VSD TYPOLOGY

ORIENTATION AND IMPACT OF VOCATIONAL SKILLS DEVELOPMENT

Purpose of this Paper

Vocational skills development (VSD) is a cornerstone of Swiss development cooperation. However, VSD is not a uniform instrument. VSD is multifaceted, belongs to different policy areas, serves different purposes, produces different outcomes and requires multi-stakeholder cooperation. **This paper aims to support SDC operations in defining the orientation of their VSD interventions**, in selecting the right partners, and thus in managing their projects and project portfolios in line with the relevant SDC strategies, the policy goals of partner countries, and professional standards. This paper is particularly useful at the beginning and the end of project cycles, i.e. in the design stage and in evaluating VSD interventions. It supports the formulation of realistic and plausible outcome and impact expectations of VSD projects.

VSD in Swiss Development Cooperation

In the *Dispatch 2017–2020,[i]* the Federal Council defines basic education and vocational skills development as a priority area for Swiss development cooperation, and it substantially increases the resources allocated to it. In 2017 SDC launched its *Education Strategy,[ii]* comprising both basic education and vocational skills development This strategy elaborates on the intersections between basic education and VSD and to a lesser extent on the equally important intersections with private sector development and employment. SDC's *Employment and Income Medium Term Orientation 2015–2019[iii]* explains the social policy and economic policy rationale of VSD and its intersection with employment, Private Sector Development (PSD) and Financial Sector Development (FSD). The State Secretariat for Economic Affairs' position paper *Skills Development in Economic Development Cooperation[iv]* guides SECO's increased engagement in this area.

VSD in Different Policy Areas

VSD belongs to different policy areas, namely Social Policy, Economic Policy and Education Policy (see Figure 1). Through contributions to the Sustainable Development Goals SDG 4 (Inclusive Quality Education), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), VSD also has an impact on SDG 1 (No Poverty).
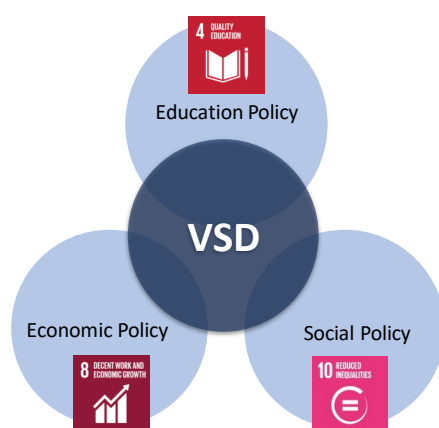

Figure 1: VSD and its policy dimensions

As instrument in development cooperation, vocational skills development is either used to address social problems such as youth unemployment, underemployment, poverty and inequality, or to address economic challenges such as the supply of skilled labour for increased quality, productivity and competitiveness. Sometimes VSD projects are confronted with excessive and unrealistic expectations regarding outreach, employment creation, income increase and system development.

VSD is neither a magic wand nor a silver bullet – it can only make targeted contributions in selected areas.

Vocational training and active labour market policies can indeed be the missing pieces in the puzzle of tackling social end economic challenges. In the long run however, the mitigation of social problems and the promotion of economic development are not the result of individual projects but require well-developed national Vocational Education and Training (VET) and Active Labour Market Policy (ALMP) systems, as well as an economy which is capable of absorbing the increasing number of young people entering the labour market.

National VET systems are never uniform. They are always a puzzle of different approaches and sub-systems in different industries and economic sectors. The ability to manage such diversity is a specific strength of the Swiss VET system.

The VSD Coordinate System

As VSD belongs to different policy areas, there is no one-size-fits-all approach**. Vocational skills development serves different purposes and pursues different, sometimes even conflicting objectives** – even if they all have employment and income as a long-term purpose. The **VSD coordinate system** (see Figure 2) structures the landscape of possible VSD interventions and supports the identification of prototypical VSD approaches. Some VSD projects and programmes may find a clearly defined place in the VSD coordinate system, while others are made up of various interventions (e.g. projects components) in different areas.
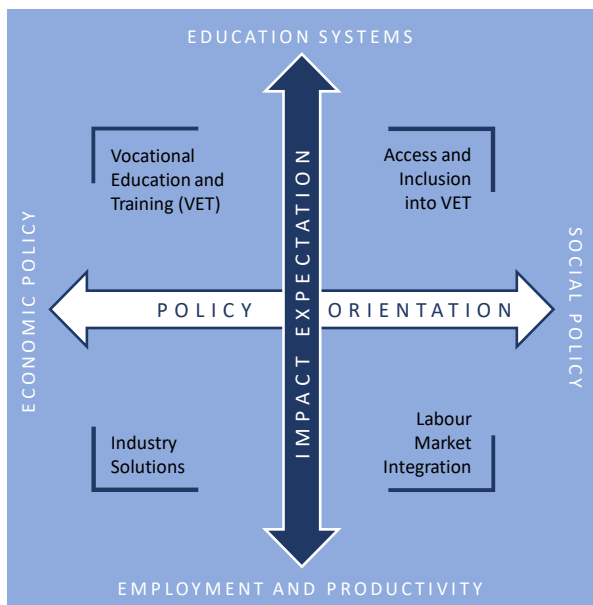

Figure 2: VSD Coordinate System

In general, mature VET systems serve both economic and social policy objectives. They are an integral part of national education systems and have an impact on individuals in terms of employment and income and on companies in terms of quality and productivity. However, such mature VET systems are a jigsaw puzzle of different educational and training programs at different qualification levels, of different durations, and financed by different sources and budgets.

As opposed to mature VET systems, individual courses and VSD projects are more specific and find their place somewhere in the coordinate system depicted in Figure 2. As such, a project with the purpose of supporting the development of a high-quality and sustainable national VET system in a partner country cannot focus on disadvantaged groups only. National VET systems have to be attractive to the majority of school leavers. Another project, however, focusing on short courses for the labour market integration of specific target groups (e.g. in a refugee camp), may not intend to significantly strengthen the overall VET system.

Therefore, different types of VSD projects with different outcomes should find their place in the portfolio of SDC, according to the context and the specific challenges to be addressed.

THE POLICY ORIENTATION OF AN INTERVENTION (HORIZONTAL AXIS)

In the long run, VSD must serve both social *and* economic objectives. Specific interventions however (projects or project components), are usually designed to pursue during their lifetime *either* more social or more economic objectives:

➢ **Economic policy objectives** respond to the existing labour market demand and build the quality, productivity, competitiveness and innovation capacity of the national economy, of industries, and of individual companies. At a national level, economic objectives include the qualification of the workforce as a contribution to attracting investments. Quality basic education also constitutes an important basis for the performance of VET systems. At the level of individuals, economic objectives include qualification for quality jobs and attractive career paths.

➢ **Social policy objectives** respond to the social demand of young school-leavers, pursue the labour market integration of the unemployed, or facilitate the access and inclusion of any group with specific barriers hindering their participation in educational programmes. The combination of basic education with VSD is particularly relevant in SDC's support to catch-up education and labour market integration for early school-leavers and disadvantaged groups.

THE IMPACT EXPECTATION OF AN INTERVENTION (VERTICAL AXIS)

In the long run, VSD needs both, establishing sustainable national education systems on the one hand and having an impact on individuals in terms of productivity, competitiveness, employment and income on the other hand. However, specific interventions (projects or project components), adopt different approaches in order to achieve the expected impact during the lifetime of the project.

➢ Either they contribute primarily to the long-term goal of developing **sustainable national educational capacities and (inclusive) VET systems**;

➢ Or they are designed primarily to achieve an immediate and measurable impact on **reducing unemployment, underemployment or increasing productivity**, responding to skills shortages in companies, economic sectors or labour markets (including Quick Wins).

Prototypical Approaches and Related Swiss Expertise

Based on their policy orientation and intended impact, the VSD coordinate system divides the landscape of VSD projects into four prototypical approaches. The four approaches have a different focus and accordingly produce different outcomes. However, in reality many projects do not exclusively pursue one single approach. They rather combine different approaches in different project components, which may find their place in the coordinate system accordingly.

Vocational Education and Training (VET)

Interventions with a focus on developing, strengthening and reforming the delivery capacities of VET institutions and supporting national VET systems to pursue and achieve their policy objectives. Target groups of such interventions are typically youth in education and training, and young adults at large.

Outcomes focus on the sustained annual intake and delivery capacities of VET institutions in relation to national policy objectives.

Swiss expertise and resources feature principles of practice learning, elements of the dual system and the management of diversity. Potential Swiss partners include VET schools, the Federal VET Institute, the KOF Swiss Economic Institute of ETH Zurich and Universities of Applied Sciences.

Access and Inclusion into VET

Interventions with a focus on the access and inclusion of potential learners and students from all types of disadvantaged groups into regular programs of the formal VET system at any qualification level. This also includes VSD programs combined with catch-up education and re-insertion of early school leavers into the education system.

Outcomes focus on the participation of students from disadvantaged groups in mainstream vocational education and training programs at any qualification level and on the re-insertion of early school into the education system.

Swiss expertise and resources which may serve as role models/inspiration feature bridging courses and orientation programmes for special needs groups, vocational information, guidance/counselling services for school leavers, bursaries and pre-apprenticeships schemes. Potential Swiss partners include cantonal career guidance and information centres.

Industry Solutions

Interventions with a focus on providing selected industries/sectors or clusters of industries with the demanded skilled labour. The most urgent needs of such industries are frequently at the level of specialised professionals, shop-floor supervisors and first level managers.

Outcomes focus on productivity, quality, competitiveness and innovation capacities in the selected growth-oriented industry segments, and on the multiplier effect on job creation.

Swiss expertise and resources feature dual approaches including full-fledged apprenticeship schemes. Potential Swiss partners include international companies, associations, institutions for advanced professional education, e.g. in hotel management.

Labour Market Integration

Interventions with a focus on the labour market integration of the unemployed or other groups of selected beneficiaries (such as school drop-outs, women, ethnic minorities or people living in disadvantaged regions). Labour market insertion of such target groups usually requires more than training, they need to be accompanied on their path into the world of work.

Outcomes focus on increased incomes for specific target groups through employment, self-employment, improved family businesses, start-ups or social firms.

Swiss expertise and resources feature the RAV system (regional employment centres) and its bunch of active labour market instruments. Potential partners include RAV and its service providers (NGOs, training institutions), and Universities of Applied Sciences for the training of job coaches and career counsellors.

The identified orientation and expected outcomes of a VSD intervention constitute the basis for the definition of respective indicators, building on the SDC's list of Common Outcome Indicators (COI) for VSD[v].

Project Activities and Key Partners

The positioning of a project (or of individual project components) in the VSD coordinate system and their vicinity to one of the four prototypical approaches helps to clarify the focus and orientation of VSD interventions. It thus also supports the selection of adequate project activities and key partners.

Vocational Education and Training (VET)

Project activities may include improvement of the quality and relevance of training programmes (e.g. curriculum development and final examinations), qualification of multipliers (e.g. teachers, instructors and training managers), organisational and institutional development of training providers (including hardware support), support to the development of systems building blocks (e.g. instructors' training institutions, skills testing bodies, financing mechanisms like training funds, qualifications frameworks), advisory and capacity development support to policy development, systems design, legislation and governance. In all these interventions the introduction of dual VET elements and the involvement of the private sector in the system's governance may be promoted.

Key partners are typically Ministries of (Vocational) Education and their institutions, ideally in cooperation with the other stakeholders of VET systems, including the private sector, its associations and chambers as well as other concerned line ministries.

Access and Inclusion into VET

Project activities may include information campaigns, vocational counselling services, bursaries, positive discrimination, quota systems, relaxed entry requirements, transport arrangements, user-friendly scheduling, mobile or distance learning, catch-up education, second chances VET for school drop-outs and recognition of prior and informal learning.

Key partners are Ministries of Education, VET structures and institutions, Ministries for Social Affairs and NGOs.

(Note: Special programmes exclusively organised for the labour market integration of participants from selected target groups usually do not belong to the 'Access and Inclusion' quadrant, but to the 'Labour Market Integration' quadrant below.)

Industry Solutions

Project activities are mainly the development of tailor-made programmes offered by existing high-quality training providers, and/or the establishment of new training centres responding to sector-specific needs. Training may include extensive work-based elements with partner firms or the piloting of dual VET models.

Key partners for industry solutions are large firms, sectoral business associations, and clusters of industries – preferably in cooperation with public VET institutions. Employers are potentially ready to finance or co-finance training delivery if it is responsive to their needs. Centres of excellence, such as developed by SDC programmes in the 1990s (e.g. the Polytechnics or mechanical training centres) may become involved too. Dual models developed as industry solutions may serve as role models and catalysts for expanding dual VET.

Labour Market Integration

Project activities may include the whole bunch of active labour market policy (ALMP) instruments such as:

1. Employment promotion including labour market information, placement services and temporary wage subsidies;

2. Temporary employment (e.g. through public works programmes);

3. Skills development;

4. Promotion of self-employment and start-up support, including social firms.

Key partners on the public side include Ministries of Labour or Social Affairs. Labour market integration is a core business of many national and international NGOs and private training providers. Training institutions and educational structures are potential service providers, but they are neither owners nor financiers of ALMP.

[i] https://www.eda.admin.ch/deza/en/home/sdc/strategy/legal-bases/message-international-cooperation-2017-2020/focal-areas-priorities.html
[ii] https://www.shareweb.ch/site/EI/Pages/VSD/Key%20Documents.aspx
[iii] https://www.shareweb.ch/site/EI/Pages/VSD/Key%20Documents.aspx
[iv] https://www.seco-cooperation.admin.ch/secocoop/en/home/documentation/publications/technical-brochures/entwicklung-von-fachkompetenzen.html
[v] The SDC's Common Outcome Indicators for VSD (COI) have been revised to ensure alignment with the Aggregated Reference Indicators (ARI) and with this typology. You can find the current indicator sets here:
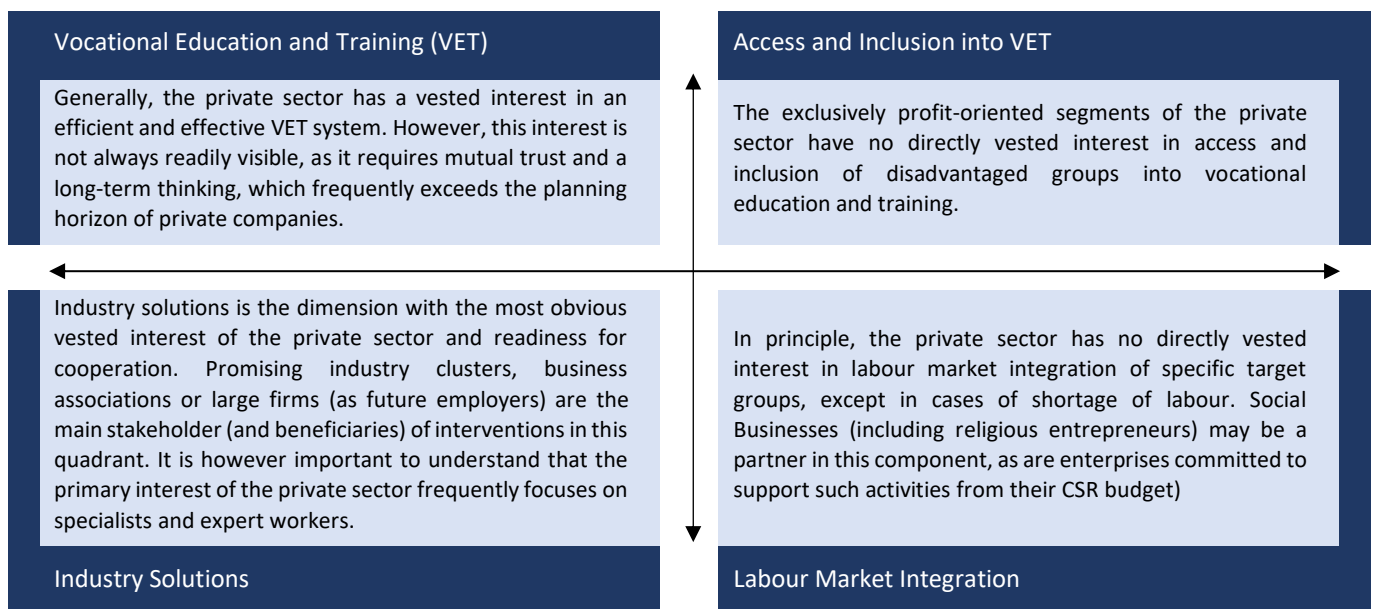https://www.shareweb.ch/site/EI/Page/VSD/Key%20Documents.aspx

VSD TYPOLOGY ADD-ON:
ROLES AND INTERESTS OF THE PRIVATE SECTOR

Today, most countries aim to organise VSD in a way that it not only responds to the social demand, but also matches labour market needs. This implies that training is provided in relevant economic sectors or respective vocational fields *(quantitative match)* and that it meets the expectations of employers and/or customers *(qualitative match).* An important element to more labour market-oriented VSD lies in the involvement of future employers and thus of the private sector in VSD planning, organising and financing. Effective VSD programmes and systems build on partnerships between the private and the public sector. Such partnerships aim to achieve overarching social, economic and educational goals (e.g. better access to employment and income, increased competitiveness of the national economy, higher educational achievements and social inclusion) in collaboration with individual firms and other private economic actors.

Vested interest of the private sector (employers)

Vocational Education and Training (VET)	Access and Inclusion into VET
Generally, the private sector has a vested interest in an efficient and effective VET system. However, this interest is not always readily visible, as it requires mutual trust and a long-term thinking, which frequently exceeds the planning horizon of private companies.	The exclusively profit-oriented segments of the private sector have no directly vested interest in access and inclusion of disadvantaged groups into vocational education and training.
Industry solutions is the dimension with the most obvious vested interest of the private sector and readiness for cooperation. Promising industry clusters, business associations or large firms (as future employers) are the main stakeholder (and beneficiaries) of interventions in this quadrant. It is however important to understand that the primary interest of the private sector frequently focuses on specialists and expert workers.	In principle, the private sector has no directly vested interest in labour market integration of specific target groups, except in cases of shortage of labour. Social Businesses (including religious entrepreneurs) may be a partner in this component, as are enterprises committed to support such activities from their CSR budget)
Industry Solutions	Labour Market Integration

Roles of the private sector

The involvement of the private sector in VSD projects can be structured based on its functional role in the planning and organisation of Vocational Education and Training (VET) systems (for more details cf. Maurer, 2015[1]). In some functions, the term *private sector* is rather understood as *potential employers*, which also includes public enterprises. Key functions of the private sector therefore include:

- *Private sector (employers) as stakeholder in the governance of VET systems*
- *Private sector (employers) as co-financer*
- *Private sector (employers) as host of work-based learning and training processes*
- *Private sector (employers) as a client of training (i.e. as future employer of skilled workers)*

Private training providers (as a specific segment of the private sector) can, depending on the country context and the segment of trainees, play a central role in vocational skills development and offer valuable alternatives to the public education system in selected trades and sectors. Their role is a specific one that will not be further discussed in this paper.

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[1] https://www.shareweb.ch/site/EI/Documents/VSD/Topics/Engagement%20with%20the%20private%20sector/SDC-Paper-The%20role%20of%20the%20private%20sector-2015(en).pdf

In accordance with each project's focus, as depicted in the VSD typology, very different dimensions of private sector / employers' involvement can be identified, based on the four roles discussed above:
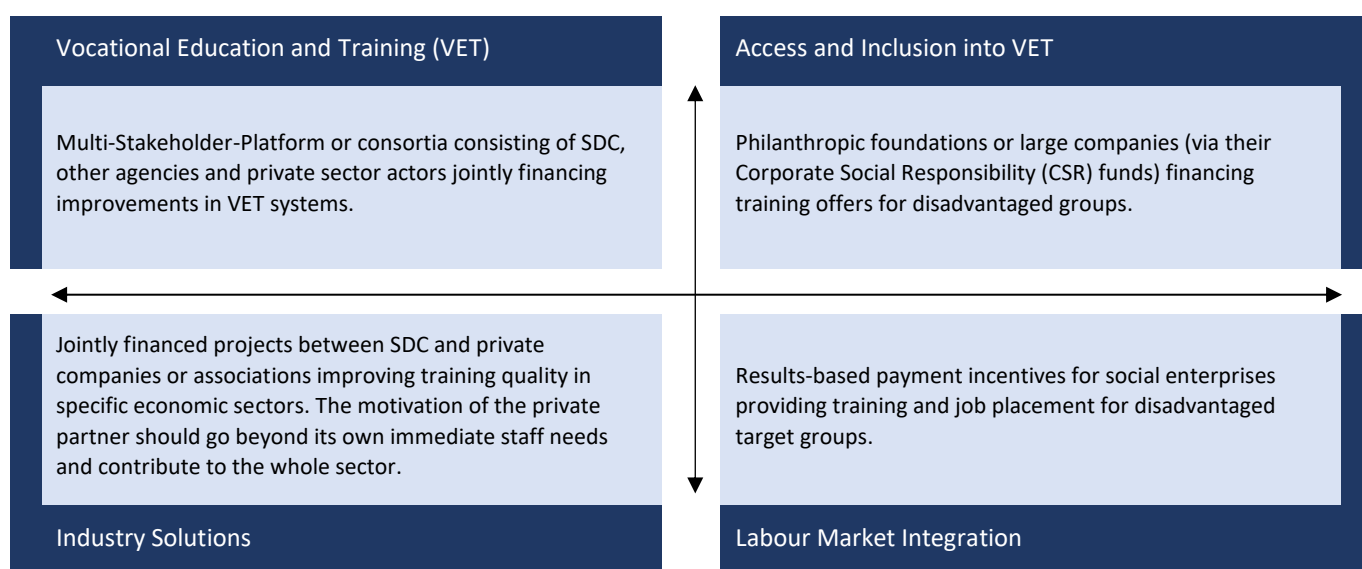
Vocational Education and Training (VET)

Private sector as stakeholder in the governance of VET systems
In the long-run, the private sector shall play a key role in developing and steering national VET systems. Councils, boards and committees at the national level, at the level of institutions, for specific industries or for selected processes (primarily the definition of skills standards and in examinations and skills testing including recognition of prior learning) play a key role.

Private sector as co-financer
VET systems require private sector co-financing in whichever form (payment of training fees, in-kind provision as in workplace-based learning, salaries for trainees, training funds, levy-grant systems and corporate taxes).

Private sector as host of training processes
Workplace-based learning already takes place in many countries, be it as internships in formal VET programs, or be it as informal on-the-job learning of new employees. Starting from this basis, projects can blend centre-based training with industry internships, or the other way around, by blending informal on-the-job learning with school-based elements and gradually develop them into formal apprenticeship programs.

Private sector as a client of training
The private sector (i.e. employers) is the main client of vocational training, getting access to adequately skilled labour. To make it more likely that the skills match with the economy's needs, the private sector may also be involved in operational decision-making, for instance in selecting students or instructors being allocated to the company for workplace-based learning.

Access and Inclusion into VET

Private sector as co-financer
Reputed or locally rooted private companies might be attracted for sponsoring events or stipends for example as part of their Corporate Social Responsibility (CSR) activities. These companies as well as social businesses may commit to providing work-based training for disadvantaged groups.

Industry Solutions

Private sector as stakeholder in the governance of VET systems
Businesses involved in industry solutions participate in the definition of skills standards and curricula that respond to their needs, in examination and certification. They might even be catalysts and owners of respective programs.

Private sector as co-financer
Businesses are potentially ready to finance or co-finance training delivery that responds to their immediate skills needs. This includes in-kind contributions, such as the provision of on-the-job training, including substantial costs for trainers, infrastructure, consumables and teaching material.

Private sector as host of training processes
Training in these kinds of interventions can take place directly at the private partners' workshops or at special facilities put in place by the companies involved.

Private sector as a client of training
The main motivation for associations or large firms to engage in industry solutions is gaining immediate access to specialised skilled labour. The more they are involved in the training governance, the definition of standards and the selection of trainees, the more likely the trainees will be hired afterwards.

Labour Market Integration

Private sector as host of training processes
When labour market integration of the unemployed or selected target groups is a project focus, the private sector may act as service provider for on-the-job learning, internships, or skills training where there are no competent public training providers. For such services, private sector companies may expect payment.

Private sector as a client of training
The private sector may also be involved as employer and contract participants from labour market integration programs. Temporary wage subsidies or tax reductions are sometimes used in such programs as incentive to attract the private sector.

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VSD TYPOLOGY ADD-ON:
ENGAGEMENT WITH THE PRIVATE SECTOR (EPS)

Engaging with the Private Sector (EPS) is the SDC's modality to develop partnerships at eye level with Swiss, international and domestic companies, social enterprises, impact investors and grant-giving foundations. The definition of EPS refers to joint activities of the SDC and the enterprise sector with a formal collaborative arrangement, based on a set of shared values where both partners are held accountable for their delivery related to the agreed results. Both partners (SDC and the private sector partner) share financial risks and costs and contribute substantially (in-kind and financially).

Therefore, even if the private sector is involved in most VSD projects of SDC, only few of them fulfil the abovementioned criteria to be considered as EPS projects. EPS projects in the field of VSD refer to interventions where both partners are involved in the steering and financing on an equal footing, aiming at the achievement of defined development goals.

A good example for EPS in skills development is the *Public Private Partnership to Improved Sanitary Education in Ukraine[1]*. This partnership, based on a contract between the Swiss Cooperation Office in Ukraine and the Swiss company *Geberit*, aims to improve vocational training in the field of sanitary technology in Ukraine. *Geberit's* main motivation is to promote better quality standards in the sector and to ensure that its products can be installed properly. Therefore, a new training model, curricula and teaching materials have been developed, based more on practical training. This model shall now be enlarged to include other companies and sectors and is being rolled out across the country with support from the Ministry of Education.

The Figure below outlines some illustrative EPS modalities in VSD. However, there are many more and the SDC's Competence Centre for Engaging with the Private Sector (CEP) is ready to support you in the development of your specific EPS project.

Vocational Education and Training (VET)	Access and Inclusion into VET
Multi-Stakeholder-Platform or consortia consisting of SDC, other agencies and private sector actors jointly financing improvements in VET systems.	Philanthropic foundations or large companies (via their Corporate Social Responsibility (CSR) funds) financing training offers for disadvantaged groups.
Jointly financed projects between SDC and private companies or associations improving training quality in specific economic sectors. The motivation of the private partner should go beyond its own immediate staff needs and contribute to the whole sector.	Results-based payment incentives for social enterprises providing training and job placement for disadvantaged target groups.
Industry Solutions	Labour Market Integration

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[1] https://www.eda.admin.ch/dam/deza/en/documents/aktivitaeten-projekte/projekte/factsheet-ukraine-public-private-partnership-to-improved-sanitary-education_EN.pdf

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VSD TYPOLOGY ADD-ON:
DUAL VOCATIONAL EDUCATION AND TRAINING (dVET)

In Switzerland and other countries such as Austria, Germany and Liechtenstein, VET is predominantly based on the so-called dual system. This system is characterised amongst others by a strong collaboration with the private sector – through individual companies and professional organisations. The dual VET system has always been an inspiration for the SDC's activities in VSD. The Donor Committee for dual Vocational Education and Training (DC dVET) with SDC as one of its founding members highlights three dimensions of dual VET (the dimensions are explained in the first quadrant of the Figure below):

- *The Organisational - Institutional Dimension (dual VET system)*
- *The Pedagogic Dimension (the dual concept)*
- *The Societal Dimension (the professional concept)*

In the projects of SDC, the concepts of dual VET are adapted to the conditions in the partner country, taking existing structures into account – without wanting to transfer the Swiss dual system one to one. Depending on a project's focus, this may take very different forms. Some approaches are shown in the figure below[1].

Vocational Education and Training (VET)

Organisational – Institutional Dimension of dual VET
This includes shared ownership and joint governance of the VET system between the public and the private sector, the learning venues school and business (with theory provided at schools and hands-on knowledge and skills on the job), and the status of trainees as apprentices with a proper contract and small salary. In dual VET systems, financial incentives for private sector participation should preferably not take the form of direct payments but be given through institutional arrangements (e.g. tax relaxations or levy- grant systems).

Pedagogic Dimension of dual VET
The alternation between classroom and practical learning lies at the heart of the dual concept. Depending on the context, hands-on practical training can also take place at training workshops, labs, simulated businesses, or project work.

Societal Dimension of dual VET
The professional concept of a comprehensive qualification (profession) and pride therein is essential in order to contribute to a recognised and sustainable dual VET system.

Access and Inclusion into VET

When promoting access and inclusion of disadvantaged groups into the formal VET system, the key question is how the different elements of the system need to be adapted/specified so that they support the inclusion of specific target group into the formal VET system.

Access and Inclusion projects may often not be suitable as a starting point to promote dual VET, as the exclusively profit-oriented segments of the private sector have very limited interest in disadvantaged target groups.

Organisational - Institutional Dimension of dual VET
Dual models developed as part of industry solutions can serve as role models and catalysts. At a later stage, these trainings can be integrated into the formal VET system with shared ownership between the public and the private sector, particularly if a strong business sector is in the driving seat.

Pedagogic Dimension of dual VET
In the development of tailor-made, high-quality solutions for particular industries or firms, the alternation between classroom and practical learning is promoted. Practical learning may take place directly at the workplace or in training workshops, labs or business simulations.

Industry Solutions

Pedagogic Dimension of dual VET
Active labour market policy (ALMP) instruments aim at the labour market integration of beneficiaries. Among others, this includes short courses providing hands-on skills needed by future employers or for self-employment. Such courses can generally also build on the pedagogic dimension of dual VET by combining on-the-job training (or practical training in training workshops) with theory modules in classrooms.

However, the cooperation patterns (including financing) with employers for on-the-job training in short courses are usually different from classical dual VET models. This needs to be carefully considered when applying dual elements in ALMP.

Labour Market Integration

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[1] A study commissioned by the DC dVET further elaborates on how the private sector can be addressed and motivated to engage in dual VET: https://www.dcdualvet.org/wp-content/uploads/DCdualVET-STUDY-Working-Tool-Engaging-the-Business-Sector-EN.pdf

VSD TYPOLOGY ADD-ON:
GOVERNANCE ISSUES IN VOCATIONAL SKILLS DEVELOPMENT

The *Dispatch 2017-2020*[i] of the Federal Council stipulates that governance is a mandatory transversal theme in all SDC thematic priorities. Subsequently, SDC has developed two practical guidelines, one on the SDC approach to governance[ii], and one on Governance as transversal theme[iii].

VSD usually requires multi-stakeholder cooperation, because it involves different Ministries and the private sector, thus governance is a particularly challenging issue in this domain. This add-on to the *VSD Typology* highlights selected Governance issues in vocational skills development (VSD). The application of the complete *SDC approach to Governance as transversal theme* in VSD will have to be dealt with in a separate paper.

Structural and regulatory framework

Vocational skills development as understood by SDC usually concerns at least two different national systems, namely the Vocational Education and Training (VET) System, and Active Labour Market Policies (ALMP) System. This paper focuses one these two systems, as they are for Governance issues the most important ones:

Vocational Education and Training (VET)	Access and Inclusion into VET
National Vocational Education and Training (VET) System	
Industry Solutions	National Active Labour Market Policies (ALMP) System
	Labour Market Integration
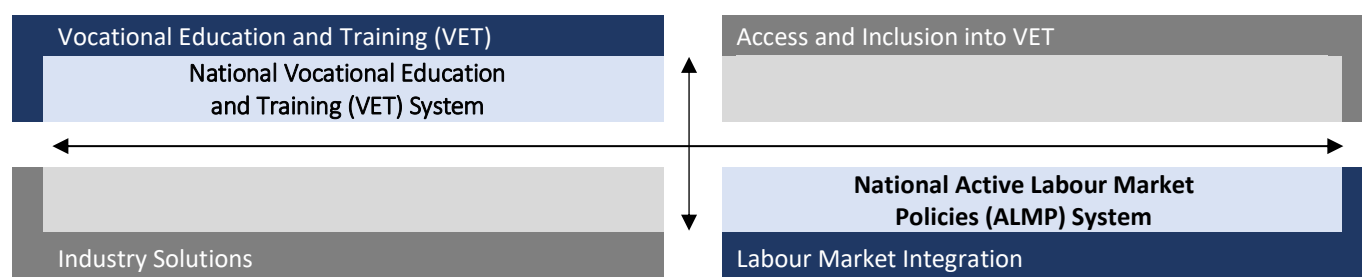
VET is often fragmented and supplied by different Ministries and private providers. Each Ministry has the tendency to develop its own regulatory framework and its own delivery structures. This leads to duplications and – considering the usually scarce resources for vocational training – to underequipped and underutilised facilities. The governance challenge would strive towards an overarching legislative framework and delivery structures serving different types of skills development and different Ministries. If understood and applied correctly, national qualifications frameworks (NQF) can be a core instrument in overarching regulatory and structural frameworks. However, sometimes such NQF have developed into very bureaucratic systems. Delivery structures serving different types of skills development and different Ministries require training providers with sufficient authority to develop training programs and courses at different qualification levels, of different duration for different clients and target groups.

ALMP are in most countries the domain of Ministries of Labour. ALMP is not only about vocational skills development, but comprise instruments like employment services (e.g. orientation, counselling and matching), temporary employment, qualification measures (vocational and life skills training, catch-up education), and support to self-employment and business creation. Ministries of Labour often run their own training centres, limiting ALMP to vocational skills training. At the same time, they lack structures for employment services and other provisions at grassroot levels. Good governance in ALMP requires service providers that are close to the people, and with the capacities to not only provide training, but to accompany job-seekers on their path into employment. ALMP service providers should be able to adapt their services flexibly to changing needs. This usually exceeds the capacities of existing public employment services and training centres in most developing countries. Thus, good governance would urge Ministries of Labour to provide financing and to cooperate with training providers belonging to other Ministries and the civil society (NGOs and grassroot organisations).

Both VET and ALMP service institutions should strive towards an efficient and effective delivery of services and be equitable and non-discriminatory. They should equally provide transparent information on their functioning and performance, be held accountable by stakeholders and sanctioned in case of misbehaviour.

Stakeholders

Usually, the two main public VSD players, Ministries of Education and Ministries of Labour (but also some sectoral Ministries), have the tendency to establish their own qualification and delivery systems including buildings, infrastructure, equipment, staff, budgets and international project support.

Good governance would require inter-ministerial and inter-institutional cooperation, but also collaboration with the private sector at all levels (institutional, regional, national) and with the civil society (e.g. community organisations). In many cases, the systems would increase their delivery capacities if the central state institutions would delegate part of their authority, including both financial and human resources management to the local training institutions and service providers.

VSD along the six governance principles[iv]

Participation: In addition to the two main national players, i.e. Ministries of Education and Labour, VSD involves various other stakeholders at different levels, including the learners and their families. This makes participation in VSD a highly challenging and complex issue.

For the *VET system*, the state should define the overarching elements for a functioning system. This necessarily includes private sector participation at all levels including financial contributions.

In the *ALMP system,* the necessary cooperation for labour market insertion of less favoured groups expands from the state's social service to civil society and community organisations. This is particularly relevant in rural areas and in fragile contexts.

Equality and non-discrimination: Though equity belongs already to the core business of VSD as policy domain, this is not enough.

In the VET system, young school leavers in transition from education into the world of work, youth who left school before completion of compulsory education, unemployed youths and adults, those desiring to advance their career without having access to higher education, are the main clientele. However, participation of less favoured groups in mainstream VET requires special programs and instruments for positive discrimination like stipends, quota systems, bridging courses, etc.

In the ALMP system, labour market insertion of less favoured groups is the priority. It requires support beyond vocational skills training, e.g. employment services including counselling and coaching. This requires budgets from other sources than education, e.g. from social services and the involvement of specialised civil society and community organisations.

Transparency: Stakeholders and the potential clientele of VSD should have low-threshold access to relevant information through adequate channels and in understandable language at various levels. For the potential clientele it includes information e.g. on specific ALMP programs and its costs, on selection criteria and application procedures to courses and related stipends. For stakeholders it includes information e.g. on selection and assessment modalities for teachers and private sector partners, on public-private financial flows and on the processes and results of reforms.

Accountability: Depending on the type and objective of VSD programmes, returns can be in terms of increased productivity, quality or competitiveness; in terms of access to employment, income increase or career advancement; or in terms of labour market access of specific target groups. Good governance requires the definition of clear policy goals and related indicators, including the development of instruments and processes to measure the envisaged returns.

Effectiveness and Efficiency of State Obligations: The avoidance of parallel structures, duplications and underutilisation of available facilities requires inter-ministerial and inter-institutional cooperation, and the delegation of decision-making authority to the level of training and service providers. Core processes in the training value chain like the definition of skills standards, curriculum development, skills testing, accreditation and certification, and the qualification of teachers and instructors require well-defined national processes and well-performing institutions.

Rule of Law: The legislation regarding VSD and ALMP defines the legal framework, the integrity standards, and the links to other policy domains. It should be clear and concise, and allow for proper complaint and redress mechanisms. At operational level, sensitive processes prone to potential kick-backs and other corrupt practices should be addressed through law enforcement measures. This particularly relates to the selection process/enrolment in courses and classes, examinations and skills testing, access to support measures like stipends, access to post-training support, and access to internships or temporary employment.

[i] https://www.eda.admin.ch/deza/en/home/sdc/strategy/legal-bases/message-international-cooperation-2017-2020/focal-areas-priorities.html
[ii] Governance in the SDC, Part 1, Conceptual Guidance, Definitions, Approach and Priorities, Bern 2017
[iii] Governance in the SDC, Part 2, Governance as transversal theme, A practical guide to integrating governance in SDC sectors and priority themes, Bern 2017
[iv] The six principles are defined in "Governance in the SDC, Part 1".