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Vocational education and training in German development policy

Position paper

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Abbreviations

BMBF	Federal Ministry of Education and Research
BMZ	Federal Ministry for Economic Cooperation and Research
BMWi	Federal Ministry of Economics and Technology
EFA	Education for All
ETF	European Training Foundation
EU	European Union
FC	Financial cooperation
G20	Group of the 20 most important industrialised and emerging economies
G8	Group of the 8 most important industrialised and emerging economies
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ILO	International Labour Organization
KfW	KfW Entwicklungsbank
MDG	Millennium Development Goal
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SES	Senior Expert Service
TC	Technical cooperation
VET	Vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEVOC	UNESCO's International Centre for Technical and Vocational Education and Training

Summary

This paper lays out and specifies the position of the Federal Ministry for Economic Cooperation and Development (BMZ) with respect to vocational education and training (VET), and provides a framework of reference for German actors in this sector.

German development cooperation takes its lead from the concept of lifelong learning. Education does not stop after the first graduation certificate has been received or after a certain number of years of schooling. People of every age must be given the opportunity to learn and develop. Education never ends. It accompanies us in different guises throughout our lives. Vocational education and training is one part of the all-embracing concept of education. It is firmly anchored within a holistic system of education, and thus an essential element of lifelong learning.

Vocational education and training comprises initial and continuing education and training. It is intended to enable individuals to escape poverty by helping them acquire the special abilities and skills they need to work in a skilled job. Vocational education and training, however, offers more than just an economic advantage. It gives students the chance to improve their social skills and further their personal development. This in turn allows them to take charge of their own lives, and to help shape their working environment, as well as participating actively in political processes and in the society they live in.

Vocational education and training can only generate positive impacts though, if it responds to the demands of society and industry. This is not always the case in partner countries of the BMZ. Training courses are often not sufficiently geared to the demands of the market and of practical work. The qualifications obtained are not recognised or not accepted by society. They rarely embrace the informal sector. Curricula are outdated and the VET infrastructure is often inadequate.

These are just a few of the problems facing the vocational education and training sector. In most cases, the system is also chronically under-funded, in spite of the fact that there is generally a demand for well-qualified skilled workers, who would be vitally important for the further development of the country. German development cooperation helps its partners to strengthen vocational education and training systems in partner countries. This entails developing capacities so that more people can benefit from vocational education and training. It also means enhancing the quality of training, which might mean gearing the subject matter more to the practical requirements of the business world, or stepping up cooperation with the private sector. In most partner countries, awareness that this is an area where action is urgently needed can now be found. Development cooperation can build on this awareness.

A number of factors must be taken into account if development cooperation is to be successful: one vital precondition is close cooperation between government, civil society and the private sector. Vocational education and training must be geared to the demands of the market. The principles of Germany's "dual" vocational education and training system, which is partly school-based and partly work-based, can provide valuable guidance. Enhancing the employability of the workforce will nevertheless only reduce poverty if the economy develops positively, and if the labour market manages to place skilled workers in jobs where their skills can be put to good use, allowing women and men to find decent employment. This works best if trainees spend at least part of their training in industry where they are directly involved in the work process. It is also important to ensure the transparency of qualifications and certification systems, which should be universally valid and accepted, and which should build on the "regular" school system. Finally, the quality of the lessons is vitally important. Teachers and instructors who are themselves not sufficiently familiar with their

subject, or with state-of-the-art technology as used in industry, cannot provide high-quality vocational education and training.

The priority areas of German development cooperation include gender equality, which we foster; consideration of the special situation in areas experiencing conflicts, where VET can help stabilise the situation; and the informal sector, in which the majority of people in partner countries work. It is also important to systematically dovetail the different levels of intervention. Measures at policy level, at institutional level and at implementation level must interconnect, complement one another and be mutually reinforcing. Over and above this, the stakeholders involved in bilateral development cooperation must coordinate their projects and programmes. International donors too should pull together: measures and approaches must be coordinated in order to be effective. This is

not only required under the provisions of international agreements on donor harmonisation – it also helps accelerate positive impacts.

Germany has significantly raised its spending on vocational education and training in recent years, but more money does not automatically produce better results. For this, the quantity and the quality of assistance must go hand in hand. That is why German development cooperation trusts in management for results when planning, implementing and evaluating vocational education and training interventions. Management for results helps us achieve our ultimate objective in the field of vocational education and training – reducing poverty by increasing employability, and thus fostering social, societal and economic development in the countries with which we cooperate.

1. Vocational education and training in German development policy

1.1 SCOPE AND CONCEPTUAL RELEVANCE

This paper lays out the position of the BMZ on vocational education and training, which for reasons of simplicity we will refer to here as VET. It is based on the BMZ's guidelines for development policy "Minds for Change – Enhancing Opportunities" (2011)¹ and the new BMZ Education Strategy "Ten Objectives for More Education" (2012)².

It provides a framework of reference for the BMZ, its implementing organisations, beneficiaries and other partners for their work in devising and implementing VET interventions. The position paper thus translates the provisions of the BMZ's education strategy³ specifically for the VET sub-sector.

The paper also provides the basis for the BMZ's development-policy dialogue with its partners inside Germany and abroad. These include the general public in Germany, other ministries, governments in partner countries, other donors and international organisations. The position paper addresses staff members, advisors and consultants working for German state and non-state development organisations, representatives of partner organisations, and development professionals inside and outside Germany.

When drafting the education strategy and the present position paper "Vocational Education and Training in Development Cooperation" the BMZ actively involved

a number of relevant actors in the dialogue process, in particular the implementing organisations, associations in the private sector, trade unions, churches, foundations, non-governmental organisations, other civil society organisations and other partners. The education strategy and the position paper and all concepts drafted on this basis thus draw on a wide range of opinions, experience and expertise⁴.

Nevertheless, the strategies essentially reflect the position of the BMZ, which need not necessarily correspond with the position of all stakeholders involved in the strategy creation process.

1.2 OUR GUIDING VISION OF LIFELONG LEARNING

Education is a strategic driver of development. Without it, there will be no development. A lack of education usually leads to a lack of income in later life. Education is a cornerstone of the Millennium Development Goals (MDGs), and with good reason. After all, it is one of the most important means of generating sustainable economic growth and reducing poverty. Education also strengthens human rights, and promotes democratic processes and good governance because it enables individuals to understand social and political contexts and encourages them to take charge of their own lives. Ultimately, education fosters greater innovation, ownership and commitment. For all of these reasons, one of the key challenges faced by development cooperation is to ensure universal access to high-quality education.

But education does not stop after the first graduation certificate has been received or after a certain number of years of schooling. German development

¹ BMZ | Minds for Change – Enhancing Opportunities. Germany's new development policy, Bonn 2011. <https://www.bmz.de/zukunftskonzept/>

² BMZ | Ten Objectives for More Education. BMZ Education Strategy 2010-2013. BMZ Strategy Paper 1, Bonn 2012. http://www.bmz.de/en/publications/type_of_publication/strategies/Strategiepapier320_01_2012.pdf

³ This position paper replaces the sector strategy "Strategies 140 Technical and Vocational Education and Training and the Labour Market in Development Cooperation" (2005) and the previous position paper "Berufsbildung in der entwicklungspolitischen Zusammenarbeit" (Technical and vocational education and training in development cooperation) (2005).

⁴ Based partly on the results of the independent evaluation "Synthese und Meta-Evaluierung Berufliche Bildung 2011" conducted by CEval Consult for the GIZ GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

cooperation thus takes its lead from the philosophy of lifelong learning. Educational opportunities must be available from early childhood, through primary and secondary schooling and VET, to university and adult education. Depending on the age and the stage in life of the learner, what that education consists of will, of course, vary. Education can lay the initial foundations, communicate vocational and academic knowledge or teach practical skills, but it never stops. It accompanies us in different guises throughout our lives.

This holistic understanding of education embraces three dimensions, all of which are to be taken into account in development cooperation: the system, the actors and the individual. That means first and foremost that education systems must be strengthened as a whole, i.e. including every individual level of education (early childhood education, primary and secondary schooling, VET, tertiary education and adult education), as well as the various forms of education (formal, non-formal and informal learning). The guiding vision of lifelong learning requires us not to take individual parts of the education system in isolation, but to focus specially on the transition and the options to move from one learning form or one part of the education system to another. Lifelong learning only becomes possible when the individual elements of the system together form a well-coordinated whole in which the individual can transfer freely from one field of education to another. Taking a holistic approach also means involving all relevant actors, both inside Germany and in partner countries, in education work. And thirdly, it means addressing individuals as a whole, and enabling them to acquire not only general and vocational education but also life skills.

In this context special importance must be accorded to overcoming the barriers that prevent persons with disabilities from acquiring VET. Education and VET are particularly important for this group, to enable them to participate fully in economic and social life.

The BMZ's education strategy shifts the focus of education work with the guiding vision of lifelong learning: German development cooperation is intended to help partner countries to gear the many sub-sectors of their education systems to this guiding vision, ensuring in particular that transfers within the system, from one sub-sector to another, are possible. This also applies to VET, which is a crucially important element in lifelong learning.

1.3 VET WITHIN THE SCOPE OF THE BMZ'S EDUCATION STRATEGY

One of the ten explicit objectives of the BMZ's new education strategy is to further expand VET. These activities should not, however, be carried out in isolation. Rather, they should link up with other measures in the priority area of education or with other priority areas of development cooperation in order to further boost the effectiveness of German development cooperation for people in partner countries.

VET comprises both initial and further training. It not only provides people with the technical expertise they require to perform specific jobs, but allows them to improve their social skills and develop their personalities. This in turn enables them to shape their own living and working environments. They also learn to play an active part in societal and political life. Continuing education and training that is adjusted to the needs of the labour market enables individuals to find employment and earn the income they need to live in dignity and break out of the downward spiral of poverty and dependence. To put it in a nutshell, VET fosters human development. Conversely, the availability of skilled experts in partner countries is a key prerequisite for sustainable economic development, as it makes companies and indeed the economy as a whole more innovative and more competitive. VET also contributes to the development of societies and to the establishment of democratic structures.

For years now Germany has been the world's largest donor in the field of VET. German ODA funding in this field has periodically actually outstripped the funding provided by the European Commission and the World Bank. Both the level of the funding Germany provides and its expertise and commitment give the country a leading role in international VET. Germany's own VET system is also renowned for the role it plays in making the German economy more competitive and in actively fostering youth employment. German development cooperation intends to systematically use this well established position over the next few years to generate progress and further reforms in this sub-sector of the education system.

In order to further boost the effectiveness of German assistance, the BMZ is already seeking to engage in dialogue with a variety of partners at different levels, and will step up its efforts in this context.

Within Germany, the BMZ maintains a lively dialogue with business associations, trade unions, churches, foundations and NGOs regarding the strategic and political orientation of VET, and the instruments used to translate this into practice⁵. The ongoing dialogue is intended to maintain transparency in future and to develop further discussion on VET among German stakeholders.

German development policy also takes its lead from agreements adopted by the international community, as laid out in a number of international conventions and commitments. In addition to the Millennium Development Goals (MDGs), the Education for All (EFA) goals are particularly important⁶. Germany is involved in the Global Partnership for Education, an EFA initiative which aims to help realise the EFA

goals. As well as regularly participating in relevant committees set up by the EU, G8 and G20, the BMZ is involved in building up cooperative links with the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNESCO's International Centre for Technical and Vocational Education and Training (UNESCO-UNEVOC), the European Commission, the European Training Foundation (ETF) and other bilateral donors.

Within the field of VET, German development cooperation's strategy links up in particular with the ILO's Decent Work Agenda⁷, the G20 Training Strategy "A Skilled Workforce for Strong, Sustainable and Balanced Growth"⁸, the Conclusions of the European Council "Promoting Employment through EU Development Cooperation"⁹, the World Bank's strategy "Skills towards Employment and Productivity"¹⁰ and the Shanghai Consensus of UNESCO member states¹¹. All these activities and links are intended to advance Germany's position in international and multilateral processes and negotiations.

⁵ The sectoral dialogue had a major influence on the design of the education strategy and this position paper Technical and Vocational Education and Training in Development Cooperation.

⁶ In addition to the MDGs (see 3.1), EFA goal 3 is of particular relevance (Promote learning and life skills for young people and adults).

⁷ ILO | Decent Work Agenda: <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm>

⁸ ILO | A Skilled Workforce for Strong, Sustainable and Balanced Growth http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_151966.pdf

⁹ European Council | Promoting Employment through EU Development Cooperation, 2007. <http://ec.europa.eu/europeaid/what/social-protection/documents/5st11068.en07.pdf>

¹⁰ World Bank | Skills towards Employment and Productivity (STEP): http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1278533890893/Stepping_up_skills.pdf

¹¹ Shanghai Consensus: Recommendations of the Third International Congress on Technical and Vocational Education and Training 'Transforming TVET: Building skills for work and life' <http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/ED/pdf/concensus-en.pdf>

2. The objectives of Germany's commitment

2.1 MORE AND BETTER EDUCATION

Education is not only the key to overcoming poverty, attaining freedom and independent and participatory development in societies. It is also an intrinsic value. Education is a fundamental human right.

Access to education and the sound quality of that education are preconditions for fully realising this right. However, access to education must be inclusive, and must not exclude certain sections of the population. Every human being must be able to engage in learning processes to acquire knowledge, skills and expertise. Education that is as inclusive as possible

must also reach disadvantaged population groups and take account of diversity, for example, students' ethnic and religious background.

Yet access to education, no matter how universal, is not enough on its own. The quality of education must also be improved. Personal development and further education require corresponding measures and places of learning, along with appropriate content and methods. Teaching staff play a key role in sustainably improving quality. Their own training and motivation, their working conditions and their availability all play a crucial part in improving training measures.

Improving the image of non-academic occupations and VET

In many countries non-academic occupations and jobs as skilled workers are seen as less valuable than those which require a higher education degree. The standing enjoyed by an occupation can be the crucial factor for young people and their families in deciding which professional path to take, and can result in an exclusive focus on academic careers. A university education is generally held in higher regard than VET. This creates a situation in which companies find it increasingly difficult to recruit trainees for jobs with a poor image, and hence also have difficulties finding enough qualified workers to fill vacancies.

There are many factors involved, and they are deeply rooted in the cultural, social and economic values of the society in question. They are closely linked to

objectively verifiable factors including the chances of finding employment, the salary one can expect to earn and the career opportunities. The way individuals map out their own professional identity though, and their subjective perception determine the way VET is seen and the regard in which it is held.

Improving the image of VET, and the way it is accepted and appreciated within society can thus be a crucial factor and a locomotive of development.

One central truism is, however, that efforts to improve the image of VET must go hand in hand with genuine development of training, and improvements in employment, earnings and chances of promotion! To make this possible, efforts must address all levels – state, industry, (vocational) schools – and the students and their parents. Then it will be possible to have VET improve its own image.

2.2 SUSTAINABLY REDUCING POVERTY

The overarching goal of German development cooperation is to achieve the MDGs and sustainably reduce poverty. In 2007 the United Nations General Assembly adopted a new target for MDG 1 (Eradicate extreme poverty and hunger) “Achieve full and productive employment and decent work for all, including women and young people”. The promotion of VET plays an important part in this context, as it facilitates access to jobs and helps maintain employment.

VET also helps ensure environmental sustainability (MDG 7) through projects and programmes that train experts in environmental technologies, environmental protection and the efficient use of dwindling natural resources. Through “education for sustainable development”, VET is to help build general environmental awareness and also teach specific approaches for ecologically, socially, economically and politically sustainable action. These VET inputs especially are to be promoted to an increasing degree in all projects and programmes in future.

By producing skilled professionals, VET also helps make the national economy more competitive, thereby opening up access to global markets (indirect contribution to MDG 8).

2.3 PROMOTING SOCIAL AND SOCIETAL DEVELOPMENT

Education promotes social cohesion in a society, by opening up opportunities and prospects, above all for previously poor, excluded or disadvantaged sections of the population. Access to education, genuine chances of finding employment and real career opportunities strengthen a society, as it is then perceived as more equitable in that it offers people a better and brighter future. The level of satisfaction among citizens increases as a result, which usually

leads to less crime and violence. This bolsters the legitimacy of the state, and boosts economic growth. Academics refer to this phenomenon as ‘social cohesion’. It gels a society and is a key prerequisite for sustainable development. Education and VET play a key role in this context. After all, education is the only way of creating the right mix of opportunities and trust, flexibility and drive that a society needs to thrive.

Against this backdrop, the BMZ always considers its commitment to promoting VET as a means of fostering social and societal development. This approach extends above and beyond the progress of an individual or a specific institution. When designing projects and programmes, it is therefore important to ensure that measures are compatible with the social climate and boost ‘social cohesion’ within a country. In the area of VET, this is done among other things by:

- involving all relevant stakeholders in the reform of the VET system;
- gearing VET to the needs of the labour market;
- taking particular account of disadvantaged population groups;
- designing content so that it incorporates social and political context, and does not focus solely on communicating factual knowledge.

VET is not an isolated measure, but part of a broader effort to improve social cohesion as a whole. As such, development cooperation projects and programmes should actively help promote democracy, the rule of law and human rights, gender equality and good governance and aid in establishing and maintaining a social and ecological market economy¹².

¹² In bilateral programmes and projects this must be clearly indicated by according the appropriate marker, and taken into account in results-based monitoring.

2.4 IMPROVING EMPLOYABILITY

Interventions in the field of VET ought to verifiably improve the employability of individuals and their chances of finding productive and decent jobs, and thus participating in economic activity. Better chances of finding employment and of career development and the resulting higher income allow people to take charge of their own lives and become better integrated into society.

Development cooperation interventions to promote VET should address a number of different target groups. These include above all early school leavers and drop-outs whose aim is to obtain a vocational qualification. However, the measures should also address teenagers and young adults who are already undergoing training. Development cooperation's

target group also includes job-seekers, individuals who are currently underemployed, dependent employees in the formal and informal sector, and the owners of micro, small and medium-sized enterprises who are interested in continuing education and training.

In this context, special emphasis is placed on promoting young people, women and marginalised and impoverished population groups, such as persons with disabilities, victims of natural disasters, war and conflict, and returnees and migrants. The principle of non-discrimination, particularly against ethnic minorities and people with reduced capacity for work, must also be observed at all times. When planning projects and programmes, it is important to distinguish between the different target groups based on gender and poverty aspects.

Skills for Green Jobs

Global megatrends including population growth, dwindling resources and climate change are making energy efficiency and the efficient use of natural resources as well as the use of renewable energies key priorities of the 21st century. In future we will have to make significantly better use of resources, while simultaneously cutting harmful emissions.

For this we will need innovation and new technologies. This opens up opportunities for more employment as new segments of the labour market are developed. Equally though, there is a risk that jobs may be lost in other areas. Not every individual can automatically be assigned to a different sector – the skills and capacities needed must first be acquired. Advanced training or retraining can, however, open up new professional opportunities.

Qualified specialists with state of the art “green”

expertise are the cornerstone for sustainable green development. This is equally true in Germany and in cooperation countries, in which occupational profiles and curricula will have to be extended and reworked to incorporate the imperatives of conserving resources, achieving energy efficiency and using renewables. This in turn presupposes that suitably qualified teaching staff are available, that the VET system cooperates closely with industry, and that an appropriate training infrastructure is in place.

German development cooperation pursues two separate approaches here. Firstly, it fosters the integration of environmental training in existing training courses, and secondly, it supports moves to draw up qualification profiles for independent environmental occupations. Germany has a wealth of expertise both in vocational education and training, and in resource-efficient technologies and renewable energies. Integrated strategies combine these to ensure sustainable and inclusive impacts, and to generate synergies.

3. Forms of cooperation

3.1 DEVELOPMENT COOPERATION AT DIFFERENT LEVELS

For some time now German development cooperation has successfully pursued a multilevel approach in efforts to reform VET systems. This has earned it the role of a pioneer within the donor community, thanks primarily to its strategy of systematically interlinking different levels of intervention.

MACRO OR POLICY LEVEL

At macro level, a consistent and comprehensible framework for VET must be put in place. This entails:

- advising on policy and reform strategies and on the drafting of relevant legislation and regulations;
- advising on the development and introduction of active labour market policy instruments;
- fostering systematic cooperation and a dialogue on essential matters between the state, the private sector, trade unions, NGOs and civil society on issues related to VET reform, as a contribution towards building a democratic society;
- fostering a targeted dialogue between chambers of commerce and industry /business associations, governments and VET institutions on implementing dual VET strategies;
- improving and promoting systems to provide initial and continuous training and education for the staff of VET facilities (teaching staff, instructors, administrators and managerial staff), based on cooperation with colleges, universities and private companies, as well as drawing up strategies to give training a greater practical orientation;

- helping to draw up and modify training standards, occupational profiles and examination standards as well as the pertinent framework curricula;
- supporting the development of a universal, easy-to-use training system that allows individuals to move smoothly from one part of the system to another (e.g. a national training framework);
- supporting the introduction of examination and certification systems based on recognised standards, with the involvement of the private sector;
- encouraging the development of mechanisms to ensure the sustainable financing of VET and the efficient allocation of funding;
- supporting the development and introduction of labour market information systems and appropriate labour market and VET research.

MESO OR INSTITUTIONAL LEVEL

At the meso level, support is provided in the following areas in order to build the capacities of VET institutions:

- capacity development for the institutions responsible for VET quality assurance and for regulating, steering, financing and implementing VET;
- criteria-based selection and promotion of VET institutions and technology hubs;
- introduction of dual vocational training strategies at the institutional level and effective cooperation between vocational schools/training centres and companies;

- the development and testing of appropriate strategies to train target groups in the informal sector and in other sectors that are particularly eligible for support;
- provision of assistance for the institutional structures working in the field of non-formal initial and continuous education and training;
- upgrading the structures and institutions involved in providing initial and continuous education and training for the staff of vocational training facilities to make them more professional.

MICRO OR IMPLEMENTATION LEVEL

At micro level German development cooperation helps improve the contents of vocational training by providing support for the following measures:

- design and implementation of institutional development plans for VET institutes and technology hubs;
- initial and continuous education and training measures for VET management staff and advisory services on strategic and operational matters;
- pre- and in-service training for vocational teachers and instructors, and multiplier training;
- drawing up curricula, teaching and examination materials based on training standards and occupational profiles;

- improving the training infrastructure by extending and modernising workshops and classrooms and providing didactic aids, media and teaching and learning materials;
- developing and testing sustainable training measures in line with demand for different sectors of industry, technology levels and target groups, including innovative teaching and learning methods.

In order to achieve results at scale and ensure that reforms of the system are sustainable in the long term, interventions must target a number of different levels simultaneously. This means that projects of this sort should only be initiated if sufficient resources are available and a long-term commitment is planned. Where this is not the case, projects with a limited scope are more likely to succeed. Comprehensive appraisal missions should also be conducted in the run-up to projects in order to evaluate the situation more accurately, if there is any doubt as to whether or not the key conditions for success are met (above all compatibility of approaches with the existing system, ownership, organisational capacities and the availability of qualified, committed staff on the partner side). If the partner side does not fulfil these conditions, the measures are unlikely to succeed or achieve sustainable results¹³.

At the different levels, it can be expedient to combine the development activities of non-state bodies and official development cooperation actions. In a systemic multilevel approach reforms are initially devised and agreed at the policy level, before being tested at the implementation level, and finally sustainably mainstreamed at the institutional level. Specific measures at the meso and micro level contribute in no small way to

¹³ See also recommendations 3 and 12 of the independent evaluation "Synthese und Meta-Evaluierung Berufliche Bildung 2011", p. 149 and p. 153.

the credibility of the policy recommendations made at the macro level. There is direct feedback from the implementation level to the policy level, so that lessons learned can be incorporated into relevant policy and strategy processes at the macro level. The contributions of official technical and financial cooperation should dovetail with those of non-state development bodies including churches, business associations, foundations and NGOs, which should – ideally – complement each other.

3.2 INTERLINKING INSTRUMENTS

Because of the complexity of VET reform, and the many ways it is linked with the education and the employment system, various development cooperation instruments are generally used. If they are to achieve the desired results, they must be interlinked. This means that all of the bilateral development cooperation actors involved in the sub-sector must coordinate their activities closely with each other and with the government of the cooperation country.

The German contribution is then specified in greater detail on this basis, and a corresponding priority area strategy paper or country strategy is drafted. Depending on the specific context, the BMZ then decides together with the partner government whether VET is to be classed as part of the priority area “Education” or “Sustainable economic development”, or if it is to be a component of another priority area.

In VET in particular, German development cooperation can offer an enormously broad range of well proven methods which are very effective when used in

a complementary fashion. The variety of approaches available is also a reflection of the wide spectrum of German state and non-state organisations working in this field. In addition to the state implementing organisations (GIZ and KfW), church institutions in particular (including Bread for the World and Misereor), business associations (such as sequa gGmbH, chambers of crafts and trades/industry and commerce/international commerce and trade and other federations), and political foundations and other NGOs (such as the Senior Expert Service (SES), the German Adult Education Association (DVV), and Don Bosco Mondo) provide services in the area of VET.

The state implementing organisations are guided by the provisions laid out in the priority area strategy paper agreed with the cooperation country. The church organisations, business associations and other NGOs coordinate their activities in the cooperation country with the state development institutions. Although the priority area strategy paper provides them with an orientation, they are not bound to follow it. Where no priority area strategy paper is available, the implementing organisations and other German actors involved in VET in a country should coordinate their work through sectoral dialogue, agree on activities and the forms of cooperation, and present a coherent vision to Germany’s partners.

Non-state development organisations and their cooperation with suitable local NGOs are of particular importance for the informal sector and non-formal education services. This is because they frequently already have good access to the target groups, which is crucial to the success of interventions.

Cooperation within the framework of transitional management

In many emerging economies development cooperation is evolving and is gradually to be phased out in its current form. Ideally, it should give way to other forms of cooperation with Germany. The German government needs new strategies and ideas for this transition, which is why the Federal Ministry of Education and Research (BMBF) and the BMZ are working with the Federal Foreign Office and

the Federal Ministry of Economics and Technology (BMWi) to better coordinate the promotion of VET in developing countries and emerging economies. Germany's contribution to VET in these states is to be rendered more coherent and more efficient, which will directly benefit the partner countries. German service providers in the field of VET are, however, also using innovative forms of cooperation to underpin Germany's position and harness new markets.

3.3 HARMONISING INTERNATIONAL COOPERATION

Merely dovetailing bilateral instruments is not enough to increase effectiveness. An increasing number of state, civil society and private-sector actors from many donor countries now operate in the area of development cooperation. While this opens up many new opportunities, development cooperation has also become more complex and, in some cases, more confusing. Partner countries and the donor community have undertaken to harmonise their efforts to a greater extent in order to pool forces expediently and forge ahead in one direction¹⁴. In line with these international commitments, German development cooperation strategies and measures in the field of VET are in keeping with the national strategies pursued by the partner countries and are coordinated with other donors.

Greater harmonisation of activities is also expedient in the area of VET. At present, however, activities are far less coordinated here since different donors follow different approaches in VET. In basic education, by contrast, more than half of all funding is allocated via programme-based assistance. German development cooperation aims to coordinate more projects and programmes with other donors with regard to content and concepts, keeping financial inputs separate, as VET can only be successful if it is part of a structured and transparent system that is based on clear criteria and standards. For this, a consistent education policy must be in place. There must be a strong degree of ownership, partners must be robust, and the partner country must have a sound reform strategy. To this end, specific linkages and cooperation opportunities with other donors and agencies should be sought. Greater use should be made of Germany's extensive expertise and the flexibility of its portfolio, with a view to playing a more active role in shaping international cooperation.

¹⁴ Most recently at the Fourth High Level Forum on Aid Effectiveness in Busan and in the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008).

4. Success factors

4.1 LABOUR MARKET ORIENTATION

Support for VET aims first and foremost to develop practice-oriented VET systems, in line with the needs of the labour market. Only then will it achieve its actual purpose of satisfying both social and economic demand equally in a partner country, and generating more employment and income. By the same token, VET reforms almost inevitably fail to achieve the desired results if they do not meet the needs of the labour market.

In order to paint an accurate picture of labour market needs (in terms of the number of staff required), the necessary qualification profiles (i.e. the expertise,

skills and experience required), the regional distribution, and the foreseeable way these needs will change over time, German development cooperation must also help partner systems to develop labour market information systems. Relevant analyses of the labour market will help steer VET interventions towards the areas that are most relevant for supporting the labour market and reducing poverty.

In order to better harness private-sector expertise and capital for development processes, German development cooperation is also stepping up cooperation with the private sector (in Germany). Engaging in VET partnerships in partner countries is just one way of doing this.

VET partnerships with the German private sector

To ensure that VET is geared as far as possible to actual demand, the private sector in partner countries must play a greater part in designing and conducting VET. In Germany some 500,000 private companies train a good 1.6 million apprentices. Sixty per cent of every year group leaving school is trained in a total of about 350 recognised occupations in cooperation with industry. Within the dual VET system chambers of skilled crafts and chambers of commerce and industry are mandated by law to coordinate the private companies providing training and to cooperate closely with the responsible state agencies in order to assure the consistently high quality of training and to ascertain that the training remains state of the art.

VET partnerships with the German private sector aim to harness to a greater extent the capacities of German industry (represented by chambers of skilled crafts, chambers of commerce and industry, federations and their downstream bodies) for the purposes of VET within development cooperation. In partner countries too, chambers of skilled crafts, chambers of commerce and industry and business federations can help increase companies' involvement in VET. German companies and chambers of international commerce and trade that operate in these countries can also be involved where this is expedient. Cooperation with chambers and federations within the scope of VET partnerships is confined to official development cooperation programmes, but also includes non-state project executing organisations. This generates additional leverage.

Cooperation with the trade unions and civil society of the partner countries is also being intensified. All relevant actors are to be involved in the corresponding reform process so as to actively support dialogue between the state, the private sector and civil society at the national, regional and local level. Results at the level of the VET system will only be achieved if private sector, civil society and political institutions are involved to a greater degree in designing and implementing reform programmes, as these actors have a lot of influence on the effectiveness and sustainability of measures.

Support should focus not only on innovative areas that promise to generate more jobs, such as renewable energies and the extractive sector, but also on all the sectors that provide infrastructure, food and water, as well as financial and health services to the population, since this will also help reduce poverty.

Labour-market orientation involves taking into account all segments in the labour market. In the context of developing countries, this includes the informal sector in particular, even if this seems problematic. In most partner countries, the informal sector plays a key role in the national economy and provides work for the majority of the working population. In the interests of consistently reducing poverty, German development cooperation therefore intends to focus more on offering VET and decent employment to target groups in the informal sector. Suitable approaches have been available for many years now, and need to be applied more consistently when designing measures.

4.2 ORIENTATION TOWARDS THE PRINCIPLES OF THE GERMAN VET SYSTEM

Development cooperation activities in this field are geared towards the main features of Germany's dual

VET system. The success that the German model has achieved at national level is well documented, and partner countries frequently seek to replicate it. Although the special features of the German model are not transferable to other countries, development cooperation should at least use its basic principles for guidance and adapt them in line with specific needs.

The German VET system is based on five fundamental principles¹⁵:

Close cooperation between the state and the private sector: The state, employers and the trade unions together define the general framework for VET. This includes the development of standards and curricula, examinations, certification and quality assurance. Companies bear a proportionate share of responsibility for implementing and funding initial and continuous education and training measures.

On-the-job learning: The German VET system transfers practical expertise and teaches trainees to work independently. A combination of practical and theoretical school and company-based training modules (a dual approach) has proved to work best. This approach builds trainees' knowledge and practical capacities, and also fosters personal, social and societal skills.

Societal acceptance of standards: General occupational, training and examination standards uninfluenced by the business sector ensure the consistent quality of qualifications. Comparable qualifications and certificates also provide a basis for employability, mobility in the labour market and societal acceptance.

Training of vocational teachers and instructors: Teachers and instructors must themselves be well-educated, if they are to provide high quality VET.

¹⁵ See also edvance www.edvance-net.de

Teaching staff with sound technical and pedagogical qualifications will be able to communicate training content in an appropriate manner and continually develop the training methods used.

Institutionalised research and career guidance:

Research into VET and the labour market allows VET to be continuously adapted to technical, economic and social changes. Career guidance will make it easier for trainees to select initial and continuous education and training courses and will facilitate their transition to working life.

4.3 QUALIFICATIONS SYSTEMS WITH SCOPE FOR TRANSFERS

The core element of every effective reform of an education or VET system must be the development of a qualification system based on recognised and needs-driven standards. For some years now an increasing number of qualification frameworks have been developed internationally, although other systems too have proved their worth. Occupational standards in line with the demand of the labour market are geared towards the outcome of VET (skills orientation), rather than to the input. In this context, it is irrelevant whether the vocational skills were acquired in formal and non-formal training courses or through informal experiential learning. It is far more important that examinations are assessed and recognised by an independent body made up of actors from the public and private sectors, with qualifications that are accredited nationwide. Qualifications must be comparable. This means that the accreditation of private VET institutions and the initial and further training programmes they offer must be based on national standards.

Making sure that the education system is permeable and that the sub-systems of general education and VET are appropriately interlinked are key challenges

faced by national training systems. Harmonising general education and VET, while also taking the specific needs of early school leavers into account, is a key issue that needs to be addressed in this context, as is the definition of the requirements for moving on to tertiary education.

Exactly how the qualification system or framework will be set up must be decided on the basis of the cultural and historic context of each partner country, and in close consultation with the government and other key actors in the education sector.

Nationally recognised qualification frameworks are often the result of sustainable education reforms, rather than the starting point.

Generally speaking, German development cooperation favours a holistic VET approach that teaches people the skills required to carry out a particular occupation. However, the exact approach that is used will also depend on the particular context and on the cooperation country's development status. While specialised long-term training is suited above all to complex tasks in the private sector, less complex job requirements can also be fulfilled by modularising training to a moderate degree. This provides poorer population groups in particular with access to qualifications that directly improve their employability. As most labour markets are heterogeneous, a combination of both approaches is appropriate for many countries.

4.4 INTEGRATED APPROACH FOR EMPLOYMENT

VET should play a key role in addressing employment problems by transferring needs-oriented, occupational, social and personal skills, thereby increasing people's employability. Whether these people actually go on to find work and earn an income depends,

however, on the economic situation and the labour market. In other words, employment depends on a number of interlinked factors. VET on its own is not enough.

To generate additional demand for labour, the promotion of a dynamic private sector within the scope of a broad-based, employment- and results-oriented growth strategy is of paramount importance. German development cooperation's "Integrated Employment Promotion Approach" addresses the problem in a targeted manner at a number of different levels. Together with partners, development cooperation targets the following areas:

- safeguarding employability through VET;
- creating jobs through a competitive private sector and economic conditions that are conducive to growth (e.g. trade, fiscal and economic policy);
- improving coordination mechanisms on the labour market.

Promoting employment in the Middle East and North Africa (MENA) Region

High rates of youth unemployment were one of the factors that triggered the protests during the Arab Spring that have since resulted in radical political changes. As a result of this experience, employment promotion is high on the list of priorities of the new governments in Egypt and Tunisia. German development cooperation has been swift to respond. Ongoing development processes are incorporating employment components, while new projects and programmes have as their specific objective to promote employment.

In an effort to combat high youth unemployment the BMZ has also provided 8 million euros through the Fund for Youth Training and Employment for the two countries. This fund uses a wide variety of comprehensive approaches to promoting employment, including training, support for business start-ups, placement services, job creation activities and measures to secure jobs.

In this context, 80 Tunisian businesses have already undertaken to create a total of almost 1,200 new jobs. On the employer side, the businesses receive training in sustainable human resources management, to ensure a long-term supply of skilled workers and to ensure that they continue to upgrade their professional qualifications. Another measure is identifying niche markets that offer potential for growth and fostering business start-ups in these sectors. Along with potential young entrepreneurs, German experts draw up a business plan, teach fundamental management skills and provide support along the way for the business start-ups.

In the tourist regions of Hammamet and Djerba, year-round jobs are being created in the tourism branch. The integrated approach involves all relevant actors (state placement agencies, training facilities, hotels and service providers) in the drafting of the employment strategy. Skilled workers are to be kept on over the winter to undertake repair work to the hotel infrastructure, making their employment permanent.

Building on these rapidly implemented approaches to promoting employment, the BMZ has launched a second employment fund in Tunisia, which is worth 4 million euros. Measures take a systemic, medium-term approach to promoting employment, including measures to adapt the available qualification offers

to the demands of businesses, and improving both the dialogue between the stakeholders and working conditions. These measures concentrate on four sectors considered especially relevant for employment – green jobs, skilled crafts, agriculture and tourism.

By linking these three areas, development cooperation aims to have a positive impact on employment and income, and thus help to reduce unemployment, underemployment and poverty perceptibly. To achieve this objective, projects and programmes to support VET policy in partner countries must be better coordinated with measures in other areas, as part of an integrated approach. These areas include labour market policy, private sector promotion and economic policy. This applies both to new programmes (development of the country portfolio) and to the coordination of on-going development cooperation measures on site¹⁶.

4.5 INVOLVEMENT OF THE PRIVATE SECTOR AND OTHER PARTNERS

In order to ensure that VET meets the demand of the private sector as much as possible, representatives of the private sector should play a decisive role in shaping VET policy, defining occupational standards, implementing VET and assessing and recognising examinations. Ideally, responsibility for developing a VET system should be handed over to an independent VET agency, which includes representatives of the employer side, trade unions, the state and civil society. As regards institutions to regulate and develop VET, it is important that all relevant actors from the state, the private sector and civil society be involved to an appropriate degree, and that tasks be clearly distributed between the centralised and decentralised levels.

4.6 EFFECTIVE INSTITUTIONS FOR VET

At the national, regional and local level, effective institutions and schools are needed to offer high-quality VET, but also to regulate, steer and finance the system and to perform quality assurance. In line with the principle of subsidiarity, decentralised structures should be strengthened and responsibility for implementing VET should, for the most part, be outsourced to the private sector and to private and non-profit providers. It is desirable to outsource training to the companies themselves where possible, in order to increase practice orientation and to reduce state spending. For this to happen, however, conditions must be suitable and incentive systems must be in place to encourage companies to participate. Setting up institutional structures usually involves forging cooperation arrangements, building organisational structures and developing human resources. For training centres in particular, infrastructure and technical equipment must be modernised or expanded. It is also important that VET staff are paid based on their performance and that their work is acknowledged by society.

¹⁶ At programme level a direct intended result is to improve the employment and income situation.

Criteria for promotion

Capacities will have to be expanded significantly in order to achieve the objective of an inclusive VET system that offers high-quality education and training. Capacities must respond to the training needs of secondary school leavers and to the needs of early school leavers who have withdrawn from their education before its completion, not forgetting the continuous education and training needs of those already in work. This is why the specific promotion of VET institutions has long been a core element of German development cooperation. The institutions to benefit from promotion efforts are selected within the framework of a multi-stage process based on performance criteria agreed with the partner government. The most important criteria for German development cooperation are:

- a high degree of relevance of training, which must be demand-driven and demonstrate practice orientation;

- the incorporation of training and upgrading for teaching staff and management;
- regulated legal status and organisational form: the institution must have several years of experience and efficient management structures, and must not discriminate against any individual on grounds of ethnic or religious background;
- financial stability of the executing organisation.

The use of performance-related criteria makes the selection process more objective and thus makes it more difficult to exert political pressure. Only (state and non-state) VET institutions that broadly comply with these criteria will be considered for promotion by German development cooperation. Promotion thus focuses on those institutions that are willing to develop employment-related training programmes in cooperation with private businesses, and to offer these courses. Implementation is based on institutional development plans. Technical and financial cooperation complement one another and coordinate their activities closely.

Irrespective of the situation in any specific country, these success factors are important preconditions for the success of reforms in the VET sector and for the effectiveness of development cooperation in terms of generating employment and higher income for the target groups. Furthermore, the partner government and downstream institutions must be willing to embrace reform and must play a large part in

designing development cooperation measures. After all, development cooperation can only accompany reforms in partner countries. This means that it is even more important to reach a common understanding of the problems and tasks in hand, and to develop coherent approaches to reform on this basis. Ultimately, several donors can take on different components and coordinate them with each other.

5. Priority areas of cooperation

5.1 GENDER EQUALITY

For sustainable development and poverty reduction women and men must participate equally in economic life. To date, however, full gender equality has not been achieved in any society. Legal, economic, political and sociocultural factors all play a part in this.

At the same time, the models on which our lives are based are changing in many parts of the world. Today, both men and women strive to find work on a labour market where opportunities are rarely if ever equal. Women in particular often still face a limited choice when it comes to choosing a career. They usually earn less for the same work and often have inadequate social protection, in some cases because they find work only in the informal sector. Women account for 60 per cent of individuals living in extreme poverty.

If women had better access to education and VET, their chances of political, economic and societal participation too would increase. This would not only go a long way towards achieving gender equality, it would also help to sustainably reduce poverty. Improving women's educational level has a positive impact on the way they care for their families, and on growth and employment.

This is why German development cooperation strives to achieve gender equality in VET. In order to speed up this process, gender equality must be systematically taken into account in all VET projects and programmes, regardless of the intervention level. The objective here is to design education and VET systems in partner countries so that women and men have equal opportunities. This principle must be reflected at all levels, from legislation to education spending and sector reforms. Educational and training content too must be geared to the actual lives of women, and not just to those of men.

Wherever possible, German development cooperation supports gender mainstreaming processes. For this reason, a gender analysis must be carried out in the run-up to every development project or programme, taking account of the employment situation of women and men, as well as their access to VET and their status within the system. It is important that the following factors be taken into account at the design stage, if VET projects and programmes are to achieve the right balance:

- Gender mainstreaming aspects should be incorporated into policy advisory services and the drafting of policy and strategy papers.
- Gender budgeting should be used in the financing of VET.
- Monitoring and quality assurance systems should use gender-specific data.
- Support should be provided to ensure that the occupational skills of women and men enjoy equal recognition.
- The content matter and organisation of educational programmes should be gender-sensitive, including teaching methods, career guidance and placement services.
- Formal and non-formal vocational training measures should be expanded in areas that offer employment opportunities for women and girls in particular.
- Support should be provided for the responsible institutions, enabling them to implement gender-balanced training measures.
- The gender skills of specialist VET staff and managers in private industry should be strengthened.

- Services for private businesses should be developed along gender-sensitive lines, e.g. consultancy services for business start-ups and investment, market analyses, business development services and financial services.
- Together with different business federations, training programmes should be run to encourage women to act as entrepreneurs.

Through its holistic approach to promoting education, German development cooperation aims to eliminate gender inequality in education and VET systems. This applies as regards access to education, as well as to creating an enabling environment for lifelong learning. These efforts can include lessening the degree to which men or women are excluded from certain industries and occupations, as well as expanding support to include jobs that have traditionally been carried out mainly by women. Boys and men are also an important target group when measures of this sort are implemented.

5.2 VET IN THE CONTEXT OF CONFLICT, FRAGILE STATEHOOD AND VIOLENCE

More than half of the partner countries of German development cooperation are beset by conflicts and violence, or suffer fragile statehood. One of the overarching objectives of German development cooperation is to establish peace and security. Specifically in these countries, the aim is to eradicate the root causes of conflict and violence, to develop capacities to resolve conflicts without resorting to violence, and to help create an environment that allows for peaceful and inclusive development. VET can do much to help achieve these objectives. Marginalised and disadvantaged population groups can, for instance, be given new prospects. VET also gives young people and adults alike the opportunity to earn their own income.

In conflict and post-conflict situations, where governance structures are weak and there is no development orientation, it is especially important to bring about immediate and tangible improvements to the prevailing situation. It is important to restore normality, and for this it is essential that basic infrastructure be put in place to facilitate everyday life and offer employment; even short-term employment is preferable to no employment. In emergency situations in particular, employment not only allows people to earn a living, but improves their qualifications and their self-esteem, and thus enables them to help rebuild their society. During reconstruction it is often also important to achieve swift and visible successes, for instance in the form of new school buildings or the offer of new training options.

In the medium term, it is crucially important to help former combatants reintegrate into society. Career guidance, functional literacy and VET measures generally prove useful in this context. Multidimensional packages of measures have also proved to be effective in fragile states and in situations marked by conflicts and violence. They aim to reintegrate marginalised sections of the population at the economic, social and political levels. Generally speaking, specific psychosocial measures are vital. So too are steps to strengthen political participation, particularly in population groups where there is a latent risk of violence.

Against this sort of backdrop, development measures must always pursue a special approach. As a general rule, a mix of instruments is appropriate so that structure-building transitional assistance (development-oriented, structure-building transitional assistance) can be combined with longer-term approaches. To prevent the emergence of parallel structures though, operational local institutions must be identified and their capacities developed in the long term. From the outset, development cooperation should endeavour to pursue integrated approaches, so that different levels of intervention can be dovetailed, for instance linking VET and private sector promotion.

5.3 THE INFORMAL SECTOR

In many partner countries only a small fraction of the population finds work in the formal sector. This leaves many with no other choice than to seek employment in the informal sector in order to earn a living. Here however, the level of technology is less advanced, productivity is lower, and working conditions are often dangerous. Social protection is practically unheard of in this sector. As a result, economic risks are usually buffered by the direct social environment, for example by the household or company as a socioeconomic unit, by neighbours and by various social relationships and commitments. Sociocultural factors play a special role in the informal sector in particular, given the large degree of insecurity here.

It is therefore vital that interventions which address poor and marginalised target groups take into account their social environment. German development cooperation institutions, NGOs in particular, developed corresponding strategies as far back as the 1990s and have been implementing them successfully ever since. The BMZ is endeavouring to apply these on an even broader basis in future. These efforts aim to take greater account of the informal sector, for example, in advisory services on national VET reforms.

In many partner countries at present, VET systems only meet the needs of poor people to a limited extent, given their particular situation and life contexts. Up to now, such systems have lacked the capacities to offer suitable, needs-oriented training for these target groups nationwide. People from the informal sector and other marginalised groups often face insurmountable obstacles¹⁷ when trying to access formal training courses. If VET courses are also to reach poor population groups, content must be tailored to their needs,

and delivered in flexible, easily-accessible formats. It is also important that the skills which this target group has acquired – for example via non-formal continuous education and training or informal learning on-the-job – are recognised. This is possible if qualifications systems are based on generally valid standards. Therefore, candidates with a background in the informal sector can focus on acquiring skills that they actually lack through continuous VET.

The following key principles apply to poverty-oriented VET for target groups in the informal sector:

- The life context of the relevant target groups should be comprehensively analysed.
- Measures should be geared towards socially disadvantaged and marginalised groups and their specific living and working conditions in the informal sector¹⁸.
- Early school leavers should be targeted through supplementary ‘second-chance’ basic education measures.
- Measures should take account of the training needs of small and micro enterprises.
- Targeted efforts should be made to improve existing in-company learning formats (such as traditional apprenticeships) and support should be provided for formally recognising skills acquired in this context.
- Needs-oriented courses, possibly with a modular structure, that supplement in-company learning should be developed.
- Appropriate advisory services on career guid-

¹⁷ Such obstacles include entry requirements being too high, or courses being too expensive, inadequate content, a lack of structure/modularisation or unsuitable timetables.

¹⁸ Children in particular need special support to protect them from unlawful abuse.

ance should be developed in the context of the informal employment system.

- Occupational skills should be combined with support for business start-ups.

German development cooperation thus aims to develop the capacities of business owners and their workforces in the informal sector in order to pave the way for boosting productivity and diversifying. This in turn should generate growth and higher incomes for workers, secure jobs and improve working conditions. The formal recognition of the skills of workers will also open up opportunities on the formal labour market provided that the qualifications are in line with demand.

5.4 FINANCING MODELS

VET needs adequate funding in order to ensure sustainability, guarantee high quality and achieve broad-based results. However, the systems in place in most partner countries have so far lacked the capacity to provide long-term funding and achieve inclusive results.

As many people are not in a position to pay for their own VET, numerous governments prefer to finance measures primarily using public funds. Against the backdrop of the serious financial problems with which many governments are struggling, it is becoming increasingly important to get the local private sector more involved in training. After all, they stand to reap the rewards. Some countries require the trainees themselves to shoulder a percentage of the costs. Where this is the case though it is important to ensure that all people have equal opportunities to access education and training.

Development cooperation aims to illustrate to decision-makers the pros and cons of the different

options and instruments available and, in a second step, to provide support in implementing them as efficiently as possible. In order to share the burden fairly and in a socially acceptable manner, it is important to engage from the outset in an intensive dialogue with all relevant interest groups. Once consensus has been reached between all stakeholders at policy level, funding arrangements must be laid down in the form of legislation and appropriate regulations. Development cooperation then advises its partners on developing and implementing suitable financial strategies and establishing corresponding institutional structures, and provides support to this end.

In addition to traditional supply-oriented funding, demand-based financing instruments also offer interesting potential, as they increase competitiveness between different providers. This creates incentives for expanding the number of VET measures on offer and improving quality.

Supply-oriented funding for VET is characterised by the following approaches:

- The state provides funding for its own VET institutions, including staff.
- The state makes training infrastructure, equipment and training materials available.
- The state finances private training providers through subsidies, tax incentives or reduced-interest loans.

Demand-oriented funding, on the other hand, is geared towards the target group. Typical financing instruments include:

- VET vouchers;
- partly-subsidised loans for participants in special, generally higher-level VET programmes;

- income-related, repayable loans ('human capital' contracts);
- grants.

The BMZ aims to diversify financing mechanisms, which is why new instruments are increasingly to be tested and expanded within the scope of German development cooperation in future. Special importance is attached to VET funds and activities to step up demand with the help of voucher systems and training loans. The exact combination of supply- and demand-oriented approaches will depend on the degree to which support for institutions or individuals is expedient and whether funding is provided as a loan or subsidy, and must be tailored to suit the specific context.

Voucher programmes

Vouchers are one of several possible options for well-directed financing in education and VET. Vouchers are basically subsidies issued for the use of specific education or counselling services. Voucher programmes have the following features:

- Vouchers give users (the target group) the choice of the services they wish to purchase.
- This generates competition among providers of the relevant services (e.g. VET institutions).
- Users "pay" with their vouchers; the service providers are paid the equivalent of the face value of the voucher by the voucher administration.

This means that vouchers are a demand-oriented financing instrument and an alternative to supply-oriented models of financing VET.

In Ghana, German development cooperation will be supporting the introduction of a voucher programme for trainees, workers and master craftspersons from small and micro enterprises as of 2013, in order to provide them with the continuous education and training they need. In this way direct financial support can be provided to bolster demand for education from the informal sector, and the quality of training services boosted by generating competition among training providers. The vouchers are to give poorer workers access to practice-oriented VET in line with the demands of the labour market. Experience gained within the scope of this programme will indicate the conditions under which innovative financing instruments can help improve the quality and scope of VET in partner countries.

6. Results and monitoring

Germany has significantly increased its spending on VET in recent years. However, increased funding on its own is not enough to achieve the objectives the BMZ has set itself in the field of VET, namely to reduce poverty by increasing employability, which in turn, will foster social, societal and economic development in the countries with which we cooperate.

Increased funding does not necessarily achieve greater effectiveness either. Both the quantity and the quality are important if we are to achieve better results. BMZ once again underscored this fact in its education strategy. German development cooperation therefore consistently works to improve results orientation at different levels - from the organisational realignment of the German development cooperation landscape, to results-based monitoring in individual projects and programmes and evaluations and monitoring performed by the BMZ. In this context, evaluation is understood to mean the systematic and objective analysis of an ongoing or completed measure and the design, implementation and results thereof. In order to boost the effectiveness of future measures, these measures should be assessed in terms of their relevance, effectiveness, efficiency, impact and sustainability, in line with OECD/DAC's five criteria for evaluating development assistance.

In this context, results orientation not only forms the basis for safeguarding the transparency of development cooperation activities, as presented to the public. It is also the precondition for learning from experience for future VET projects and programmes, adapting concepts and designs, and thus making activities more effective.

Accordingly, the results of the "Synthese und Meta-Evaluierung Berufliche Bildung 2011" (Synthesis and Meta-evaluation of VET 2011), which was conducted by independent consultants for GIZ, was discussed with key actors involved in German official and non-state development cooperation in the VET sector, and taken into account when this position paper was drafted. In their evaluation the consultants made a great many recommendations, which the BMZ feels will provide valuable orientation in the design and implementation of projects and programmes in the future. These include recommendations to make VET a priority area more frequently, to take special account of the informal sector and its needs, and proposals on how to handle interventions in fragile states and (post-)conflict situations.

Learning at the BMZ

The BMZ's position on VET has changed over time. This position paper marks a further development in the orientation of the BMZ in this sector.

Naturally, this too will have to be reviewed and adapted in a few years' time. To this end evaluations, monitoring results and studies of the work in partner countries are important, as is the sectoral dialogue with international and national stakeholders.

The BMZ recently established the German Institute for Development Evaluation, which pools the expertise needed to conduct independent analyses and evaluations of results and their interdependencies in VET and other areas. This provides the BMZ with more precise information on how it can best achieve its development objectives. However, this does not relieve project officers of their duty to continuously monitor the results of measures.

Consistent orientation to results also plays a key role within the context of international dialogue. Discussions conducted within the scope of the post-2015 process show that, going forward, the main focus will be on the quality of development cooperation. The development agenda of the future will no longer be geared solely towards quantitative criteria.

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