

DIFID-WB Collaboration on Knowledge and Skills in the New Economy

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Tunisia**

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I. The Institutional Set-up

1.1 The strategy

1.1.1 Strategy formulation

The reform of the vocational training system in Tunisia – MANFORME (Mise à Niveau de la Formation et de l'Emploi), has been conceived and structured as a national strategy, designed within the process of the full-scale upgrading (mise à niveau) of the Tunisian economy in the perspective of the opening of the borders to international competition, and in particular of the establishment of a free trade zone with the European Union in 2008.

The MANFORME strategy is designed as a response to the necessity for Tunisian enterprises to develop their competitiveness, on the local as well as on the foreign markets. During the preparation of the MANFORME strategy, a economic analysis comparing the factors of competitiveness in Tunisia and in other countries, mostly in Europe, had shown the existence of gap in the level of qualifications of human resources between Tunisian enterprises and their direct European competitors, as well as in comparison to emerging economies in Asia, especially in the middle level of qualification. The implications of this gap for the Tunisian enterprises, in terms of quality, flexibility and competitiveness of products and services were clearly understood by the representatives of the professional organizations and of the public institutions which worked on the MANFORME strategy.

The MANFORME strategy was prepared, before its approbation by the Government in 1995, by a series of changes and reorganizations of the vocational training system:

- (i) The creation in 1990 of a Ministry of Vocational Training and Employment (Ministère de la Formation Professionnelle et de l'Emploi – MFPE) which established a strong decisional center where the development of the strategy and its management could be put into place. Moreover, the new Ministry initiated the link between vocational training and employment which was a core element of the strategy formulation,
- (ii) The education reform in 1991 which instituted compulsory basic education, and transferred technical and professional training, which was previously with the Ministry of Education, to the MFPE,
- (iii) The law on Vocational Training in 1993 which introduced a new legal and institutional framework (creation of the 4 agencies ATEFP, CENAFFIF, ATE and CNFCPP, cf. Chapter I & 1.2.1 below), and established the basis for a national vocational training system which aimed to fulfill an economic function through employment, and to create, as a result, a rupture from its role as an outlet for academic failure.

The period between 1993 and 1995 was utilized to conceive and formulate the reform strategy, to appraise its scope and costs, and to design new tools for its planning and management. Tunisia was the first country to join the European Free Trade Agreement (1996).

1.1.2 Strategic goals

The core strategic goal of MANFORME proceeded from the positioning and analysis of factors of competitiveness required by the upgrading of the Tunisian economy in terms of human resources. MANFORME's first and main goal is to satisfy the changing and growing demand in skills and qualifications of enterprises in the process of "mise à niveau" of the economy. This was formulated as "piloting of the vocational training system by economic needs", i.e. through a demand driven vocational training system. The demand driven approach aimed to satisfy two fundamental needs: competitiveness and employment. Training must be designed to prepare and/or retrain qualified personnel for the development of enterprises competitiveness and for long term employability. Employment is an essential dynamic element of the MANFORME strategy, and the two dimensions of competitiveness and employment are interdependent in the strategy. This first core goal was central in designing the structure and the content of the strategy component, especially in the relationship and contribution of the private productive sector.

The two other strategic goals were identified to complement the demand driven approach:

The development of a flexible vocational training capacity, that could train a flow of at least 55 to 60.000 students (pre-service training) once the material and immaterial investments have been made, and the training centers fully operational before the full opening of the borders. This flow was calculated on the basis of economic projections to meet the quantitative requirements in newly qualified personnel from the private productive sector.

The optimal use of resources invested in the reform of the vocational training system. Quality insurance was selected as the most effective approach to optimize resources, based on the management of results of the vocational training system, and the management of investments and operational costs while ensuring the satisfaction of "clients".

The MANFORME strategic goals stood as a momentous reform of the vocational training system, which had been characterized as disconnected from economic needs and employment (supply oriented), and mostly as a last resort for students who had failed the regular academic studies. Enterprises were themselves moving from a protected production system, and for the most part, had just started to become aware of the challenges of the opening of the borders. The introduction of a demand driven vocational training system meant major changes in the way training was conceived, managed and assessed.

As a result, the content of the strategy, and the planned implementation process of its activities had to take into consideration the multiplicity of actors involved, the need for their acceptance and support of the reform process, the potential impediments for change, and the leading role of the MFPE to initiate this change and develop the necessary support from other key actors. In other words, the strategic pathway to the reform had to be designed around key factors of change that could accomplish the goals of the reform, and be manageable in priority by the MFPE, at least in its first implementation phase.

1.1.3 Strategic content

The strategic pathway to implement the goals of the reform was build around three main components:

- Curriculum reform which was built on the introduction of modern tools to identify the skills which the Tunisian enterprises had developed or were in the process of developing to structure their production of goods and services in a competitive positioning, and to translate these skills needs into curriculum that could train or retrain personnel that could effectively operate in the new professional environment. As such, curriculum reform was structured to meet the demand driven approach of the reform, but had to develop new methods at all stages of the process (skills identification in enterprises, elaboration of curriculum, training of trainers) using a competency based approach. Curriculum reform is reviewed in Chapter III infra.
- Management of the training centers which established an essential element of the demand driven approach of the reform, i.e. the linkage between enterprises and the centers through two complementary elements:
 - a) A pedagogy based on “training with enterprises” that includes both a dual type training, and a reformed apprenticeship. Both modes of training are converging into one alternate pedagogical system, as presented in Chapter III infra, and,
 - b) A decentralized system of management of the training centers with an organization which is adapted to training with enterprise. This was developed as “new management model” of the training centers leading to gradual managerial and financial autonomy, and thus to optimize the use of resources, as presented in & of the present Chapter I infra.
- Planning, control, and evaluation which aimed to ensure that the whole process of the vocational training system would be effectively demand oriented through the use of three complementary elements:
 - a) The systematic development of a partnership with the professional organizations of the private sector through the signature of conventions to develop the mechanisms and tools that would involve, on a long-term basis, the private productive sector in the development and monitoring of vocational training (cf. Chapter IV infra),
 - b) The development of economic studies, based on costs benefits analyses, to decide on the opportunity of the creation, extension, or restructuring of a training center (cf. Chapter IV infra),
 - c) The evaluation of the impact of the new training programs through a posteriori analyses conducted by the Observatory (cf. Chapter 1, & infra).

The strategic pathway to the reform entailed major organizational and managerial changes for all the key actors in the vocational training system. The training centers were to switch from a traditional supply driven approach to a demand driven approach based on the current and future needs for skills and competences of enterprises, which in turn implied new methods and content for curriculum and pedagogy. The institutions in charge of the development of curriculum had to modify their whole methods to develop a competency based approach together with an alternate dual type training with enterprises, introduce the new curriculum in the training centers, and train trainers, as well as tutors in enterprises to accompany the enterprise part of training of the dual type programs. The enterprises and professional

organizations had to participate in the reform process at all stages to ensure that the training system effectively becomes demand driven, which implied an active participation in the identification of needed skills and competences using tools that would allow the design and development of competency based training programs, and in their introduction in the enterprise in the process of the alternate dual type training. It also implied their direct implication in the stages of creation / restructuring of centers, and in the management of these centers. All of which meant major changes in the organization of the training centers to adjust to their demand driven operations and develop close links with enterprises through increased decentralization of management, which in turn has strong implications for the public structures in charge of the centers in the way they had to operate and manage the functions and activities of these centers with the introduction of a “new management model” (cf. & 1.4.3 below), and of a system of allocation of resources based on results.

The content of the strategic pathway to the reform entailed the simultaneous implementation of a series of activities at the different levels and components of the vocational training system. All key activities are, at some level, interconnected and interdependent, which makes the management of the whole process complex and requires, on the one hand, the mobilization and implication of all key actors, and on the other hand, their capacity to operate such changes.

In this perspective, one of the essential characteristics and difficulties of the strategic pathway structure was that it was built to mobilize different actors and partners to achieve the reform goals through a general framework of coherence, and a process of interconnected activities to be implemented.

1.1.4 Implementation of the MANFORME strategy

(i) The phases of implementation

The process of “mise à niveau” of the Tunisian economy is currently planned to be completed during the period 2006 – 2008 to meet the deadline of the creation of the free zone with the European Union in 2008. MANFORME was launched in 1997, and covered the implementation of the 9th Plan (1997 – 2001), and will also cover the 10th Plan (2002 – 2006). Part of the investments will be achieved under the 10th Plan, during the period 2002 – 2004, and will be followed by a period of stabilization of the accomplishment of the reform. Initially, the activities of MANFORME were planned to be implemented over a shorter period, i.e. mostly within the 9th Plan. But the scope and complexity of the reform, and delays in the implementation of some activities (e.g. the new model of management of centers), and in the financing of other core activities (EU program), did postpone the process of completing the whole program, which nevertheless remains within the perspective of the opening of the free trade area in 2008.

Because of its scope and complexity, the MANFORME strategy was implemented through a process of successive phases designed to achieve specific structural results. In other words, the phases were planned to be levels of achievements in the strategy activities, which allowed the vocational system to integrate and operate along successive phases of reform towards the planned objectives. This approach contributed to a more controlled and effective execution of the reform activities, by providing the following benefits:

- Testing and piloting of new initiatives / programs, especially for the more strategic activities (e.g. development and test of the competency based approach, development of the new management model for the centers),
- Identification / confirmation of the main structural and operational constraints and impediments to the reform, and determination of ways and means to overcome them which are both feasible and in coherence with the reform objectives,
- Building consensus between the key actors to achieve support for each completed pilot activities, including their interdependence with other activities and institutions,

This approach contributed to stabilize activities and changes which had been achieved, and ensure that the next phase of activities could effectively be constructed upon the previous phase. Since the approval by the Government of the MANFORME strategy in 1995, three phases have been implemented, the last one being still in the process of implementation:

1995 to 1997: Introduction to the participative approach and strategic planning of MANFORME. This phase was characterized by the beginning of the mobilization of professional organizations by the MFPE (signing of the first conventions), the design with international and national donors (World Bank, EU, AFD, Canada, GTZ, etc.) of projects and programs, within the MANFORME strategy, to be financially supported, and using complementary approaches within the common framework of MANFORME, and finally the planning of the reform activities implementation. A few new tools started to be tested as “industrial pilots” such as a competency based approach for the design of new training programs.

1998 to 2002: Introduction and piloting of key tools and methods. This phase covered the first series of material and immaterial investments for the creation or restructuring of training centers, the development and pilot testing of the new management model for the training centers leading progressively to new modes of management and organization of these centers, the development and generalization of the competency based approach after testing the results, the testing and development of alternate training (dual type and apprenticeship) in enterprises and training centers, the broadening of the partnership with the professional organizations. By the Fall of 2002, the MANFORME reform strategy had probably reached the stage of “irreversibility”, providing its continued implementation on the basis of the previous achievements and lessons.

2002 to 2006: Generalization of the MANFORME strategy to the whole vocational training system. The extension of the material and immaterial investments on the basis of a tested and well structured methodology covering each phases of the process, from the request by the professionals to the regular operations of the center, the extension of alternate training to the whole system, the introduction and development of the quality process, and the broadening of the new management model of the centers, with its implications in terms of organization, financial and pedagogical autonomy, and the resulting decentralization of the training system.

The creation, in September 2002, of the Ministry of Education and Training (MEF) constitute both a challenge and an opportunity for the positioning of the vocational training system. This point is discussed in

(ii) The 10th Plan

The part of the 10th Plan which covers the reform of the vocational training system, and the completion of the MANFORME strategy has been structured on the basis of the original objectives of the strategy, and has focused on the main activities to be accomplished in view of the implementation process under the 9th Plan. It was prepared with the participation of the main actors involved in the reform.

The overall strategic goal, and the components of the strategic pathway were reformulated to take into account the results, the achievements and the constraints met during the implementation of the previous phases.

The overall goal was reformulated as “to secure and reinforce the link between the vocational training system and employment with the needs of the economy in a sustainable way”, and was articulated around five main objectives:

- Irreversibility of the demand driven approach through (i) a legal and organizational framework adapted to the needs of the training system, (ii) the strengthening of the partnership process with the private sector, and (iii) the “piloting” of the system (Observatory, controlling)
- Curriculum effectively meeting economic needs through the development of a network of competencies in curriculum development, and the strengthening the CENAFFIF to respond to demand.
- Enterprise based training which implies that the management system of the training centers meets the requirements of enterprise based training, and that the vocational training system has the quantitative capacity to meet the skills needs from the productive sector.
- Demand driven in-service training for priority enterprises, covering mechanisms to generalize in-service training in priority enterprises, an efficient demand driven financial mechanism, the validation of skills acquired on the job, and through training, and the development of national standards for in-service training,
- Quality control applied to the whole vocational training system and process.

These elements will be reviewed and discussed in the different chapters of the report.

1.2 The training system

1.2.1 Organization of the training system

The law on Vocational Training in 1993 created a new legal and institutional framework of the vocational training system. The public system of vocational training centers had been fragmented under the authority of different Ministries (Tourism – ONTT, Agriculture – AVFA, Health, etc.), an Office of Vocational Training, and the private sector. The Office of Vocational Training was restructured into four Agencies under the authority of the MFPE: Agence Tunisienne de la Formation Professionnelle (ATFP) which had the responsibility of the training centers, the Centre National de Formation des Formateurs et d’Ingénierie de la Formation CENAFFIF, responsible for the development of curriculum and the training of trainers, the Centre National de Formation Continue et de Promotion Professionnelle (CNFCPP) responsible for in-service training, including through the financial management of

the training tax (TFP), and the Agence Tunisienne de l'Emploi, responsible for the employment mechanisms. The four agencies were created as public institutions with operational responsibilities in their respective fields of intervention.

The first phase of the MANFORME strategy aimed at introducing a greater level of initiative in the management process of each agency to ensure that it could effectively implement the organizational and operational changes supported by the reform. The agencies constituted the basis to implement in the vocational system the three strategic goals of MANFORME (demand driven, flexible capacity and optimal use of resources). This implied not only a major change in their management modes and practices, i.e. moving from a traditional public driven administration, to an active management of institutional and organizational change, but it also meant developing their institutional and managerial capacity to, in the end, ensure a step by step transfer of their responsibilities to increasingly autonomous centers or organizations.

This process was clearly one of the key challenges of the reform process. Projects supported by international donors started in 1996 to give agencies new responsibilities to contribute to the organizational and managerial changes (e.g. the Agencies were the implementation structures for each of the World Bank components in support to MANFORME). The results and the constraints in the change process will be reviewed throughout the report, as one of the essential elements of the reform advances.

1.2.2 The launch of MANFORME

The situation of the vocational training system in 1995, at the time MANFORME was finalized and approved by the Government was as follows:

The public sector of vocational training was composed of 83 training centers under the authority of the MFPE, 34 centers under the authority of the Ministry of Agriculture, 31 centers under the authority of the Ministry of Tourism and Crafts – ONTT (8 specifically for tourism), and 19 centers under the authority of the Ministry of Public Health. In 1995, the public sector had a flow of new entrants of around 18.000 trainees (including 5.500 girls), and a flow of graduates of 12.000 (including 3.000 girls).

The private sector of vocational training was composed of more than 400 training centers for an annual flow of 22.000 graduates in 34 different specialties. Most trainees are enrolled in sectors with a low level of investments: textile (clothes), hair dressing, secretarial activities. Moreover a total of around 120 centers are specialized in short term in-service training. A few large firms, mostly public have their own training centers.

1.2.3 Situation in 2001

The public sector of vocational training has increased significantly. The centers under the authority of the MFPE numbered 121 in 2001 of which 39 were sectoral centers (CSF) and 40 apprenticeship centers (CFA).

Between 1997 and 2001, a total of 62 centers have been either created (28) or restructured (34), and the capacity has increased by 25854.

The flow of students increased in the following manner:

Operator	1997	1998	1999	2000	2001
Total public sector	17830	17980	21850	24800	27245
ATFP	14700	14850	18450	21670	24115
ONTT	1840	1840	1840	1840	1840
Agriculture	1290	1290	1290	1290	1290
Private sector	180	1880	2080	4630	
Total	18010	19860	23660	29430	

Source: PCU / EU

1.2.4 At the completion of MANFORME

The 9th Plan has projected the development of a training capacity to a total of 48500 youth, of which around 38.000 in the public sector. This objective was linked to 50% of the training in alternate mode (technician level who represented one third of the total capacity), and 75% in apprenticeship (qualified workers level who represented two third of total capacity). Estimates for 2004 show that the training capacity should reach 41000 youth, i.e. around 85% of the 9th plan objectives. The public sector (ATFP, AVFA, and ONTT) should represent 32500 of this total. The private sector should reach a capacity of 8500 after their programs have been approved (the current total capacity of the private sector is 20.000).

The 10th Plan has projected to increase the capacity of the ATFP to 47000, with an annual flow of 48500 trainees by 2006, this being made possible by the use of alternate training and apprenticeship. The capacity of the public sector will increase by 18500, of which 14000 for the ATFP centers.

The ATFP – including the centers under its authority, manages the following human resources:

Management staff :	790	(10 %)
Trainers and counseling	5007	(64 %)
Support staff	2089	(26 %)

Total : 7 886

Under the 10th Plan, in line with the objectives presented in & 1.1.4 above, the main missions of the structures responsible for the completion of MANFORME are the following:

(i) The Ministry of Education and Training (MEF):

The MEF will be responsible to ensure that the legal and organizational framework of vocational training is effectively adapted to the reform, in particular to respond to the needs of the private sector. This should also include the financing of vocational training. The legal and organizational framework should be operational in September 2004.

The MEF will pursue the development of the partnership process between the private sector (federations) and the training system, at all levels (national, regional, and training center). It will continue to promote this process both to the private sector and to the training centers, and

ensure that enterprises will contract with the centers to take trainees in apprenticeship or alternate training.

The MEF will be responsible for providing the broad strategic directions (“piloting”) to the training system. It will develop the controlling system to monitor the progress achieved.

Finally, the MEF will reinforce the development of quality control and monitoring and evaluation of the entire training system, including its own services, and a certification process (ISO-9001-2000) is in place in at least 20 centers by the end of 2005, as well as the certification of the private training providers.

(ii) The ATFP

The first priority for the ATFP is to ensure, at the operational level, the development of the partnership process between the centers and the private sector, reaching at least 70% of the training realized in the centers by the end of 2006, through at least 34.000 contracts with enterprises per year in 2006.

The ATFP will also be responsible for ensuring that the model of management, developed to meet the needs of private sector, is effectively in place, with at least 20 centers having a managerial autonomy by the end of 2006.

The ATFP will also develop the capacity of the centers under its authority to reach 47000 for an annual flow of 48500 as defined in the 10th Plan.

Finally, the ATFP will put into operations management and monitoring tools, in its own services, and in the centers.

(iii) The CENAFFIF

The CENAFFIF will use the partnerships agreements with the private sector to develop both the design of curriculum which respond to their needs, and train trainers accordingly.

The CENAFFIF will reinforce its competencies and skills in the preparation of curriculum which will be made available to all centers. It will also train, on demand, trainers in the centers. As such, it will develop a national network for the design of curriculum.

The CENAFFIF will gradually guarantee the quality of curriculum, to be the national reference for training programs.

As the other structures, it will develop its management and monitoring tools in coherence with them.

(iv) The CNFCPP

The CNFCPP will strengthen its demand driven approach through the partnership process, and ensure that, by the end of 2006, at least 50% of the in-service training for which it is responsible will be implemented within these partnership agreements.

It will support the development and generalization of in-service training in enterprises, including the preparation of training plans.

The CNFCPP will ensure that the financing of in-service training through the different financial incentive mechanisms become effectively demand oriented.

Finally, as the other structures, it will develop its management and monitoring tools

The objectives are certainly ambitious, but necessary if the organizational and institutional transitions required to achieve MANFORME's strategic goals are to be operational.

1.3 Governance

The Tunisian Government, through the Ministry in charge of vocational training (the MFPE, and since 2002 the MEF) has been both the main architect and the leading institution in the design and the implementation of MANFORME. From the beginning of the reform process, the Ministry in charge of vocational training has aimed at building up the capacity of the key actors of the vocational training system (professional organization and enterprises, the Ministry's four agencies, the training centers), and developing the mechanisms and procedures that would allow for each of the key actors to achieve its expected level of operations within the system. The MANFORME strategy, on the basis of the three strategic goals (demand driven system, flexible capacity and optimal use of resources), and the strategic pathway that was designed and implemented, could only be accomplished if major institutional and managerial changes were made, thus giving each of the actors of the system new roles and responsibilities. The MANFORME strategy implied major changes in the way the system was conceived, managed, and assessed, and some of the activities under MANFORME focused on providing the means and capacity to implement the institutional and managerial changes (e.g. new model of management for the centers, quality control, the new roles of the CENAFFIF and the ATFP, etc.).

The role of the Tunisian State in initiating and managing the changes in economic and social development has been and still is central, but has demonstrated a significant evolution consequent to the transformation of the economic environment. The "mise à niveau" national strategy is based on a policy of the State to accompany and regulate the process of economic transition towards a competitive private sector that will operate mostly on its own in the close future (including the privatization of key public sectors). The MANFORME strategy was piloted by the Ministry in charge of vocational training, and financed mostly on the State budget (including donors). The Ministry has progressively disengaged itself from the direct piloting of the reform through increased partnership and delegation to the professional organizations, and other key institutions, including the agencies. The Ministry's new role was materialized through the partnership contractual agreements with the professional organizations (cf. & 4.1 below), which gave them a key role in the process of creation, extension or restructuring of a center, both in the material and immaterial investments as well as in the management (technical committee) and in the operations (alternate training). The agencies did face their own constraints in putting into operation their changing missions, i.e. slowness of the ATFP to transfer managerial and financial responsibilities to the centers, reluctance of the CNFCPP to supply driven, controlled financing of in-service training, technical difficulties faced by the CENAFFIF to build-up its staff competences to perform its missions.

The MEFP was also the leading Ministry in implementing the reform in all economic sectors and training institutions which were under the responsibility of other Ministries. During the first years of its implementation, MANFORME has supported the creation and restructuring of centers (material investments, equipments, and new training programs) which could meet the needs of industrial sectors, since those were identified as priorities in the “mise à niveau” strategy (consequences of the protectionist policies of the previous decades). This implied that the public centers under the MEFP, and managed by the ATFP, were the almost sole beneficiaries of the reform, as indicated in & 1.2.2 and 1.2.3 above. Financing by the main international donors (World Bank, EC and AFD) was at first exclusively targeted at the MEFP’s centers, not simply because it was the lead Ministry in the design and implementation of MANFORME, but also because its centers were in key economic sectors (textile, electricity) in which opportunity studies had established training needs, and were better fitted in human and material resources to be the first beneficiary. During the past 3 years, the support from MANFORME has also benefited other Ministries (Tourism, Agriculture), including public and private centers in these sectors. At the time MANFORME was launched, the private training centers system was very fragmented (over 400 centers in pre-service training activities), and present primarily in fields which required low investments. Private centers (tourism) have started receiving financial support through MANFORME. The role of private centers is presented in & (ii) below.

The evolution of the role of the Ministry in charge of vocational training, currently the MEF, and the enhancing of the governance of the vocational training system are intricately linked to the reinforcing of the partnership process between centers and the private sector, the application of the new model of management of the centers, the financing, which are presented and discussed in the & 1.4 and 1.5 below. Within the implementation of these specific reforms, the 10th Plan has identified some core elements that should reinforce the enhancing of the governance of the vocational training system, such as:

i) The evolution of the institutional and legal framework of the vocational training system

The institutional and legal framework which defines the missions of the different structures responsible for implementing the reform (training centers, agencies, professional organizations), the qualification standards and accreditation will need to be modified to meet the new institutional and organizational modes of operation. This will cover :

- The adjustment of the administrative organization and missions of the agencies : the CENAFFIF to fully play its role of reference for the whole training system in the development and introduction of the new curriculum, and the ATFP to contribute to establish the new management model in all training centers at the national level,
- The adjustment of the legal framework for qualification standards and assessment, including for competencies acquired on the job, and the accreditation system,
- The adjustment of the contractual relationships between the centers and enterprises to implement alternate (dual type and apprenticeship) training programs (enterprise and trainee), which are to be generalized in the whole vocational training system (34.000 such contract are part of the 10th Plan objectives for the end of 2006).

ii) The role and contribution of the private training sector

The development of a private training sector, capable of providing services both for pre-service and in-service vocational training is an essential component of the development of a national vocational training market. The implementation of a standardized system of qualifications, of well defined norms for skills and competencies (national dictionary of competencies), and of an accreditation system coherent with international practices, will provide a solid framework of reference for the development of the private training sector. Moreover, the development of new curriculum meeting national standards will be made available to all centers, public and private, by the CENAFFIF.

iii) The process of human resources planning

A new approach to the planning of the quantitative and qualitative needs in human resources has been initiated during the first phases of the implementation of the MANFORME strategy. Macro economic needs in qualifications were assessed through the work of the Observatory, the specific micro needs were determined through cost benefit analyses at the request of the professional organizations. This approach will be developed through the coming phase of implementation of the reform through both the macro studies by the observatory, and the micro through the “competency dictionary” (Chapter III), the national mapping of the vocational training system working as an interactive process between the two levels.

Thus the process of human resources planning, between the macro and the micro levels, will be reinforced by the development and interface between new tools, thus improving its relevance and sustainability.

The effectiveness of these elements of the reform will be reviewed in the reviewed in the coming paragraphs and chapters.

1.4 Decentralization of the Public Training System

1.4.1 Background

At the time the MANFORME program was launched in 1997, the public vocational training system was structured and operating in the traditional logic of a “technical school system”. All staff had a status of public servants, and teaching 18 hours a week. Management was the responsibility of a director who was in charge of implementing existing programs, and of discipline. The MEFP centers were under the administrative responsibility of the ATFP (hiring and appointment of personnel, choice of training programs to be taught, financial management). There was no market based mechanisms for the provision of vocational training, the programs were based on narrow specializations rather than broad based curriculum that could provide for further learning and job mobility, and without identification of skills and competencies needed by the labor market or further university education. In other words, programs had been designed without a perspective of enterprises current and future skills and competencies needs. As such, the existing system was not conducive to the introduction of a demand driven system, flexibility, and autonomy in the management of programs and resources. The private training sector was atomized, and mostly operating in low investment sectors. It tried to respond to demand, but on a limited and narrow scope of operations.

1.4.2 The consequences of the reform strategy

The goals and the content of the reform strategy entailed major changes in the operation and organization of the training centers. The switch from a supply to a demand driven system, that could rapidly respond to needs in a qualitative (new competency based curriculum), and quantitative mode (flexibility), through a systematic link with enterprises (enterprise based training), and that would achieve an optimal use of resources in a quality client based approach, necessarily had to be accompanied by a major transformation of the way training centers were organized and operated.

The transition towards a center which could operate to effectively in the new environment of the reform, and achieve managerial autonomy, required a well structured approach in the design, the implementation, and the monitoring of the new organization, especially in view of the magnitude of the change to be accomplished within a system and staff that was operating with a fundamentally different vision, both in the centers and in the public institutions in charge of their management.

1.4.3 The “new management model”

Development of the “new management model” was planned for the sectoral training centers (CSF). Its preparation was financed by the World Bank which deemed this activity to be so crucial, that it had considered the option of placing it as a condition to its loan. The actual design of the new management model took however much longer than expected. It was launched in September 1997, but the assistance responsible for the design was unable to complete the work. The design was taken over by another technical assistance, with the active participation of key personnel of the MFPE, ATFP, and professional organization. Each stage of the model development was discussed and completed in participative workshops. As a result, the development of the new model was structured around a three level approach:

- A strategic level which aimed to determine the core objectives of the model (on the basis of the current situation and the content of the reform), and what had to be accomplished. The model was to provide the centers with an organizational and managerial framework to operate efficiently in a market-based mechanism, and with a logic of accountability. As such, the centers were to achieve : (i) the capability to adapt and provide a quick and relevant response to the demands in skills and qualifications from the private sector, (ii) the development of an efficient management system, and (iii) the improvement of the quality and diversification of services rendered to the clients. The model would define the key processes which the centers had to develop to meet these objectives : the permanent link and partnership with the private sector, the introduction of a new financial “logic” (from budget to resources), the development of new products and services, the management of human resources, and the development of quality insurance.
- An organizational level to define the functions required to implement the identified process, and the development of procedures. The model focused on five main components (organization and management structure of the center, financing, relations with enterprises, accountability, and quality). four main functions were identified: (i) administrative and financial, (ii) pedagogical, (iii) development / communication, and (iv) quality control. A manual of procedures (organization) was developed around 7

processes which covered the four functions and support elements (human resources management, logistics). The preparation of the manual was accomplished using the ISO 9000 – 2000 norms.

- An operational level to establish the operating modes and instructions (operational procedures) on how to carry out the missions and functions of the center. It defined the establishment and operations of a management Board (role of the professionals / center), the creation and operations of the management Committee (director and heads of functions), the responsibilities and activities of the personnel (director, heads of functions, etc.), the preparation of the annual and three-year plans of operations, the identification and use of monitoring / performance indicators.

Another model has also been developed for the CFA, with the financial support of the EU program. The development of this model was based on two principles: (i) an overall coherence on the model structure, organization, and operations to meet the objectives of the MANFORME strategy, and implement its components, independent of the type of center (CFS / CFA), and of the donor (ii) the mobilization and active participation of all main partners (Ministry, agencies, professional organizations). This model capitalized the experience from the design of the CSF model, and applied the same overall approach (objectives, organization / functions, and operations). The structure of the model, in terms of functions and operations, is basically the same as for the CSF. Differences do exist to take into account the multi-sectoral activity of the center, the organization in the center and in enterprises to manage and follow-up apprenticeship programs (teams in charge of dual and apprenticeship training have been merged, in the perspective of one system of “alternate” training), the more transversal organization of development and communication functions. A board and a management committee are also responsible for the management of the center. Procedures are based on the work accomplished for the CSF model, with the necessary adaptation to take into account the differences in organization and operations. Operations are also designed on the basis of a one year and three year plans.

Both models (CSF and CFA) were completed and validated in June 2001.

The design of both models benefited from the practical experience generated by the creation and restructuring of training centers, under the authority of the MEFP, the Ministry of Tourism, the Ministry of Agriculture and Fisheries. The creation or restructuring of a center proceeded from a well planned methodology , starting with a “request” from a professional organization, followed by the preparation of an opportunity study to define and validate the professional sector training needs, the resulting investment program covering both the material (building, equipment) and the immaterial (curriculum, training) investments, and the launch of the restructured of newly created center. Throughout this process, structures were put into place, at the Ministry as well as at the center levels to implement each step and ensure that all key actors were effectively involves (enterprises, agencies, etc.). The organization of the center was also to be established within this process, and as such, the different functions and operations of the management model could be tested to identify constraints and possible solutions. This practical experience contributed to the development of a coherent format for the creation / restructuring of a center which could meet the objectives of the model. It also allowed to find realistic and efficient solutions to the management process and structure of the center. The most significant example was the use of the so-called “Steering Committee” in the model of management. In the design of the model, a Board composed of representatives from enterprises, the center, Ministry, was intended to carry out the strategic management of

the center, as Boards operate in the private sector. With the legal / institutional constraints to create a Board, the Steering Committee which had been part of the AFD financed centers to pilot the process of restructuring / creation of the centers through the investment and organization phases, which was adopted as a transition organization in the future perspective of the constitution of Boards. The Steering Committee, which is headed by enterprise representatives and includes staff from the center and the agencies, had shown its efficiency in the restructuring of centers (especially the Electricity center in Tunis), and had initiated pragmatic approaches in the curriculum design and implementation of alternate training, has become a useful and relevant component of the management model. The work done with other Ministries was important to identify other potential constraints in the development of the new organization and operations in a perspective of autonomy of the center (e.g. the Ministry of Tourism in relation to the evolution of the status of trainers).

1.4.4 Implementation of the model

The sectoral center model was implemented in four centers on a pilot basis (3 financed by the World Bank, and one by the AFD, which had serve as the main practical reference to finalize the model), in order to monitor and evaluate the results, and bring the necessary changes. The pilot process was launched in the Fall of 2001. The CFA model was launched in 5 centers, including a center from the Ministry of Tourism, and a private center managed by the Federation of Textile. All centers in a process of restructuring or creation do take reference to the core elements of the model, and even if not part of the pilot, are also a useful and relevant source of information to the future autonomy of the centers in a market-based / client oriented logic.

- (i) The main results of the implementation of the new “models” stand as follows:
- At the organizational level, three of the four Steering Committees (as an interim solution until the boards are legally created) have been established, the last one seems to be in the process of creation. Most of the functions have been created in the four centers, but some have not been staffed yet. The management committees around the director have also been established and have met regularly. The procedures have generally been applied, both at the organizational and operational levels. At review of the procedures, and proposals for a few minor changes was proposed and introduced.
 - At the operational level, besides the application of the operational procedures, the 1 and 3 year plans were prepared by the centers, but the validation procedures were not yet formalized by the ATFP. Preliminary financial delegation to the center was approved by ATFP (cf. & 1.5 below). Preliminary indicators of performance have been established, basic training needs for the personnel of the centers have been identified.

Most important, many of the centers have reinforced their work and partnership with enterprises and professional organizations, even if at different degrees. The link enterprise /center has increased with the development of new curriculum, and the introduction of alternate training in the centers. Trainers, or apprenticeship specialists who have been recruited in centers, have developed their links with enterprises. The whole process of restructuring and creation of centers has contributed to install a process of organization and operations which does constitute a positive basis for the development of activities in a market based / client oriented situation.

(ii) The main issues

Moving vocational training centers from the system in which they operated before the launch of MANFORME, towards a system in which they efficiently operate in a market-based environment to provide services that respond qualitatively and quantitatively to the needs of enterprises is a momentous “transformational” change, not simply a series of “incremental” changes.

In this perspective, it is important to identify factors that can facilitate change, and those which could be obstacles.

At the strategic level of change, there is a need for a common understanding of the objectives and accomplishments. For instance, ATFP considers that the process of establishing the autonomy of the centers has been initiated to a significant extent. The development of the new organization with the key role of enterprise representatives in the steering committees, the transfer to the center, by the general director of ATFP, of the use of resources it directly generates to finance its activities (e.g. hiring short-term trainers), as well as incentives to generate new resources. The professional organizations aim to the development of an autonomous center that can operate in market based system like private enterprises, and consider that what has been accomplished is still a very first step towards the objective. The material and some of the immaterial investments have been made, but the system still operates on the same bases. These may be defensive / negotiating positions, however, transformational changes do operate more effectively if, at the level of decision, and within the key partners involved, there is a basic understanding of where to go and where they stand at a given time.

At the system level (centers, agencies, professional organizations), key factors in the decentralization process are the following:

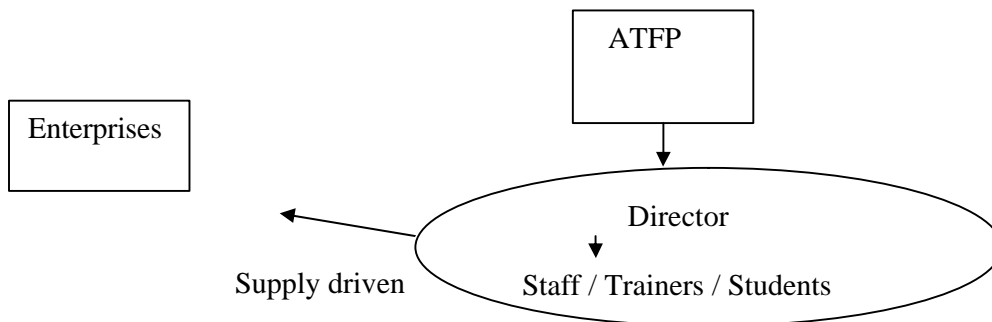
- Human resources: they are essential to effectively carry out the process of change. The staff has the status of civil servants. Hiring as well as transfer of staff is the responsibility of ATFP for the Ministry in charge of vocational training, and of other Ministries for the centers under their authority. The new functions which have been created have not been legally instituted, which means that the individuals which carry out these functions are volunteers, without any changes in status and pay. Trainers working with enterprises to follow up alternate training may be using time over the compulsory 18 hours a week teaching. In some cases hiring of new trainers to implement new curriculum is done by ATFP without close contact with the professionals (both often being at fault). Most of the personnel was hired before the reform was launched, which understandably increases their resistance to change. On the positive side, strong opportunities for career evolution do induce change. The same resistance do appear in the agencies since the process towards autonomy will change power relationships, or from the director to delegate to heads of functions. Training programs for staff have been developed, but limited to specific technical aspects. There is a need to assess the administrative / legal / operational obstacles and find practical and feasible solutions to diminish their impact. Finally, representatives from the professional organizations were, in many cases, not technically and operationally ready to perform their functions in the Steering Committees, but the situation is improving with stronger involvement from the federations. The 10th Plan is set to

bring the necessary administrative changes in the ATFP to enhance the process of implementation of the new model.

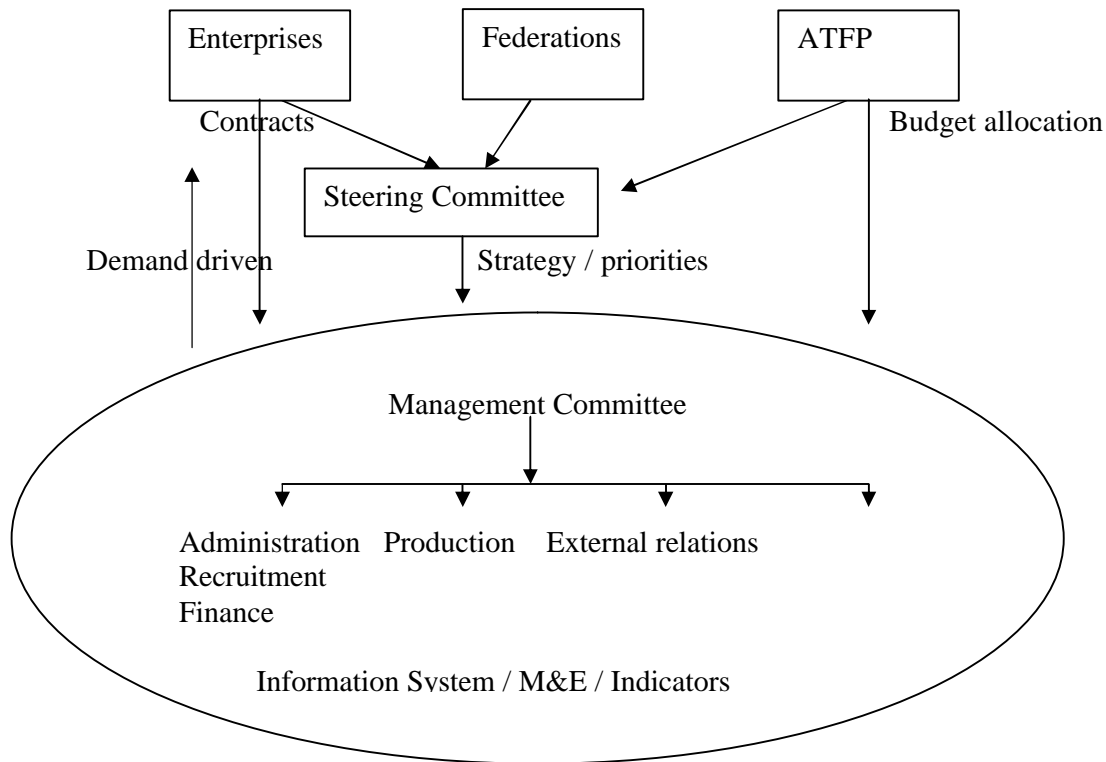
- Operational tools: the manuals of procedures are clearly contributing to the implementation of change. They need to be applied systematically by the staff, and further adapted and developed while keeping the core elements unchanged to avoid moving away from the core objectives. The 1 and 3 year plans are a useful tool to understand market needs and opportunities for the development of activities, and the responses to be given in terms of organization, operations, and content of services. They do seem theoretical in their structure and method, more in the form of classic “planning” than in a market oriented, flexible business type plan. The introduction and implementation of computer based information system for the management of functions, activities, finances and human resources has only been established on the basis of international experience in one center, under the initiative of the professional organization. All centers should have a comparable system, without which operational management may face important constraints. The lack of such a system limits the possibility of efficient monitoring and evaluation, at the center and at the national level. It will also help establish networks to capitalize positive experiments, which is surprisingly still limited. Finally, some basic equipment is still not available in most centers (computers, telephone line available to trainers who are working with enterprises – especially with the introduction of the alternate mode of training, as well as means of transportation to visit enterprises),
- Financial: the general director of ATFP has transferred to the directors of the pilot centers the possibility to manage their own resources, and the “order to pay” the staff salaries. However, the financial negotiations between ATFP and the pilot centers for the 2003 budget has been conducted under the existing procedures of budgetary allocation, instead of the introduction of an allocation of resources on the basis of results. The postponement of this decision is placing a constraint on the implementation of the model. Moreover, the financial management at the center level needs to be implemented on the basis of efficient tools, as in the case of the Electricity Center in Tunis (CSFE) which has set up a system successfully developed and implemented in Europe for education and training schools.

Schema of the management models:

Traditional management model of the training centers



New management model of the training centers



1.5 Accountability

The core element to assess the development of accountability in the training system proceeds from how the centers operations and outputs are financed. Up to this date, the ATFP has managed directly investments and most operating costs of each center (salaries, etc.) without involvement from the centers. The ATFP negotiates a global budget (centers and its own activities) on the basis of separate items (e.g. equipment). The fact that ATFP has not yet established an efficient financial accounting system in the centers does not provide the type of information needed to define budgetary needs. For the material costs of education (e.g. workshops), the ATFP has applied a budgetary allocation to each of the centers, calculated on the basis of a standard amount per “section” of students (a section is composed of 15 to 25 students) multiplied by the number of sections in a given center. The ATFP also transfers to the center a budget for food and lodging which does not appear to be based on actual costs.

The new model of management proposes to change the financing of the center from the existing budgetary system to the logic of financial resources allocated on the basis of performance. The negotiations between the “tutelary authority” (ATFP and later other Ministries) and each center will be based on the content of the three year plan, which defines each types of outputs per activities (pre-service training, in-service training, etc.) and “markets”. The “program contract” established between the ATFP and each of the centers will

define the use of resources in terms of the center's needs to achieve its objectives. For pre-service training, the financing will be procured by the public budget, and be calculated on the center's commitments in terms of a number of youth trained and their insertion in the labor market. The calculation will be carried out, during a first phase of the new model implementation, on the number of students registered multiplied by a unit cost calculated on the basis of an average cost for all centers of ATFP. The remainder of the budget will come from contract with enterprises for in-service training, or for technical assistance (e.g. preparation of training plans for an enterprise). Public and private generated resources, as defined in the budget agreement, will cover all expenses necessary to carry out the planned activities (salaries, complement of investments, etc.).

The center's budget, as defined by the new model, is consistent with private sector allocation to a "cost center". The important element in the development of the centers accountability is the shift from the present system where financing is not linked to results, and where there is no real motivation for directors of centers to optimize the use of resources.

In this perspective, the following elements should be taken into consideration to evaluate accountability of the centers, as well as ATFP:

- (i) The relevance of the one and three year plans produced by the schools, which provide the grounds for the "program contract" between the ATFP and each school. A framework for preparing the plans has been developed around a "business plan" type framework. The concept is positive, but the content of the plans, and the methodology used to prepare them is still mostly theoretical. A significant effort has to be made to turn these plans into operational frameworks,
- (ii) Efficient financial tools are essential to measure results, including the development of a financial accounting system, with adapted cost accounting and financial control tools, which has neither been developed nor tested in operations, neither in the centers nor at the ATFP level,
- (iii) The quality of the "outputs", i.e. of the training programs and of the trainees. There will be, in time, signals from the market (the enterprises), but these may be slow, and possibly inadequate in the present private sector system. As a consequence, it will be necessary to develop and implement relevant quality standards, which is part of the 10th Plan objectives (ISO certification, etc.) and will need to be effective soon.
- (iv) Indicators of cost efficiency in the use of resources to achieve the quality of training outputs (pre-service and in-service)

The capacity to effectively measure accountability implies the definition and availability of clear and relevant indicators as well as an efficient monitoring system that can assess the financial and non financial element of accountability. This entails the existence of an efficient information system, and of an adequate monitoring and evaluation system at all levels of operations, starting at the center and all the way to the Ministry. The development of such a system does remain an issue. As previously mentioned, there is an immediate need to identify and install, in the centers, a well tested system that can provide the type of financial, operational quantitative and qualitative information. The example of the system developed by

the CSFE center in Tunis could be used as a useful reference. The “controlling” instrument which is in the process of being developed by the MEF aims at establishing a monitoring system that will cover the different structures and levels of the training system (from the MEF to the agencies and the centers). The overall conception and main content of this instrument is still not fully set up, and it is crucial that it is structured and designed in reference to well tested international experience, including the transfer of existing M&E systems.

The mechanisms for an allocation of resources on the basis of results has been designed, but not implemented, as mentioned in & 1.4.4 above. If the MANFORME objectives, as defined in the 10th Plan, are to be achieved, the process of financial autonomization of the centers should be started soon, accompanied by the four elements for measuring and assessing accountability presented above. This is necessary for the role of the Ministry and of the ATPF to evolve to one of “regulator” of the market by providing part of the financing matched by individual contracts with the centers on the basis of targets and achievements.

II. Financing

2.1 Sources of funding

2.1.1 Public funding

Between 1990 (creation of the MFPE) and 1997 (launch of the MANFORME program), the budget of the MFPE has quadrupled from 23,5 million DT to 91,5 million DT (from 0,8% to 1,8% of the State budget). In 2001, the MFPE budget had increased to 121 million DT.

The 10th Plan has earmarked a total of 346,7 million DT for vocational training.

2.1.2 Privately generated funds

(i) The Vocational Training Tax (Taxe de Formation Professionnelle – TFP)

The vocational training tax was established in 1956. The TFP is a payroll tax, levied on firms, except for export oriented offshore firms. Manufacturing firms pay 1% of their payroll, and non-manufacturing firms pay 2%. The TFP works as a rebate scheme which provides partial or total financing to enterprises for in-service training programs. The current financing procedures were defined by decree in 1993.

The TFP is collected by the Ministry of Finance. The total amount collected is estimated between 55 and 60 million DT. The amount spent by enterprises through the rebate scheme was 24 million in 2001 and 22 million in 2002. The larger share of the TFP is paid and used as a rebate scheme by the public companies (cf. Chapter IV infra).

(ii) Enterprises contributions

Enterprises direct payments for services to public institutions cover exclusively in-service training programs, and other services such as identification of training needs performed by

individual centers. Such contributions should take a growing importance for training centers in the process of decentralization and the ensuing move from budgetary to resource allocation on the basis of results, and as a result the need to balance their budget through other resources. The amount of these contributions could not be effectively estimated.

Contributions of enterprises to the public vocational training system are indirect, through the use and generalization of alternate training (dual type and apprenticeship). The enterprise commits personnel (tutor) to the training of students, and provides the use of equipment and material within the company. This allows for a significant increase of training space in the vocational training system, thus considerable savings in unit costs.

The generalization of alternate training is essential is MANFORME is to achieve its quantitative objective of an annual flow of 55.000 to 60.000 graduates trained in 2006 when investments are completed and centers are fully operational. In 1997, the ATFP had a total capacity of 15.000 learning space, for a flow of annual graduates of 5 to 6.000. Experiments with the introduction of alternate training in pilot centers during the first phase of implementation of the MANFORME strategy had indicated that a capacity of 45.000 learning space could result in an annual flow of 48.000 graduates through alternate training, while only of 20 to 25.000 graduates through a residential mode of training.

Besides the qualitative contribution of alternate training (cf. Chapter III), the consequences on the budgetary requirements (material and immaterial investments) to achieve the quantitative goals of the reform are significant, practically dividing by two such investments. The direct financial contribution of enterprises in participating in the training of the target numbers of graduates through alternate training could not be estimated with the data available.

(iii) Student fees to public training institutions

At the present, student direct contributions are minimal.

2.1.3 Donors

Since 1998, the volume of external resources (loans and donations from donors) has exceeded the contribution of the State budget which went from 70% in 1995 to 40% in 2001. The share of donation was 24% of the total of the MANFORME budget in 2001, and represented 39% of external resources during the same year.

2.2 Uses of funding

Under the 10th Plan, the distribution of spending has been planned as follows:

Material investments (e.g. building, equipment)	247.721,000
Immaterial investments (e.g. curriculum, teachers training)	60.798,000
Development of the private sector	10.000,000
Ministry of Agriculture (AVFA) – on going projects	2.711,000
Ministry of Agriculture (AVFA) – new projects	6,111,000

Ministry of Tourism (ONTT) – on going projects	12,170,000
Ministry of Tourism (ONTT) – new projects	7,222,000
Total	346,733,000

The unit cost for investments (material and immaterial) have been decreasing. In 1997, the average unit cost per new unit / trainee was 17.000 DT. By 2006, the objective is 8.000 DT. The share of alternate / apprenticeship training in enterprises is the major factor in the decrease of costs.

An analysis of average recurrent unit cost per trainee was around 1.800 DT in 1994. It increased to 2.700 DT in 1999, primarily because of investments consequent to the creation or restructuring of the centers (recruitment of trainees, training of trainees, preparation of curriculum, etc.). After 1999, the unit cost decreases to 2.300 DT in 2001, and is moving down towards 1.700 in 2003. The results are consequent to alternate and apprenticeship training with enterprises, and to the development and operations of the competency based approach for curriculum which allows for such organization.

2.3 Perspectives of funding

The MANFORME program integrated the main fund based mechanisms which had been previously introduced to support the adaptation of the labor force to existing and new jobs, consolidate and develop in-company training, contribute to the insertion in the labor market for new graduates or workers in search of employment, and the re-qualification of workers (e.g. the Employment and Training Fund Project – FIAP launched in 1991). These instruments were managed by the MFPE agencies (ATE for employment oriented programs, CNFCPP for in-service programs). The mechanism worked primarily as funds provided to enterprises to carry-out the different programs. New funds were created with the launch of MANFORME to take into account additional needs (PRONAFOC for in-service training in small enterprises, Article 39 for enterprises which had invested in new technology or production processes).

An important initiative was introduced by the MFPE in January 2000: the creation of the Fonds pour la Promotion de la Formation et de l'Apprentissage (FPFA). Originally, this fund aimed to finance three main activities: (i) initiation to professional life (e.g. apprenticeship), (ii) insertion in the labor market (e.g. re-qualification), and (iii) in-service training through training funds. The fund brings together the different sources of financing from donors. It's budget for 2000 was 27 million DT (10,2 million DT to initiation to professional life, 10,1 million DT to insertion in the labor market, and 6,8 million DT to in-service training).

The MFPE initiated the FPFA as a first phase to create an instrument that would be responsible for the financing of the whole vocational training system. However, it was not put into operations as a separate structure. The creation of the MEF and of a Ministry of Employment in 2002 took apart the mechanisms for training and those aimed at supporting employment.

The creation of the FPFA constitutes potentially a creative and relevant basis for the reform of the financing of the vocational training system that would contribute to meet the MANFORME objectives, and be relevant with the policy of the Tunisian State to

progressively disengage itself from the financing of public institutions, as they move towards more autonomy.

As such, the FPFA could become a funding mechanism to provide incentives to improve the quality and relevance of vocational training, and to pilot changes in the financial management of the public training system. The funding could cover: (i) contracts based on well defined programs with individual public training centers, on the basis of an allocation of resources to meet targets agreed on in the program (the process of allocation of resources currently developed but not implemented could serve as a point of departure), (ii) financing of alternate training with enterprises to improve the relevance and quality of the training in enterprises (availability of tutors, increased involvement of enterprise staff, etc.), and provide additional incentives to attract new enterprises, (iii) adapt in-service training funding to priority economic needs (sectors and size of enterprises).

The core factor of change would be the source of financing. One key option considered by the MFPE when the FPFA was established was the transfer of the whole amount of the TFP to the fund. The budget would be allocated in parts to the different forms of financing. This option would significantly strengthen the partnership with the private sector and its implication in the reform, including an increased sharing of the decision making process for the priorities and allocation of funding. This would certainly be in line with the objectives of the reform. To be implemented, it would imply a series of crucial steps, most important of which would probably be the acceptance of the Ministry of Finance. The management structure of the FPFA, the procedures would require a design carefully managed, including the experience of relevant international practices.

This is one option, which has the advantage of having already a legal basis, and a clear source of financing which is not currently use effectively (cf. Chapter IV). The point is that whatever the source, a process of partnership with the private sector should be developed on the basis of its financial involvement and managerial practices.

III. Quality of Training

3.1 Curriculum reform

The first component of the MANFORME strategic pathway is the curriculum reform. The relevance to enterprises needs of most existing training programs in the vocational system when MANFORME was launched was so low, that needs in new qualifications via training and retraining could only be met through a drastic change in the way curriculum was designed. The general approach supported by the MANFORME strategy was based on the principle that curriculum reform had to be introduced before initiating material investments. Moreover, the relevance and adaptability of curriculum to the demand of enterprises, the higher rate of trainees entering the labor market, were to improve the overall use of resources which was necessary to meet the quantitative targets.

3.1.1 The competency based approach

- (i) The methodology

The curriculum reform developed under MANFORME aimed to ensure that the content of the new training programs and the pedagogy applied to deliver these programs would provide trainees with the skills required by enterprises to develop and strengthen their competitiveness, and at the same time, facilitate employment. With this perspective, the methodology chosen by the MFPE to implement the curriculum reform is based on the following approach:

The core element of the curriculum reform is founded on the identification of occupational skills, defined in terms of “competencies”. The identification is made on the basis of analyses in enterprises of actual job situations practiced by individuals recognized as among the most qualified and proficient by their peers. Relevance of the identified occupational skills are matched with the needs of competitive enterprises at the national and international levels. Occupational skills are then reviewed and validated by the professional organizations. This is called as “Référentiel emploi”. Once approved, occupational skills are translated into training programs through a “competency based approach” which ensures that each program is consistent with the identified occupational skills, and can be upgraded regularly to match changing skills contents.

The choice of the competency based approach is ambitious but is in coherence with the scope of the MANFORME reform. The approach is complex and constitute a fundamental change from methodologies applied previously for curriculum development. It requires the effective participation and contribution of the productive sector (professional organizations as well as individual enterprises) to identify skills and competencies, as well as trained specialists to develop, introduce, and monitor the new programs.

The approach stands as one of the key factors of change of MANFORME by providing a tool to translate the demand driven approach into a product that can effectively meet the skills needs of enterprises, and strengthen the “enterprise – training center linkage” which is one of the cornerstone of the reform. Moreover, the competency based approach induces significant changes in the operations and organization of the training centers, including the pedagogy and the process of validation and certification. As such, it contributes to reinforce the complementarity of the different components and levels of the reform (decentralization and accountability of the training centers, participation of enterprises, quality), while integrating in its process other tools such as the alternate training center / enterprise.

The magnitude of change brought by the introduction of the competency based approach implied that the process was slow. The approach was tested with the support of Canadian technical assistance, in four training centers to develop an adequate methodology, and identify key constraints. The results and impact of the approach were evaluated in terms of placement of graduates, satisfaction of enterprises, and the changes in the organization and operations of the centers. The MFPE took the decision to implement and generalize the competency based approach to the whole curriculum reform (1998).

(ii) Main difficulties encountered

The initial test of the approach, and its introduction through the process of creation and restructuring of training centers has contributed the identification of the main constraints and issues in its application and generalization. The difficulties encountered stand as follows:

- The MFPE agencies which have a responsibility in the development and management of the approach (CENAFFIF for the development of training programs, and ATFP for their introduction) may not have been committed sufficiently to this change. They also did were slow to put into place the organization, human resources, and procedures needed to manage this process. On the positive side, CENAFFIF has now achieved an acceptable level of proficiency in the development of the competency based approach, even if only with a limited number of specialists.
- The competency based approach was introduced in the form of “residential” training (i.e. all training done in the center). It was only in the later stages of the MANFORME program, and on an experimental basis, that it was combined with an alternate approach of training both in the center and in enterprises. This was achieved through practical experimentation in a few centers with foreign technical assistance, and was made possible by the strong implication of the professional organizations. CENAFFIF did learn from this experimentation, and has developed the capability to implement the combination approach (cf. & 3.1.2 below),
- Work with the private sector to develop the understanding of the federations and enterprises on competency based approaches, identify skills and competencies needs in selected enterprises, while training specialists to ensure continuity of the process was slow, as a result both of some resistance and/or misunderstanding on the part of the private sector, and delays in mobilizing the necessary technical assistance (this component of the MANFORME program, which was planned to be the first component implemented, started with a two years delay),
- The training centers needed to implement changes in their organization and managerial process, as well as the training of trainers and other key personnel (especially relations with enterprises) to be able to effectively introduce the new competency based approach. The restructuring of some of the centers through donors assistance was a useful and positive factor in understanding the constraints, and find practical solutions to develop this approach. As could be expected, the training centers which had introduced the “management model”, and those which had strong work relations with the private productive sector, were the most capable in introducing effectively the new curriculum based on the competency approach.

(iii) The generalization of the approach

Based on the evaluation of the constraints and results of the process of introducing the new curriculum reform, and in the perspective of reinforcing some of the key components and levels of implementation of the MANFORME program, the MFPE (and now the MEF) has launched two main lines of activities to achieve the generalization of the new approach.

A project for the generalization of the competency based approach has been prepared, to be implemented starting in 2003 with international technical assistance. The roles and responsibilities of the CENAFFIF and of the ATFP have been reviewed and detailed to ensure that they will effectively carry out their missions with regard to curriculum development with adequate human and technical resources. The same analysis was done for the MEF and the key directorates associated with this process (especially in terms of quality and validation). At the training center level, the actual implementation of the management model is a prerequisite for the effective introduction and operation of the new curriculum. Moreover, a review of

existing experiences to introduce the competency based approach in order to identify the main constraints and the positive results should be capitalized between the different centers to identify good practices upon which to generalize the approach more efficiently. The technical assistance project, while providing specific support to the centers, may not have sufficiently linked the two processes. The MEF is clearly aware of this requirement, and should ensure the overall coherence of the two processes.

Comprehensive methodological documents have been developed, with the support of international assistance, to provide a reference for an appropriate and common utilization of the competency based approach, including a glossary of the competency based approach and the manuals and guides that defines the content and processes for each steps of the approach, including competency / skills identification, pedagogy, material and pedagogical organization, and evaluation.

A “competency dictionary” (Répertoire des compétences) is in the process of being completed, which will provide useful support for the development of curriculum, and their validation. It is also a core element in the micro planning for skills needs, in connection with the future mapping system of vocational training.

3.1.2 “Alternate training”

(i) The definition of alternate training

One of the core dimension of curriculum development has been its combination with “alternate” training which refers both to “dual” type training and “renovated” apprenticeship. The “dual” type training was defined in 1995 as a convention between a CFA and an enterprise. Apprenticeship stems from traditional apprenticeship, and was defined within the framework of the labor code (including the level of payment). The dual type training, as developed in the reform, stems from the residential type training which has been applied to curriculum, and was started to be introduced in combination with the competency based approach in 2000.

Both types are based on the same approach which is an alternate training between the center and the enterprise to ensure that the process of qualification is based on an actual knowledge of work situations by the trainees, and to reinforce the relevance of theoretical training to the reality of professional activity. The basic difference between the two modes of training is the duration of training in enterprise which is longer than training in the center. In fact, the difference stems mostly for the level of qualification (CAP for apprenticeship), since the alternate mode of training is based on the same approach for both modes, i.e. competencies required by a given qualification are acquired either in a training center or in enterprise, with a duration and frequency adjusted according to the specifications of the professional activities and the level of qualification.

(ii) Introduction of alternate training

MANFORME aims to merge the two programs into one alternate type system. This option implies the identification of some the main constraints to the development of such a system, and the provision of solutions. Among the problems already identified, and the proposed solutions are:

- The determination of the part of training to be done in the center and in the enterprise needs to be methodologically clarified. The dual type training has a tendency to give a larger share to residential training, while apprenticeship often shows the opposite tendency. There is a need for the CENAFFIF to develop more experience and proficiency in this area, with the application of the competency based approach and the close work with enterprises to determine how to assign practical vs. theoretical training in a given program. Experience in some of the pilot centers, where curriculum was developed with the support of international assistance on the basis of comparable programs in other countries can give a useful reference,
- The training of tutors in enterprises, and their effective work to provide support and follow-up activities to the trainees require both training of the tutor, and close work with the school trainers that are responsible for cooperation between school based activities and the enterprise. Tutors have started to be trained by the CENAFFIF, and support documents to be developed and handed to the tutor. The responsibilities of the tutors and of the trainers may need to be normalized to avoid the development of different practices between centers, and to be generalized within the system,
- Legal restrictions, such as the age limit for apprenticeship (21 years old to avoid long term employment at minimal costs), can be lifted in a system which is more focused towards the development of skills through stronger theoretical basis for apprenticeship. The development of contracts that bind the center, the enterprise and the trainee have already been tested, but need to be generalized in the system.
- The link between recruitment and apprenticeship is theoretically much higher than with dual type training. The focus on skills needs, in qualitative as well as quantitative levels should provide a response to such differences, and will be a measure of relevance in terms of insertion. Some of the centers where competency based curriculum has been introduced on an alternate basis have focused on future employment as a basis for the recruitment of trainees with the participation of enterprises, and the provision of alternate training within each enterprise,
- The financing of alternate training needs to be reviewed in terms of reinforcing the implication of enterprises, especially the smaller one (availability of trained tutors, use of equipment and materials). Enterprises should increasingly bear the costs of such training, but a transitional period may be necessary (cf. Chapter II).

The introduction of an alternate system will also require a clear methodology to link and operate this new mode with the competency based programs which have been developed. Experiences have been carried out within the process of restructuring of a few centers, especially within the partnership agreements with foreign professional organizations and centers (AFD projects). The results should be used to establish a common methodology, to be applied to existing and to new curriculum through the CENAFFIF. The constraints faced with the choice and availability of equipment while introducing the new curriculum, which has been faced by the pilot centers due to slow tender processes at ATEP should also be taken into consideration.

Alternate training is an essential element of the enterprise / center interaction as a basis for improved relevance of curriculum to skills needs from enterprises, improved insertion of graduates into employment, and improved organization and management of the center,

especially through a better use of resources. The alternate system with the two modes of training represented already 37% of pedagogical space in June 2003. The merging of the two modes of training – apprenticeship and dual training – into a single mode is supported by the logic of the enterprise / center link. It does require meeting the key constraints presented.

Generalization of alternate has been decided by the Ministry in charge of vocational training to ensure that the annual flow of trainees will meet the quantitative needs (55 to 60.000 in 2006) as defined in the second objective of the MANFORME strategy, and contribute to accomplish the qualitative objectives.

3.2 Qualification standards and accreditation

One of the four components of the MANFORME program aims at the development of a “quality approach” in the training system through three activities : (i) the introduction and operation of a quality process in the structures of the MFPE (MEF), including the Ministry itself, the Agencies and the training centers, (ii) the definition of standards for certification and assessment of training programs, and (iii) the establishing of validation and accreditation.

A “global quality plan” has been produced in 2002 which defines the different steps for the introduction of the quality approach in the training system. Among the main activities planned are the training of key personnel at all levels of the training system (from the Ministry to the individual training centers), the certification of 7 centers (ISO 9001 – 2000), as a testing ground and the extension to 20 more centers, the production of a “Quality Charter”, a marketing / communication plan.

The quality dimension of MANFORME has been a core element of the reform process which aims to support the key components of the program through the development of a “client oriented approach”, and the optimized use of resources at all levels of the training system, that will lead to install accountability in the system, especially at the center level, and thus lead to expected changes in management and organization. It is also a crucial dimension in defining the place and relevance of the vocational training system (pre and in-service) in the larger context of the education system.

The development of a “qualification system” based on standards that are globally accepted and recognized in the country by all key actors is in the process of being developed, but has yet to be established. The identification and prioritization of occupational skills based on competencies for current and future professional activities, with the validation of the professional associations, has set a strong basis for developing such a qualification system. The work accomplished in the centers that are the most advanced in introducing the management model, especially with the active participation of the professionals, during phases of restructuring their programs, has set a practical reference on how to structure such a process, and the constraints to be met. The preparation and finalization of the “competency dictionary” will also be one of the main tools for the development of such a system.

A national system of qualification needs to be defined on the bases of such experiences with the participation and support of all key partners to become an accepted and legitimate source of standards and assessment. International technical assistance, contracted in 2001 to provide support for the development of such a system, was deficient which has resulted in delays.

The quality function in the pilot centers has been introduced on a step by step basis. The availability of a “quality specialist”, trained for this function, still needs to be accomplished, and is dependent upon the solutions brought to the status of such personnel by ATFP as discussed in the review of the new model of management for the centers. Procedures for quality control have been developed as one of the 7 processes in the model. The MEF is currently working on a “quality manual” (referential de qualité) to be the manual of the new model of management.

The 10th Plan has focused on the development of a qualification system, for pre and in-service training (including for competencies acquired on the job), as one of the priorities for the MEF, and should be fully operational before 2006. In this perspective, the qualification system will take a larger perspective than the existing “diplomas”. On the one hand, these may not be relevant to the professional skills needs, and to the validation of job acquired competencies, and, on the other hand, they may be restrictive in terms of scope, especially towards the higher levels of qualification, and in terms of duration. Again, the training system needs to clearly position itself within the larger education system, and define a qualification process and system that is relevant for all levels of skills to meet the needs of enterprises.

Tunisia is one of the few countries in the MENA region which has included a quality control component to its reform of the vocational training system. It is a complex approach which will take time to be fully effective.

3.3 Trainers training

The training and retraining of trainers is the responsibility of the CENAFFIF. A review of this activity in centers in the process of creation or restructuring shows that the CENAFFIF was mostly involved in the theoretical and pedagogical training of the trainers. The practical training was mostly done with the assistance of international groups.

In the case of simultaneous introduction of the new competency based curriculum, and alternate training, foreign technical assistance provided the necessary support.

The CENAFFIF was always involved in each of the steps of preparation of training to trainers programs, even when conducted by foreign assistance. It appears that the learning process was efficient, even if limited to few staff specialists in the agency.

3.4 The role of the CENAFFIF and other agencies in the quality of training

3.4.1 The CENAFFIF

The MANFORME program has assigned to the CENAFFIF a central role in the whole process of “immaterial investments”, as well as their quality control and monitoring. As such, its missions include:

- The finalization and updating of the “référentiels emploi”, and of the “competency dictionary”. Both tools are essential to the design of demand driven based curriculum.

As such, the CENAFFIF will need to consolidate its relationship with the professional organizations,

- The participation with the other agencies (cf. 3.5.2) in the management of opportunity studies for the creation of a new center on the basis of an economic analyses of the environment, and costs. The CENAFFIF will need to ensure a strict application of the methodology to avoid inappropriate investments, as in some cases during the first phase of implementation of the reform,
- The piloting and/or design of the new curriculum, as well as management of the national curriculum data base. As such, the CENAFFIF will be the national technical reference and support for the development of standardized curriculum,
- The piloting of the introduction of the new curriculum in the center, which covers both the pedagogical and organizational content of the process. As such, the CENAFFIF will have to work closely with professional organizations and enterprises for the alternate training component of the curriculum,
- Managing and/or implementing the training of trainers, tutors, and other staff in the center (e.g. the heads of the pedagogical and of the communication functions),
- The development of quality control in the centers, leading to the certification of programs and of centers (public and private).

During the first phase of implementation of the MANFORME strategy, the CENAFFIF had to face some serious difficulties. Its status, different and unfavorable compared to the other agencies, was not conducive to hire and keep qualified personnel. Only a core small group of technicians had the necessary skills to learn through the implementation of pilot projects, and from foreign technical assistance. Management of the CENAFFIF has improved, and its organization is being restructured to meet the challenges of its missions. As these missions demonstrate, the CENAFFIF is a key actor in ensuring that the products of training as effectively demand driven, and in piloting the complementarity between the macro / national level (standardized curriculum) and the micro / center level (introduction of the training programs). Its activities cover both pre-service and in-service training.

3.4.2 The other agencies

The other agencies which have a direct authority over the public training centers are: the ATEFP, the ONTT, and the AVFA. Their contribution to the development of training programs is as follows:

- The participation with the CENAFFIF in the management of opportunity studies for the creation of a new center on the basis of an economic analyses of the environment, and costs. Their contribution is to ensure the relevance and coherence of material investments in terms of identified skills needs. Close cooperation with professional organizations is also a requirement,
- The management of material investments to match the planning process of the development of the new curriculum, especially in terms of equipment (choice and availability at the time of the introduction of the new curriculum is to be done in close

coordination with the CENAFFIF. The participation of the professional organizations in the choice of equipment, as well as in the overall material organization of the center, is also essential,

- The recruitment of the new personnel in the center is also to be done in close cooperation with the CENAFFIF, and with the support from the professional organizations.

These missions were generally carried out directly by the agencies, especially the ATFP, with little or no coordination with other key partners. This situation has positively changed during the later stages of implementation of the MANFORME reform, but needs to be consolidated, and practiced systematically.

3.5 The positioning of vocational training

The positioning of the Tunisian vocational training system, in terms of its capacity of response to labor market needs and employability, when placed in the perspective of the education system as a whole raises the following comments.

A segment of the training provided, especially at the CAP level, is clearly occupation oriented, with a narrow skills base. It responds to short and medium terms needs from enterprises, and is clearly demand driven in the current economic context. The process of curriculum design and development for higher levels of qualifications confronts the question of long term employability. This implies that the content of curriculum must provide for the development of broad based competencies and skills that will allow for flexibility and further learning in professional life. Most vocational training graduates will probably need to go through economic and technical structural changes in the Tunisian economy that will modify the content and approach to their jobs. Their training must prepare them with the adequate theoretical and practical competencies to manage such changes. The alternate system, which brings both the strong theoretical basis (broad based competencies), and the skills in the enterprise environment does provide such a perspective for the future. The quality and relevance of the broad based competency approach will need to be closely monitored to avoid a drift towards narrow occupational skills.

In this perspective, the vocational training system does provide a relevant and complementary alternative educational path within the whole education system. By providing the strong theoretical bases in core competencies, and the link to the reality of enterprise activities, it could also provide a complementary road to higher education, beyond the BTS which it already proposes, and in coherence with what is practiced in most EU countries. Its “strategic” advantage is the link with enterprises, which traditional technical education does not provide, and a more flexible approach to the content of core theoretical competencies and practical skills which are practiced in a work environment, including with a perspective of technical and organizational change.

IV. Participation of the private sector

The MANFORME strategy aims to provide enterprises with the skills and competences which they need, in the short and medium-terms, to upgrade and develop their competitiveness in the perspective of the opening of the borders (EU – Tunisia agreement and WTO). With this objective, the reform of vocational training is founded in priority on its capacity to become demand oriented. The key reforms in the training centers organization and operations, in the content of curriculum, and in the introduction of a quality process at all stages, which proceed from the MANFORME strategy, were only feasible if they were conceived, structured and implemented with the private sector.

4.1 The partnership process

4.1.1 The partnership contractual agreements

A “partnership” between the Ministry (MFPE) and the private sector has been instituted through the signing of “conventions” with most of the professional organizations (19 such contractual agreements have been signed). These agreements aim at instituting the active participation of the federations in the different phases of the reform of the vocational training centers. In practice, the contribution of the federations is expected at each stages of the reform process:

- The creation, extension or restructuring of a training center should be requested by a professional organization.
- The carrying out of a “feasibility study” which reviews and analyses the economic justification of the proposal for the creation, extension or restructuring of the training center and establishes the economic opportunity of the such a project. The professionals participate in the systematic review of the feasibility study through a “follow-up committee”
- The formulation of the project document that defines the framework for the material (constructions, equipment) and the immaterial (curriculum, teachers training) investments. Costs and the planning for the investments. The professionals participate and give an approval through the “follow-up committee”
- The identification of skills and competency needs (occupational skills analysis – référentiel emploi) which will serve as the basis for the development of the new curriculum. The occupational skills analysis and the curriculum is to be validated by the professional organization
- The management of the training center through the “technical committee” (later to become a board) which brings the implication of the professionals at two levels : (i) management / decision process (ii) insure the active contribution / participation of enterprises in the training process – center / enterprise articulation (alternate training, training of tutors)
- The impact and the evaluation studies implemented by the Observatory with the participation of enterprises in the surveys and studies.

4.1.2 Constraints

As could be expected, the active participation of the professional organizations and of enterprises to the tasks and responsibilities programmed in each of the different phases was not immediately operational. The main reasons were the following:

- The professional organizations, including the national federation of professional organizations (UTICA) had relatively weak structures at the time the “mise à niveau” strategy was launched. They had limited experience in working on national reform programs,
- Within the strategy of “mise à niveau”, their priority was primarily in understanding and defining actions that would contribute to their future competitiveness, especially through the development / strengthening of their production process, which they mostly translated in material investments. Most professional organizations had no specialist in human resources development, including within the leading enterprises. They had limited experience and understanding of human resources management, especially in a perspective of skills for competitiveness. At first, professional organizations had difficulties in identifying specialist in training among their members to represent them.
- Professional organizations had little or no previous exchanges and experience with the public vocational training system. Each system was working within its own logic, and did not interact. Resistance and misunderstanding was thus potentially strong for both the professionals and the staff of the public centers (including with the agencies which stemmed from the former Office)

4.1.3 The MANFORME programs to overcome constraints

The MANFORME strategy, as it was developed by the MFPE, had anticipated such weaknesses and constraints. As a result, within the MANFORME program, a series of components and activities were targeted at meeting these issues, with the active help of donors. These activities were structured around three main lines of intervention:

- The development of a methodological framework for the preparation and the formulation of the feasibility study for the creation, restructuring and extension of a training center. The study is based on an economic analysis which review costs and benefits of a given project. Only the projects which can demonstrate a return on investment are acceptable for financing. Thus, the study contributes to verify the economic justification of the request from the professional organization, and to define a broad framework of the skills needs to be covered by the project. The same overall methodology is applied for all projects (sectoral, multi-sectoral) and donor.
- The support to the private sector in the identification of skills needs which covers four main components: (i) technical support to enterprises and groups of enterprises to identify the skills and competences which they need in the short and medium term to develop their competitiveness. This includes specific methods and tools to identify professional skills (thus be able to establish the référentiel emploi), as well as human resource management techniques. A total of 160 enterprises in 16 sectors already benefited from this support, which have produced over 150 strategic professional profiles; (ii) technical support to private sector consultants to develop their capacity to

identify professional skills and work on policies of human resources development with enterprises or groups of enterprises. A total of 27 training programs ; (iii) the development of national and sectoral “dictionary of competences” as a reference to individual enterprises as well as professional organizations; and (iv) the introduction and training of professional organizations to human resources management tools, in the context of changing strategic conditions for competitiveness

- The testing and development of a well defined framework defining the roles and responsibilities of each partners (professional organizations, agencies, Ministry) that covers at the same time the overall process of request, feasibility study, creation / restructuring, and operation of a training center. Step by step procedures, indicators, support have been progressively established to accompany the process. This was developed through one of the donors projects (AFD), and applied progressively to all projects financed under MANFORME.

The development of the partnership has been a slow process during the first phase of implementation the MANFORME, mostly due to the magnitude of change it implied, and to the relative lack of resources and preparation to develop this process within the federations. As could be expected, some federations acted as leaders in the structuring of the partnership process (Electricity, Textile). The results obtained by these leading federations show in all the components of the reform strategy, e.g. through an active participation in the restructuring or development of training centers, in the introduction of the new model of management, including through an active commitment in the steering committee, in the introduction of the alternate system, including in coordination with the design of new competency based curriculum.

The results have progressively been capitalized by UTICA, and changes have been significant, including in the selection of representatives responsible for training in most federation, and their involvement in the different projects of creation, extension, and restructuring of CSF or CFA. This change became noticeable in the quality of involvement of the federations in some of the projects with training centers (e.g. in most of the AFD financed projects).

Cooperation agreements between Tunisian federations and European federations, as in the programs agreements with the French federations in the AFD financed projects, have contributed to a better understanding of the challenges and gains to be achieved through an efficient demand driven development of vocational training. This international partnership has provided a useful model and support to the Tunisian federations in their structuring, involvement, and participation in the reform of the vocational training system.

4.1.4 Partnership and alternate training

Alternate training, is one of the areas where the effectiveness of the partnership process could be tested, since this mode of pedagogy can only be developed through a close work relationship between the center and the professional organization to validate the skills needs, develop the new training programs, and encourage enterprises to participate in this mode of training, provide on the job training on the basis of the curriculum to trainees, as well as close monitoring of results in cooperation with the teaching staff in the training center. A review of the introduction of alternate training shows that it develops most efficiently in centers where there is a strong involvement of the professional organization. Some centers have managed to

develop close to 100% alternate training with individual enterprises, through an active involvement of the federation and of the center management. Currently, 37% of trainees are learning through alternate training.

4.1.5 The core role of the professional federations

Federations, despite some weaknesses due to lack of a sufficient number of skilled staff, the low involvement of some of its representatives, the limited resources, and the fact that vocational training is the priority of only a limited number of enterprises, are evidently the key private sector partner. In some instances involving individual centers or agencies such as the CNFTP, a direct relationship with individual enterprises was understood as more relevant and effective for the development of training activities. However, it should be remembered that individual enterprises can only formulate demands on the basis of its own needs, which may be specific to its activities at a given period of time. The identification of skills that are representative of a sector, transferable from one enterprise to another, and indicate trends of change can only be identified through a transversal analysis of the sector, of its main professional components in terms of occupational skills. It allows for the standardization of such occupational skills, and the development of a national “competency dictionary”, that is composed of sectoral and trans-sectoral competencies. It is also a requirement for labor mobility, which is crucial for both enterprises and workers.

The strengthening of the federations would certainly contribute to the effectiveness of their role in the process of the reform, both for pre-service and in-service training, the latter having shown the difficulties to establish an efficient partnership process as presented in & 5.2 below. Closer work with the federations in some of the core activities may be necessary on the part of technical assistance financed under MANFORME (e.g. completion of the competency dictionary, the mapping of the vocational training system). Moreover, the articulation between the macro and the micro needs in skills development and training are an essential contribution of the federations.

At the Ministry (MEF) level, a management unit for partnership has been established. Its role within the future organization of the MEF needs to be clarified (especially in terms of its interface with the unit in charge of the AFD projects), and possibly strengthened as a facilitator of the partnership process (e.g. with the CNFCPP).

4.2 In-service training

The development and/or strengthening of enterprises competitiveness on the local and on the international markets, when dependent on the upgrading of human resources skills, requires the use of in-service training for existing staff, and regular retraining according to the evolution of needed skills and competences. In this perspective, the following instruments were implemented.

4.2.1 The Instruments

(i) The TFP

The Taxe à la Formation Professionnelle (TFP) was established as an incentive to enterprises to implement in-service training. As such, the TFP is a payroll tax designed as a rebate

scheme to provide financing to enterprises for implementing in-service training programs. The amount of the tax rebate is calculated on the basis of the enterprise contribution to the TFP. Manufacturing firms pay 1% of their payroll, and non-manufacturing firms pay 2% of their payroll. Export oriented offshore firms are exempted.

Expenses eligible to financing by the TFP rebate scheme are currently the following:

- Identification of training needs, and preparation of annual or multi-annual training plans,
- In-service training programs for the qualification or re-qualification of the enterprise personnel,
- The operations of the enterprise internal structures in charge of skills development and training.

The procedures for the use of the rebate scheme have been simplified during the past years to improve access of the mechanism to eligible enterprises, for instance, enterprises can deduct monthly the amount spent for approved proposals from the TFP it owes.

The effectiveness of the TFP mechanism as an incentive to enterprises to develop in-service training is however limited by one major constraint: Large firms, including large public firms, are the main beneficiaries of the TFP. There is no “mutualisation” of the TFP for small and medium enterprises which pay small amounts and have no incentives on this basis to invest into training. (mutualisation allows to place unspent small amounts in a common fund for groups of enterprises, to afford financing training programs). The fact that only around one third of the total of the TFP is spend on training is an indicator of its limited effectiveness as an incentive to develop training,

(ii) The training funds

Two training funds were implemented as part of the MANFORME program: FIAP C, PRONAFOC. Another fund, Article 39 provides support to enterprises which are involved in important structural investment to develop new technology. It has had limited application, and contributed to a limited extent to the development of in-service training.

1. FIAP C

The FIAP C was launched in 1991 (Employment and Training Project – World Bank) to address two main shortcomings in the development of in-service training activities, i.e., the lack of appropriate incentives, and the lack of appropriate services offered to companies to plan and organize training activities. Between 1991 and 1995, only 12 firms benefited from financing under this fund. FIAP C was retained under the second Employment and Training Project which was prepared within the framework of the MANFORME program. In order to reinforce the effectiveness of this instrument and encourage enterprises to train their employees, changes were made in the procedures to improve and simplify the procedures for presentation, approbation and financing of sub-projects. It financed two activities: The identification of skills needs and the preparation of a training plan, and the implementation of the training plan.

By financing the preparation of the training plan, FIAP C had introduced an essential component of the development of in-service training in an environment where enterprises had

a limited understanding on how to identify and structure in-service training needs. Financing rates were 70% for the preparation of the training plan, and 50% for the training programs.

FIAP C faced two main problems during its implementation: Procedures for the review and approbation of the proposals were slow. As a result, many enterprises which had invested in new production / organization systems, preferred to skip the preparation of the training plan to benefit in time of the financing. As a result, and also because of the limited understanding of a segment of enterprises of the importance of an efficient preparation of the plan, training providers offered to establish free training plans in exchange for a substantial part of the training activities, which strongly limited the effectiveness of the FIAP C.

2. PRONAFOC

The PRONAFOC was introduced in 1995 as a financing scheme aimed at SME below 100 workers. The focus on SME was a crucial choice since they represent by far the larger segment of enterprises in Tunisia, and they are the ones which need incentives and support to develop in-service training. It was effectively launched in 1999, after completion of its manual of procedures. It financed mostly intra-enterprise programs to ensure participation of large numbers of enterprises, which responded to the fact that SME, especially the smaller ones, generally only had to train a limited number of workers. Approval procedures were simplified and delays were short. The PRONAFOC was an immediate success in terms of the number of participating enterprises. However, PRONAFOC, during this phase of its activities was not in coherence with the demand driven core goal of the MANFORME strategy, and did not contribute to a healthy development of a market for the provision of in-service training programs (cf. & 4.2.2 below).

The two instruments, PRONAFOC and FIAP C were merged into a single instrument in 2001 to improve their effectiveness. The new fund retained the name PRONAFOC to reinforce the importance of targeting SME as the priority for the development and financing of in-service training. The new instrument finances four types of activities: the identification of training needs, the preparation of a training plan on the basis of needs, the implementation of the training plan, and monitoring and evaluation of these activities.

The new PRONAFOC does demonstrate an effort to reinforce the relevance and effectiveness of its financial mechanism. However, the new procedures, even if they have brought some improvement in the approbation of some activities, are very complex, and do not translate in operational terms the economic and human resources development supported by the fund, especially for the small enterprises. No clear priority has been given to SME (especially the smaller ones), and to key sectors.

4.2.2 Enterprises needs

The core strategic goal of MANFORME to develop a “demand driven” vocational training system aimed at two fundamental needs: competitiveness and employment applies with both immediacy and significance to in-service training. The priority for most enterprises in Tunisia lies with the optimization of the work and productivity of its current working staff. Pre-service training can only provide limited immediate responses to enterprises skills needs. Thus, in the process of “mise à niveau”, in-service training is essential to improve positioning and ensure continued employment of workers.

Review of how the instruments were managed by the CNFCPP which is the agency of the MFPE, and now of the MEF, responsible for the management of the TFP and of other incentives designed to develop in-service training, brings the following comments:

- During the first phase of implementation of the PRONAFOC, in-service training programs which benefited from the financing were prepared by training providers, approved by the CNFCPP, and then proposed to potential SME candidates through a systematic commercial fieldwork – payment of the financing went to the providers. As a result, training programs were essentially supply driven. Despite changes in the procedures, the process generally remains supply oriented due to the limited role of professional organizations (cf. below),
- The TFP and the PRONAFOC (and previously FIAP C) can finance only approved standardized training programs with a given cost which generally stands as average or below average of market costs for the same service. The list of pre-approved programs, as well as the costs has been established by the CNFCPP. The financing of programs which fit into the approved list, but which content is highly specialized is penalized (especially for small and medium firms), while basic, standard programs are paid at a higher cost than the market. It reinforces a supply driven approach to training, including for the introduction of new programs, and does not support the development of a market for in-service training.
- The partnership process with the private sector, implemented through the partnership contractual agreements with most professional organizations (cf. & 4.1.1 above) stands as a key factor to develop training programs responding to needs. Partnership agreements have been initiated with a few, often local, professional organizations, but, this process of partnership does not yet involves the main national professional organizations. Beneficiary enterprises within these partnership agreements are often large groups (e.g. the sector of tourism). UTICA has proposed to the CNFCPP a model convention that would include a series of procedures (including financial management) for each type of activities supported by the PRONAFOC, with a focus on priority enterprises (SME), but no agreement has been achieved yet. The focus of the CNFCPP on individual enterprises may help respond to specific needs, but should be structured within the national professional organizations to ensure future development of standards for in-service training, and the recognition of acquired skills, which is one of the reform objectives. Moreover, the lack of agreements is a hindrance to a coherent development of pre-service and in-service training in the centers.
- SMEs are the priority enterprises for in-service training, SMEs, especially the smaller ones. The professional organizations have a core role in mobilizing enterprises, and providing support to ensure the relevance of needs as seen from a wider professional perspective (small enterprises are often working for larger enterprises). Moreover, professional organizations can help in the organization of inter-enterprise training, to avoid the supply oriented approach used by some of the training providers. It can also help improve the financing constraints of pre-approved programs (cf. above), by providing flexibility to costs in managing groups of programs (a proposal was made by the UTICA in 2001). The priority of the financing mechanisms to support SME, especially the smaller ones in sectors which are directly concerned by the opening of

the borders, has not been achieved. A significant segment of beneficiary enterprises remain medium to large enterprises.

The CNFCPP, under a new management since 2001, has tried to adapt and be more reactive to the MANFORME objectives of a demand driven training system. For instance, it has decentralized its operations at the regional level to improve its capacity to respond to the needs of enterprises, but has remained focused primarily on local professional organizations (including crafts), and has been reluctant to work with the UTICA and the main federations. CNFCPP has positioned itself as a service provider in some areas (IT) where it judges that competitive services are not available, which does raise questions on the development of a market based system. Despite some progress, in-service training still lags in its development in terms of the objectives defined in the MANFORME strategy. The 10th Plan has identified in-service training as one of its five priority objectives: In-service training is demand driven to the benefit of priority enterprises.

Concluding Remarks

At this stage, the reforms engaged by MANFORME have probably reached the stage of “irreversibility”, providing the MEF pursues these reforms on the basis of the initial core objectives and of the lessons learned in the process of implementation.

The following points, presented in the report, appear as crucial to characterize the Tunisian experience with the reform:

- The development of a clear and well structured strategy for vocational training, formulated with all the key stakeholders, and built on the priorities of the “mise à niveau” national strategy. The strategy has served as a reference and a pathway to implement the reform activities, and to involve the stakeholders. The next challenge is to integrate this strategy within the larger education strategy, while keeping its achievements and specificity.
- The Ministry in charge of vocational training, MFPE and now MEF has shown a real capacity to disengage itself from direct management, while remaining the “pilot” of the whole process. The task has often been hard to manage with the positions taken by the agencies, especially ATFP and CNFCPP.
- The management of change in the agencies has been done through discussions and attempts to find consensus. The two main agencies, ATFP and CNFCPP have shown reluctance to change their role and functions, but have advanced towards the objective of the reform. In other countries, the Ministry in charge of vocational training could have chosen more forceful approaches to implement change.
- The professional organizations have built up their capacity to face their new roles, especially in the partnership contractual agreements. Their initial capacity to manage change was weak, and the leading role of specific federations have been crucial (Electricity, Textile).
- The CENAFFIF is developing a key role in the whole system (public and private) as the “reference” for the quality content of the curriculum. It took time for the CENAFFIF to build up its capacity, but its role should strengthen the development of a market based training system.

