## **TUNISIA Skills Development** for **Employment**

The Role of **Technical and Vocational Education and Training** 

May 2020



#### **Acronyms and Abbreviations**

AFD French Development Agency (Agence Française de Développement)

AHK German-Tunisian Chamber of Commerce (Chambre Tuniso-Allemande de l'Industrie

et du Commerce)

ALMP Active Labor Market Program

ANETI National Agency for Employment and Self-Employment (Agence Nationale pour

*l'Emploi et le Travail Indépendant*)

ATFP Tunisian Agency for Vocational Training (Agence Tunisienne de la Formation

*Professionnelle)* 

AUP African Union Partnership

AVFA Agricultural Extension and Training Agency (Agence de Vulgarisation et de la

Formation Agricoles)

BTP Professional Technician Certificate (Brevet de Technicien Professionnel)

BTS Higher Technician Certificate (Brevet de Technicien Supérieur)

CAP Professional Aptitude Certificate (Certificat d'Aptitude Professionnelle)

CC Certificate of Competence (Certificat de Compétence)

CENAFFIF National Centre for Training for Trainers and Training Development (Centre National

de Formation des Formateurs et de l'Ingénierie de Formation)

CFA Certificat de Fin d'Apprentissage

CIVP Contract for Preparation of Professional Life (Contrat pour la Préparation à la Vie

*Professionnelle*)

CNFCPP National Center of Continual Training and Professional Promotion (Centre National

de Formation Continue et de Promotion Professionnelle)

EBRD European Bank for Reconstruction and Development

EIB European Investment Bank

EMNES Euro-Mediterranean Network for Economic Studies

ERF Economic Research Forum
ETF European Training Foundation

EU European Union

FNE National Employment Fund (Fonds National de l'Emploi)

Forsati My Opportunity Program GDP Gross Domestic Product

GIZ Gesellschaft für Internationale Zusammenarbeit

GoT Government of Tunisia

ILO International Labour Organization

IPST Institutes for Higher Labor Promotion (Instituts de Promotion Supérieure du Travail)

ISET Higher Institute of Technological Studies (Institut Supérieur des Etudes

Technologiques)

ISO International Organization for Standardization

ITCEQ Tunisian Institute of Competitiveness and Quantitative Studies (Institut Tunisien de

la Compétitivité et des Etudes Quantitatives)

LMIS Labor Market Information Systems

MANFORME Program for the Enhancement of Vocational Training and Employment (Mise à

Niveau de la Formation et de l'Emploi)

MDN Ministry of National Defense (Ministère de la Défense Nationale)

ME Ministry of Education (Ministère de l'Education)

MESRS Ministry of Higher Education and Scientific Research (Ministère de l'Enseignement

Supérieur et de la Recherche Scientifique)

MFPE Ministry of Vocational Training and Employment (Ministère de la Formation

Professionnelle et de l'Emploi)

NEET Not in education, employment, or training

ODI Overseas Development Institute

OECD Organisation for Economic Co-operation and Development

OJT On-the-Job Training

ONEQ National Observatory of Employment and Skills (Observatoire National de l'Emploi et

des Qualifications)

ONTT National Tunisian Tourism Office (Office National du Tourisme Tunisien)

PAFIP Support Program for Professional Training and Integration (*Programme d'Appui à la* 

Formation et à l'Insertion Professionnelle)

PEE First-time Employment Program (Programme d'Encouragement à l'Emploi)

PISA Program for International Student Assessment

PPP Public-Private Partnership

PRONAFOC National Program of Continuous Learning (Programme National de Formation

Continue)

SCD Systematic Country Diagnostic

SIVP Initiation into the World of Work (*Stage d'Initiation à la Vie Professionnelle*)
SMIG Guaranteed Minimum Wage in the Industrial Sector (*Salaire Minimum* 

Interprofessionnel Garanti dans les secteurs non agricoles régis par le code du travail

- 2000-2018)

TLMS Tunisia Labor Market Panel Survey

TVET Technical and Vocational Education and Training

UGTT Tunisian General Labor Union (Union Générale Tunisienne du Travail)
UNESCO United Nations Educational, Scientific, and Cultural Organization

UTAP Tunisian Union of Agriculture and Fisheries (Union Tunisienne de l'Agriculture et de

la Pêche)

UTICA Tunisian Confederation of Industry, Trade, and Handicrafts (*Union Tunisienne de* 

l'Industrie, du Commerce et de l'Artisanat)

#### **Table of Contents**

I.	Intr	oduction	1
	1.1.	Country Context	
	1.2.	Youth, Education, and Labor Market	
	1.3.	Why TVET? Employment, Youth Inclusion, and Economic Development	
II.	Org	anization of the TVET Sector	7
	2.1	Structure of the TVET System	
	2.2	Organization and Governance of TVET9	
	2.3	Access to TVET	
	2.4	Public-Private Partnership in TVET	
	2.5	Quality and Relevance of TVET	
	2.6	Public Spending on TVET and Financing Mechanisms	
III.	Poli	icy and Strategic Framework of TVET in Tunisia	24
IV.	Mai	naging a Successful Reform: Challenges and Recommendations in TVET to Develop Skills	26
	4.1.	Economic Governance and TVET Governance	
	4.2.	Quality of Provision	
	4.3.	Improvement Requires Information and Evaluation Systems: A Culture of Results 31	
٧.	Con	nclusions	32
Bik	oliogra	phy	34
An	nex 1.	Donors' Support	37
An	nex 2:	Summary of Findings from Visits of Four Training Professional Training Centers under the ATI	FP38

#### **LIST OF TABLES**

Table 1: Professional Training: Evolution in the Number of Students being Trained per Sector and per	4.5
Category, 2009–2016	
Table 2: Distribution of Trainees per Sector in the Public TVET Training Centers, 2016 (%)	
Table 3: Number of Women vs. Men Enrolled by Type of TVET Certificate, 2016	
Table 4: TVET Enrollment vs. Graduation Rates 2014 and 2016	
Table 5: Employment Rates of TVET Graduates Four Years after Graduation	
Table 6: Evolution of Expenditures of the TVET Programs per Category of Expenditure (TND, thousand	s).23
LIST OF FIGURES	
Figure 1: Multidimensional Policy for Youth Inclusion	5
Figure 2: Structure of the Tunisian Education System	
Figure 3: The TVET System in Tunisia	11
Figure 4: Distribution of Students per Type of Training	16
Figure 5: Public and Private (Accredited) Training Centers, 2016	17
Figure 6: Distribution of Students per Training Sector and Gender, 2016	
Figure 7: Employees per Type of Contract and Degrees	
Figure 8: Evolution of the MEFP Budget, 2009–2018 (TND, thousands)	
LIST OF BOXES	
Box 1: Active Labor Market Programs in Tunisia	
Box 2: Examples of Initiatives with Private Sector Participation to Improve Access to Labor Markets	
Box 3: TVET Continuous Training	14
Box 4: Changing TVET: Links to Economic Governance and Better Monitoring	28
Box 5: Occupational Demand and Skills Forecasting	30

#### I. Introduction

#### 1.1. Country Context

- Tunisia is expected to enter a recession in 2020 as a result of the impacts of the COVID-19 1. pandemic, the slowdown in production due to no demand, and decline in tourism. Gross domestic product (GDP) growth averaged only 1.8 percent per year in 2011–2018 compared to 4 percent in 2001– 2005 and 4.5 percent in 2006–2010. Despite a good performance of tradable services, growth slowed down from 2.7 percent in 2018 to 1 percent in 2019. This slowdown may be attributed to several factors, including the death of President Essebsi, presidential and parliamentary elections, a drop in industrial production, and fall in agricultural growth. The World Bank estimates that Tunisia's potential GDP growth has dropped by 2 to 2.5 percentage points in the past 15 years due to declining physical and human capital, persistently low productivity, and lower competitiveness. The COVID-19 crisis will exacerbate Tunisia's growth challenges in the short and possibly medium term. A Government of Tunisia (GoT) and World Bank study estimates that a month-long lockdown would reduce growth by 0.9 percentage points in 2020.<sup>2</sup> According to the same study, two to three months of lockdown would adversely affect the highly exposed export-oriented sectors (mechanical and electrical products, and textiles), services (tourism, commerce), and transport sectors and reduce growth by at least 4 percentage points in 2020. These negative growth effects would be accentuated by a projected sharp decline in investment, domestic demand, and productivity as the crisis lengthens.
- 2. Tunisia experienced high growth and overall strong macroeconomic and fiscal performance in most of the 1980s, 1990s, and early 2000s, as the country embarked on a process of trade liberalization, including with the European Union (EU). This transition from a state-led development model to a more open economy in the 1990s was accompanied by an improvement in the fiscal situation. In fact, it could be argued the so-called structural transformation happened during those years, and slowed down toward 2010, before converging with East Asian and other emerging economies. In fact, in 2010, the share of high-technology exports was 4.9 percent in Tunisia compared to 26.6 percent in East Asian countries. Also, Tunisian exports were affected by the increasing trade liberalization which, at sector level with the Multi Fiber Agreement, reduced the share of the traditional textile sector. In fact, Rodrik talks about 'premature deindustrialization'. Programs targeting export promotion, financial and fiscal incentives, or upgrading projects to modernize companies, did not have the desired impact.<sup>4</sup> The reasons for this slowdown are the lack of structural reforms that are needed to increase competition and competitiveness, an inefficient onshore and offshore regime that did not allow for a transfer of know-how between companies, the favoritism toward companies linked to the dictatorship regime during and even after the upheaval in 2011, and the lack of economic governance reforms.
- 3. This economic governance influences the dynamism of the private sector and the economy and the characteristics and evolution of its human capital and its labor force. The relevance of the education

<sup>&</sup>lt;sup>1</sup> World Bank assessment of the economic impact of COVID-19 in Tunisia (unpublished).

<sup>&</sup>lt;sup>2</sup> The effects of the lockdown in 2020 are mitigated by growth in the agricultural sector (10 percent of GDP), public administration (19 percent of GDP), public spending, and the gradual increase of gas production (2.4 percent of GDP).

 $<sup>^3</sup>$  Economic Research Forum, 2018.  $Structural\ Transformation\ in\ Egypt,\ Morocco,\ and\ Tunisia$ . ERF. Cairo: Egypt: ERF.

<sup>&</sup>lt;sup>4</sup> idem.

system, particularly Technical and Vocational Education and Training (TVET),<sup>5</sup> is limited with regard to labor market outcomes because of the concentration of the Tunisian economy in low-productivity and low-paid jobs.<sup>6</sup> However, according to the Tunisia Labor Market Panel Survey (TLMS 2014), the effect on increases in earnings by level of education is higher in the public sector than in the formal private sector and higher in the formal private sector than in the informal sector.<sup>7</sup> Firms are characterized by low dynamism which has contributed to the slow rate of jobs creation. Economic policy and skills formation are fundamental to the economic development of the country. This link should be strong, with quick reactivity and proactivity. It is also important to attract a new type of foreign direct investment that brings better-paid jobs to the country.

#### 1.2. Youth, Education, and Labor Market

- 4. The Tunisian economy has been plagued by high unemployment, particularly among higher education graduates. From 2007 to 2012, the unemployment rate for higher education graduates—a group that is more likely to be employed than unemployed in most other countries—increased from 18.7 percent to 33.2 percent.<sup>8</sup> It has decreased slightly since then to 28.2 percent in the first quarter of 2019. According to the Tunisia National Institutes of Statistics, more women are unemployed than men. Over 2016–2017, the unemployment rate of female graduates was 40.6 in 2017, twice that of their male counterparts. This persistent issue was identified as one of the underlying causes of the Tunisia Jasmine Revolution.<sup>9</sup> The TLMS shows that the unemployment rate is the same for people with post-secondary, university, or higher education—approximately 26 percent. This varies for females and males. For males, the unemployment rate is 7 percent and 19 percent respectively; for females it is 45 percent and 34 percent.<sup>10</sup>
- 5. In addition to high youth unemployment, the Tunisian labor market is characterized by an overall high unemployment rate (15.3 percent during the first half of 2018), substandard quality jobs, low wages, and high levels of informality. Tunisia also suffers from regional inequalities, illustrated by the stark differences in human development indicators between the country's more populated and affluent coast and its interior. Aggravated by the 2008 global financial crisis and the post-Arab Spring context, the labor market in Tunisia has been affected largely by a jobs skills mismatch, <sup>11</sup> the insufficient absorptive capacity of the private sector.
- 6. The World Bank's Systematic Country Diagnostic<sup>12</sup> (SCD) for Tunisia identified the reduction of skills mismatch as an important element of a key driver for change toward improving equality of opportunities and increasing resilience. It identifies the skills mismatch and low-quality education as two

<sup>&</sup>lt;sup>5</sup> TVET is understood as comprising education, training and skills development relating to a wide range of occupational fields, production, services and livelihoods. TVET, as part of lifelong learning, can take place at secondary, post-secondary, and tertiary levels. It includes work-based learning, continual training, and professional development which may lead to qualifications. TVET also includes a wide range of skills development opportunities relevant to national and local contexts. Learning to learn, the development of literacy and numeracy skills, transversal skills and citizenship skills are integral components of TVET. *Source:* UNESCO (GC) 2015 UN.

<sup>&</sup>lt;sup>6</sup> Limam and Ben Hafaiedh, 2017.

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> ILO, 2013. Enquête sur la Transition vers la Vie Active. Tunisia.

<sup>&</sup>lt;sup>9</sup> El-Khawas 2012.

<sup>&</sup>lt;sup>10</sup> ERF 2016; World Bank, Tunisia Labor Market Survey, 2014. Available through the ERF portal: <a href="http://www.erfdataportal.com/index.php/catalog/105">http://www.erfdataportal.com/index.php/catalog/105</a>

<sup>&</sup>lt;sup>11</sup>According to the Enterprise Survey of Tunisia, firms mention 'inadequately educated workforce' as the third critical business environment constraint after political instability and practices of the informal sector. EBRD, EIB, World Bank 2016; ITCEQ 2016.

<sup>&</sup>lt;sup>12</sup> Report No. 97858-TN. Discussed by the Board of Executive Directors in June 2015.

of the main human capital weaknesses of Tunisia, particularly in its lagging regions. It highlights the poor quality of education in primary, secondary, and higher education as a deterrent for youth inclusion and job creation.<sup>13</sup> Investments in higher value-added sectors can help drive skills development, given the right interaction with and rapidity of response by the public institutions.

- 7. The current World Bank Country Partnership Strategy<sup>14</sup> addresses the need for skills development in its third pillar, acknowledging the SCD approach. It also emphasizes the importance of scaling up skills as part of the new social contract. Its objective 3.2: 'Increased opportunities for young and women' emphasizes the relevance of upgrading the hard and soft skills of graduates, , with particular focus on the importance of enhancing entrepreneurship skills.
- 8. Many of Tunisia's youth are unsatisfied with their current jobs. Overall, 32 percent of employed youths believe that their qualifications or skills exceed those required for the work they perform. In contrast, many workers hold positions for which they do not have the required qualifications. Only a small percentage of employed youths get jobs that exactly match their qualifications or diploma. In fact, in an economy that requires less skilled manual labor, there is no shortage of unskilled or semiskilled labor in Tunisia. Recent empirical literature has shown that the steady increase in unemployment in Tunisia, particularly among young people, is not only the result of excess labor supply but is also related to an imbalance between supply and demand. 15 In 2015, two out of five young Tunisians in the labor force were unemployed, and one in four was not in education, employment, or training (NEET). Youths, between the ages of 15 and 29, represent about 30 percent of the labor force and about 75 percent of the unemployed (77.2 percent in 2012). The situation is worse for women, particularly for those in the mid-est and southern regions. Women face more difficulties in being integrated into the labor market. An estimated 69 percent of them are outside the labor market; only 18.8 percent find a job. 16 While the public sector is the main provider of (good) jobs, the high levels of public expenditure and public debt make increases in public employment unsustainable.<sup>17</sup>
- 9. To increase labor productivity, the GoT began developing a TVET reform<sup>18</sup> strategy in 2012 that focused on the role of the private and public sectors in customizing TVET to the needs of the market. This reform aimed to improve the social perception of TVET, an important tool for addressing developmental challenges and encouraging employment of women and youth, while addressing the widespread problem of skills mismatch. Nearly 40 percent of employers in the Middle East and North Africa region indicated that skills gaps are a major impediment to business growth. The skills gaps—from basic skills, such as creative and independent thinking, problem-solving skills, and soft skills, to sector-specific and functional skills—exist due to the low quality of TVET.<sup>19</sup> Although the real impact of TVET is difficult to assess due to insufficient data and evaluations, it is generally accepted that TVET has a positive impact on the school-to-work transition times, particularly in countries with dual apprenticeship

<sup>&</sup>lt;sup>13</sup> The 2012 Program for International Student Assessment (PISA) results indicated that the education system was not producing enough students with good quantitative skills.

<sup>&</sup>lt;sup>14</sup> Report No. 104123-TN. Discussed by the Board of Executive Directors on May 17, 2016.

<sup>15</sup> EMNES Studies 2018

<sup>&</sup>lt;sup>16</sup> EMNES Studies 2018.

 $<sup>^{\</sup>rm 17}$  In 2018, public debt was above 70 per cent and the fiscal deficit was 4.8 percent.

<sup>&</sup>lt;sup>18</sup> 2013 Tunisia Reform of the National System of Vocation Training: Orientation Document and Operations Plan 2014–2018. Ministry of Employment and Vocational Training (*Ministère de l'Emploi et de la Formation Professionelle*).

<sup>&</sup>lt;sup>19</sup> World Economic Forum 2018.

schemes.<sup>20</sup> However, much of TVET's impact depends on how it is structured, with longer apprenticeships usually showing better results compared with other types of TVET provisions.

#### 1.3. Why TVET? Employment, Youth Inclusion, and Economic Development

- 10. **TVET contributes to facilitating youth employment and a country's economic development.** TVET is the most widely used active labor market program<sup>21</sup> (ALMP) in combination with other labor market policies. The objective is to allow jobseekers to develop and enhance both hard and soft skills relevant to the labor market. TVET also contributes to a country's economic development. An adequately educated workforce is one of the success variables of business performance outcomes. There is a strong correlation between the proportion of TVET students and per capita income. TVET can be one of several pathways for regional convergence and may contribute to and help local economies together with regional economic development plans.<sup>22</sup>
- 11. The effectiveness of ALMP (training, employment incentives<sup>23</sup> in Tunisia, and promotion of entrepreneurship) depends on its quality and adequacy taking into consideration the political and economic environment. However, the assessment of past programs shows, for example, that employment services have not significantly contributed to reducing the unemployment rate.<sup>24</sup> Several studies also show that employment subsidies are positive but modest, although they are costly compared to other interventions (self-employment). A study conducted in Tunisia in 2010 based on 2001 data shows that wage subsidies targeting high-skilled intensive sectors are effective.<sup>25</sup> There are no specific assessments of the impact of TVET. Nevertheless, economic inclusion is crucial for the youth. Access to economic opportunities includes skills training and apprenticeships, internships, and specific entrepreneurship training.
- 12. **Many youths are unemployed or disengaged from the labor market.** According to the International Labour Organization (ILO), Tunisia has one of the highest NEET rates, approximately 33 percent, in the Middle East and North Africa region. Those with lower education are more likely to belong to this category. This results in a lack of employment. There are frequent complaints from employers about the lack of skills in line with the jobs skills mismatch previously mentioned. Another challenge is that candidates with no connections in the private sector have few opportunities. A World Bank study (2014) states that, regardless of their school education level, jobseekers transitioning between school and work are eventually discouraged from continuing the job search, feeling that they are not treated with

<sup>&</sup>lt;sup>20</sup> OECD 2018b.

<sup>&</sup>lt;sup>21</sup> OECD Glossary - Active labor market programs include all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospects of finding gainful employment, or to otherwise increase their earning capacity. This category includes spending on public employment services and administration, labor market training, special programs for youth when in transition from school to work, labor market programs to provide or promote employment for unemployed and other persons (excluding young and disabled persons), and special programs for the disabled.

<sup>&</sup>lt;sup>22</sup> OECD 2018c

<sup>&</sup>lt;sup>23</sup> Incentives cover a wide range of options, including both pecuniary and non-pecuniary incentives. For example, flexible career advancement options can be linked to employee skill upgrade programs. At the other end of the spectrum, skill development could also be mandated by management for all employees (for example, employees requiring diversity training or sexual harassment training). A number of instruments have been used to support upgrading lifelong skills during one's career. These include access to subsidized training, student or trainee loans to access commercially available and recognized training funds to support both initial training and continuous training, tax incentives for upgrading skills, and more recently, individualized learning plans and learning accounts.

<sup>&</sup>lt;sup>24</sup> Sahnoun and Abdennadher 2018.

<sup>&</sup>lt;sup>25</sup> World Economic Forum 2018.

<sup>&</sup>lt;sup>26</sup> World Bank 2014.

respect by potential employers. In fact, many NEET have not completed secondary or tertiary education; some of them are TVET dropouts.<sup>27</sup> Individuals with lower education face high unemployment. Through TVET, the transition between school and work can take up to a year. Section 2.5 of this report shows how the majority of TVET students find a job nine months after graduating, but there is no information on their salary or type of contract.<sup>28</sup> Typically, according to the interviews conducted in four TVET centers, the graduates would receive the minimum salary.

1. Participation and active citizenship · Youth-led community development Participation Volunteering · Youth councils for participation and voice Human rights 2. Access to economic opportunities **NEETs**  Job counseling in secondary and tertiary education Informal youth Skills training **Economic** Young women opportunities · Apprenticeships/internships Job intermediation Youth in peri-urban areas and lagging regions Youth entrepreneurship 3. Youth-friendly services at the local level · Life skills training · Information and communication technology and language skills Integrated · Healthy lifestyles youth services Legal support services Peer mentoring Sports

Figure 1: Multidimensional Policy for Youth Inclusion

13. TVET can contribute to youth inclusion, but it is not highly regarded partly because of governance failures, and partly due to the lack of information and monitoring and evaluation systems. A good TVET can attract the youth by introducing more digital skills and up-to-date learning methods, without neglecting the modes of training that are more appropriate for the transmission of soft or technical skills. Youth in Tunisia need to be given the opportunity to acquire appropriate skills and obtain decent jobs.

<sup>&</sup>lt;sup>27</sup> Ibid. n.19.

<sup>&</sup>lt;sup>28</sup> ONEQ, MFPE, and AFD 2019. The study is based on a sample of 7,217 students who graduated in 2012 with a response rate of 81.5 percent.

#### **Box 1: Active Labor Market Programs in Tunisia**

Active labor market programs (ALMPs) include on-the-job training (OJT), skills development, and wage subsidy programs, all complemented by public employment services. The National Employment Fund (Fonds National de l'Emploi, FNE) was established in Tunisia in December 1999 with the aim of helping the most vulnerable categories of unemployed people to find productive long-term employment. The FNE is designed to support youth wishing to acquire better training and increase their access to job opportunities, both for wage earners and the self-employed. During 2011–2014, it had 405,000 beneficiaries. It aims at reducing unemployment by

- Providing specific training programs to help jobseekers meet the demands of the labor market in line with their qualifications;
- · Creating job opportunities; and
- Promoting business development initiatives by providing funding sources for qualified young people who
  cannot provide the necessary guarantees to access credit.<sup>29</sup>

After the revolution in 2011, several programs to promote insertion into wage employment (mainly wage subsidies and OJT) were implemented. These programs benefitted mainly highly skilled individuals. Initiatives such as AMAL ('hope' in Arabic) were started exclusively for first-time jobseekers, mainly targeting university graduates during their school-to-work transition. A program reform in 2013 simplified the structure, reducing the number of programs from five to three: two supporting trainings and a wage subsidy, and a first-time employment program (*Programme d'Encouragement à l'Emploi*; PEE). AMAL was discontinued after that reform.

The majority of ALMPs, whether focused on training, subsidies to companies, or entrepreneurship target mainly university graduates but fail to address the needs of lagging regions (ETF 2019). The ALMPs are mainly implemented by the *Agence National de l'Emploi et du Travail Indépendant* (ANETI). The program *Stage d'Initiation à la Vie Professionnelle* (SIVP) targets first-time jobseekers with the objective of integrating them into the workforce. This program also targets lagging regions.<sup>30</sup> SIVP was the object of a study in 2013 that showed that the general opinion was that it has been largely inefficient and a deadweight.<sup>31</sup> The program decreased joblessness and increased the probability of employment in the private sector but reduced the chances of permanent contracts among youth program participants (substitution effect). This program is now called *Contrat pour la preparation à la vie professionnelle* (CIVP) with an increased wage subsidy from TND 150 to TND 200. There is no assessment of the most recent My opportunity (Forsati) program, which was created with the objective of supporting jobseekers through the job search process.

- 14. This note (a) presents an overview of Tunisia's TVET system in the larger context of the Tunisian education system, (b) maps the policies and institutions involved in the delivery of TVET, and (c) assesses its design features and challenges in the implementation and effective delivery of TVET. The note is based on interviews with clients and stakeholders, including TVET centers, and a review of secondary reports and materials. The final part of this note seeks to identify areas where reforms could help improve the effectiveness and efficiency of TVET. It concludes with recommendations that are organized around three main areas: (a) governance; (b) quality; and (c) implementation, monitoring, and evaluation, which are overlapping issues.
- 15. Since this note was completed, an unprecedented crisis has disrupted education significantly at all levels. To prevent the spread of COVID-19, all education institutions in Tunisia were closed on March 13, 2020, until further notice. The Ministry of Education (*Ministère de l'Education*; ME) declared that educational continuity should be maintained through distance education and has taken measures to facilitate uninterrupted education service delivery. However, the degree to which learning can still take place outside the classroom, including in TVET, is often limited by lack of access to electricity, internet

<sup>30</sup> ETF 2014; 2019.

<sup>&</sup>lt;sup>29</sup> ODI 2006.

<sup>&</sup>lt;sup>31</sup> Kluve et al. 2017.

connectivity, digital devices, learning platforms, or the inadequate preparation of teachers and students for remote education.<sup>32</sup>

16. With its focus on practical skills and improving work readiness, remote learning is particularly challenging in TVET. Since practical skills are often acquired through learning-by-doing methods and rely on specific equipment and laboratories, distance learning is difficult. How are TVET programs and students doing during the COVID-19 crisis? How are countries planning to adapt TVET to what comes next? The World Bank has joined forces with ILO and the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) to collect this information from TVET providers, policy makers, and social partners.<sup>33</sup> Survey results were not yet available at the completion of this report.

## II. Organization of the TVET Sector

#### 2.1 Structure of the TVET System

17. The education sector consists of basic education (nine years), upper secondary (three years), higher education, and vocational education and training. The education and training sectors are the responsibility of the Ministry of Women, Family and Childhood (*Ministère de la Femme, de la Famille et de l'Enfance*; MFFE), the ME, the Ministry of Higher Education and Scientific Research (*Ministère de l'Enseignement Supérieur et de la Recherche Scientifique*; MESRS), and the Ministry of Employment and Vocational Training (*Ministère de de la Formation Professionnelle et de l'Emploi*; MFPE). In 2018–19, the net enrollment rates were 99.5 percent in primary education for children ages 6 to 11 years, and 81.6 percent in secondary education for children ages 16 to 18 years.<sup>34</sup> The gross enrollment rate in higher education was 32.1 percent.<sup>35</sup>

<sup>&</sup>lt;sup>32</sup> Hoftijzer et al. 2020.

<sup>33</sup> Hoftijzer et al. 2020.

<sup>&</sup>lt;sup>34</sup> 2018–2019 Ministry of Education. *L'Education en chiffres*.

<sup>35</sup> World Bank 2019.

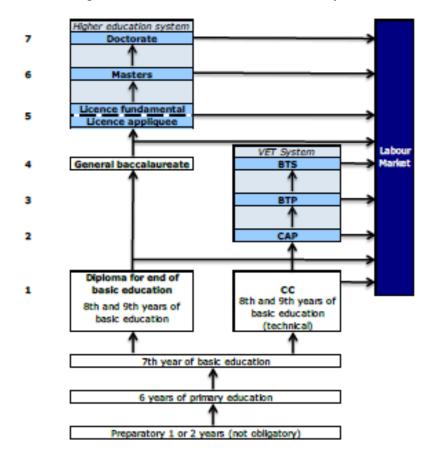


Figure 2: Structure of the Tunisian Education System

Source: OECD (Organisation of Economic Cooperation and Development) 2015.

- 18. The Tunisian TVET sector is divided into three categories of accredited trainings delivered mainly by public training centers and some private centers.
  - **Professional Aptitude Certificate** (*Certificat d'Aptitude Professionelle*; CAP). This training is open to candidates who have completed the ninth year of basic education.
  - **Professional Technician Certificate** (*Brevet de Technicien Professionnel*; BTP). This is available to CAP holders and to those who have completed the second year of secondary education.
  - Higher Technician Certificate (Brevet de Technicien Supérieur; BTS). This training is available to holders of a secondary education certificate (Baccalauréat) and, under certain conditions, to BTP holders. Though the 2008 Law allows BTP holders to appear for the professional baccalaureate exam to be able to access university education, this has not been implemented and students cannot get admission to university.<sup>36</sup> The BTS is offered by the Higher Institute of Technological Studies (Institut Supérieur des Etudes Technologiques; ISET) under the supervision of the MESRS.

<sup>&</sup>lt;sup>36</sup> OECD 2015.

- 19. Tunisia has developed a 'dual system' (work-study; alternance) combining classroom theory with training in enterprises. The dual system is managed by the Tunisian Agency for Vocational Training (Agence Tunisienne de la Formation Professionnelle; ATFP), the main agency responsible for the public provision of TVET. The dual system consists of the student spending one day a week in a training center and the remaining days at the workplace. The institution and work-based training (programmes d'alternance), provided in the CAP, BTP, and BTS, represents around 88 percent of all students in the system. ATFP training centers across the country collaborate with firms to organize internships and apprenticeships. However, small firms do not have enough human resources to organize and monitor the work-based training and often treat trainees more as free labor than as potential employees. Many students do not consider the training received during their apprenticeship with firms is useful (African Union Partnership [AUP] report 2017).<sup>37</sup> There are exceptions of larger firms that train TVET students more adequately and later employ them and recover part of their investment. In some cases, firms have their own training programs, particularly when they are export oriented and need to comply with international standards.<sup>38</sup> The system is facing a high demand for internships or apprenticeships from initial vocational training to higher education; the private sector cannot provide for this without better planning and coordination across the ministries involved.<sup>39</sup> Students can find their internships by themselves or ask the TVET centers to do it for them.
- 20. A work-study logbook (*Livret de Stage* or *Livret d'Alternance*) is the main tool used by TVET centers to monitor interns during their apprenticeship. The logbook specifies the tasks to be accomplished and skills to be acquired. At the end of each session, the students present what they have learned and done during their training, for ten minutes, to the teachers. While students should have a dedicated tutor in the firm, this is not the case given the small size of many firms, but it seems to be also related to the understanding of the role of the student and the objectives of the apprenticeship.
- 21. Besides the CAP, BTP, BTS, and the professional bachelor (nine accredited certificates), there are also several non-accredited certificates (*Certificats non Diplômants*). They include a certificate of competence (*Certificat de Compétence*; CC) and the apprenticeship's certificate (*Certificat de Fin d'Apprentissage*; CFA). It is an option for students who have not reached the ninth year of basic education. The CC can only be obtained if they have completed seven years of basic education, meet the specific requirements, or pass an exam. The CFA can be obtained without additional classes (F-0); other CFAs include either classroom training or theoretical and practical training. There is a third type of CFA (F4/8) for those students who complement their training with either four or eight additional subjects in a CFA center.

#### 2.2 Organization and Governance of TVET

- 22. TVET is primarily under the responsibility of the MFPE whose main tasks are to
  - Undertake studies and research for the design and implementation of policies for training, employment, integration, and the promotion of self-employment;
  - Develop legal frameworks for training and employment;

<sup>&</sup>lt;sup>37</sup> AUP Reforming Technical Vocation and Education and Training in Tunisia: Strategic Assessment. July 2017.

<sup>&</sup>lt;sup>38</sup> This is the case of Sartex, a garment company or AHK's 'enterprise formatrice', in automotive and transport maintenance and repair. Sartex offers the CAP certificate with specific skills directly applicable to the requirements of the firm or sector.

<sup>39</sup> PAFIP, 2013.

- Follow labor market trends;
- Develop programs to improve the employability of young people;
- Develop programs for the (re-) integration of jobseekers into the labor market; and
- Develop individual projects for unemployed people to create small businesses and promote self-employment.
- 23. Though the MFPE is responsible for the accreditation of TVET private centers, it does not supervise the quality of training and exams—it performs only a limited regulatory or oversight role of these institutions.<sup>40</sup>
- 24. Four public institutions operate under the MFPE: (a) ATFP; (b) National Centre for Training for Trainers and Training Development (*Centre National de Formation des Formateurs et de l'Ingénierie de formation*; CENAFFIF); (c) National Center of Continual Training and Professional Promotion (*Centre National de Formation Continue et de Promotion Professionnelle*; CNFCPP); and (d) ANETI, whose main responsibilities are briefly described below.

#### **ATFP**

- 25. The ATFP is the main actor in the provision of TVET. Its responsibilities and main tasks are to
  - Provide initial training for young people and adults, taking into account their economic and social needs;
  - Respond to and implement requests for skilled labor training as per the guidelines established by the MFPE;
  - Implement training programs developed by CENAFFIF; and
  - Conduct periodic evaluations of training activities taking place within ancillary facilities under the ATFP.
- 26. In 2016, the ATFP operated 137 TVET centers, offered 244 specialties, had 1,713 trainers, and 2,319 training advisers. The ATFP provides training on a broad range of subjects such as construction, electronics, mechanics, tourism, and textile. Building and construction, general engineering and steel construction, electricity and electronics, and tourism and hospitality are considered priority sectors for the country. Additionally, the ATFP supports specific apprenticeships on handicraft production, targeting young rural women. The training centers are distributed across the following sectors.
  - 47 sectoral training centers (*Centre Sectoriel de Formation*; CSF)
  - 61 training and learning centers (CFA) Multi-platform
  - 14 training centers for young rural women (*Centre de Formation de la Jeune Fille Rurale*; CFJFR)
  - 11 centers for training and promotion of self-employment (*Centre de Formation et de Promotion du Travail Indépendant*; CFPTI)

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<sup>&</sup>lt;sup>40</sup> GIZ 2016.

- 1 aeronautic training center.
- 27. The ATFP operates different types of TVET centers: multi-platform centers (supporting several sectors and skills), sector-specific centers with only a single sector being targeted, and centers that support training in the arts and crafts targeted exclusively at young women. There are some initiatives geared to creating centers supporting a single firm, manufacturer, or a cluster. For example, a textile and clothing center is being set up in Bizerte, co-financed by interested firms to meet their skills needs. A study by the Textile and Clothing Business Federation (Federation Tunisienne du Textile et l'Habillement) highlights the need to fill between 9,000 and 12,000 vacant posts. An assessment in Monastir revealed a similar need to train around 5,000 students as machine operators to meet production demand needs.

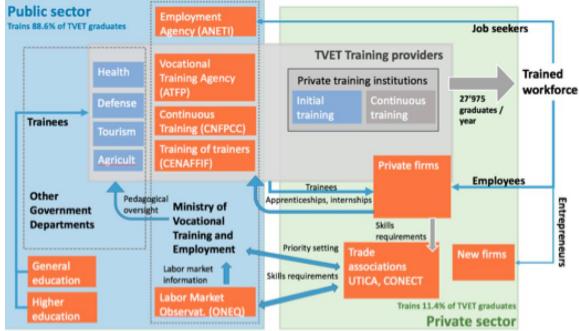


Figure 3: The TVET System in Tunisia

Source: AUP 2017.

#### **CENAFFIF**

- 28. CENAFFIF focuses on developing the training system and on training the trainers. CENAFFIF designs and delivers training of trainers across all levels: CC, CAP, BTP, and BTS. The responsibilities and main tasks of CENAFFIF are to
  - Conduct studies to identify skills needed by the production sector;
  - Design and regularly update training curricula;
  - Support their implementation through state-approved training providers operating under the authority of the ATFP;
  - Develop, implement, and evaluate the training of trainers;
  - Ensure the development of teaching and learning materials; and
  - Define the methodologies for evaluating training providers.

- 29. Although CENAFFIF is a key player in the TVET system, the organization of the TVET sector does not offer the right incentives and conditions to support the efficiency and quality of TVET training. The lack of dialogue between stakeholders and collaborative leadership (insufficient coordination between CENAFFIF and the ATFP), despite it being one of the main objectives of previous reforms, is a key challenge facing CENAFFIF. For example, there is no formal system in place to guarantee the quality and adequacy of the curricula and to ensure that all relevant stakeholders are effectively involved in validating the proposed curricula. There is some anecdotal information to suggest that even consultations between CENAFFIF and the MFPE are limited. The strategic TVET plan adopted in 2014 entails trickle-down communication from the MFPE, the Tunisian General Labor Union (UGTT), and the Tunisian Confederation of Industry, Trade, and Handicrafts (UTICA) to the regions recently formalized at the central level. For instance, the introduction of new curricula, such as entrepreneurship, is slowly growing. This is critical to the relevance and efficiency of TVET as youth entrepreneurship has shown that it plays an important role in addressing regional disparities and unemployment.
- 30. Collaborative leadership, better management responsibilities, and greater institutional autonomy will benefit the system by giving training centers opportunities to adapt to specific sector or local demands and not be bound by the lack of flexibility in the current highly centralized structure. Box 2 below gives examples of how CENAFFIF works with private sector players to improve access to labor markets.

#### Box 2: Examples of Initiatives with Private Sector Participation to Improve Access to Labor Markets

- Vermeg and IT training. Computer science and related technical school graduates do not have the skills to immediately enter the labor market. The Vermeg Group, a financial software supplier, will finance the construction of training centers next to the ISETs while the French Development Agency (Agence Française de Développement; AFD) will finance the centers' equipment. The objective of this project is to create centers in around 13 governorates over a period of three years (Siliana, Beja, El Kef, Jendouba, and Sidi Bou Sid are some governorates included in the plan). Graduates will be trained for six months to complement their skills, so they are prepared to enter the labor market.
- Gesellschaft für Internationale Zusammenarbeit (GIZ) and Thomas Cook collaboration on a project to improve TVET skills in the tourism sector. There are several training centers dedicated to the tourism and hospitality sector. Dropout rates in tourism schools have been at around 40 percent, particularly when students start their apprenticeships. The project has reduced the dropout rate to 10 percent in one school and 0 percent in another. The project also includes the training of trainers on the sustainable use of energy in the tourism sector. The German-Tunisian Chamber of Commerce (Chambre Tuniso-Allemande de l'Industrie et du Commerce; AHK) is working on the first 'enterprise formatrice' in the tourism sector. GIZ highlights not only the lack of flexibility of the existing training programs but also the lack of innovation in the curricula.

#### **CNFCPP**

31. **CNFCPP manages vocational training for companies and continuous training.** It designs the training portfolio and promotes continuous job training. CNFCPP helps companies identify their training needs and implement training plans, including organizing funding. It administers the 'professional training tax' and authorizes tax credits. In 2016, firms delivered an estimated 100,000 person/day of continuous training. CNFCPP has 35 offices across Tunisia. Workers who want to improve their skills and obtain a certified diploma can access CNFCPP's continuous learning services (evening classes, distance learning). Firms with more than 10 employees are required to hire a training adviser. Training is provided in partnership with higher education institutions, and the Institutes for Higher Labor Promotion (*Instituts de* 

<sup>&</sup>lt;sup>41</sup> A reform that has received donors' support through, for example, the AFD-funded project PAFIP or the EU-funded Irada (a loan product). A description of PAFIP can be found in <a href="https://www.afd.fr/en/setting-training-centers-supporting-sector-reform.">https://www.afd.fr/en/setting-training-centers-supporting-sector-reform.</a>

Promotion Supérieure du Travail; IPST) and their distance vocational training center (Ecole Ouverte des Travailleurs).

- 32. CNFCPP's main responsibilities and tasks are to
  - Support companies to design and implement their training plans aiming to improve productivity and quality;
  - Provide tax incentives to companies whose employees participate in training courses (certified or validated by CENAFFIF);
  - Create partnerships with employers' associations, professional organizations, and industrial federations in the area of continuous education;
  - Implement programs for further education, and careers and professional development; and
  - Offer retraining for workers who have lost, or may lose, their jobs.

#### **ANETI**

- 33. **ANETI, created in 1993, manages employment programs, including training and support for entrepreneurship.** It is the agency connecting jobseekers to the job market. University and TVET graduates register with ANETI to access job matching services, OJT, and associated financial support to both companies and jobseekers. ANETI has 91 agencies spread across the country. Its main responsibilities and tasks are to
  - Provide job matching services at national, regional, local, and sector levels through a network of employment offices;
  - Support youth inclusion and employment;
  - Assist in the promotion of small businesses and self-employment; and
  - Provide information on employment opportunities, professional requirements, and available qualifications for enterprises and jobseekers.
- 34. ANETI is responsible for the management of programs arising from the ALMPs mentioned above, such as the recent Forsati, and for promoting entrepreneurship. ANETI also works to reintegrate returned migrants and supports workers dismissed for economic or technological reasons (business downsizing).
- 35. There are 60 vocational training centers under the supervision of other sector ministries that are supervised by the ATFP on pedagogical methods. These are
  - The National Tunisian Tourism Office (*Office National du Tourisme Tunisien*; ONTT) manages public provision of training for the tourism industry with eight centers;
  - The Agricultural Extension and Training Agency (Agence de la Vulgarization et de la Formation Agricoles; AVFA), under the Ministry of Agriculture, Fisheries, and Water Resources, with 39 centers, provides initial training but mainly focuses on continuous education (2014: 26,387 beneficiaries). AVFA also has its own center for training the trainers, with around 1,300 trainers; and
  - The Ministry of Defense with 13 training centers.

- 36. The National Observatory of Employment and Skills (Observatoire National de l'Emploi et des Qualifications; ONEQ) is an institution that collects labor market statistics, analyses employment and skills data, and issues regular reports on labor market issues and trends. It has a unique role as provider of inputs on employment to support decision-making. ONEQ is also responsible for monitoring employment in enterprises by conducting surveys, designing and developing employment databases, and evaluating programs and instruments used to place jobseekers. One of the main surveys conducted by ONEQ (with support from AFD) has been the study of inserting graduates (higher education) into the labor force in 2012. The strengthening of accountability, monitoring, and reporting are part of the 2014 TVET strategic plan. For ONEQ to perform this role adequately, the centers should also have their own monitoring systems with easy and regular data transfer that, at the center's level, could be correlated with sector level key labor market indicators. This would help students choose the right certification and diplomas (for example, candidates with qualifications higher than BTS or BTPs are not hired in the textile or tourism sectors).
- 37. The National Qualifications Framework (Classification Nationale des Qualifications) was created in 2009 to facilitate employers' understanding of qualifications and their structure. However, it is unclear how the value of the different qualifications is established so students, employers, and other stakeholders can make the right choices. The qualifications should be defined by competencies and facilitate progression within career paths. There is no recognition of prior learning, including recognition of informal on-the-job learning to achieve certain degrees or move up in their career paths.

#### **Box 3: TVET Continuous Training**

The National Program of Continuous Learning (*Programme National de Formation Continue*; PRONAFOC) addresses the needs of very small firms to upgrade the skills of their staff. PRONAFOC bears all the costs of training modules common across sectors (management, marketing, and IT), as well as specific sector modules such as textile, electricity and electromechanics, agrofood, and tourism. To benefit from this scheme, firms submit a request to CNFCPP, IPST, and the regional employment directorates.

The firms usually choose their own private service providers but can also hire public providers, including the ATFP's training centers. The centers offering continuing education suffer from a lack of qualified trainers and good infrastructure. Some conform to International Organization for Standardization (ISO) 9001 standards, but the certificate has not been renewed partly due to the lack of validation by the ATFP and partly because of noncompliance with documentation and quality standards. The financial incentives for creating private training firms have contributed to the proliferation of centers, many of them small. This proliferation is also the result of the tax scheme, where firms can seek reimbursement or obtain a tax credit. While this is a positive move encouraging private providers to respond to training needs and demands, there is no actual follow-up on the quality of trainings.

#### 2.3 Access to TVET

38. Since 2010, an increase in the demand for TVET has disproportionately benefited the private sector. A total of 68,148 students enrolled in TVET in 2016. Between 2010 and 2018, there was a drop of 5.7 percent per year in students in the public sector. Conversely, the enrollment in private institutions has increased at an annual rate of 13 percent. Private sector provision of training increased from 5 percent in 2010 to 15 percent in 2016.<sup>42</sup>

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<sup>&</sup>lt;sup>42</sup> World Bank 2019.

39. The majority of students are enrolled in TVET to obtain a BTP, around one-third of the total in the public sector, with the same proportion in the private sector. In terms of gender distribution, the rate of males enrolled in the public system is almost double that of women; it is quite the opposite in the private TVET. While only 13 percent of all students in TVET pursued nonaccredited certificates in 2011, the percentage was significantly higher in 2016.

Table 1: Professional Training: Evolution in the Number of Students being Trained per Sector and per Category, 2009–2016

	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public sector</b>	85,403	91,884	75,042	66,760	62,001	61,167	57,869	57,926
Training approve	d by CAP, E	BTP, and BTS	•					
BTS	12,021	12,817	11,412	10,384	10,146	10,976	10,543	10,207
ВТР	31,145	31,175	26,857	24,740	24,689	24,466	24,919	25,010
CAP	28,254	31,179	26,078	23,103	20,482	19,359	17,376	17,995
Total	71,420	75,171	64,347	58,227	55,317	54,801	52,838	53,212
Training awarded	d with a Cei	rtificate of C	ompetences	(CC)				
ATFP	9,890	9,713	5,646	5,397	3,932	3,154	2,469	2,459
MDN	0	303	282	292	291	359	231	314
AVFA	231	140	66	56	36	15	16	18
Total	10,121	10,156	5,994	5,745	4,259	3,528	2,716	2,791
Training awarded	d with a Cei	rtificate of C	ourse Comp	letion				
ATFP	3,698	5,812	4,288	2,402	2,051	2,684	2,115	1,768
MDN	0	239	0	0	0	0	0	0
AVFA	164	506	413	386	374	154	200	155
Total	3,862	6 557	4,701	2,788	2,425	2,838	2,315	1,923
Private sector	4,000	4,850	7,616	7,412	7,476	10,152	11,681	10,222
BTS	n.a.	n.a.	2,692	2,710	2,872	4,119	4,316	2,428
ВТР	n.a.	n.a.	4,257	4,093	3,807	5,068	6,287	5,811
CAP	n.a.	n.a.	667	609	797	965	1,078	1,983
Total	89,403	96,734	82,658	74,172	69,477	71,319	69,550	68,148

Source: World Bank 2019. Public Expenditure Review (unpublished) and MFPE data.

Note: Ministry of Defense (Ministère de la Defense, MDN).

40. **Students are enrolled in a wide variety of subjects.** The most popular areas of study in both 2014 and 2016 were electricity and electronics, construction and public works, and textile and garments (Table 2). There has been a slight increase in the number of students in 'Administration, Services, and IT' between 2014 and 2016. Some areas show a low number of students, for example agriculture, fishing and aquaculture, or shoes and leather. This information should be analyzed in light of other data such as centers' occupancy rates to explore possible improvements in the management and use of centers or potential changes in the curricula.

Table 2: Distribution of Trainees per Sector in the Public TVET Training Centers, 2016 (%)

	2014	2016
Electricity and electronics	33.9	34.6
Construction and Public Works	12.2	11.9
Textile and garments	11.7	10.7
Transport and maintenance of motor vehicles	9.9	9.7
Mechanics and metal works	9.2	9.2
Administration, services, and IT	7.9	9.0

	2014	2016
Tourism and hotel	7.4	6.8
Various Service and industry	4.3	4.7
Food Processing industry	0.9	0.9
Handicrafts	0.9	0.8
Fishing and aquaculture	0.7	0.7
Agriculture	0.5	0.7
Shoes and leather	0.4	0.3

Source: AUP 2017 and ONEQ 2017.

Classroom
14% (7,686)

Aprenticeship
8
6% (3,207)

Figure 4: Distribution of Students per Type of Training

Source: AUP 2018.

Dual 80% (42,319)

- 41. It is also important to note that several public TVET centers are operating below their capacity, using approximately 68 to 72 percent of their capacity.<sup>43</sup>
- 42. The private provision of TVET includes publicly recognized (certified) and non-recognized courses. This means that a private training provider can offer diplomas compliant with the curricula developed by CENAFFIF and be accredited by the MEFP. Of the 1,124 private training centers, around 189 can deliver accredited initial training (CC, CAP, BTP, and BTS). The role of the state is limited to authorize training, without undertaking monitoring afterwards or reviewing compliance of programs with each certificate's requirements.
- 43. **The MEFP acknowledges that nonaccredited private centers sometimes market their programs as certified.** This can be detrimental to the system and the trainees, since some of these private centers seem to offer not only nonaccredited but poor-quality programs. However, no assessment has been made of these private offers. Figure 5 below shows the proportion of private accredited private centers vs public centers across the country.

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<sup>&</sup>lt;sup>43</sup> Hoftijzer et al. 2020.

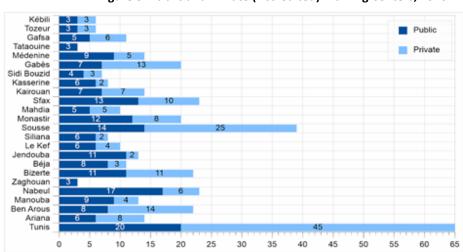


Figure 5: Public and Private (Accredited) Training Centers, 2016

Source: World Bank 2019.

44. There is a significant gender gap in TVET. The breakdown of students across initial vocational training (CAP, BTP, and BTS) was 31 percent women (16,490) and 69 percent men (36,722) in 2016 (Table 3). Inversely, women are represented more in private TVET centers than men. The reason for this remains unclear, unless there is a bias toward accepting more men than women in public TVET centers, or some self-exclusion of women applies to public TVET centers. In 2015, the unemployment rate was approximately 22 percent for women and 12.5 percent for men.

Table 3: Number of Women vs. Men Enrolled by Type of TVET Certificate, 2016

Public	САР	ВТР	BTS	CC/CFP/CFA/FO	Total
Male	13,757	16,585	6,380	14,024	50,746
Female	4,238	8,425	3,827	8,715	25,215
Total	17,995	25,010	10,207	22,749	75,961
Private					
Male	378	1,659	869	2,425	5,331
Female	1,605	4,152	1,559	5,549	12,865
Total	1,983	5,811	2,428	7,974	12,865

Source: ONEQ data 2017.

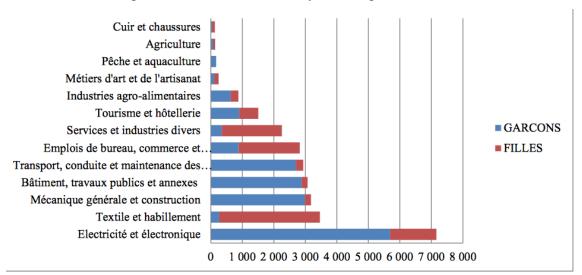


Figure 6: Distribution of Students per Training Sector and Gender, 2016

Source: Observatoire National de l'emploi et de qualifications (ONEQ) data.

- 45. **Around 70 percent of TVET graduates are male.** This rate changes when considering private providers (approved) with a majority of females (70 percent) mainly pursuing BTP and CAP. More men attend the trainings managed by the Ministry of Defense or AVFA under the Ministry of Agriculture and Hydraulic Resources (MAHR).<sup>44</sup> In fact, women are present in sectors where the employment rates of graduates are lower, such as textile or various services and industries.
- 46. There are important regional disparities in the provision of TVET. There are fewer TVET institutions, both public and private, in the governorates of the South, the Centre and the Northwest. Compared with a national average of 2 TVET students per 1,000 inhabitants at the national level, this ratio varies from 0.5 in Mahdia governorate to more than 3.7 in Tunis. This reflects a certain imbalance in the distribution of TVET institutions across the territories. This is also the result of lower economic activity in disadvantaged regions compared with the Sahel region in the south. From a youth inclusion perspective, one in three young men in rural Tunisia and one in five in urban Tunisia are NEET; rates are higher for young women. One out of every two women in rural Tunisia is NEET; about one in three in urban areas. The disparity shows the lack of economic opportunities in lagging regions, besides cultural factors that also contribute to lower female participation. Limited resources make it almost impossible to have well-equipped centers across the territories. Providing financial support for students to study in other regions in better-equipped and specialized centers could be considered to reduce the regional disparities. This type of policy choice should also be based on sound cost-benefit and quality assessment analysis.

#### 2.4 Public-Private Partnership in TVET

47. While the 2014 TVET Strategic and Orientation Plan mentions the creation of a new governance model based on dialogue across actors at central and local levels and public and private TVET providers, only a few steps have been taken in this direction. A feasibility study conducted by AFD through the Support Program for Professional Training and Integration (*Programme d'Appui à la Formation et à l'Insertion Professionnelle*; PAFIP,2013) provides a detailed overview of the collaboration and roles of the

<sup>&</sup>lt;sup>44</sup> According to the study conducted by ONEQ and the AFD.

<sup>&</sup>lt;sup>45</sup> World Bank 2014 and background work for the World Bank Youth Economic Inclusion Project.

GoT, the Tunisian Confederation of Industry, Trade, and Handicrafts (*Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat*; UTICA), and UGTT. In 2013, an agreement<sup>46</sup> between the GoT, UTICA, and UGTT included joint coordination on TVET at central and regional levels.<sup>47</sup> Already in 2012, an agreement between the MEFP and UTICA sought to strengthen the dialogue in areas such as the design and content of training, organization of the dual system, and the set-up of public-private partnership (PPP) modalities. This collaboration is linked to the 'Horizon 2020' strategy, which sets the pillars of a new industrial strategy for the country and should define its priorities from a TVET perspective. The plan mentions specific sectors that can benefit from investment, such as infrastructure, innovation, and technology. Based on the assumption of new investments reaching around EUR 50 million, it forecasts the creation of 400,000 new high-skill jobs. The plan also calls for a strategic vision to help ensure that skills and education are aligned with labor market needs. The findings of the 2014 AFD study, largely confirmed by the 2017 AUP report, show the weaknesses of collaboration between public and private actors. Greater collaboration at the central level started recently; it has not yet trickled down to the local level.

48. According to the law, each TVET center should have a public-private advisory committee (*comités d'établissement*) with the participation of the ATFP, led by private sector representatives, with the participation of UTICA. However, there is no clear regulatory framework specifying the role of both the public and private sectors (Gatti et al. 2013; OECD 2015). The collaboration with the private sector has weakened over recent years (AUP 2017). CENAFFIF is slow to change or update curricula and programs, which negatively affects the ability of TVET centers to respond to firms' needs.

#### 2.5 Quality and Relevance of TVET

- 49. **TVET has traditionally been perceived as a lesser option compared to higher education.** Only 10 percent of unemployed men and 5 percent of unemployed women find TVET useful from a job searching perspective (compared to 50 percent in OECD countries), while the percentage is 23 and 28 percent, respectively, for higher education (ONEQ and ILO 2014). Despite the poor perception of TVET, technical education degrees actually offer a better chance of finding a job than higher education degrees. However, salaries and working conditions remain a challenge. In 2011, the dropout rate was 33.4 percent; an indepth analysis of the causes for dropouts is missing. After the 2011 revolution, the efforts to make TVET more attractive through more OJT seemed to have contributed to an improved perception, with more students enrolling in TVET programs. In 2014, the number of university graduates stabilized at around 69 percent, while the TVET graduations reached 31 percent the same year.
- 50. **Graduation rates are well below enrollment rates.** The number of students enrolled in vocational training has substantially increased since the 2000s, tripling between 2001 and 2011, although it stabilized in recent years (Table 4). Graduation rates are less than 50 percent the number of students enrolled in 2014 and 2016, although they reached almost 90 percent and 95 percent, respectively, in relation to the total number of students.

Table 4: TVET Enrollment vs. Graduation Rates 2014 and 2016

	Enrollment		Total students		Graduates 2014		Graduates 2016	
	2014	2016	2014	2016	Total	%	Total	%
ATFP	47,546	47,191	76,881	75,961	23,198	82.9	23,323	95.0

<sup>&</sup>lt;sup>46</sup> PAFIP, 11.

<sup>&</sup>lt;sup>47</sup> Within the context of the decentralization process embedded in the 2014 Constitution.

<sup>&</sup>lt;sup>48</sup> ONEQ and ILO 2014.

AVFA	412	766	649	72,445	227	0.8	302	1.2
MDN	1,298	1,201	1,368	863	878	3.1	829	3.4
ONTT	858	842	1,348	1,394	482	1.7	488	2.0
MS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Total	50,123	50,000	80,246	75,961	24,785		24,492	
Public								
Private	12,085	5,295	18,449	18,196	n.a.	n.a.		
	Trainers		Training	Admin	Admin		Career	
							ou.cc.	
			Advisers	7 10	714		Advisers	
	2014	2016	U	2016	2014	2016		2016
ATFP	<b>2014</b> 1,713	<b>2016</b> n.a.	Advisers			<b>2016</b> n.a.	Advisers	2016
ATFP AVFA	-		Advisers 2014	2016	2014		Advisers 2014	2016
	1,713	n.a.	Advisers 2014 2,281	<b>2016</b> n.a.	<b>2014</b> 2,946	n.a.	<b>Advisers 2014</b> 38	2016
AVFA	1,713 246	n.a. n.a.	Advisers  2014  2,281  0	<b>2016</b> n.a. n.a.	<b>2014</b> 2,946 96	n.a. n.a.	<b>Advisers 2014</b> 38 n.a.	2016
AVFA MDN	1,713 246 257	n.a. n.a. n.a.	Advisers  2014  2,281  0  124	2016 n.a. n.a. n.a.	<b>2014</b> 2,946 96 n.a.	n.a. n.a. n.a.	Advisers 2014 38 n.a. n.a.	2016

Source: AUP 2017 report for 2014 data and ONEQ 2017 for 2016 data.

51. This allocative inefficiency can partially explain the lack of investments and the difficulties in delivering the right training under the right conditions, demotivating the students. The analysis of the budgetary allocation and the utilization of centers' capacity, (Table 4) as well as several reports suggest that there is excessive spending on human resources or insufficient spending on equipment. With around 57,000 students in 2016 and approximately 8,000 staff, of which 25 percent are trainers, there is room to improve the management and allocation of spending. In certain regions, TVET centers with similar programs could agree to share equipment in one specific training center instead of trying to distribute insufficient resources across many TVET centers. Granting more autonomy to TVET centers to decide on budget allocations could improve the provision of TVET and use of resources.

The MEFP does not track the progress and insertion of students in the labor market. An OECD report 49 estimates that, based on the statistics of the National Population and Employment Survey (Enquête Nationale sur la Population et l'Emploi; ENPE), TVET students (CAP, BTS, and BTP) had higher unemployment rates in 2011 than those who had completed only primary and secondary education. In 2012, the percentage of unemployed workers with a TVET degree was 30 percent; it was 33 percent for university graduates. ILO's School-to-Work Transition Survey (STWS 2013) suggests that salaries for students graduating from vocational training are approximately the same as for graduates from academic secondary education—the minimum salary as per the Guaranteed Minimum Wage in the Industrial Sector (Salaire Minimum Interprofessionnel Garanti dans les secteurs non agricoles régis par le code du travail; SMIG - 2000–2018<sup>50</sup>) is TND 370, equivalent to US\$128, but slightly less than half the salary of graduates from tertiary education (TND 650-700 equivalent to US\$240). The analysis of employment rates by ILO also shows that the unemployment rate for graduates is 29.7 percent; it is 45.5 percent for women and 21.7 percent for men. This difference increases when looking at the different degrees, with a difference of 34 points for BTS, 28 points for BTP, 15 points for CAP, and 7 points for CC. The OECD report (2015) concluded that this is the result of a selection effect, with only the weakest students choosing TVET and the poor quality of the TVET itself.

<sup>&</sup>lt;sup>49</sup> OECD 2015.

<sup>&</sup>lt;sup>50</sup> SMIG in Tunisia in 2018 was TND 378.56 equivalent US\$130.5 Guaranteed Inter-Professional Minimum Wage in Nonagricultural Sectors. <a href="https://votresalaire.org/tunisie/droit-du-travail/travail-et-salaires">https://votresalaire.org/tunisie/droit-du-travail/travail-et-salaires</a>.

53. A more recent survey study published in 2019 tracks TVET students who graduated in 2012 to analyze their progress toward employment. <sup>51</sup> Table 5 below shows the main figures for degree and certification.

**Table 5: Employment Rates of TVET Graduates Four Years after Graduation** 

	Total	BTS	ВТР	САР	CC
Electricity and electronics	27.2	28.5	26.6	27.6	20.5
Construction and Public Works	25.3	21.5	29.6	24.2	7.9
Textile and garments	40.0	42.5	43.6	40.2	28.8
Transport and maintenance of motor vehicles	26.5	13.2	27.3	29.3	29.7
Mechanics and metal works					
Administration, services, and IT	46.0	42.6	50.6	n.a.	n.a.
Tourism and hotel	26.8	35.8	41.0	16.9	13.9
Various Service and industry	32.6	26.2	37.3	28.0	0.0
Food Processing industry	39.1	44.0	4.0	27.3	n.a.
Handicrafts	30.9	0.0	22.2	33.3	36.1
Fishing and aquaculture	22.0	0.0	25.4	0.0	n.a.
Agriculture	34.1	n.a.	26.9	32.7	54.3
Shoes and leather	23.4	10.3	19.3	32.0	14.9

Source: AFD and ONEQ 2019.

Overall, BTS holders have higher chances of obtaining a job, though it takes them up to nine 54. months to land a first job. A recent study<sup>52</sup> shows that, when transitioning to the job market, men accept temporary jobs and enter and exit the labor market several times before obtaining a more stable job. Approximately 55 percent of men obtain a stable and fulfilling job within three years of finishing their diploma. That percentage is around 52 percent for women. BTS holders in the fields of transport and maintenance of motor vehicles and shoes and leather have employment rates above 81 percent, followed by mechanics and metal works (78 percent), construction and public works (77 percent), and various services and industries (71.8 percent). BTP holders have a higher employment rate in mechanics and metal works (80 percent) followed by handicrafts, fishing and aquaculture, transport, and electricity and electronics (all above 70 percent). Again, sectors such as textile, administration, and food employ fewer graduates. The tourism sector employs around 56.3 percent of BTP graduates. BTS graduates have more chances of getting a permanent job, around 27 percent, while only 9 percent of CAP graduates do. However, on average, only 15.7 percent of the total graduates of the sample found a permanent job. The data shows an imbalance between supply and demand. One example is the tourism sector, which requires a CAP and not necessarily a BTS or BTP that cost companies more. This imbalance could also be linked to the inadequacy of learning programs and the perceived added value in hiring a BTS or BTP graduate versus a CAP graduate.

<sup>&</sup>lt;sup>51</sup> Ibid n. **21**.

<sup>&</sup>lt;sup>52</sup> Ibid.

CC 37,7% 3.0% CAP 52.8% **BTP** 17,3% 35,4% 42,4% 4.9% **BTS** 27,5% 41,8% 22,5% 8,1% 0,0% 60,0% 80,0% 20,0% 40,0% 100,0% ■ CDI CDD Sans contrat PAE

Figure 7: Employees per Type of Contract and Degrees

Source: ONEQ, 2017. Etude sur la

*Note:* The study results are the result of a survey (not all the graduates). Survey based.

#### 2.6 Public Spending on TVET and Financing Mechanisms

during the following years. The MEFP budget is divided into three—programs for TVET, salaries (employment), and general administration. The MEFP budget share allocated to TVET during the last decade varied from 28 percent in 2009 to 55 percent in 2018. Since 2015, this share has been an average of 45 percent (Figure 8). As is the case for the education sector, in general, the largest share of the budget goes to current expenditure, particularly salaries, which was about 80 percent of total spending in 2018. Less than 10 percent of the TVET budget was allocated to investments (Table 6). Initial vocational training gets the lion's share of the financing—about 91 percent—of which 83 percent goes to salary expenditures. Only about 5.5 percent was assigned to continuous training (steering and training engineering represent 1.5 percent and 2.2 percent respectively of the budget). The staff comprises 8,363 civil servants: trainers represent 26 percent (2,197), mentors are 24.6 percent (2,055), and the remaining 49.2 percent are the administrative and supervision staff.<sup>53</sup>



Figure 8: Evolution of the MFPE Budget, 2009–2018 (TND, thousands)

Source: World Bank 2019.

56. **Student unit cost for TVET has increased substantially over the past few years.** Between 2009 and 2016, the student unit cost increased at an annual rate of 8.4 percent in real terms, approximately

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<sup>53</sup> World Bank 2019.

2.6 times the cost of a pupil in primary and 1.4 times in secondary education. This is mainly due to the average increase in the student-teacher ratio.

Table 6: Evolution of Expenditures of the TVET Programs per Category of Expenditure (TND, thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current expenditures	102,257	117,509	140,364	175,616	186,277	196,935	219,787	227,980	244,248	264,728
Wage bills	93,895	108,782	131,837	157,548	162,572	169,720	191,301	198,583	217,223	238,611
Services resources	7,860	8,039	7,717	17,069	22,770	26,258	27,402	28,321	25,834	24,959
Public Interventions	502	688	810	999	935	957	1,084	1,076	1,191	1,158
Investment expenditures	13,939	8,225	3,143	6,159	682	1,524	676	602	22,336	10,205
External resources <sup>a</sup>	10,847	7,352	n.a.	5,578	162	200	n.a.	n.a.	21,153	9,005
Treasury funds	47,225	62,512	57,000	50,903	39,766	26,218	22,772	33,331	37,000	27,000
Total	163,421	188,246	200,507	232,678	226,725	224,677	243,235	261,913	303,584	301,933
Share in state budget (%)	1.22	1.32	1.16	1.20	1.04	1.02	1.02	1.10	1.12	1.08

Source: MFPE data, including own resources from TVET training institutions.

Note: a. Donors' financing.

- 57. In 2016, the budget of the ATFP was US\$112 million, US\$3.6 million for CENAFFIF, and US\$6.4 million for CNFCPP. The ATFP manages several programs and budget allocations to centers, hence the higher budget. However, it is noteworthy that CENAFFIF and CNFPP receive relatively smaller budgets. This explains in part the difficulties they face in improving the quality of the training the trainers' program and other processes such as monitoring trainers or recruiting experts in new areas to meet the demands of the private sector.<sup>54</sup>
- 58. Since 2009, Tunisian firms pay a professional training tax (taxe professionnelle) equivalent to 2 percent of the total salaries paid; manufacturing firms pay 1 percent. Agricultural, smaller, and export-only firms are exempt. A tax credit allows firms to recover about 60 percent of their total spending in training through a tax exemption. TND 29 million (equivalent to US\$10 million) was budgeted by the state for this tax credit mechanism (AUP 2017). This incentive encourages firms to train their workers. Only firms that pay professional training tax can benefit from this mechanism. Larger firms in banking, transport, and manufacturing sectors pay the tax, and hence benefit from the tax credit scheme. Around 1,750 firms received a tax credit in 2014. This tax covers initial TVET learning, dual training as well as apprenticeships and training abroad. It also covers the costs of analysis and consultations, and the cost of one employee per firm who will be responsible for training.
- Also established in 2009, a second mechanism allows smaller firms to access funding for training using their drawing rights (*droits de tirage*). The firms that may benefit from this scheme are those that do not pay or pay a reduced professional tax, exempted from the tax (export-only), or have paid their professional training tax for the current year. Firms that may also benefit from the drawing rights are those that provide apprenticeships, work-study programs, and internship opportunities (AUP 2017). With

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<sup>&</sup>lt;sup>54</sup> El-Khawas 2012..

this mechanism, firms can be refunded the cost of initial training delivered the previous year. It finances individual and collective trainings, activities to validate professional and OJT, and costs related to partnerships with professional associations. According to CNFCPP, around 1,400 firms applied for the scheme in 2016; the total budget was approximately TND 4 million (equivalent to US\$1.4 million).

- 60. Another system is the training voucher paid for by the state. It allows students to choose any public or private training center. However, though it is rarely used (no data available), it could be an alternative to financing private training.
- 61. The Investment Law approved in 2016 provides incentives for companies to train their employees.<sup>55</sup> The previous investment law had similar mechanisms, but those were barely used by the companies.<sup>56</sup> The 2016 Investment Law stipulates that firms may get a refund of up to 70 percent (capped at TND 20,000) for training Tunisian employees in specific skills that meet international standards.
- 62. The GoT financially supports the creation of private training centers.<sup>57</sup> Private providers can receive 25 percent of their initial investment, and obtain land concessions to develop infrastructure. The GoT cofinances the salaries of trainers—applicable only to Tunisian nationals—for a maximum duration of 10 years and finances social security contributions. There are custom duties exemptions if centers need to import equipment. Based on the interviews, these incentives are rarely used.

### III. Policy and Strategic Framework of TVET in Tunisia

- 63. Since 1993, the GoT has enacted a series of policies, programs, and subsequent reforms aimed at improving the effectiveness of TVET. In 1993, a law <sup>58</sup> established the framework of a national vocational education system. In 1995, the GoT launched a reform of the TVET system, the Program for the Enhancement of Vocational Training and Employment (*Mise à Niveau de la Formation et de l'Emploi*; MANFORME)<sup>59</sup> to carry out a structural reform of the vocational training and employment sector. One key objective of MANFORME was to align demand and supply of skills through greater partnership with the private sector. The underlying assumption was that the quality of TVET could contribute to the country's economic growth. Thus, the reform measures introduced sought to reorient TVET to the needs of the economy and the private sector, by strengthening PPP. The MANFORME strategy introduced three training certification levels: CAP, BTP, and BTS.
- 64. The 1995 reform included some features of highly developed global training systems, which led to the creation of several key public agencies, such as the ATFP, CENAFFIF, and CNFCPP. A total of 19 partnership agreements were signed with professional branch associations and federations to jointly develop programs. With this reform, it was envisaged that the private sector's participation in public-private councils would be established in each TVET center. However, this approach was not implemented. Nevertheless, the 1995 reform introduced more modern pedagogical methods, more TVET trainers, and the competency-based approach to skills (AUP 2017).

<sup>55</sup> ETF 2014; 2019.

<sup>&</sup>lt;sup>56</sup> Chelbi and Ficatier 2010.

<sup>&</sup>lt;sup>57</sup> A provision included in previous investment laws and maintained in the 2016 Investment Law, Law 2016-71. September 30, 2016. <a href="http://www.legislation.tn/sites/default/files/codes/investissement.pdf">http://www.legislation.tn/sites/default/files/codes/investissement.pdf</a>.

<sup>&</sup>lt;sup>58</sup> Tunisia Loi n° 93-10 du février 17, 1993 portant loi d'orientation de la formation professionnelle.

<sup>&</sup>lt;sup>59</sup> Update of Program for the Enhancement of Vocational Training and Employment (*Mise à Niveau de la Formation Professionnelle et de l'Emploi*, MANFORME) 1995.

- 65. In 2008, a new law on vocational training<sup>60</sup> focused on a competency-based approach in TVET was enacted. The new law maintained the alignment of the system with the national economic development strategy. It included a substantial change by grouping the three existing training certification levels (CAP, BTP, and BTS) to form the TVET initial training system, to differentiate them clearly from continuous education. The law sought to establish clear pathways between the general education system and professional training. One goal was to increase the attractiveness of TVET by offering students the option to continue their higher education and by creating a professional baccalaureate instead of requiring the general baccalaureate or the BTP to enroll in the BTS program. In theory, a BTS holder can access university, but pathways are not clear and may vary. However, the professional baccalaureate included in the law was never implemented. The law also included the creation of the CC, which was designed for students with insufficient schooling to qualify for the CAP. The CC includes a six-month dual or apprenticeship-based training in firms. The changes introduced by the law expanded access to OJT to attract more students and decrease higher education enrollment. This approach was successful and resulted in an increase in TVET enrollments from 13,000 in 2001 to 20,000 in 2006. However, it did not translate into a decrease in the number of students enrolled in higher education, which increased fourfold between 2001 and 2006.61
- 66. Poor implementation and promised reforms that never materialized, followed by the 2011 revolution, worsened unemployment among TVET graduates. Despite the revolution and the public's demands, key economic reforms such as developing more value-added sectors, improving working conditions, and liberalizing traditionally protected sectors, failed to revitalize the economy. The features and conditions of the labor market did not boost employment over unemployment. Traditional sectors like tourism suffered from political instability and insecurity, while at the same time the informal sector was growing steadily and continues to do so today. Unemployment of TVET graduates increased from 15 percent in 2005 to almost 30 percent in 2011 for all types of certifications.
- The urgency of designing a more flexible system capable of responding to the quick changes in the private sector in a rapidly evolving economy became clearer. In response to the public's demands, the GoT began to work on a new reform for TVET in 2012 in collaboration with several stakeholders. This resulted in the development of a 4-year Orientation Document and Operation Plan (2014–2018). The strategic plan was designed to improve the organization and delivery of services of the TVET sector.<sup>62</sup> The political instability following the 2011 revolution explains the length of the policy- and decision-making processes. The objective of the strategic plan was to make TVET a viable alternative capable of addressing the skills gap in the labor market. As one of the main concerns since the 1990s has been the effectiveness and efficiency of TVET services, the strategic plan focuses on upgrading their quality and content of training to respond to the demands of the economy. As stated in the 4-year strategic plan, "The national system of vocational training remains characterized by shortcomings and weaknesses preventing it from fully playing its strategic role of developing skills and the national economy." A steering committee was formed to monitor and follow the implementation of the TVET strategic plan. <sup>63</sup> The strategic plan also includes ambitious targets: (a) 30 percent of students enrolled in TVET by the end of 2018, (b) decrease

<sup>&</sup>lt;sup>60</sup> Loi n° 2008-10 du février 11, 2008, relative à la formation professionnelle.

<sup>&</sup>lt;sup>61</sup> Masson 2016.

<sup>&</sup>lt;sup>62</sup> MFPE 2013.

<sup>&</sup>lt;sup>63</sup> Members: MFPE, ME, MESRS, Ministry of Defense, ONTT, UTICA, UGTT, UTAP (Tunisian Union of Agriculture and Fisheries), civil society, and private companies.

in dropout rates from 35 to 15 percent, and (c) annual increase of 5 percent in the number of students who find a job within six months after finishing their studies.<sup>64</sup>

- 68. The 2014 TVET strategic plan, similarly to previous reforms, underscored the need for strong stakeholder involvement and support for PPP of TVET. However, the desk review and interviews conducted for this report concluded that both the monitoring and the partnership with the private sector are well below expectations laid out in the strategic plan. First, it is difficult to monitor the success of this strategic plan against indicators such as the 'rate of insertion in the labor market' when there is no actual system (for example, an observatory of employment and regular surveys) to monitor TVET graduates, and the lengthy reporting system does not provide timely data. Second, the partnership between public and private actors at national and regional levels is not well developed, though there are exceptions. Consequently, the redesign of curricula, which is an important measure outlined in the strategic plan, has suffered from an insufficient exchange of employment data between the private and public stakeholders.
- 69. Recently, the MFPE announced that it has started implementing a series of new initiatives to strengthen and improve the management of TVET.
  - **Digitalization:** All TVET students will be able to register online, facilitating enrollment and the monitoring of students' trajectory during their studies and after they graduate.
  - Change from a skills approach to a 'degrees' approach: The system has long been criticized
    for being too 'school-like' both in its delivery format and certification, instead of oriented
    toward the needs of a more dynamic labor market (combining formal training and
    experience)
  - Evaluating work experience (Valorisation des Acquis de l'Experience; VAE), which will allow workers with relevant work experience to appear for an exam based on their work experience instead of undergoing formal training. This system will allow workers and students to use their work experience to help them earn one of the three TVET degrees (CAF, BTP, BTS), provided this is completed within a five-year period. This is important in the context of a growing informal economy.
- 70. In collaboration with CENAFFIF, the ATFP will reorganize the TVET centers to have satellite TVET centers in the different 'economic zones' (bassins économiques), which will train trainers and ensure that centers in specific territories and sectors upgrade their contents faster and provide better quality training.

## IV.Managing a Successful Reform: Challenges and Recommendations in TVET to Develop Skills

71. This section summarizes some of the key challenges in TVET revealed from interviews with authorities and donors and a desk review of several assessments conducted over the past eight to ten years. It also provides specific recommendations that are not new but are milestones without which the relevance of TVET would reduce. Some existing data and evidence used to identify and assess these key challenges are presented in section 2 of the note. However, there is still a lack of data to help identify these challenges, analyze TVET's ongoing contribution to the economy, or systematically assess skills demands. The challenges and recommendations can be grouped into three main categories: (a) governance with the private sector's involvement; (b) quality; and (c) implementation, monitoring and

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<sup>&</sup>lt;sup>64</sup> The dynamics of school-to-work transition are examined later in the report.

evaluation, which are overlapping issues. While most of the strategic pillars of a modern TVET system are in place, there are still several challenges to overcome to make the system effective.

#### 4.1. Economic Governance and TVET Governance

- 72. **Skill development in TVET is inadequately anchored to the economic and social priorities of Tunisia.** The lack of a clear economic development vision for Tunisia and its associated workforce strategy is a substantial weakness. The economic analysis and strategies do not provide enough useful insights into the sectors that can drive growth and that will receive support from what should be 'the entrepreneurial state'. This lack of clarity of variables 'exogenous' to TVET complicates the adaptation and efficacy of the educational system and of TVET. This drawback also hinders the prioritization and assessment of skills that key growth-driving sectors could need in future. When specific industries fail to communicate their skills needs clearly, it is difficult to get an adequate and agile response from the system. As a result, the Tunisian TVET model has not evolved into a vehicle that can contribute to the development of a knowledge-based economy able to compete with global labor markets through innovation, greater competitiveness, and a talented workforce, or into an instrument that can also contribute to higher value-added and better paid jobs.
- 73. Stakeholder engagement in TVET remains underdeveloped. The desk review and interviews reveal a disconnect between the main stakeholders of the TVET system. Despite several attempts with successive reforms, the GoT has not succeeded in institutionalizing regular communication and dialogue platforms for the private sector to share its concerns and proposals with the overall TVET sector and service providers. This has affected the quality of the policy cycle from design to implementation and evaluation. For example, key stakeholders from the most important professional branches in the industry, trade, investment, and finance sectors were not sufficiently involved in the preparation of the 2014 TVET strategic plan. Also, new business associations, such as the Tunisia Umbrella Organization of Citizens Enterprises (Confédération des Entreprises Citoyennes de Tunisie; CONECT), were not involved in developing the strategic plan. Only recently, in 2018, the partnership between the GoT, UGTT, and UTICA has been formalized under the umbrella of the 2014 TVET reform. 65 An additional challenge is for cooperation to trickle down, both across the country and to the training centers. The public-private advisory committees (comités d'établissement) conceived by the 2014 TVET reform are not implemented across the board, making it difficult to adopt or reform curricula at the speed required to meet the skill needs of the private sector. The absence of effective horizontal and vertical collaboration deters reforms at the management level, which could improve the capacity of centers to listen to and respond to sector demands.<sup>66</sup> It also has negative consequences on the commitment of firms to deliver quality training within the dual system framework or general apprenticeships. Successful examples of change like the ones mentioned in Box 4 can guide authorities and partners in creating a successful governance structure and management process.
- 74. The management of the TVET sector and TVET centers remains highly centralized with little scope for autonomy. Management strategies that could include allow for autonomy of training centers or PPPs are not put in place due to the highly centralized approach of the GoT. The government is reluctant to grant more autonomy to TVET centers, arguing that centers do not have the capacity to provide reliable services and performance data. The highly centralized approach also limits the flexibility of TVET centers to respond to demands of prospective employers and the labor market. One example is the lack of

<sup>&</sup>lt;sup>65</sup> The 2014 reform has received strong support from the AFD-funded project PAFIP.

<sup>&</sup>lt;sup>66</sup> There is more engagement in certain sectors such as electromechanics, tourism, or construction.

flexibility to modify the content of training programs to respond to needs at a faster pace. The administrative culture complicates the introduction of measures to give centers more autonomy accompanied by more modern and efficient management processes, for example, performance-based contracts in , Denmark and the Netherlands.

#### Box 4: Changing TVET: Links to Economic Governance and Better Monitoring

Good practices in monitoring and evaluation require effective multi-level governance<sup>67</sup> and a strong link with economic policy and economic development.

#### Linkages with the economic policy and search for excellence<sup>68</sup>

A successful change story is that of Singapore's Institute of Technical Education (ITE). With the evolution of industrialization expanding to the Knowledge Economy in the 2000s, ITE is a successful example of an educational pathway for school leavers under the 'Hands-on, Minds-on, and Hearts-on' anthem. Focusing also on adults, it has the key attributes of a successful change process: (a) Clear mission; (b Addresses needs of the lower 25 percent school cohort; (c) Rigorous curriculum development process in coordination with the major sectors in business and industry (70 percent OJT and 30 percent classroom training); and (d) Close partnership with the industry.

A key lesson is the process generated along the need to respond to economic development strategies.

#### Oversight-Monitoring, Evaluation, and Quality

Singapore, together with Switzerland and Germany, are good examples of a TVET system. In Singapore, training providers having to report administrative information about their operations to the government authority responsible for oversight helps accountability. This applies to state and nonstate operators. This is similar in Republic of Korea. Information on quality, financing, relevance, and access is a way of showing that the TVET system fulfills a function by responding to changing skill needs.

Portugal provides a good example of a skills system where the establishment of a respected independent institute (National Agency for Qualification and Vocational Education and Training; ANQEP) providing high-quality skills and Leadership Management International (LMI) have helped build consensus and improve information flow. The structure fosters coordination across ministries; this could be a good example to follow in Tunisia, given that several ministries have their own TVET centers, to coordinate sector policies and skills (for example, changes in tourism orientation or segments need a slightly different workforce development strategy).

75. **More transferable skills need to be imparted to students.** Make TVET more attractive by including clearer pathways for students to progress from TVET to higher education. Also, allow for experiences from private sector- or donor-led projects to be showcased in the public arena to absorb good practices into the public TVET system or to create more PPPs.

#### **Recommendations:**

• Develop a strategy to align the TVET system with economic development priorities, especially at the regional level. This alignment should include not only the content but also the quality and pedagogical material and tools needed to ensure that students acquire a minimum set of skills during OJT. A value chain approach could complement alignment of the more comprehensive sector skills and channel specific investments into modules that can facilitate school-to-work transitions. The private sector should sit on the board of TVET institutes to not only contribute to improving their performance but also to encourage better training of students in the firms.

<sup>&</sup>lt;sup>67</sup> ETF 2013b.

<sup>&</sup>lt;sup>68</sup> Send 2012.

- Decentralize governance to make the TVET system more agile and adaptable while strengthening multilevel governance. This can be achieved through better coordination between the ATFP, CENAFFIF, and the centers, using a performance-based management approach and PPPs. This would affect the decision-making processes, implementation of changes, and quality assurance. The main actors should have regular and clear mechanisms of communication and accountability. The overall management of the TVET system must include performance indicators for all key stakeholders. The lack of resources, skills, and reactivity suggest that developing PPPs as part of the TVET service provision, as well as improving governance systems, can bring about positive results.
- Labor Market Information Systems (LMIS) are a critical weakness in many TVET and education systems; it is no different in Tunisia. The private sector should play a better role in coordinating with the authorities. LMIS provide evidence and data on the supply and quality of TVET to decision-makers, trainers, employers, and trainees. The dialogue between the public and private sector should be regular and in line with the medium- and long-term strategies and the most immediate needs. The culture of dialogue will facilitate the preparation of requests that are feasible to implement, the introduction of innovations in the provision of TVET globally, and specific courses. It will also improve the matching of students and firms in line with best practices (Germany, Switzerland, and Austria) and gradually, as economic governance changes yield results, improve the returns of TVET.
- To revisit the pathways from TVET to higher education and implement the ongoing reform that allows for BTS graduates to access higher education.

#### 4.2. Quality of Provision

76. Training programs are not updated regularly, and content often overlaps across several types of TVET certification and diploma. Even if a company or sector identifies a set of skills (for example, the use of new machinery), the process to include them in the curriculum is lengthy, if it happens at all. This shows the limitation of a system which in principle follows the more advance European models but has serious limitations on skills forecasting in contrast with other good practices which could be implemented relatively quickly (see Box 5). CENAFFIF, which is responsible for this task, is slow to introduce reforms or hire qualified staff to update training courses. This has a direct impact on the quality and relevance of TVET. Moreover, there is redundancy in the course work of different types and levels of certifications and diplomas. Initially, the duplication aimed to facilitate the transfer of new students coming from one type of specialization or background to another. However, students seeking to obtain a higher level of certification or diploma in TVET should not have to repeat the same core course content. This is costly and demotivating. Even so, eliminating redundancy in TVET is difficult without a system of modules and credits.

#### **Box 5: Occupational Demand and Skills Forecasting**

#### What to ask?

- 1. Surveys of employers to assess the quality of graduates.
- 2. Surveys of employers to assess skills needs by occupations, and changes in skill demands.
- 3. Surveys of recent graduates to assess the adequacy of their skills and the jobs they obtained.
- 4. Analysis of job advertisements to help determine demand for jobs by sector and type of occupations.
- 5. Projections of occupational and qualifications requirements to anticipate future demand and skill needs.

Finland developed the *Mitenna Model* based on statistical data. It anticipates vocational training and skill needs nationally and regionally. A foresight body, created in 2005, included representatives from all ministries and the Prime Minister's Office. It ensures that the outcomes inform policy making. Finland ranks first on the 'Skills pillar' of the Global Competitiveness Report 2019 and Tunisia ranks 71. <sup>69</sup>

- 77. **Recruitment and management of human resources for TVET are inadequate.** The trainers are selected by the ATFP. TVET center directors do not have the authority to hire or fire trainers. After the 2011 revolution, there was a general increase in public hiring, including in the TVET sector. The broad and indiscriminate recruitment process did not allow for the selection of qualified professionals. Moreover, there is no system to assess the performance of trainers. Many trainers have not received any professional training to upgrade their skills over the last five to ten years (PAFIP 2014<sup>70</sup>). The human resource policy should also allow for the hiring of specific experts without giving a full-time position in the public sector. This will bring up-to-date skills to the curricula and help recruit trainers with more recent private sector experience.
- 78. Pervasive regional disparities and slow economic development also weaken the governance and development of TVET. The gap in private sector demand and inequitable access to jobs have been identified as a source skills mismatch in several countries. This is certainly relevant in Tunisia, with its high concentration of economic activities and jobs along the coastal regions. This would be the case for agribusiness or agriculture. The gender dimension plays a crucial role to ensure that more women are employed in meaningful jobs. As there are few opportunities in lagging regions and most firms are in coastal areas, students move to coastal regions to benefit from OJT. In the context of scarce public resources, TVET provision cannot be equal across all regions without further diminishing its quality. This is a fundamental issue, for which there is no easy or quick solution. The priority is for the youth to access the labor market and for the private sector to find the skill sets it needs.
- 79. A shortage of modern training facilities and equipment contributes to the unpopularity of TVET. Insufficient resources and inefficient budget allocation can potentially diminish the quality of TVET service provision. As in other categories of public sector spending, the bulk of spending goes to the wage bill, which has increased substantially over the last eight years and very little to more modern equipment, basic physical infrastructure, and maintenance. The budget allocations are made on an incremental basis, but the efficacy of the system is questionable given the disconnect from an outcome and results perspective.

#### **Recommendations:**

Like other Middle East and North Africa countries, Tunisia needs to take innovative measures
to provide quality and inclusiveness of TVET, especially to disadvantaged groups and the rural

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<sup>&</sup>lt;sup>69</sup> World Economic Forum 2019.

<sup>&</sup>lt;sup>70</sup> PAFIP (Support Project to TVET and Job Market Access), AFD 2013.

**population.** With unemployment being higher in lagging regions, a strategy to connect those youth, skills, and jobs is needed. The debate about the lagging regions and territorial development needs to also address the role of the TVET system to improve the skills in sectors that have potential in the lagging regions.

- Train the trainers: Trainers need to be trained in new technologies. New staff, even in a more
  flexible hiring framework, could support the introduction of new skills in the training programs.
  Training the trainers should be strongly linked with broader aspects of economic governance,
  with inputs from the private sector. Time and proactivity are important for imparting new skills.
- Establish a connection between quality improvement decisions and the monitoring and evaluation systems. The implementation and evaluation of information systems are inefficient without learning lessons from the introduction of improvements at micro, meso, and macro levels (from training center to government management), the right allocation of resources, and the overall accountability of training, centers, and managers.

#### 4.3. Improvement Requires Information and Evaluation Systems: A Culture of Results

- 80. The lack of adequate systems for monitoring and evaluation hinders the design of good reforms programs and measurement of their outcomes or impact. ONEQ does not fulfill its role as a monitoring and evaluation body of the TVET system nor does it measure the impact from an employment perspective (for example, job insertion and quality of employment experienced by TVET graduates). It would be fundamental to establish an information system encompassing all TVET training centers to closely monitor enrollments and dropouts and follow up on job trajectories. Moreover, there is a lack of coordination between core government bodies such as the ATFP, ANETI, and ONEQ that would normally play a key role in anticipating or identifying training needs based on skills and qualifications required by the economy and key professional firms.
- 81. TVET is marked by low internal efficiency, as illustrated by the high percentage of dropouts. The lack of an adequate system and processes to guide and monitor students during their training and apprenticeships cause many of them to drop out without completing their training and getting a certification or diploma. Other factors such as finding a job and lack of interest in pursuing the certification are causally linked to the dropout phenomena. However, there are no specific surveys to determine the importance and weight of each of these factors contributing to the level of dropouts. The lack of adequate follow-up suggests that helping tutors and sponsoring firms to guide students better during their apprenticeship could have a positive impact on reducing the dropout rate.
- 82. **TVET does not promote gender equality.** It is difficult to appoint women in companies that give preferential treatment to men because of the nature of jobs (more physical in some cases) or because of discriminatory attitudes on the part of employers, which are based on sociocultural values. Another factor is that women often have qualifications that are less in demand on the labor market. Overall, more women work in lower-skilled jobs than men with the same level of qualifications.<sup>71</sup> This should be addressed at the policy level through awareness campaigns or specific modules within the TVET programs. This would influence students at a younger age to modify their perceptions of gender roles in the job market.
- 83. The implementation of a result-oriented culture requires that the TVET system has the following:

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<sup>&</sup>lt;sup>71</sup> OECD 2018a.

- LMIS and Monitoring and Evaluation. The starting point should not only be today's labor market but also a good understanding of the forces shaping the labor market of tomorrow. This would include increasing STEM (science, technology, engineering, and mathematic) modules in secondary education, including bringing TVET in line with labor market patterns. Setting up a good continuous improvement system requires managing the existing information, not only to fine-tune programs to ensure their relevance but also to facilitate coordination and improve their efficiency at national and regional levels. Strategies for gathering better labor market information should include not just the monitoring of enrollments and graduates but also assessment of labor market outcomes for graduates, and monitoring of market demands as part of the public-private dialogue (for example, integration of ANETI databases and the social security on real-time vacancies). Data should be available to all stakeholders.
- Reliable and timely information will result from proactive cooperation and dialogue between all the relevant actors. If changes in economic policy or specific projects are planned, close proactive coordination between the stakeholders can help the TVET system in its development of the workforce. In this sense, it can be an extremely efficient ALMP. This would allow a TVET provision that feeds the existing labor market and 'thinks of' the skills for the future.
- The TVET system lacks a virtuous cycle of excellence. The monitoring and evaluation frameworks can be the entry points to modify training programs, degrees, and modalities. This would include, for example, the modernization of training using online tools when possible, an inevitable trend that, however, is not reflected in the curriculum. The monitoring and evaluation should observe private providers and try to 'audit' centers that offer accredited degrees. Not doing so may have a negative impact on the performance of the system. Efficiency may be improved by understanding the role of private centers better.
- Use the information to revitalize training institutions. One example is the introduction of agribusiness skills in the TVET sector and, in the case of Tunisia, in AVFA. This would help encourage the rural youth to engage in agricultural activity and perceive it as a modern sector.
- The reintroduction of quality certifications (ISO) and an incentive system for centers could help improve innovation at the center level, for example, leveraging industry partners. This would also contribute to a new brand image for TVET.

#### V. Conclusions

- 84. The question is whether or not to have TVET systems, how TVET is delivered, and how it contributes to and impacts labor outcomes. The quality and performance of the education system in general and TVET is one of the most important challenges Tunisia is facing. This lack of improvement will not help the economy. The TVET system would also be unable to respond to specific sector demands or maintain a level of human capital attractive to investors interested in higher added value activities.
- 85. Policies are right, but inadequate without appropriate or sufficient resources to implement them. As mentioned in previous sections, in the fourth quarter of 2013, the MFPE organized a broad consultation with various stakeholders and partners to discuss pathways to develop a new reform for the

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<sup>&</sup>lt;sup>72</sup> Cambridge Education 2015.

TVET system. This led to the preparation of a guidance document and operational plan for 2014–2018. This plan was part of the government's policy for the promotion and development of vocational training as an essential pillar of employment policies. The aim of the reform was to use the TVET system better to qualify people, prepare them for the labor market, and improve vocational training. More specifically, the reform set out to improve the effectiveness and efficiency throughout the TVET system by improving the quality of training and making it more relevant to the needs of business, individuals, and society. The reform also supported an increased role for entrepreneurship in the training system. The learning environment was to be more supportive of entrepreneurship, and new pedagogies and activities were to be developed in consultation with CENAFFIF.<sup>73</sup>

- 86. In 2020, the vision and objectives (the 'what') of the reform remain valid. However, many challenges—chief among them being Tunisia's poor general educational results—correctly identified through various diagnostics, persist today. Good foundational skills, both social and cognitive, have showed a positive impact on employment and productivity. They need to be reinforced in training delivered by TVET centers. After all these years, there are no evidence and data to suggest that (a) the quality, efficiency, and effectiveness of the TVET system have improved; (b) the TVET system is more attractive for youth looking to acquire gainful vocational or technical skills for the labor market; and (c) TVET is more valued by the firms. In its 2017 report on TVET in Tunisia, AUP<sup>74</sup> pointed out that, if the vision for the development of the TVET system largely ticks all the right boxes and all stakeholders agree that a demand-responsive system of skills training is needed, the challenge remains, as for previous reforms, ensuring the effective implementation of these objectives.
- 87. As mentioned throughout the report, for the TVET system to fulfill its role adequately, it depends on the overall evolution of the economy and its own structural transformation that would allow Tunisia to move into higher added value sectors. TVET can only respond to the economy's needs if those are identified and the economy is evolving or transforming itself in such a way that skills gained through TVET are demanded and better paid than is the case now. Demand for skills needs to be supported by a growing economy that is transforming itself through innovation, openness, and improved competitiveness to attract investments. TVET can contribute to the development of more advanced skills that can boost job creation, by igniting innovation, when countries are caught in traps of low skills and low productivity. The growth rate of Tunisia's economy—2 percent on average—has remained tepid over the last few years. A sustained economic growth of 5 percent or 6 percent is needed to create more job opportunities.

<sup>&</sup>lt;sup>73</sup> OECD 2014.

<sup>74</sup> AUP 2017.

<sup>&</sup>lt;sup>75</sup> Hausmann and Hidalgo (2011), through their work on Economic Complexity, note that more complex economies are likely to be more robust and sustainable since economies grow as they transform their structures of production toward more sophisticated, higher valued products. www.atlas.cid.harvard.edu.

 $<sup>^{76}</sup>$  IZA World of Labor. February 2017. wol.iza.org.

<sup>77</sup> https://thearabweekly.com/tunisias-slow-economic-growth-fails-generate-employment-opportunities.

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### Annex 1. Donors' Support

Overall, there seems to be substantial support from donors for vocational training and, in general, for skills development through existing programs, parallel projects, and specific projects within the private sector (for example, support from EBRD and small and medium enterprises). However, there seems to be an overlap or insufficient coordination. First, on the public sector support side, programs like PAFIP (AFD with an EU grant component) are slow in their implementation, mainly due to the inability of the public sector and key stakeholders to step up reforms and introduce change. However, a more cohesive donor support would influence the quality and speed of reforms. This does not exclude the need to maintain a healthy range of participants, public, private, and nongovernmental organizations.

There are excellent experiences such as AHK's project 'Enterprise Formatrice' implemented in collaboration with private firms in the automotive and transport sector (for example, BMW and Renault) and the ATFP's 'L'Ariana', a sector TVET center for automobile and transport mechanics in Tunis. The program follows a dual system approach combining training and OJT. However, successful experiences of strong public-private collaboration are not widely known. AHK and ATFP's Enterprise Formatrice has piloted a 2.5-year training program that blends technical skills and industry-specific soft skills, with focus on workplace-based learning. There is a strong emphasis on fostering skills for collaboration through working in groups, including the integration of organized sports. Key achievements to date include the following:

- All the 26 trainees in the first round of the program received a diploma.
- 24 of 26 trainees (92 percent) found a job immediately after completion.
- The number of trainees jumped from 26 to 160, between 2015 and the end of 2016, a 615 percent increase.
- The number of participating employers tripled over the same period, increasing from 5 to 15.
- 40 tutors have now received *Ausbildung der Ausbilder* (AdA) International (Train the Trainers certification) within those companies, following best practices from German auto manufacturing.

Source: AUP. 2017. Reforming TVET in Tunisia: Strategic Assessment.

# Annex 2: Summary of Findings from Visits of Four Training Professional Training Centers under the ATFP

The four TVET centers visited to conduct the interviews with their management team are as follows:

- Centre Sectoriel de Formation en Habillement (Manouba) It offers CAP (2) and BTS (4)
- Centre sectoriel de Formation en Electronique (Denden) (1988).
- Centre de formation aux métiers tertiares (Gammarth).
- Centre sectoriel de formation en bijouterie (Gammarth).

The TVET centers offer CAP, BTP, and BTS. CAP studies are 14 months long, BTP is for two years, and BTS for five semesters (two-and-a-half years).

A. Skills development in T	Tunisia is insufficiently anchored to the economic and social priorities of the country.
Confirmation	Entrepreneurship is embedded in the programs (in line with OECD report on TVET
	and entrepreneurship).
B. Pervasive regional disp	arities and weak economic development weaken the governance and development
of TVET.	
Confirmation	The region in which the center is located affects the proportion of students
	obtaining apprenticeships in companies. Whether or not they find jobs nearby
	affects the success of the work-study system.
C. Stakeholder engageme	nt in TVET remains underdeveloped.
Confirmation	The centers confirmed the lack of engagement of the private sector and the non-
	existence, in practice, of the Steering Committees that should provide overall
	guidance to the centers. One of the reasons for the lack of engagement, mainly of
	the private sector, is the lack of response from the authorities, although sometimes
	there are no financial or other means to fulfill the requests.
New Findings	There is collaboration in the case of the textile sector between the ATFP and the
	federation that makes specific requests from its members to the MFPE.
D. The management of T\	/ET and TVET centers remains highly centralized with little scope for autonomy.
Confirmation	They have no autonomy to recruit or hire HR; they increased recruitment after the
	revolution by making around 300 staff, without indefinite contracts, civil servants.
	Budgets are discussed annually with the ATFP, they are approved, and centers have
	some autonomy for small expenses.
New Findings	Instructors' salaries are paid directly by the ATFP. Procurement below a certain
	threshold is done by the centers; the rest is under the authority of the ATFP in line
	with the national procurement systems.
	Centers can establish memoranda of understanding with the private sector and need
	approval by the ATFP.

E. Training programs are certification and diploma	not updated regularly, and content often overlaps across several types of TVET
Confirmation	It is difficult for centers to change or introduce flexibility in the curriculum although they manage to do it, taking around 3 years for a change to be implemented once it has been identified. They can temporarily cancel modules if there is no demand but not drop them from the programs.
New findings	Centers offer trainings in soft skills and entrepreneurship. The reform to the curricula takes between 2 and 4 years. The sectors discuss with the MFPE, and the ATFP manages the reform by contacting the centers for proposals. With the ATFP's robust digitalization project in place, some centers will introduce online training. A cluster of companies approach the center to request training on particular subdisciplines, which request cannot be addressed by the center. The competencies approach has some downsides, for example, students learn all the steps of making a shoe but cannot necessary put all the skills together to make and deliver a final product. Before teaching, instructors will need to acquire an 'Habilitation de Formateurs' (accreditation of trainers). Centers become aware of sector innovations through the companies and students in the dual system.
	agement of human resources for TVET are inadequate.
Confirmation	Hiring and firing is done by the ATFP.
New findings	After the revolution, temporary staff became civil servants in the administrative category. Some were trained to teach certain subjects.  Before the revolution they could send trainers abroad.  It is difficult to bring in experts to teach specific new skills.
G. TVET does not suppor	t gender equality.
New findings	Traditionally male jobs translate into higher male enrollment in the field of training (for example, fashion or electronics).
	raining facilities and equipment contribute to the lack of attractiveness of TVET.
Confirmation New findings	It takes time to get modern equipment.  The centers that offer housing can only offer it to students coming from remote regions.  In trying to reduce costs, the equipment acquired is at times of low quality. It breaks after two or three years, and it is difficult to find replacement parts.
	internal efficiency, as illustrated by the high percentage of dropouts.
Confirmation	Dropouts occur when students start the stages and realize that the nature of the work is harder than expected.
New Findings	Dropouts can be managed with better tutoring and counseling. However, the fact those students come to TVET because they failed secondary education or baccalaureate does make trajectories and dynamics more complicated.  They are not willing to work hard in tough conditions for a low salary.  Poor access to transport also seems to demotivate students who have to commute from poorly connected rural areas. Even if they are not far distance-wise, access to the centers involves walking and changing two or three different buses or trains to reach the centers. Housing is limited. Students coming from remote regions have priority in the access to dorms.  Also, they seem to not be steady or focused when it comes to embarking on more long-term training or jobs.

J. The lack of adequate systems for monitoring and evaluation hinders the design of good reforms or programs and measurement of their outcomes and impact.	
Confirmation	Centers have information on administration and students' performance, but they lack information on instructors' performance and labor market insertion.
New Findings	Students would normally receive SMIG (minimum salary) when entering the job market.  Data is collected informally on students' and employers' satisfaction (related to stages).  The centers have data on labor market insertion rates using the social security number. They have data on the performance of students in exams, but they do not seem to analyze or use it in any way.