Summary of day 2 of the e-discussion on the VSD typology tool

Summary of the **9 contributions** on day 2 (14.11.2018). This summary includes both contributions on the discussion topics of day 1 (basic VSD typology tool) and day 2 (extension to private sector collaboration)

(I) Contributions referring to the discussion topics of day 1 (applying the tool – basic tool 1/3)

(a) Positioning in the 4 quadrants: Wide or narrow focus?
- ❖ The tool puts forward four generic types of VSD, namely 1) VET, 2) Access and Inclusion, 3) Industry Solutions, and 4) Labour Market Integration, which differ and ask for distinct approaches.
- ❖ Nowadays projects – often large ones with a substantial budget – hardly fit into one of the quadrants and linkages between the quadrants might provide opportunities for action. As shown by the Albanian examples, projects often combine different objectives and strategies.
- ❖ An exclusive focus on one quadrant only is rather unrealistic considering the complexity of projects nowadays and the expected outcomes and impacts. Nevertheless, projects with a clear strategy and positioning are more likely to achieve their objectives than interventions that adopt the "all or nothing principle".

(b) Application in the project cycle
- ❖ The tool helps clarifying the intervention logic, to be clear on the objectives and respective strategies during the design phase. It visualises the focus and might be a useful basis for discussion for donor mapping leading to better donor coordination. In addition to applying the tool at an early stage in project planning, the tool can be used during project implementation, e.g. for reviews, evaluations or designing follow-up phases.

(c) Sustainability:
- ❖ Participants discussed their understanding of sustainability. Sustainability at the level of people vs. sustainability focussing on meso-level structures like schools or on macro-level structures (VSD system). From a systemic approach perspective, sustainability refers to a function within a system, e.g. VSD function.

(d) Potential for Improvement:
- ❖ Behavioural change and attitudes towards VET should be better reflected in the tool (so far it is limited to information campaigns only.) Since this is a crucial factor for effective and sustainable service provision, exchange of good practice and a broader reflection of this topic in the tool would be an added value for this instrument.
- ❖ The level of abstraction in the tools is quite high and the short explanations in each quadrant are not sufficient enough to guide newcomers in the proper application. Therefore, participants welcome more guidance in terms of how to apply the tool and position the project's interventions in each of the quadrant, e.g. guiding procedure, indicators, and methods.
- ❖ The proposed idea of the developers to revise and align the Common Outcome Indicators (COI) in the light of the Typology Tool was most welcomed.

(II) Discussion topics of day 2 (collaborating with the private sector – add-on tool 3/3) as per guiding questions

(1) After knowing now the basic tool (1/3) and its extension on private sector collaboration (3/3), how would you apply these 2 tools in your project cycle?

- ❖ There was consensus that the most appropriate stage of application of the tools are the concept stage of a programme or project. One proposal for a combined application of the basic tool and its add-ons (extensions) is a sequenced approach: First to set the focus / define priorities by positioning the project in the quadrant(s) of the basic tool (1/3) and second to

define the roles and responsibilities of the private sector actors (add-on tool No 3/3) to finally define the business model of an intervention (e.g. for dual VET approaches).

❖ The add-on tool could also be seen as a strategic and analytical framework providing much food for thoughts when designing a project.

(2) Taking in mind that tool 3/3 (private sector collaboration) is still in its draft phase: Do you have any suggestions to improve this tool (content-wise or related to its structure)?

❖ The tool considers the private sector primarily as a key partner to plan and implement VSD measures according to the needs of the labour market. Participants question the way the private sector is depicted in the matrix (private training providers, sole profit-orientation, social businesses, focus on big companies and neglecting SMEs). Therefore, it was requested to define more clearly the term "Private Sector" as applied in this tool. In this regard, participants do also recommend to address the role of the private sector as a training provider more properly.

❖ There is a sustainability challenge with public VET providers. Business models with revenue generating mechanism shall be considered in the light of VSD, i.e.:
  o The role of social business models should be integrated
  o Inclusive VSD business models should be more explored to understand their functioning and potential for upscaling

❖ Collective Business Strategies should be reflected. This is especially important since in most of the poor economies, SMEs play an important economic role in terms of employment and income generation for most of the people. How to empower them to play a strategic role in the system (i.e. clustering SMEs, mutualizing training costs) should be a key aspect.

❖ Collective actions could also be an approach for strengthening the sector associations (refers to Quadrant 3 / Industry Solutions)

❖ There was some confusion on who is the main client of vocational training? In Quadrant 1 the tool refers to the private sector (employers) as the main client in VET but there are arguments that the trainees / graduates themselves are the ones that should benefit most from the training (through enhanced employment opportunities, easier access to the labour market and better income). This leads again to the underpinning concept of sustainability: in systems or in people?

❖ The aspect of Recognition of Prior Learning (RPL) and the role of the private sector as a stakeholder in the governance of VET could be taken up in Quadrant 2.

❖ The statement in Quadrant 4: The private sector has NO DIRECT VESTED INTEREST in the labour market integration of specific target groups was challenged. When defining ALMP, a stronger involvement of the privat sector could improve the impact of such measures. Therefore, integrative measures of VET and employment promotion should be given more attention in the tool.

❖ The EPS (SDC's Engaging with the Private Sector Modalities) is the least developed aspect in this tool. It could be more highlighted in terms the EPS tools and there applicability to each quadrant (e.g. pooled funding, challenge funds for VET system, loans/guarantees for industry solutions)

❖ There was a comment that the presentation of Dual VET (in the separate matrix) is reduced too much to the concept of WBL. The term "shared ownership" implies more: e.g. governance responsibility at operational/institutional level, inputs in curriculum, sector skills councils etc. Somehow, it seems that the reflection of the Private Sector Involvement in 3 different matrixes (each looking on the "phenomena" from a different perspective: General, EPS, Dual VET) needs more explanation on the rational as well as on the application to make it a handy tool. Some guidance / explanatory notes would be helpful.

❖ Limitations of the tool (from the viewpoint of the developers): The tool tries to give an overview about the different dimensions of private sector involvement and the roles the private sector may or may not play depending on a project's focus. But it does not provide a quick fix in planning private sector cooperation in VSD nor does it replace any other supporting documents.

(3) Could you share with us some good practices and innovative approaches of cooperation with the private sector in your project context (referring to: roles of the private sector, modalities for co-operation in steering and implementing, cost-sharing, etc...). Please also explain for which quadrant/project prototype this is of particular importance.

The following good practices were shared from the Balkans:

❖ Quadrant 1 VET policy Serbia: The engagement of the Chamber of Commerce is central to bringing about change at the national level and implementing the VET reform/law. It needs to be resourced well.

❖ Quadrant 1: WBL pilots in Kosovo: There is a good track-record with companies that contribute on their own to the salaries of the students. While the selection at the beginning is much more difficult, especially in a donor crowded environment, those that participate in the pilots are the right ones and help to take the pilots further. So insisting on cost sharing, especially when it comes down to stipend for student, is key for success as this way, companies value better, what they are getting exposed to.

❖ Quadrant 4: E2E Serbia: There are encouraging results from non-formal training (would be more in the quadrant 4). Especially the labour market integration via youth group has been beneficial, as it seems that youngster sometimes have more confidence and companies can access the pool of prospective workers in a coordinated manner. However to what extent this can be transformed into a more VET system development project is controversial.

From West Africa, the following innovative approaches were briefly presented:

❖ Burkina Faso: Private VSD centres offering free trainings sessions from their own profit generated by production units (or workshops).

❖ There are attempts to build "social business models" for public VSD centres: a mix of public and private sector. Companies can also have their own VSD integrated centre: embedded services. Not because they want to be "responsible" but as part of their business model. In agriculture for instants, some buyers (processors or traders) offer embedded VSD services without being recognized or integrated to the public CSD system. Maybe this could be an opportunity to diversify a national VSD system in a country by certifying private embedded VSD services (PPP)?

Authors: Katharina Walker, Annett Hilpert