions and the capacities needed by such advisory structures. Countries such as Morocco, Tunisia and, to some extent, Jordan (see Section 2.4 for more details) have shown strong commitment to moving VET up their education policy agendas during recent years by addressing good multilevel governance. This is happening through VET regionalisation and allocating important institutional functions by enhancing the role of the social partners in VET (particularly in Morocco and Tunisia)²⁰.

Morocco has recorded good progress on horizontal coordination mechanisms. This is the result of an extensive consultation process accompanied by conventions signed in all sectors (see Section 2.4), focusing on multilevel partnerships (at national, regional and VET provider levels) and financing (use of the tax system for skills development). In Palestine, private sector and civil society organisations have been involved in several thematic working groups within the framework of the TVET policy reform, although the system remains centralised.

The status of vertical coordination mechanisms in the region varies, with cases in which VET providers have room for a certain degree of local autonomy to set up partnerships and initiatives (Israel) and to become institutional references on public–private partnerships in VET (Morocco)²¹. Nevertheless, the CPIs show that centralised approaches are still hampering the further development of VET good multilevel governance in the region (see Figure 2.5).

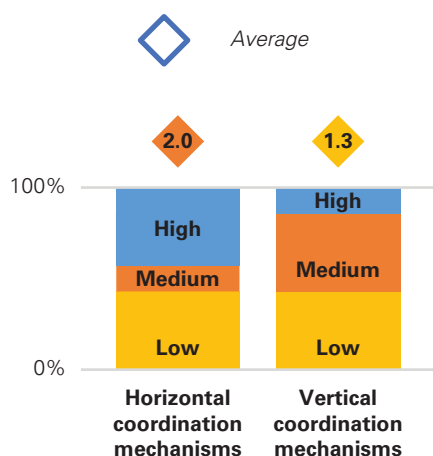
²⁰ The analysis of the Southern and Eastern Mediterranean region builds on the outcomes of the ETF GEMM project (Governance for employability in the Mediterranean region).

²¹ See VET governance ETF partner country profiles (2017).

Table 2.8 Coordination mechanisms for VET policy making in the Southern and Eastern Mediterranean – Progress overview, 2012–17

Country	Legislative/ normative	Institutionalised policy advice/policy making	Public–private structure	Knowledge creation
Egypt	Sustainable Development Strategy 2030	National Human Resources Development Council (NHRDC) Executive TVET Council Executive Workforce Skills Development Council Industrial Training Council (sectors)	Protocol for implementing Training and Employment Programme (co-funded by the National Training Fund at 50%)	Regional labour market observatories
Israel	Israel 2028: Vision and Strategy for Economy and Society in a Global World	National Council of Economy and Society TVET Committee Education Networks (ORT and AMAL)	Sponsorships	National Authority for Measurement and Evaluation in Education (NAMEE)
Jordan	National E-TVET Strategy (2014) Human Resources Development Strategy (2016)	E-TVET Council Education Council Higher Education Council		
Lebanon	Strategic Multiannual Action Plan for VTE Reform (approved, from 2011)	Higher Council for VTE Centre for Education Research (CERD)		
Morocco	National VET Strategy	Higher Education Council National Ministerial Commission National Qualification Framework Commission National Institute of Evaluation	VET technological centres Training tax	Observatories for training and employment (regional and sectoral); regular studies on training and competence needs
Palestine		Higher TVET Council Accreditation Quality Assurance Commission (AQAC) (tertiary VET) Local employment and TVET (LET) councils	Work-based learning programme and training curricula experiences (international donors)	
Tunisia	Tripartite agreement (employment and training issues)	Higher Council of Human Resources National VET Commission National Observatory for Qualifications and Employment	National Framework agreements Training tax: incentives (training funds)	Follow-up reports on VET

Figure 2.5 ETF assessment of vertical and horizontal coordination mechanisms in the Southern and Eastern Mediterranean, 2016¹



¹GOV1: comprehensive vision for VET agreed across and beyond government; GOV2: horizontal coordination mechanisms between actors are in place; GOV3: vertical coordination mechanisms between national/sub-national/sectoral levels are in place; NQF1: NQF legislation was adopted.

2.3 VET governance typologies in ETF partner countries

The analysed information presented in previous subsections makes it possible to gain an updated picture of how partner countries have evolved and looks at different approaches (modes) and types (models) of VET good multilevel governance arrangements in the four operational regions in the period 2012–17.

As mentioned at the beginning of this chapter, passing responsibilities to other levels and policy actors as part of VET good multilevel governance should be based on assessing its informational, financial and institutional dimensions. This should be carried out on the vertical level (application of the subsidiarity principle from central to sub-national and or provider levels) and also to find out the extent to which non-state actors are being involved on the horizontal level (horizontal subsidiarity involving social partners and civil society actors).

It is also important to remember that the ETF VET good multilevel governance approach, which

has been used intensively with partner countries during the period concerned, does not advocate decentralisation as a panacea (or primary goal) for improving the effectiveness and efficiency of VET systems. Rather, it focuses on structuring a progressive, constructive and systematic policy dialogue around practices to learn by doing, which could make VET stakeholders and other actors in partner countries more aware of the need to work towards more inclusive and participatory policy environments in order to manage VET policies that support relevant and attractive VET national systems. This method should contribute to the use of VET for socioeconomic and regional development in the respective countries.

Further, as is well recognised, decentralisation in vocational education can take place at the level of regional/local governments or at the school level. In some cases, both models are running in parallel but are not compatible in terms of some managerial aspects (e.g. closing vocational schools and determining school budgets). However, it is up to countries to establish their own model, as these two tracks often co-exists. At the same time, the process of distributing policy responsibilities through decentralisation can take different forms, namely deconcentration, delegation and/or devolution.

The deconcentration process refers to the passing of certain administrative authorities to the lowest levels directly subordinated to central government (e.g. the appointment of vocational school directors by regional education departments on behalf of the minister). The process of delegation occurs when central government transfers decision making to the lowest levels of organisations that are not completely controlled by them (e.g. managerial decisions and VET budgets are delegated to municipalities which, in turn, pass decision making to VET directors or to sub-municipal entities). Devolution refers to the transfer of power over specific public functions to sub-national levels or autonomous organisations based on legislation: this must always be done by law (e.g. devolving mandatory tasks to local self-governments to provide VET services to future graduates living in their jurisdictions).

These forms could be further explored with partner countries as a key pre-condition for assessing the capacities and possible roles of regional and local

actors and social partners in reforming VET policies and systems by digging deeper on multilevel governance approaches (e.g. piloting VET dual system approaches).

The features observed in partner countries during the period 2012–17 confirm that VET governance systems are moving from centralised models and modes of steering policies towards hybrid models (defined in Section 2.1) characterised by the increasing inclusion of governmental and non-governmental actors in VET policy making within the policy cycle at different governance levels.

The classification of models and modes through hybridisation is intentionally applied as an intuitive rather than scientific way of identifying progress in good multilevel governance in partner countries. This aims to create as broad an understanding and consensus as possible among VET communities in partner countries, based on the clear acknowledgement that the participatory approaches to VET governance proposed by the ETF have gained ground during the period 2012–17.

This would be in opposition, in the strict sense, to the isolation mode of managing VET policies by applying centric-based approaches, as was the case in 2012, the departure point of this report (see [Table 2.9](#)).

The typology summarises the key features presented in Section 2.1. In this regard, 16 out of the 23 partner countries are in ongoing processes or can be considered as having hybrid VET governance models. Some are regionalising and/or decentralising policies. Some are passing specific responsibilities and functions or involving non-state actors at the horizontal level. Others are placing a stronger focus on empowering the decisions of vocational schools (and their boards). Thus, even some partner countries that are still considered traditionally state-centrist-oriented are showing signs of improvement in participatory policy dialogue and the recognition of non-state actors in such dialogue processes.

The analysis of the period 2012–17 shows that some partner countries are progressively opting for deconcentration and, to a lesser extent, delegation of certain VET policy functions at vertical and horizontal

levels. Such functions relate to the allocation of advisory-consultative, managerial or executive policy tasks to the level of regional/local actors (Ukraine, Morocco, Tunisia, Kazakhstan) or VET providers (on the vertical level) (North Macedonia) and to the social partners/employers (horizontally), mainly at national and sectoral levels (Moldova).

However, digging deeper into these aspects to gain a more detailed picture in order to further improve performance assessments and policy advice on the effectiveness of transferring power processes is a knowledge-based (research) challenge. This will need to be further discussed by the ETF and those partner countries that are willing to review in more detail the analytical frameworks for reforming VET governance and financing.

Such a general typology as the one presented in [Table 2.9](#) can be disaggregated, for example, to address cross-regional analysis of VET governance sub-types, focusing on the main characteristics and key features of VET institutional leadership trends and policy coordination models and modes in the four ETF operational regions and partner countries ([Tables 2.10](#) and [2.11](#)).

These (sub) models and modes provide information on hybridisation patterns, in particular at the horizontal level. Overall, it is clear that partner countries are moving towards allocating responsibility for VET to one lead ministry, although there is still fragmentation in terms of policy leadership and coordination. This is particularly clear in relation to VET financing, as governance remains highly centralised and is led by decisions on resource allocation by other ministries (such as those for economy or finance) in most partner countries.

This is despite the fact that in some cases VET institutions have a certain degree of autonomy to manage public funds (e.g. Russia), and even just to decide on educational process arrangements (North Macedonia, Bosnia and Herzegovina). This fragmentation (ownership gap) in VET budgetary decision making highlights the strong need to put in place interministerial cooperation among ministers of education and labour and other line ministers (finance, labour, economy, etc.).

Table 2.9 VET governance typology in partner countries by region, 2017

Countries by region	Centralised	Centralised transitioning to hybrid	Hybrid	Hybrid (sectoral driven)	Hybrid moving to work regionalised	Regionalised moving to work decentralised
Central Asia	Kazakhstan		X			
	Uzbekistan	X				
Eastern Europe	Armenia	X				
	Azerbaijan	X				
	Belarus		X			
	Georgia	X				
	Moldova			X		
	Russia					X
	Ukraine					X
South Eastern Europe and Turkey	Albania	X				
	Bosnia and Herzegovina				X	
	Kosovo	X				
	Montenegro		X			
	North Macedonia			X		
	Serbia	X				
	Turkey			X		
Southern and Eastern Mediterranean	Egypt	X				
	Israel		X			
	Jordan		X			
	Lebanon	X				
	Morocco				X	
	Palestine	X				
	Tunisia				X	

Some of these patterns are fully confirmed in the Southern and Eastern Mediterranean region (Table 2.11), where fragmentation of policy leadership and coordination is becoming a structural challenge. This is documented in the recent analysis by the ETF within the framework of the GEMM project. In this analysis, other subsystems have been used (continuing vocational

training (CVT)) to sub-typify VET governance in the region²².

²² The first phase of the GEMM project implemented a mapping of VET governance arrangements covering VET (IVET sector) plus CVT. The final report is available at: www.etf.europa.eu/web.nsf/pages/GEMM_VET_governance_SEMED

Table 2.10 Cross-regional VET governance sub-types in partner countries in Central Asia, Eastern Europe, and South Eastern Europe and Turkey regions

Main features of VET leadership and policy coordination	Countries
Sub-type 1. Main decision making is under one line minister while other ministers are involved in VET policy making and/or are responsible for VET financing.	Uzbekistan
Sub-type 2. Main decision making is under one line minister while other ministers are involved in VET policies and/or are responsible for VET financing. National coordination authorities (councils) lead or have an important role in managing policy advice and consultation to engage social partners.	Albania, Montenegro, Serbia, Turkey, North Macedonia, Armenia, Georgia, Moldova
Sub-type 3. Main decision making is under one line minister while other ministers are involved in VET policies and/or are responsible for VET financing. Regional coordination authorities (departments, offices and/or councils, etc.) lead on managing policy advice and consultation to support engaging social partners/employers. Regional authorities might also have a say in VET financing.	Kazakhstan, Ukraine, Belarus, Russia
Sub-type 4. Main decision making is under a lead minister with support in coordination and implementation from executive and/or supervisory bodies (national VET agencies, quality and qualification authorities, etc.).	Kosovo, Bosnia and Herzegovina, Azerbaijan

Table 2.11 VET governance characteristics in the Southern and Eastern Mediterranean

Main features of VET leadership and policy coordination	Countries	Remarks
Sub-type 1. Key VET decision making is under authority of a leading ministry.	Morocco, Tunisia, Lebanon	One ministry leads IVET and CVT. Other ministries such as agriculture and industry may also be 'training ministries'.
Sub-type 2. Different VET subsystems co-exist and are managed by different ministries or agencies. A legally established council has a coordinating role.	Jordan	Three VET subsystems are managed under different ministries. The E-TVET Council is formally identified as having the coordinating role for the sector, although two other councils have a say.
Sub-type 3. Different VET subsystems are managed by different ministries/agencies. There is no overall coordination.	Egypt, Israel, Palestine	Egypt is activating a supreme council to coordinate the strands of VET (Type 3 shifting to Type 2). A coordinating council has been proposed in Israel. In Palestine, the decision to bring all VET under a unified authority signals a shift to Type 1.

Source: ETF (2015)

2.4 Progress in VET good multilevel governance in eight partner countries

This section presents eight country cases focusing on specific ongoing policy developments (by ETF operational region). These are presented as paradigmatic

examples to illustrate the concrete progress made and processes developed by partner countries in relation to VET good multilevel governance. In this respect, some of the countries selected work closely with the ETF VET Governance strategic project, which is a key factor in understanding in more detail the ETF's operational work supporting VET policy developments in this area of expertise among partner countries.

The examples bring consolidated evidence on the transfer of policy responsibilities on the vertical and horizontal levels, and on the use of specific VET policy coordination mechanisms to effectively drive systemic VET policy reforms during the period 2012–17. They can also be used to further assess the trends and characteristics of the reforms, which might also inspire further planning of policy learning within countries and peer to peer (worldwide).

The eight cases provide concrete information on current policy developments that address reforms driven by national and regional institutional coordination mechanisms and arrangements (Kazakhstan); regionalisation and/or decentralisation of VET policies (Morocco, Tunisia and Ukraine); the use of legislation to modernise the VET system (Albania); the role of sectoral approaches involving social partners in VET policy making (Moldova); the necessary reforms of institutional settings for improving overall VET policy coordination (Serbia); and the need to build on strategic approaches to address and monitor fully fledged systemic reforms based on setting up executive skills authorities (Jordan).

Case 1. Kazakhstan – Ongoing VET reform through the effective involvement of national, sectoral and regional stakeholders

Within the context of regionalisation, VET governance is gradually adopting a multilevel and multi-actor perspective, with an increased role for private stakeholders and social partners (mainly employers) in several VET functions, as well as a trend towards regionalisation in VET policy making.

Over the past two years, the VET system in Kazakhstan has increasingly been seen as a key driver of socioeconomic development. The State Education Programme 2020 and corresponding employment-related programmes cover short-term training and transition measures for VET and higher education graduates. VET policy supports the socioeconomic integration of young people by creating conditions for technical and vocational education. Measures to mitigate regional labour market imbalances are also in place. More employers and industry associations are involved in the management of the VET system.

The functions, roles and responsibilities of the VET system are clearer, while effective coordination mechanisms are gradually being put in place, and policy networks (mainly those consisting of employers and entrepreneurs) are active. The whole VET governance system has become more accountable and participatory. However, accountability for implementation still needs to be streamlined, while bottom-up processes, policy dialogue and data policy should be strengthened. The Ministry of Education and Science is undoubtedly the key actor in VET policy making at the national level, while the Ministry of Labour and Social Protection is gradually becoming more influential. Through the Productive Employment programme, the Ministry of Labour and Social Protection has initiated structured developments on the provision of short VET courses and CVET.

The Ministry of Education and Science supervises policy at national level, while the Board of Education does so at regional level, with the aim of meeting the social and economic development needs of the region. Key developments have been the establishment of the National VET Council as a consultative body supporting interministerial coordination, and the establishment in 2012 of centres to take responsibility for the certification of qualifications in six key sectors.

Institutional arrangements and developments, mainly since 2012, have transformed institutional settings. A relatively multilevel governance system has been developed during these years, involving many stakeholders at national, regional and local (VET provider) levels. VET providers have been granted a certain degree of autonomy, while an improved division of responsibility between different ministries and between the central and regional level has been achieved. Model regulations govern the activities of VET providers and organisations, while governance of the VET system in Kazakhstan is now the responsibility of public/community bodies.

The 14 sectoral councils and 16 regional councils that have been established to focus on the development needs of their regions and to balance sectoral and regional policy approaches are now key bodies for implementing VET reforms. Kazakhstan is setting up multitasking VET Regional Hubs. VET development

councils at national, regional and industry level continue the work to encourage more active participation at all levels of VET system management (national, regional and sectoral) from employers, big business and representatives of small and medium-sized enterprises (SMEs) as the main customers for highly qualified professionals.

The National Chamber of Entrepreneurs (Atameken) plays a leading role in shaping and implementing policy in VET. It represents the interests of employers in the training of qualified specialists in accordance with employers' requirements. It is evident that employers' involvement in VET governance at all levels has gradually increased. All these developments have been strengthened by the legislative changes made in 2014. Such changes have increased the responsibility of employers in the training process by making them responsible for training in the enterprise and for developing professional standards.

The legislation also set out other responsibilities for employers, while VET reforms identified in the new State Programme of Education and Science Development for 2016–2019 (SPESD) demonstrate the changing approaches to understanding VET as a tool to regulate the socioeconomic situation.

Many large enterprises carry out their own certification, although this is not linked to a formally recognised qualification. VET providers enjoy academic autonomy, as from 2013 they have been permitted to adapt up to 25% of their teaching to the specific local context and enterprise needs when operating standard VET programmes. Since 2015, for VET programmes that operate under the dual approach (60% enterprise-based practice), VET providers may adapt up to 50% in accordance with enterprise requirements.

Piloting of the VET dual system began in 2012. From 2014, a relevant roadmap has been implemented, together with numerous occupational standards, accompanied by partial academic autonomy for VET providers.

In 2012 Kazakhstan adopted an EQF-compatible NQF covering all education levels. The NQF was first reviewed in 2013 and has since been further developed on a continuing basis. Eighteen sectoral frameworks have also been developed. Since

2012 the role of employers' organisations in the management of the NQF has continuously increased. Employers' organisations have been put in charge of the development and updating of professional standards, and since 2015 the National Chamber of Entrepreneurs formally approves these. There are currently plans to set up sectoral assessment centres, which could cover both VET students and graduates as well as employees.

In summary, the introduction of new institutional arrangements – such as sectoral councils, institutionalised employer involvement in the National VET Council and the development of regional VET hubs – provides a clear indication that a promising VET reform is in progress to address good multilevel governance in Kazakhstan.

Case 2. Moldova – Reforming VET governance through sectoral skills approaches

In terms of VET governance and policy making, the key actor in Moldova is the Ministry of Education, Culture and Research and its supervised authorities and bodies, such as the Republican Centre for VET Development (CRDIP) and the National Agency for Quality Assurance in Professional Education (ANACIP). Other actors actively involved in VET governance and policy making include the Ministry of Health, Labour and Social Protection and the Ministry of Finance, which is the key actor in VET funding.

The regulatory framework has been substantially reformed and modernised, resulting in a new legal framework governing policy implementation. This consists of the Education Code, the Strategy for Consolidated Educational Development 2011–15, the Strategy for the Development of Technical Vocational Education 2013–20 (and the corresponding Action Plan) and the Strategy for SME Development 2012–20. Among other issues, the emphasis is on entrepreneurial education, the development of an NQF for the TVET sector and the validation of non-formal and informal learning, within a lifelong learning perspective. By the end of 2017, the Law on National Qualifications and the Law on Sector Committees had both been approved.

The Strategy for VET Development for 2013–20 was prepared using a comprehensive approach that addresses the main issues of the system in a uniform manner, based on a coherent vision. The legal framework has been adapted to the new needs in order to support the socioeconomic development of the country. The new VET strategy was developed in consultation with stakeholders and approved in 2013 and the Education Code was enacted in 2014. This text reflects the priorities of the Moldova 2020 Strategy and is in line with international standards and international treaties (see the analysis in ETF (2015, p. 8)), while developing a comprehensive vision for VET that substantially contributes to the modernisation of the VET system. The implementation of the VET strategy is supported by EU instruments such as Budget Support, Technical Assistance and the Twinning project.

The Moldovan education system took a major step into the future with the adoption, in summer 2014, of a new Education Code (ETF, 2015b, p. 6), which reformed the existing Law No 547-XIII/1995 (on education). Within this framework, the occupational standards were modernised by the sectoral committees. The establishment and activation of the sectoral committees is, in itself, best practice.

The sectoral committees, established by the National Committee for Collective Bargaining and Consultation and activated from 2011 to 2012, are clear indicators of the increasing role of social partnership in VET. According to the relevant legislation ‘the social partners who have signed the association agreement for the establishment of sector committees become its founding members, holders of rights and obligations and sector committees established by statute’ (Republic of Moldova, 2012, Ch. II, A.5, p. 6).

The process led to an important milestone, the recent law on Sectoral Skills Committees, which is in line with the objectives set by the policies adopted in the field, specifically the Strategy for the Development of Vocational and Technical Education 2013–2020 and the National Strategy for Attracting Investments and Promoting Exports 2016–2020.

The Employers’ or Trade Unions’ Organisations will create skills committees to develop social partnerships. In addition to matching initial and continuing vocational training of workers and

specialists to labour market demands, they will contribute to (i) designing the occupational standards for the technical vocational education; (ii) updating the Occupational Classification of the Republic of Moldova; (iii) elaborating the National Qualification Framework; (iv) assessing the skills and knowledge gained through formal, non-formal and informal education; (v) modifying the study curricula by adding new modules/disciplines of the technical vocational education; and (vi) developing an informational and analytical support system for VET, starting with the assessment of the labour market needs²³.

In this context, the sectoral committees are already in charge of drafting new and reviewing existing occupational standards, and they have already done this in six sectors through the establishment of targeted working groups. Currently, there are 33 approved occupational standards in Moldova, developed during the period 2013–16; this represents only about 17% of the number planned for 2020. Similarly, in the same period, 43 out of 200 qualifications were drawn up, constituting 21.5% of the total.

The NQF was developed and adopted based on the new regulatory framework provided by the Education Code (Article 6). In addition, in the process of quality assurance in VET, Moldova still emphasises the implementation of quality assurance mechanisms and a more efficient use of funds. The activities implemented in this respect relate to the development of occupational standards; updating the NQF; the creation and updating of standards for VET and related pedagogical supports; and the training of human resources for the implementation of standards in VET (ETF, 2017a, p. 6). Another key outcome complementing ongoing reform currently includes the new Classifier of Occupations, developed on the basis of international standards (ISCO 08) and nomenclatures of trades/professions and specialties for education and training in VET.

Within this framework, work-based learning is considered a priority. It is anticipated that it will be further strengthened and improved through internships, which are the main vehicle for developing systemic work-based learning approaches. They are

²³ Source: ETF, ‘Moldova: Briding skills supply and demand’

mandatory elements of training programmes leading to qualifications, which makes the mechanism of transition from school to work effective and enables young people to become familiar with the world of work, supporting their transition from education to employment (ibid., p. 4). The Organisation for the Development of Small and Medium-sized Enterprises organises training that can further contribute to a work-based learning development of the entrepreneurial competences acquired in VET (ibid., p. 5).

However, during the second half of the reporting period, contextual parameters hampered progress, and, consequently, 'the progress has not been as great as that outlined in the strategic documents of the government during the period 2012–14' (ibid., p. 1). Given the importance of the NQF, it should be noted that 'the development of occupational standards has been slower than expected, [and] the process of drafting the qualifications is at risk of being compromised' (ibid., p. 2).

VET providers are consulted on the definition of the VET vision and the implementation of the new strategy, while they are gradually being involved in policy monitoring (ETF, 2015b, p. 38), mainly as a result of the development of sectoral committees. In 2014, a draft concept paper on social dialogue and a social dialogue platform were developed, and it is anticipated that these will contribute to the institutionalisation and strengthening of social dialogue on VET. The fact that the NQF is being developed not by the Ministry of Education alone, but through systematic collaboration with ministries, sectoral committees, VET institutions and providers, businesses and other social partners (ibid., p. 30) provides more clear evidence that VET governance in Moldova is moving decisively towards a multilevel approach. There is a good work in progress on setting up 11 centres of VET excellence.

The main problem has been the delay in the implementation of the significant institutional arrangements and the provisions of the new regulatory framework (mainly developed during 2013–14) during the period 2015–16/17. The fact that the strengthening of the Republican Centre for VET

Development has not yet been achieved and that an acknowledged mechanism for identifying labour market needs with greater precision (such as an annual 'barometer' of professions) has yet to be put in place is a clear challenge (ETF, 2017a, p. 5).

Despite such delays, mainly owing to 'the unfavourable conditions in Moldova during the period 2015–16 – political instability, frequent changes of government and delays in their establishment and composition' (ibid., p. 3) and existing fragmentations, Moldova is working towards an effective multilevel approach to VET governance. The reforms conceptualised during the period 2012–14 are still continuing, and despite economic difficulties over the past few years, the Moldovan authorities have ensured a steady increase in the funds allocated to education and addressed the significant decline in the proportion of the population involved in education (ibid., p. 4).

In summary, despite the deficits and delays, Moldova continues to move towards effective VET governance and an efficient, modernised VET system. The enactment of the sectoral committees that empower social partnership and put into practice the sectoral approach in VET governance is a key driver of expected success.

Case 3. Ukraine – Progress in VET development through decentralisation to 24 regions

Despite a difficult situation and the low status of the VET sector, significant progress has been made in Ukraine to move VET higher up the education policy agenda. This progress has been driven mainly by VET decentralisation to 24 Ukrainian regions. Although the state (mainly the Ministry of Education and Science, Ministry of Finance and Ministry of Social Policy) is visible in every policy function, regional and local stakeholders have an increasingly important role in policy implementation.

The social partners, particularly employers, are also gaining recognition in relation to the shaping of VET policy agendas in the country. Stakeholders' involvement in the ongoing work on new VET legislation is undoubtedly increasing and influential, affecting every aspect of the ongoing VET reform

based on good multilevel governance, the optimisation of VET networks, the promotion of school autonomy and the strengthening of public–private partnerships in the VET function (ETF & MoES of Ukraine, 2017).

This willingness to pursue reforms to modernise VET in the context of lifelong learning was confirmed by the approval of the Education Law (September 2017). This can be considered a major recent achievement for the country, driven by the political, administrative and financial decentralisation of public administration.

In this context, the first major decentralisation initiative undertaken by the government focused on the decentralisation of the VET system. This has wider significance for Ukraine than the piloting of the decentralisation of public administration. In this case, decentralisation is also the enabler of more general and far-reaching reform of the VET system, in line with the needs of the economy, and in synergy with many other initiatives relating to the labour force, SMEs and regional development (ETF, 2017a).

Thus, VET decentralisation in Ukraine currently has two main dimensions: financial and organisational. The financial dimension of VET decentralisation is mostly oriented towards the transfer of powers and responsibilities for financing the VET network to the regional level through local (oblast and cities of oblast subordination) budgets. The financial dimension is supplemented by the organisational component of VET decentralisation.

This means that in Ukraine not only are local authorities responsible for the proper financing of the existing VET network of the region, but they will also have the responsibility for managing a new VET ecosystem in an efficient manner from a multilevel governance perspective (ETF & MoES of Ukraine, 2017). In this context, the role of VET regional councils is emerging as a relatively new mechanism for Ukraine.

Their current name – regional VET councils – comes from the Ministry of Education and Science’s letter to regional state administrations (April 2016) with brief but comprehensive guidelines concerning their establishment and main functions. They were proposed to be established by the local (oblast) state administrations as consultative bodies according to

the Law of Ukraine ‘On local state administrations’²⁴ (ETF & MoES of Ukraine, 2017).

Of vital importance is the fact that the ongoing decentralisation process in Ukraine is resulting in extensive changes in the VET sector. Indeed, a drastic restructuring of the VET system is in place, particularly since 2016. Initially, a decentralisation legislation package passed by the Parliament of Ukraine, ‘On Amendments to Certain Legislative Acts of Ukraine on Vocational Education’, was developed by the Ministry of Education and Science to delegate certain functions to local executive bodies, in light of the reform of local self-government and the reorganisation of territorial power in Ukraine.

The EU–Ukraine Association Agreement was signed in December 2014. The Association Agenda was endorsed four months later in March 2015. This lays out important details about how Ukraine and the EU will move ahead together to implement the agreement. This important partnership incorporates VET, as it also defines how an NQF will be implemented (2016–20).

Further, public–private partnership in VET is achieved through the council system (school and sector based). Such councils are elected collegial bodies, and the primary result of public–private partnership is the creation of industry-specific practical training centres (in the form of structural units, i.e. workshops or production facilities) at state-owned VET institutions with the aim of improving the quality of skills training, enhancing graduate competitiveness, and boosting graduates’ professional mobility on the labour market. Such centres are based on national programmes authorised and regulated by the Ministry of Education and Science.

However, the implementation of institutional, financial and informational dimensions of VET good multilevel governance in Ukraine to facilitate a smooth decentralisation process still faces many challenges.

These include:

- empowerment of regional VET networks as units of analysis for the decentralisation of the VET system;

²⁴ Law of Ukraine ‘On local state administrations’, 1999, # 20-21 (<http://zakon2.rada.gov.ua/laws/show/586-14>)

- optimisation and rationalisation of these regional networks in order to align the new network with the needs of the regional economy;
- definition of the role of vocational schools in property ownership;
- development of a concept of VET Centres of Excellence as new forms of public–private partnerships to improve the image, attractiveness and relevance of VET and develop an innovative, entrepreneurial role and school autonomy model for VET development;
- development of reliable mechanisms for labour market forecasting to support skills needs in national and regional labour markets and to further inform the management on access to and financing of vocational school networks.

Case 4. Albania – Modernising the overall policy framework for a relevant VET system through new legislation

At the end of 2015, the Albanian government, together with various donors, initiated appropriate actions aimed at modernising employment services and policies and improving the governance framework for VET and its provision. Within this framework, the Ministry of Social Welfare and Youth launched an overhaul of the entire legislative framework, taking in VET and employment promotion, the Labour Code and a new Law on Crafts. Undoubtedly, the key development was the drafting and adoption of the new VET Law, within the framework of the above-mentioned legislative initiatives (2016).

This new VET legislation reinforces the delegation of responsibilities at different levels. One of the key elements of the legislation is the Albanian Qualifications Framework. The new National Employment and Skills Strategy 2014–2020 (November 2014) already envisages that a new legislative framework will address all the reforms to be undertaken in VET and encourage the drafting of a new law (Viertel, 2016, pp. 8–9).

The VET Law assigns a number of new or revised functions to national and regional bodies and VET providers and creates a National Agency for Employment and Skills, with four regional

employment services and 61 local offices. These offices will not only be in charge of delivering employment services, but also be responsible for the day-to-day management of all public VET institutions (schools and vocational training centres) (ETF, 2017a, p. 6).

The law clearly enhances multilevel and multi-actor VET governance, since it states that the planning, design, monitoring and review of the VET system is ensured by several institutions and bodies that operate at central, local and provider level. Public authorities work in partnership with social partners and other stakeholders; the roles of the institutions and bodies in the VET system are defined on the basis of competences given to them in this law and in respective sub-legal acts (Republic of Albania/ Assembly, 2016, Ch. II A 6). With the aim of achieving economies of scale in VET provision by creating bigger and more autonomous VET institutions or multifunctional VET centres, the law emphasises VET financing by officially allowing VET providers to generate and retain income.

Furthermore, key groups have been established to support coordination and enhance multilevel governance and data policy. For example, the Integrated Policy Management Group (IPMG) has been set up, bringing together different ministries, agencies, social partners and other actors and aiming to oversee policies affecting the entire employment and skills (VET) sector. It has also reviewed and approved the Annual Progress Report.

A Working Group composed of members of the Ministry of Social Welfare and Youth and the National Agency for VET and Qualifications (NAVETQ) compiled a comprehensive Annual Progress Report 2015 (MoSWY, 2016), which provided feedback on the ETF Torino Process 2016–17. This resulted in budget increases (i.e. on 26 November 2014 the Albanian government adopted NESS 2020, which frames the actions of both the government and donors). It should be noted that monitoring progress against the Albanian national strategy is one of the conditions for the EU IPA budget support of the sector, and this will be carried out on an annual basis (ETF, 2017a, p. 1).

Further, the first Multifunctional VET Centres have been established with the aim of matching VET provision to actual needs, while NAVETQ, together with employers' representatives and experts,

continues to identify skills, design qualifications and adjust framework curricula according to the skills needs identified.

A tracer system was introduced for the first time to cover both vocational school and vocational centre graduates by the end of 2016. During 2015 and 2016 new course materials were developed, and five teacher trainers and 65 teachers from 35 vocational schools received training on entrepreneurial learning as part of the entrepreneurship subject. However, quality assurance in VET remains a challenge, while an NQF for VET in Albania is not yet in place.

Within the framework of defining quality criteria for including qualifications in the Albanian Qualifications Framework, the current emphasis is on a self-assessment manual for VET providers. The criteria for the accreditation of public and private VET providers is ongoing, while the Swiss-funded UNDP Skills Development for Employment project is undertaking a mapping of private VET providers in order to store the relevant data in a national database.

Thus, VET reform is gaining strong visibility linked to active employment policies. The VET Legislation is key tool for understanding all these policy developments in Albania.

Case 5. Serbia – Further structural institutional reforms through multilevel stakeholder cooperation on VET policies for smooth accession to the EU

The Ministry of Education, Science and Technological Development remains the key decision maker in VET, supported by the Tripartite Council for Vocational and Adult Education (VET Council), while coordinating cooperation with the National Education Council and the IIE (in specific facets of VET, namely the creation and revision of curricula).

The Ministry of Education, Science and Technological Development leads on the three (out of 15) national strategies that are directly related to VET, including the Strategy for the Development of Education 2012–2020. The National Education Council is involved in formulating the national policy framework, providing opinions on laws and regulations, and evaluating and reviewing VET policies.

The VET Council was established in 2010 and operates according to the Law on Foundations of the Education System. After 2015, its role remained limited. For example, an attempt to have a regulation on sectoral councils approved was unsuccessful. The Ministry of Education, Science and Technological Development revised the VET Council's composition in 2016 by reducing the employer representation from two members to one.

The Law on Dual Education was passed in 2017 with no consultation with the VET Council. The sectoral councils were piloted in 2012 through an EU-funded project but were never established. EU recommendations to Serbia in the context of the Economic Reform Programme and the European Commission reporting point to the necessity of activating social dialogue, including social partnership in VET, in order to effectively implement the designed reforms. The Law on Dual Education attributes a formal role to the Chamber of Commerce and Industry, notably as regards relevant operational steps, such as promoting the selection of candidates and training future mentors in companies. However, the need for capacity building of the various actors, on both the demand and supply side, seems to be underestimated at present.

The local level in Serbia is organised through one Autonomous Province (Vojvodina) and numerous self-governments, either coinciding with municipal levels or an aggregation of those. The skills shortages are more visible at this level, and often the local actors take the initiative to respond to these shortages, with or without the support of the central level. VET providers assess local demands and skills trends and adapt their provision, despite the limited school autonomy. At sub-national level, coordination and cooperation work well, especially between the local socioeconomic councils, local branches of the employment service, schools and local authorities. The potential for active contribution to policy making and implementation at this level is very high, but this potential is not recognised.

Sectors that have driven the economic growth from 2015, such as information and communication technology (ICT), are faced with insufficient skills supply, which the governance arrangements do not help to solve. The ICT Cluster in Vojvodina has launched a proposal for a collaborative platform

of sub-national and national, public and private institutions to manage skills intelligence. The aim of this collaborative platform, called Knowledge Hub, is to collect, share in a timely manner and use intelligent information on skills needs as an essential basis for short- and long-term solutions to the problem of skills shortages in ICT. The knowledge-oriented hub or platform could mitigate the fragmentation of the governance in the skills system in Serbia by enabling communication and exchange between knowledge creation and the utilisation of this knowledge for better skills provision. The national, sub-national and sectoral levels are currently active on their own, each engaged with innovative and positive initiatives, but failing to generate the systemic effect that could be created by shared responsibility and coordinated actions.

Despite its deficits, data policy has slowly modernised and developed during the reporting period. The Ministry of Education, Science and Technological Development play the key role in data collection and processing. The VET Council is in charge of monitoring and analysing the state of play in education and VET. The Institute for Education Quality and Evaluation seems to participate in the coordination process on data utilisation for policy-making purposes. Additionally, the National Employment Service collects ad hoc data. Central government governs and controls the whole financing and funding framework and relevant processes (local governments' involvement is not enough to reverse the general rule).

During the period 2015–16, no major conceptual or strategic changes took place in the field of VET in Serbia since the previous Torino Process round in 2014 (ETF, 2017a, p. 1); the new Law on Dual Education was approved in 2017. The significant methodological work on the NQF has led to the development of 59 qualifications involving a higher proportion of practical learning. These have been introduced into the regular VET system as part of the pilot profiles. However, systemic changes are not yet visible. The NQF remains a key priority in the education strategy, but the NQF law and the national qualification agency have not yet been approved.

Serbia is simultaneously engaged in different VET reforms, but a holistic picture and a sense of how

these different reform streams relate to one another seem to be missing. The VET and skills development sectors are in need of a coherent vision and policy framework, supported by governance arrangements that enable policy implementation.

In summary, VET governance in Serbia has shown positive development between 2012 and 2014, with the empowerment of the VET Council, the impetus to design major VET reforms, and the new Education Strategy 2020. However, since 2014 the governance arrangements have not progressed further, while the approach is increasingly looking backwards to a centralised mode of policy making. This latter situation is proving counterproductive at a time when the policies that have been designed are to move to the implementation stage. The potential shown by local and sectoral levels to become active parties in implementing the reforms should be recognised. Articulation and cooperation among the national, sub-national, and sectoral levels would positively reinforce Serbia's necessary progression into VET good multilevel governance, which would smooth its path as an acceding EU country.

Case 6. Jordan – Reforming the VET system through a strategic national approach to human resources development and public-private-oriented institutional leadership

New strategies have been adopted and are in place, including Jordan 2025, the second National E-TVET Strategy 2014–2020 and, recently, the new Human Resources Development (HRD) Strategy (2016–2025). The HRD Strategy envisages the establishment of a Skills Development Corporation (SDC) to oversee vocational education, vocational training and technical education provided by community colleges. Both the Centre of Accreditation and Quality Assurance (CAQA) and the E-TVET Fund (renamed the Skills Development Fund) will also operate under the SDC.

Further, the E-TVET Council was involved in the formation of the E-TVET Strategy and implemented important initiatives, including one concerning raising awareness in TVET sector.

The National Centre for Human Resources Development, in coordination with the Ministry of

Labour, conducted sector surveys in 2013, 2014 and 2015, emphasising current and future labour market needs in terms of skills and matching them with the current training provision. CAQA became operational, facilitating, among other things, the sectoral working groups on the development of occupational standards and associated manuals.

However, there are many challenges ahead, as VET policy and strategy design, together with a lack of implementation, are chronic deficits. Quality, efficiency and effectiveness in the TVET system are affected by the fragmentation of TVET providers and the deficits in social partners' institutionalised involvement in VET governance and policy making.

The TVET sector is still characterised by a centralised, top-down approach, with each subsector (vocational education, vocational training and technical education) having bureaucratic systems that hardly work together to improve relevance, quality or efficiency. However, the social partners' role in TVET governance has recently increased and become more visible, since consultation and engagement at the planning stage have increased and the social partners are engaged in broad policy initiatives such as the development of national strategies and the setting of standards (ETF, 2017a, p. 8). In general, they mainly hold the role of consultee in strategy implementation and are not yet involved in the management, evaluation and assessment of the sector. They still 'have limited representation on the board of the VTC, the country's main training provider' (ibid., p. 9). Additionally, TVET schools' structured relationship with the labour market remains a challenge.

The ongoing VET system reform that aims for harmonisation with the labour market and social demands and the creation of the Skills Development Corporation to monitor the VET system are notable indicators of progress that need to continue. Very recent developments suggest optimism and are worth mentioning.

The new General Framework provided by the HRD Strategy (2016–2025) is a very positive development. It constitutes a clear and coherent roadmap for a broad TVET reform that emphasises inclusive TVET, knowledge management, infrastructure and efficient

multisource financing of TVET, standardised testing and recognition of prior learning, and an improved occupational licence system that is currently provided for under the E-TVET law (for analysis, see Jordan Ministry of Labour (2017, pp. 2–13)). TVET is embedded within a lifelong learning perspective.

Further, the framework provides for the institutionalisation of stakeholder engagement in VET governance, with six members from the private sector – three from the employers and three from the workers' side – will participate in the new Higher Commission for HRD, headed by the prime minister. This Higher Commission will coordinate activities of the E-TVET Council, the Higher Education Council and the Ministry of Education Council. In addition, according to the General Framework for Reforming the Technical Vocational Education and Training Sector, 'for each sector identified by Vision 2025, an employer-led Sector Council will be created (Jordan Ministry of Labour, 2017, p. 6).

Within this new framework, stakeholder engagement is to be institutionalised at the highest level of VET governance, an employer-led Sector Council is to be set up and the efficiency and effectiveness of the VET system is expected to be substantially upgraded and enhanced. The SDC is called upon to play a key role by providing an employer-led public-private mechanism that is empowered to act as a single coordinating body for the TVET sector, that is fully aligned with labour market strategies and requirements, and that ensures accountable and responsive delivery. This mechanism will provide a legal and technical umbrella for the sector, which will replace the current E-TVET Council.

In summary, the broad remit of the SDC should be to:

- mandate and harmonise all national skills and TVET policies for Jordan;
- ensure alignment between TVET provision and national labour market strategies and requirements;
- oversee/direct the CAQA;
- oversee/direct the Skills Development Fund;
- monitor and evaluate TVET reforms across all ministries and private providers.

Case 7. Morocco – New national vocational training strategy and ongoing advanced regionalisation agenda

Morocco is experiencing an ongoing process of regionalisation that could lead to new functions being developed to influence VET governance and policy development at regional and local level. A more inclusive policy environment with the participation of more policy actors is changing the governance of vocational training in Morocco towards a model of multistakeholder governance operating (in part) at several levels, as a result of the plurality of public institutions and public and private actors.

In line with this process, the new National Vocational Training Strategy 2021 sets the goal of moving from centralised management towards a gradually decentralised and more participative governance model. Coordination between institutions and the potential for overlap between their roles and functions must remain the focus of attention in moving towards the new governance model for vocational training at which the strategy is directed.

This strategy provides for the establishment of a renewed governance approach that allows for the greater efficiency and effectiveness of the training system. Officially launched on 31 March 2016, the strategic approach has been validated by all internal and external partners of the Ministry of National Education and Vocational Training, and its implementation began in 2016. Improving governance is the sixth strategic axis of this new vision. This ambition to improve VET governance is built on increased clarification of the roles and responsibilities of the various stakeholders. The five pillars of such new governance settings are:

- coordination of the national education and training policy;
- dedication to participatory governance of the vocational training system;
- strengthening the role of the region in vocational training;
- enhancing public–private partnerships in VET;
- improved steering and complementarity between stakeholders.

At the same time, the role of non-state stakeholders is gradually increasing. The National Federation of Private Vocational Education is active in bringing the voice of private actors to the VET reorganisation.

The General Confederation of Employers of Morocco (CGEM) is also a very active stakeholder. It participates in several policy advisory and decision-making bodies and relevant committees, and is consequently involved in strategic planning and progress monitoring. The Moroccan Workers' Union (UMT) and the General Union of Moroccan Workers (UGTM) are also very much involved in several policy issues relating to VET and employment. Thus, the well-established tripartite setting in Morocco is an asset that will allow further progresses on the policy agenda, which is clearly influenced by the VET regionalisation agenda.

In this respect, Morocco has long been engaged in a process of advanced regionalisation. Such regionalisation is provided for in the new constitution of 1 July 2011 and in legislation. Since 2015 the new regional division provides for 12 regions, each with an elected president and council and an allocated budget for education and training policy issues. This seems to be the appropriate territorial level for the integration of sectoral policies and the synergy of efforts and interventions of all economic actors in the country.

It is also an appropriate space for the active participation of the population in the management of regional affairs and the territorial development effort through the introduction of new mechanisms of participatory democracy (CESE, 2016).

Thus, the National Vocational Training Strategy provides a unified structure for VET governance, proposing a number of governance bodies that are to be created and/or revitalised. The National Commission for Vocational Training and the regional and sectoral vocational training commissions should play a crucial role in the new structure, which will need to be coordinated by a proposed steering and monitoring committee.

The creation of regional vocational training commissions to monitor this decentralisation process provides a strengthened role for the regions in VET governance. However, the regionalisation process framed in the new Constitution and Vocational Training Strategy should still become more effective.

The limitation of technical capacities, in particular for policy decision making, of the new bodies at regional level and the lack of clarity between the former and new existing bodies are current issues that hamper the effectiveness required to implement an advanced VET regionalisation agenda.

Case 8. Tunisia – Making regional partnerships work as a practical option for VET development

Following the Arab Spring and its call for more participation at all levels of society, the Tunisian Ministry of VET and Employment resolved to strengthen the role of regions in steering VET and access to the labour market via a multilevel governance approach. This commitment has been retained as one of the main orientations of the National VET Reform and has been confirmed by various projects carried out by the ministry.

The VET Regional Plan scheme in the northwest regions, the process of conducting studies for VET regional development, and the development of a survey support model to support the training and recruitment needs of companies by region and by sector are concrete developments in this direction. This orientation was also reinforced by the new Tunisian Constitution of 2014, and in particular Chapter 7 on local governance, which adopts decentralisation as a mode of governance. To achieve this orientation, the Ministry of VET and Employment has adopted an approach based on three principles:

- a. **functional approach**, which involves maintaining a dialogue between the central and local structures around the roles of each party;
- b. **learning and innovative approach**, based on field initiatives and learning from these in order to progressively conceive the best approaches to regionalisation;
- c. **progressive process**, which consolidates the present situation with its constraints and its possibilities for evolution.

It was with this in mind that the long-term joint initiative by the Ministry of Vocational Training and Employment and the ETF (MFPE–ETF project, from 2012 to the present) was conceived and implemented to consolidate the multilevel and multistakeholder partnership approach involving local institutional and private sector actors from VET and employment together with those at the central level.

These initiatives were implemented in the governorates of Medenine (2012–14), Gabès (2015–16) and Mahdia and Kairouan (2016–2017). Although the specific objectives and the scope of activities differ from one region to another, the project's guiding principle remains the implementation, at the local level, of a partnership approach between actors in skills development, employment and the private sector around some basic governance functions of VET and access to the labour market.

Among the selected functions are labour market observation; skills anticipation and matching; career guidance and counselling; intermediation and complementary training for job placement; and support from the ministry's central services in structuring the regional approach in general.

This regional dynamic has motivated three regions (Sfax, Medenine and Gabès) to adopt the ETF Torino Process, a biennial participatory analytical review of the status and progress of VET and employment, in their respective regions. The analysis and monitoring tools developed by the MFPE–ETF project have assisted this pioneering initiative in ETF partner countries.

One of the sustainability and follow-up actions of these initiatives is the EU IRADA programme (2017–20) in eight regions.

All the methodologies and tools, the lessons learned and the recommendations developed have been consolidated and schematised in the *Fiches pratiques* (methodological aspects), and in an electronic directory (tools and guides) accessible to users.

3. LOOKING TO THE FUTURE: MAIN VET GOVERNANCE POLICY AREAS TO FURTHER SUPPORT SYSTEMIC REFORMS

As demonstrated in the previous chapter, all ETF partner countries are making efforts to improve their VET governance and policy-making processes to ensure that VET becomes more effective in supporting socioeconomic regional development and social cohesion. Thus, VET good multilevel governance approaches and coordination mechanisms are being used to open up the formulation of and the ways of implementing national VET reforms.

The development of a culture of policy analysis that builds on a deep understanding of the challenges to be addressed as well as of monitoring progress in the implementation of policies for feedback and policy making is one of the key achievements linked to the ETF Torino Process and the ETF strategic projects from 2012 to the present.

The work towards good multilevel governance in VET promoting the active participation of key stakeholders across the different functions of the VET system, the existence of institutional settings that ensure clear roles and accountabilities, and the taking of decisions at the appropriate levels according to the principle of subsidiarity are key outcomes provided by the ETF during 2012–17. This is clearly demonstrated in partner countries and regions, to a greater or lesser extent, in this monitoring report.

In line with the ETF multiannual objectives for 2017–20, the ETF's specific priorities for working in VET governance in partner countries are (ETF, 2017j):

- the vertical dimension of governance, addressing subsidiarity, including decentralisation where relevant, in legal frameworks and institutional arrangements, including coordination mechanisms between national, local and sectoral levels;
- the development of public–private partnerships, including the enhancement of horizontal coordination mechanisms among state and non-state actors (mainly the social partners) to foster such productive and effective partnerships;

- financing as a key driver for VET policy reform, focusing on governance bodies and mechanisms to ensure that the financing chain is efficient and that it serves policy objectives.

These VET governance areas should be actively interacting with thematic approaches for improving expertise in key VET policies areas (e.g. qualifications and curricula, skills identification policies, quality assurance, work-based learning approaches). In other words, the interconnection between VET governance and thematic policy areas will provide smart responses to support the improvement of VET stakeholder capacities to reform and modernise VET in the direction of multilevel governance in order to make VET systems more attractive, relevant and responsive to the needs of labour markets.

This is already taking place: looking to the future, VET policy agendas for reforming systems in many partner countries are based on balancing VET systemic and policy reforms (e.g. many partner countries are aiming for the *dualisation* of their VET systems).

In summary, it is expected that further review and support of the institutional capacities of VET stakeholders to be more effectively engaged in multilevel governance approaches (distributing/allocating VET policy functions within more inclusive and participatory VET systems) will be a core VET governance area for further expertise work with partner countries.

Further, building capacities of social partners in VET at all levels, improving approaches and capacities to review VET financing policies, and support on policy dialogue and learning on the new role to be played by vocational schools in partner countries will be also core areas of VET governance expertise. These areas are linked to a set of identified VET coordination mechanisms that will be further underpinned or put in place jointly with partner countries in the four working regions (see [Table 3.1](#)).

Table 3.1 VET good multilevel governance policy areas for further support of systemic reforms in partner countries, 2017–20 onwards

Policy area	Remarks addressing key tasks	Coordination mechanisms for VET policy making
1. VET institutional arrangements	Diagnosis and advice: Capacity assessment to reform VET institutional policy frameworks for effective application of the subsidiarity principle (on the vertical and horizontal levels)	Tripartite agreements and other types of cooperation arrangements Review of VET legislation: assessing governance and financing in VET strategic frameworks; implementation of VET strategic frameworks
2. Strengthening social dialogue and social partnerships in VET	Social partner capacities: Assessment of policy frameworks for shaping public-private partnerships in VET (at all levels)	Review and/or development of (new) institutional set-ups (e.g. national agencies, sector skills councils) VET councils, agencies; interministerial cooperation groups etc.
3. VET financing	VET governance and financing reviews Capacity development for delivering VET financing analytical frameworks	VET public-private partnerships: forms and implementation methods Work-based learning arrangements (apprenticeship systems)
4. Vocational school governance: management, financing, autonomy and accountability	Assessment of conditions for reforming and modernising vocational school governance (concepts and regional/ local networks)	Tax/levy systems: cost-sharing financial mechanisms; multichannel financing options; formula funding Management of training company networks (VET and CVT governance) Occupational standards, employer-driven curricula Management information systems; observatories (institutionalisation of the forecasting function) Multifunctional VET centres, VET centres of excellence etc.

4. KEY CONCLUSIONS AND POLICY MESSAGES

This report is based on an analysis of a relevant set of ETF information from partner countries. The aim is to provide an updated picture of the evolution of VET governance arrangements guided by a good multilevel governance approach in VET during the period 2012–17. In this respect, this chapter wraps up the main conclusions and the key policy messages, as they emerge from this intensive period of joint work, addressing in a holistic manner all the ETF partner countries covered by the report.

4.1 Key conclusions

- Partner countries have understood that the VET good multilevel governance approach is an effective way to support the reform and steering of VET policies and systems. All partner countries are acknowledging, to a greater or lesser extent, that inclusiveness and openness to involving multiple actors at vertical and horizontal levels is a useful method for reforming VET systems.
- The creation of a joint vision is already in place in the majority of partner countries (around 80% of partner countries hold a 'medium' to 'high' vision for VET). In the countries in the Eastern Europe, and South Eastern Europe and Turkey regions, the joint VET vision between governments and non-state stakeholders is more consolidated.
- Fair progress has been recorded in policy leadership and coordination of general planning and management in most partner countries, as they have a line minister in charge of VET policies who defines overall policy and the managerial framework for its implementation. However, some countries still need to better clarify ministerial roles, in particular addressing the functions of other line and/or sectoral ministries. In this respect, little progress on interministerial cooperation outcomes has been recorded in this period. National councils as well as executive and/or supervisory bodies could contribute significantly to improving policy performance.
- This is more evident in the governance of VET financing, which is still characterised by highly centralised approaches and fragmented management practices in many partner countries. VET funds come mostly from public revenues, and there is little scope for financial (or curricular) autonomy for VET providers (with some exceptions).
- Progress is more visible at the horizontal governance level, where the institutionalisation of the role of national (and sectoral) councils has been a notable development. These bodies are fulfilling a clear role on policy formulation and advice, resulting in a more consolidated role for non-state actors (social partners in particular). However, further assessment of the effectiveness of and lessons learned from the working dynamics of these bodies is an issue to be further explored and discussed by partner countries.
- At the vertical level, progress is still to be demonstrated in the strengthening of the role of regional and local actors. In this respect, based on the evidence of this report, it is plausible to assume that partner countries will decide to pass responsibilities to regional or local levels when VET and lifelong learning reforms are being made in parallel to reforms in public administration (e.g. more resources to local levels following greater recognition of the role of the regions). For deconcentrating, delegating or devolving power to regions or most local levels, political will is needed, as is capacity building for local actors. A partner country's size is a very relevant factor.
- It is also plausible to assume that a possible way to reform VET governance settings is by continued enhancement of the roles of industrial actors at the horizontal level (across national, sectoral and regional layers), while empowering the role and autonomous management of VET institutions at the vertical level. The strengthened role of VET institutions is a work in progress in almost all partner countries. Further work to empower capacities of social partner networks should be done.
- All this is confirmed by the assessment of coordination mechanisms for VET policy making. Progress has been 'medium' to 'high' on the

revision of VET strategic frameworks and the review of institutional settings (mushrooming of council systems), while there has been fair progress towards setting up management information systems and developing mechanisms and tools to improve labour market intelligence and skills matching.

- In terms of the above-mentioned issues, the summary is that there is still a lot of room for improvement in almost all partner countries on mechanisms for increasing public and private interaction and coordination, as well as on empowering the role of VET regional stakeholders in addressing the formation and implementation of VET local partnerships. In both cases, the evidence gathered in this report suggests that progress can be scored as 'medium' for a few partner countries and 'low' for the vast majority.
- All these features confirm the progressive transformation of VET governance systems in partner countries from centralised models and modes of steering policies towards so-called hybrid models.
- Such hybridisation is featured as a key conclusion for the period 2012–17. It reflects a move from highly centralised bureaucratic or school-based models towards VET governance models and modes that aim for a more balanced participation and inclusiveness of non-state stakeholders in the policy processes, as well as an increased role for vocational schools in shaping governance and partnerships.
- The eight country cases support this conclusion. The major trend emerging from a cross-analysis of such cases is that partner countries are allocating consultative and executive advisory functions to tripartite councils (national, sectoral, regional) in which employers have a stronger voice, while showing clear intentions to decentralise certain functions to sub-national (regional/local) level, and balancing this with a future vision in which vocational schools will be more autonomous institutions.

4.2 Key policy messages

4.2.1 Institutional and informational aspects of VET multilevel governance

- Public administration and social dialogue traditions and the administrative and fiscal settings in partner countries matter a lot. In this respect, approaching VET multilevel governance and applying the subsidiarity principle for the further deconcentration, delegation or devolution of VET decision making to other governance levels will be strongly determined by such factors.
- Thus, for many partner countries, decentralising to the level of the school seems to be a more feasible option, given the current administrative set-up and forms of the state in many countries, as it is proving to be a way of attracting and formally engaging private actors in VET skills development. Some countries will be able to combine both approaches (VET regional governance and increased school autonomy on curricula and funding issues), and this can make their systems more balanced in terms of socioeconomic regional development and VET attractiveness (access to VET).
- In this respect, systemic reforms to modernise and make VET more attractive in partner countries will need to be underpinned not only by strategic mechanisms but also using hard coordination mechanisms. In the short term, some partner countries will need to consider updating their VET legislations.
- Nevertheless, there is a strong need in partner countries to better articulate VET governance reforms by the increased use of soft, deliberative tools (e.g. joint declarations, memorandums of understanding, frameworks of action or statements led by the social partners or private actors). Soft tools have proved to be very useful for governments for cooperating with industrial actors (e.g. memorandums between line ministers and international companies to promote work-based learning within companies), as well as for consolidating the recognition of social

partners as trusted interlocutors for VET policy formulation, implementation and review.

- In this context, improving the effective role of social dialogue in VET policies at national level is strongly needed, as in many partner countries it is still a challenging issue to facilitate the implementation of systemic social partnership approaches at sectoral, regional and VET provider levels. Experience shows that effective and efficient social partners' participation in VET governance and financing can support governmental leadership (tripartite settings).
- This, among other reasons, is why effective and professional social partner engagement at national level is a necessity for pushing forward a clear and effective interlocution with education and labour ministries. In this respect, the social partners can eventually assume political dialogue responsibilities for shaping VET policy coordination as sectoral stakeholders' voices that are within the sphere of other ministers operating in VET. This can leave more room for the participation of industrial actors.
- In this respect, the involvement of social partners, not only as policy shapers but as implementers, is still a contentious issue in many partner countries. The social partners are crucial stakeholders for continuous identification, renewal and use of qualifications, skills, competences, programmes and curricular contents linked to employment. Further, key mechanisms such as updating NOFs, setting up levy systems to (co-)fund VET and skills policies, managing VET training centres, implementing work-based learning approaches, delivering occupational standards, and forecasting skills needs, call for the role of social partners and employers to be strengthened. This is a pre-condition for many partner countries in the light of their ambition for governance of dual VET systems.
- It will be crucial to support the further formation, implementation and consolidation of sustainable public-private partnerships in VET, including improving the (good multilevel) governance and financing of apprenticeship (work-based learning) systems. This should be a step forward in the

ongoing initiatives that already exist in many partner countries (e.g. in the area of work-based learning). Thus, the operationalisation and further development of public-private partnership in VET is a must for (all) partner countries as a way forward to further develop VET. Clarifying operational approaches will be challenging. This is particularly important in the context of the VET dual concept that many partner countries would like to implement.

- The experience of some partner countries in developing VET centres of excellence as a mechanism to improve the attractiveness and relevance of VET and to optimise VET networks based on public-private partnership principles should be strengthened²⁵. This type of institutions can be considered as innovation hubs – operating as ecosystems at the local level – which can contribute to the socioeconomic and regional development of the countries.
- However, a necessary pre-condition for improving effectiveness in coordinating policy making at national level is to set up regular platforms for interministerial policy dialogue. This can also address the issue of fragmentation by fostering transparency and accountability among the different ministerial agencies involved (financing, education, labour, etc.), while creating opportunities for tripartite dialogue with employers' representatives and those unions that have a role in the VET system. This will be

²⁵ There is not an acknowledged definition of centres of VET excellence by the international community. However, analysis of international practices shows that this term mostly refers to networks of VET partnership-based institutions, which are established in different regions although reflecting the national policy priorities of a given country. These centres normally provide high quality qualification levels of VET and CVT programmes for the acquisition of highly-specialised professions, which might be connected to tertiary education routes, with a strong focus on technological and/or innovative sectoral or multi-sectoral training and competence solutions to meet skills needs of both companies and individuals. VET centres of excellence concept strongly refers to a new way of introducing and increasing quality and innovation cultures and capacities in VET systems through good multilevel governance and effective public-private partnerships (Galvin Arribas, 2018).

even more necessary if countries decide to decentralise VET policies.

4.2.2 Financial dimension of VET multilevel governance

- The findings of this report call strongly for the opening and maintenance of a systematic and structural dialogue with partner countries on VET governance and financing. In this context, for example, there is a definite need for discussion of policy dialogue on fiscal decentralisation in partner countries, with room for discussion on incentive policies (financial and non-financial), including the use of use tax/levy systems for VET development.
- Such dialogue should be based on strong leadership on the part of social partners and other private actors in VET, leading to effective tripartite dialogue. The outcomes could lead to a review of legislative frameworks for VET financing and an exploration of options for concluding agreements among different stakeholders (e.g. funding work-based learning).

In addition, the following are some of the urgent issues that should be included in policy dialogue and learning with partner countries on the financial dimension of VET multilevel governance:

- budget methodologies, in particular with those partner countries that are facing challenging public accounts scenarios; national VET budget-planning systems could be further developed by some partner countries;
- data (and research) on VET financing and costing, addressing effectiveness, efficiency

and equity factors: this creates opportunities for discussing and analysing the crucial issue of the efficiency of current public allocations in VET under transparency and accountability VET good multilevel governance principles;

- conditions for and feasibility of introducing effective, transparent and accountable training-levy systems (schemes, subsidies): this should include the option, for those countries that feel it is appropriate, to discuss the setting up of sectoral training funds (which could be coordinated at national level); training funds are a clear way to articulate tripartite cooperation while raising funds for the VET system;
- the role of fiscal policies for VET development: tax-deductibility mechanisms for incentivising the private sector;
- the review of formula funding mechanisms, including how to move from input approaches to VET funding to those based on outputs or labour market outcomes (outcome indicator approaches as a performance-based funding tool); the model of per-capita funding (per student) and composite formula funding types (widening formulas to include a broad range of components in the equation to balance improvement of internal/external efficiency, institutional inputs and equity) should be clear priorities for deepening this policy dialogue.

The progress made by partner countries on VET good multilevel governance should still be considered as work in progress. The ETF would like to continue witnessing effective implementation of informational, financial and institutional partnership dimensions of VET good multilevel governance.

ANNEXES

Annex 1. VET governance inventory

Conceptual background

Governance, defined as the ‘activity of governing’, generally refers to the process whereby elements in society wield power and authority, influencing and enacting policies and decisions that affect public life. Governance comprises rules, processes and behaviour related to procedural, structural, functional and instrumental aspects of governing (Benz, 2004). Indeed, governance emphasises the interactions between institutions, processes, traditions and cultures that determine how power is exercised, how decisions are taken and how stakeholders, including citizens, have their say (Oliver, 2010). Thus, governance is fundamentally about power, relationships and accountability: *who has influence, who makes decisions and how are those who have influence and make decisions held accountable* (Abrams et al., 2003).

Good multilevel governance is a process-driven approach involving coordinated action. It can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – both private and public – at different levels of territorial aggregation, in more or less continuous negotiation, deliberation and implementation, without assigning exclusive policy competence to any area or imposing a hierarchy of political authority across these levels (Schmitter, 2004).

The ETF acknowledges that good multilevel governance in VET should be understood as a model for the management of policy making based on coordinated action and the effective involvement of public and private stakeholders at all possible levels (international, national, sectoral, regional/local, provider) in objective setting, implementation, monitoring and review. Good multilevel governance in VET aims to reinforce the interaction and participation of such stakeholders while improving the relevance, accountability, transparency, coherence, efficiency and effectiveness of VET policies (Leney, 2015).

The horizontal and vertical dimensions of good multilevel governance for VET address complex

relationships between governmental and non-governmental actors, and help to form new social partnerships. The outcomes of such interactions should provide tangible and credible networks of partnerships that go beyond mere consultation. Thus, based on the *principle of subsidiarity*, according to which policies are conceived and applied at the most appropriate level, multilevel governance enhances the efficiency and effectiveness of VET policies, reforms, institutional arrangements, spending – and ultimately the performance of VET.

Key objectives and beneficiaries

The development of such a tool pursues the following key objectives:

- To provide a clear and easily accessible information base through forming a comprehensive picture of the governance of VET and skills development in ETF partner countries, while complementing and strengthening the policy analysis of skills and VET governance provided by the ETF Torino Process;
- To support the regular updating and monitoring of skills and VET institutional functions and arrangements, according to ETF corporate approaches and operational experiences in partner countries. This regularly updated *state of the art* snapshot of skills development and VET governance will focus on the policy functions of VET regarding overall planning, management and financing, and will support ETF operational decisions addressing dialogue, advice and/or policy learning in working with partner countries;
- To ensure that the ETF receives indications of the efficiency and effectiveness of the institutional arrangements in place, thus providing regular evidence of the performance of VET policies and systems in partner countries;
- To showcase good practices to be shared with ETF partner countries regarding effective multilevel governance in VET, focusing on the key areas of expertise in VET governance (e.g. multilevel governance and coordination mechanisms for VET policy making, VET financing and funding social partnerships, regionalisation and local partnerships in VET);

- To keep abreast of the analytical and operational actions carried out by the ETF in the practice of good multilevel governance in VET;
- To facilitate the ETF in sharing and acknowledging a common conceptual framework and mutual understanding for working with partner countries on effective multilevel governance in VET.

The inventory will provide policy makers, social partners, experts, civil society representatives (non-governmental organisations and/or community-based organisations) and other practitioners with updated insights into skills and VET governance that may inform policy dialogue, analysis and advice in ETF partner countries.

Key instructions for using the data collection tool

The main overall secondary source materials to be used for completing the data collection are ETF GEMM (country and cross-regional reports), FRAME (country reports) and the Torino Process (national reports). An ETF glossary of VET governance key terms offers general support in using the analytical tool²⁶. The sections should be completed following the key indicators listed below.

- **Section A. Key features:** This section calls for a brief report on three proposed categories.
- **Section B. VET governance: general planning and management functions:** The mapping of general planning and management, VET financing and

funding, and coordination mechanisms sections should be filled in using (mostly) secondary information. The financing section may also be completed through working with partner countries. The typology should be identified/proposed as a policy analysis outcome.

- **Section C. Assessment part:** The assessment here is based on the evidence collected in parts A and B. This section should be filled in by the 'expert evaluator' or through a specific assessment undertaken with partner countries' stakeholders.
- **Section D. VET governance ongoing work:** This section may be completed by using secondary sources.
- **Section E. Policy advice, recommendations:** The advice given here should focus on three key VET policy domains: VET general planning and management; VET financing and funding; and coordination mechanisms for VET policy making.
- **Section F. Repository (database):** In this section the key sources used for completing the data collection should be listed, plus any others that might help provide an understanding of VET governance in the reported country.

ETF expert responsible for the use of this analytical framework:

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²⁶ The ETF glossary of VET governance key terms is, for the time being, an internal document.

VET GOVERNANCE COUNTRY PROFILE

A. Key features

Please report briefly on the categories listed below.

Political and administrative settings
System of government
Administrative organisation
Industrial relations settings

B. VET governance: general planning and management functions

B.1 Actors' roles/functions in IVET general planning and management by governance level¹

Formulation, coordination and implementation of VET framework/programme: institutional arrangements	VET governance functions	Overall planning, management and financing of VET: responsible public institutions and other private actors involved in IVET (and CVT) functions and governance levels				
		Legal basis (yes/ no)	International stakeholders	National stakeholders (including sectoral/ industrial)	Regional/ local stakeholders	VET providers
	Formulate VET national policy framework (goals, strategies, plans, etc.)					
	Provision of legal/regulatory/normative framework					
	Management of VET provider networks					
	Mobilisation of financial resources (budgeting and allocation) ²					
	Management of public–private partnerships for VET and skills provision					
	Evaluation and review of VET policies (including auditing systems for VET financing)					
	Research and development					
	Data and statistical provision (MIS)					

¹ Also identify any CVET institutional arrangements currently in place and any VET actors (if possible).

² Please identify international actors as international donors. These actors might have a funding role (as raised in the next section, 'Policy making in VET financing and funding') which should report on mechanisms for the mobilisation of resources.

Please use the boxes below to fill in the above matrix.

Key box 1 Classifying actors in IVET (and CVT) governance

- Ministers, cabinets, TVET national councils, etc.
- Public-sector officials (with various levels of management responsibility in different ministries and agencies in national/regional/local governments)
- Social partners (employer representative organisations and trade unions)
- Sectoral organisations and major companies
- Representative organisations of teaching and training professions
- Networks of TVET training providers
- Civil society (including community organisations and NGOs)
- International agencies/donors
- Learners'/users' associations (including parent associations)
- Experts/researchers
- Other private stakeholders (company owners/private providers)

Key box 2 Roles/functions that institutions and/or actors may fulfil in IVET (and CVT) governance throughout the policy cycle

- (i) Initiator
- (sta) Strategic actor
- (d) Decision maker or co-decision maker
- (ms) Manages administration of systems
- (c) Consultative role/consultee/advisor
- (a) Acts on instructions/implements decisions
- (e) Evaluator or assessor
- (f) Funder or co-funder
- (sp) Officially recognised social partner
- (p) Partner (other, but please specify the type of partnership/role)

B.2 Policy-making processes in VET finance and funding²⁷

Financing: How the budget is raised in order to fund the VET system (where the money comes from). This means that financing refers to the different processes for gathering and securing resources for all kinds of expenditure for IVET and CVT.

Funding: How the budget is distributed within the IVET and CVT systems (where the money goes to). Thus, funding refers to the rules, procedures and mechanisms through which money is allocated to training providers in different parts of the system.

²⁷ In this section, where figures are available for the contributions, please indicate the amounts and what they refer to as precisely as possible.

Please identify who are the main sources of VET finance.

- ☐ State ☐ Households ☐ Companies ☐ International donors ☐ Others (please specify)

Please provide accurate explanations of the identified sources and actors/stakeholders involved at different levels.

Please identify the criteria for how VET funds are disbursed or allocated²⁸.

- ☐ Central-level direct transfers
☐ Discretionary determination of resources at central levels to particular providers
☐ Central-level use of funding formulae
☐ Intermediate levels (regional/local) have – some – autonomy for funding allocation
☐ Lowest levels (VET providers/schools) have – some – autonomy for funding allocation
☐ International donors participate in funding allocation
☐ Others (please specify)

Please provide accurate explanations of who allocates funds and how this is done (e.g. vocational schools funding practices, role of intermediate levels, use of funding formulae).

B.3 Coordination mechanisms for VET policy making

B.3.1 Existing cost-sharing mechanisms/tools

Coordination mechanisms for VET policy making (I): VET financing (use of cost-sharing schemes)		
	Yes	No
National training funds (levy-based schemes)		
Sectoral training funds		
Training tax incentives for companies		
Training tax incentives for individuals/workers		
Levy/grant for companies		
Levy/grant for individuals/workers – vouchers, individual learning accounts		
Loans		
Saving schemes		
Training leaves		
Payback clauses		
Tuition fees		
Apprenticeship programmes and other work-based learning mechanisms (e.g. on-the-job training)		
Other types (please specify)		

²⁸ See the glossary for category definitions.

B.3.2 Other types of VET coordination mechanisms

Coordination mechanisms for VET policy making (II)				
Type	Policy mechanisms/tools	Yes	No	Remarks
Legislative or normative oriented	VET legislation (national, regional); national tripartite agreements; skills policies regulated in labour laws etc.			
Institutionalised policy advice oriented	National agencies and other supervisory (tripartite) bodies; national/sector/regional skills councils; steering or joint social partners committees; interministerial working groups etc.			
Public–private structure oriented	Social dialogue arrangements: collective bargaining agreements for skills development/provision (sectoral, company level) etc.			
Knowledge-creation oriented	Performance-based indicators and benchmarks (evaluation, monitoring tools); recommendations, joint-opinions, declarations, (soft regulations); occupational standards etc.			

B.4 VET governance: country typology

Main type/model and characteristics	Remarks ¹
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¹ For instance, build arguments based on identified modes and practices of partnership arrangements, the use of VET coordination mechanisms, functional gaps, and institutional performance, etc.

C. VET governance development assessment²⁹

Please carefully assess the current VET governance arrangements (as mapped in the previous section) by using the following assessment grids³⁰.

C.1 Public–private partnership in VET

C.1.1 National, sectoral and/or regional agreements covering skills development

Yes/No	Governance level involved/covered	Assessment	Recommendation
Not present	National	(E)	
Yes/informal	Sectoral	(A)	
Yes/formal	Regional/local	(P)	
Don't know/not answered	Provider	(S)	

²⁹ See the glossary for definitions and the annex for instructions on the information-collecting process.

³⁰ The assessment is composed of three parts. The first column records whether a specific item is present or not present. When present (formal/informal), the assessment is followed by an indication of the level of governance covered and a qualitative rating of efficiency (E), accountability (A), participation (P) and subsidiarity (and proportionality) (S) based on the grid provided.

C.1.2 Legal provision for VET provider's financial autonomy

Yes/No	Governance level involved/covered	Assessment	Recommendation
Not present	National	(E)	
Yes/informal	Sectoral	(A)	
Yes/formal	Regional/local	(P)	
Don't know/not answered	Provider	(S)	

C.1.3 Existence of financial incentives for public-private VET financing

Yes/No	Governance level involved/covered	Assessment	Recommendation
Not present	National	(E)	
Yes/informal	Sectoral	(A)	
Yes/formal	Regional/local	(P)	
Don't know/not answered	Provider	(S)	

C.2 Comprehensive vision for VET agreed across and beyond government

Yes/No	Governance level involved/covered	Assessment	Recommendation
Not present	National	(E)	
Yes/informal	Sectoral	(A)	
Yes/formal	Regional/local	(P)	
Don't know/not answered	Provider	(S)	

C.3 National and sub-national VET coordination mechanisms

Yes/No	Governance level involved/covered	Assessment	Recommendation
Not present	National	(E)	
Yes/informal	Sectoral	(A)	
Yes/formal	Regional/local	(P)	
Don't know/not answered	Provider	(S)	
		(T)	

C.4 Assessment of VET good multilevel governance principles

Please carefully assess the following principles and indicators for good VET multilevel governance.

(1 – very low, 2 – low, 3 – acceptable, 4 – good, 5 – very good)

Effectiveness	The current governance system/modes in place support VET provision and the implementation of reforms, thus supporting the good performance of VET.	(1)–(2)–(3)–(4)–(5)
Subsidiarity and proportionality	Decisions are taken at the most appropriate level and/or at the lowest level to optimise VET policy implementation.	(1)–(2)–(3)–(4)–(5)
Accountability	Responsibilities, roles and functions are defined clearly and take into account the outcomes expected by users and stakeholders.	(1)–(2)–(3)–(4)–(5)
Participation	Mechanisms for the coordinated participation of various partners (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate in key VET policy functions.	(1)–(2)–(3)–(4)–(5)
Transparency	Management information systems (MIS) and other publicly available data meet the governance needs of VET stakeholders.	(1)–(2)–(3)–(4)–(5)

D. VET governance: ongoing work (policy development)

Three selected country good practices for good multilevel governance in VET

VET governance function	Brief description

E. Policy advice: recommended actions for further policy dialogue, development and implementation

Based on collected evidence, please finish by answering the questions below and determining the policy stage of the country. Focus on policy advice and recommended actions to meet country challenges in the areas of **VET general planning and management**, **VET financing and funding** and **coordination mechanisms for VET policy making**. This might address, for instance, policy dialogue gaps and/or modalities/options for further policy development and/or implementation (e.g. the identification of different policy options for revising VET functions and capacity development, as well as addressing the distribution of the roles and responsibilities of VET actors, and the development of policy dialogue for further implementation in a specific policy area).

E.1 VET governance stages

Please answer the questions below.

- To what extent is the governance of VET multilevel (are all levels of governance involved in the policy cycle)?
- To what extent is the governance of VET multi-actor (are multiple actors involved at each governance level)?
- To what extent are VET policies integrated into the public policy complex?

According to the mapping and assessment sections above, please select the descriptor that best summarises the country's development in terms of good multilevel governance in VET.

Level of development descriptor	Levels	Further remarks/ recommendations
The roles and responsibilities of the actors are not clear. Processes are difficult to track, partnerships are not developed and actors are not organised and/or are disconnected. There is no clear and/or strategic approach. Consultation among individuals belonging to different groups exists only on an <i>ad-hoc</i> basis.	Ad-hoc	
The roles and functions of individual actors need to be clarified so that they can better contribute to the governance of the VET 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.	Initial	
Actors have good capabilities and development processes are in place. However, delivery is weak and coordination and policy networks are yet to be strengthened. Access to information is defined, although not always shared by all the actors in the system, and may be randomly used for formal negotiations on VET policy decisions.	Structured	
System functions, roles and responsibilities are clearly mapped and operational. Coordination mechanisms are up and running and policy networks are active. Accountability in terms of the implementation of joined-up policies and bottom-up processes still need to be streamlined. R&D and innovation are to be embedded in the system to ensure the further adaptation and development of VET governance modes.	Defined	
Consultation is at the core of the system. Transparency and access to information is ensured at all VET governance levels. Government strategy (and that of social partners and other private actors) is effective, monitored and continuously improved.	Consolidated	

E.2 VET governance functions: key recommendations

Pointers for further policy dialogue and implementation of good multilevel governance approaches in VET

VET governance functions

Overall planning and management

Financing and funding

Coordination mechanisms for VET policy making

F. Repository (database)

- Glossary
- Key sources and other references (with a particular focus on the country level)

Annex 2. Typology of coordination mechanisms for VET policy making

Type of coordination mechanism	Type of associated partnerships	Policy mechanisms/tools	Remarks
1. Legislative or normative oriented	Government-led partnerships	<ul style="list-style-type: none"> ■ National and sub-national (regional) VET/lifelong learning legislation ■ National and regional VET/lifelong learning strategies ■ Education and training policy contracts (bilateral cooperation agreements among national/regional parties) ■ National bipartite/tripartite agreements ■ Training regulations ■ NQFs 	<p>Social partners and other stakeholders might be strongly involved. In some cases, they are policy initiators and/or key users/implementers of the tools.</p> <p>Soft regulation might be delivered and/or used by both governmental and non-state stakeholders.</p>
2. Institutionalised policy advice oriented	Consultation and advice partnerships	<ul style="list-style-type: none"> ■ National agencies for VET and other supervisory bodies (e.g. qualification authorities) ■ Regional development agencies ■ Interministerial cooperation groups ■ Steering and/or joint (social partners') committees, boards, etc.) ■ National, sectoral and regional skill councils (and other advisory bodies) ■ Tripartite bodies ■ Observatories (labour market and training at national and regional levels) ■ Education networks ■ Communities of practice 	<p>Mostly structured around and supported by policy analysis. Other types of stakeholders might be involved as policy advisers (e.g. social partners, experts).</p> <p>NAVETs can have executive functions while playing the role of umbrella organisations for working groups (e.g. sector skills councils).</p> <p>Knowledge-based regulating tools are normally created after a deliberation process has taken place. Education networks might also be knowledge-oriented (sometimes they are also training providers).</p>

3. Public-private structured oriented	Self-regulated (governing) partnerships Public-private partnerships Mobilisation of resources partnerships	<ul style="list-style-type: none"> ■ Social dialogue arrangements: collective bargaining agreements for skills development (e.g. training agreements at sectoral or company level) ■ Sectoral training funds and other co-funding mechanisms (e.g. levies, tax subsidies, grants, individual learning accounts) ■ Work-based learning contracts 	<p>There is a strong focus on providing (co-)funding solutions to mobilise additional resources to deliver skills provision.</p> <p>Social partners (employers) may be included to represent private interests.</p> <p>Cooperation outcomes might have a legislative status (e.g. collective bargaining agreements).</p> <p>Territorial, local and sectoral actors and VET providers might be strongly engaged in policy making.</p>
4. Knowledge-creation oriented	Knowledge-based partnerships	<ul style="list-style-type: none"> ■ Skills needs methodologies, assessments, analyses (national, regional and sectoral) ■ Skills forecasts (national, regional and sectoral) ■ Occupational standards ■ Performance-based indicators and benchmarks (monitoring systems) ■ Evaluation strategies, studies and other monitoring tools (e.g. indicator systems) ■ Recommendations, (joint) opinions, declarations, statements, etc. 	<p>There is a focus on policy analysis, monitoring and review to inform and/or shape policy development.</p> <p>Performance systems can be set up to monitor coordination and improve accountability between central and regional/local governments.</p> <p>Soft regulation might be elaborated to influence policy formulation, implementation and review.</p> <p>Cooperation might be further institutionalised (e.g. research centres, observatories, joint committees, councils).</p>

Source: Galvin Arribas (2016)

Annex 3. ETF country progress indicators in the area of VET governance

Country progress indicator	Sub-dimensions	Evaluation	
GOV1	Comprehensive vision for VET agreed across and beyond government (lifelong VET within the development/growth agenda)	1.a Vision agreed across government 1.b Vision agreed beyond government 1.c Participatory governance is institutionalised 1.d Multilevel participatory VET governance in place	According to the available evidence, does the country have a comprehensive vision agreed across and beyond government? 1. Low 2. Medium 3. High 4. Outstanding
GOV2	Horizontal coordination mechanisms in place between actors	2.a At least a national or regional collective agreement, or sectoral agreement covers skills development 2.b Non-state actors influence priorities for VET financing and/or funding 2.c Social partners play a recognised role in VET 2.d Civil society organisations play a recognised role in VET 2.e All actors have agreed respective roles and responsibilities	According to the available evidence, how do you assess the horizontal coordination mechanisms in place in the country, between actors? 1. Low 2. Medium 3. High 4. Outstanding
GOV3	Vertical coordination mechanisms in place between national/sub-national/sectoral levels	3.a The sub-national level in VET is recognised 3.b Coordination mechanisms between the national and sub-national levels allow needs to be clearly recognised 3.c Coordination mechanisms between national and lower levels allow innovation 3.d All levels have agreed respective roles and responsibilities	According to the available evidence, how do you assess the vertical coordination mechanisms in place in the country between national/sub-national/sectoral levels? 1. Low 2. Medium 3. High 4. Outstanding

ABBREVIATIONS AND ACRONYMS

ANETI	National Agency for Employment and Self-Employment (Tunisia)
ATFP	Agency for Vocational Training provision (Tunisia)
AZN	Azerbaijani manat (currency)
CAQA	Centre of Accreditation and Quality Assurance (Jordan)
CENAFFIF	National Centre for Training of Trainers and Training Development (Tunisia)
CNFCPP	Centre for Continuing Education and Training and Professional Promotion (Tunisia)
CPI	Country progress indicator
CSSVE	Centre for Specialised Secondary Vocational Education (Uzbekistan)
CVET	Continuing vocational education and training
CVT	Continuing vocational training
DGVTE	Directorate General of Vocational and Technical Education (Lebanon)
EGP	Egyptian pound (currency)
ETF	European Training Foundation
EU	European Union
EUR	Euro (currency)
GDP	Gross domestic product
GEMM	Governance for employability in the Mediterranean region
HRD	Human resources development
ICT	Information and communication technology
IIE	Institute for Improvement of Education (Serbia)
IPA	Instrument for Pre-accession Assistance
IPMG	Integrated Policy Management Group (Albania)
IVET	Initial vocational education and training
KZT	Kazakhstani tenge (currency)
MAI	Manufacturers' Association of Israel
MDL	Moldovan leu (currency)
MFPE	Ministry of Vocational Training and Employment (Tunisia)
NAVETQ	National Agency for Vocational Education and Training and Qualifications (Albania)
NEC	National Education Council (Serbia)
NGOs	Non-governmental organisations
NQF	National qualifications framework
NVETC	National VET Council (Georgia)
OFPPT	Office of Vocational Training and Labour Promotion (Morocco)
OMC	Open Method of Coordination

RUB	Russian rouble (currency)
SDC	Skills Development Corporation (Jordan)
SMEs	Small and medium-sized enterprises
TVET	Technical and vocational education and training
UNDP	United Nations Development Programme
VET	Vocational education and training
VTE	Vocational and technical education

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Useful links

Central Asia Education Platform: www.caep-project.org/

ETF Torino Process: www.torinoprocess.eu/

