

**Concept Paper**

**public private partnership (PPP) in Jordan focused on labour market services (LMS) and active labour market measures (ALMMs) delivery in Jordan**

Activity 1.4.7

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# Abbreviations

ALMP Active Labour Market Policy

BMAS Federal Ministry of Labour, Germany

EUD EU Delegation to Jordan

ILO International Labour Organisation

LMS Labour market services

LMI Labur Market information

MoL Ministry of Labour

MoU Memorandum of Understanding

NAF National Aid Fund

NGO Non-governmental oraganisation

NMP New Public Management

VTC Vocational Training Company of the Jordanian Government

TVET Technical and Vocational Education and Training

TWA Temporary Work Agency

OECD Organisation for Economic Co-operation and Development

PES Public Employment Service

PPP Public Private Partnership

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# Rationale

The rationale of this Concept Paper is to support the beneficiaries in delivery of the labour market services (LMS) and active labour market measures (ALMPs) in Jordan through creation and strengthening the Public Private Partnership (PPP) as well as identification of perspectives for PPP and measures aiming at generating job opportunities for inclusive labour market.

The aim of this paper is to:

a) describe potential difficulties in getting a PPP and way to overcome these difficulties, strengthening the partnership and monitoring and evaluating the outcomes achieved by PPP, strategies to ensure the proper operation of the partnership, especially its performance and sustainability;

b) provide a good practise examples from EU and non-EU countries with focus on PPP in the social area (employment and social inclusion);

c) provide perspectives for PPP and measures aiming at generating job opportunities for inclusive labour market which were developed by the members of the working group No.4. during the common capacity building workshop held on 23.1.2019 in Amman.

Moreover, based on the request resulted during the workshop discussion of the working group No. 4 being held in January 2019, much more practical information were included in the document which refers to different aspects of the PPP including typology, type of contracts and principles of successful PPP functioning.

Furthermore, the Term of Refference of the assignment refers to the term public private partnership, however, conceptual framework for relations between labour market actors covers different types of partnerships – partnership **among public actors**, partnership **between public and private actors**, and partnership **between public, private and third sector** **actors,** therefore when talking about the PPP we use the term partnership as well as an equivalent.

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# Policy context

In the European Union context, the PPPs were broadly used in many areas, such as the infrastructure, healthcare, research and partially in education. However, governments have not found in the past the same need for PPPs in the labour market as they have in other matters. Usually, the type of cooperation in partnership in the labour market depends on the nature of polices being implemented by the government and in most of the countries there are transfered to the programmes or measures, interventions, which we used to call active labour market measures (ALMM) which are implemented by the public employment services (PES).

In recent years, public employment services (PES) have been asked to go beyond their traditional bureaucratic role of registering the unemployed and monitoring/supporting their job-search activities - to provide a broad range of employment services and measures to support a wide variety of different groups, some of whom with the complex needs.

Moreover, PES were expected to do more and better with less resources and a consensus has emerged among policy makers that PES cannot do everything on their own. As a result, the model of the PES as a universal or self-sufficient provider has gradually been replaced by a role as the co-ordinator/conductor/promoter of networks of different service providers through development and implementation of the models of partnerships (EU Job Mobility Lab, 2011).

A growing acceptance of partnerships between publicly funded employment services and other labour market actors in recent years has shaped both public employment service (PES) business models and international regulation. While the International Labour Organization (ILO) initially – in the Employment Service Convention, 1948 (No. 88) – placed the main responsibility for organizing service delivery on public authorities, subsequent developments, such as the Private Employment Agencies Convention, 1997 (No. 181), have recognized the important role of private actors in this area (Tony Powers, ILO, 2017).

Faced with changes in the labour market in 80ties, the effectiveness of employment services and ALMPs has come under increasing scrutiny. The more “fragmented demand” from employers and the need for many job seekers to overcome complex barriers have made the job-matching role less straightforward than it was before. The performance of PES as institutions in this more difficult market was in some contexts perceived less favourably, and the reputation of the PES in the eyes of employers, job seekers and the governments that financed them suffered accordingly.

As a response, a new public management (NMP) approach in some OECD countries to public sector reform was introduced with the aim to improve the efficiency and effectiveness of the public sector **by adopting management principles and techiques derived from the private sector**. The characteristics of this approach include a focus on citizens as customers, an associated movement from bureaucratic structures to **customer-orientated services**, greater organizational **accountability for performance**, exposure to **competition**, tighter budgets and contracting out (Gruening, 2001; Larsen and Vesan, 2011). The emphasis on accountability has driven a focus on **“results-based”** approaches to service delivery and **“management by objectives”,** through which services are expected to achieve defined outcomes rather than simply the delivery of outputs or activities.

Following this approach, PES have progressively increased their links with other public sector agencies, as well as with the private sector, non-profit-making bodies and non-governmental organizations (NGOs), leveraging their skills, knowledge and networks to improve service provision and to meet the needs of diverse groups in the labour market.

# What does the “partnership” mean?

There are various definitions of the partnership. The **World Bank** uses “public–private partnerships” (PPPs) as a blanket term to cover a broad range of approaches to accessing private capabilities to achieve public goals, including straightforward outsourcing of ALMPs (Angel-Urdinola, Kuddo and Semlali, 2013, p. 20).

The **United Nations** defines public–private partnerships as a voluntary and collaborative relationships among various actors in both public (State) and private (non-State) sectors, in which all participants agree to work together to achieve a common goal or undertake specific tasks. Partnerships may consist of a specific single activity, or may evolve into a set of actions, building consensus and ownership with each collaborating organization and its stakeholders. While they vary considerably, such partnerships are typically established as structured cooperative efforts with a sharing of responsibilities as well as expertise, resources and other benefits[[1]](#footnote-1).

The **European Commission** (Scoppetta, 2013, p. 5) has a more restrictive definition of partnerships, requiring “a close relationship with joint decision-making and shared commitment of partners”.

Public-Private Partnership (PPP) is a partnership between an agency of the government and the private sector in the delivery of goods or services to the public. Areas of public policy in which public-private partnerships (PPPs) have been [implemented](https://www.merriam-webster.com/dictionary/implemented) include a wide range of [social services](https://www.britannica.com/topic/social-service), [public transportation](https://www.britannica.com/topic/mass-transit), environmental and waste-disposal services, and promotion of research and development[[2]](#footnote-2). The first step in forming a partnership is for one or more organisations to recognise their own shortcomings and realise that working with others could help to provide better, more comprehensive and coherent services, and produce better outcomes for clients.

# Reasoning of promoting partnership

As described in the policy context, PES are being asked to undertake an expanding role in providing comprehensive services for a wider range of clients (job seekers) than even before and the general consensus is that they cannot do it efficiently alone. There are three main reasons for establishing partnerships:

**Firstly**, it is widely recognised that the traditional standardised approach of PES to dealing with selected client groups is incompatible with the complex needs that some of them have - in order to be effective, services have to be carefully tailored to meet the specific needs of individuals. Given the diversity of clients that may require assistance it is unreasonable to expect a single team of advisors in each local office to have the full set of skills and experience necessary to help them all, particularly those who are most vulnerable and difficult to place.

**Secondly**, PES are constrained by limited resources, especially in the current climate of shrinking public budgets and cutbacks in public administration personnel. In this context, partnerships can improve the efficiency of service provision, as specialised providers are better equipped than generalist public services to perform their particular tasks effectively.

**Thirdly**, PES may not have access to sufficient labour market intelligence to do all that they are asked to do properly. For example, they may lack information on market needs in terms of skills and job profiles. Cooperating and sharing information with partner organisations can help to bridge this gap and facilitate improved quality of service.

Although there are many reasons for partnership and they are strongly influenced by the context in which they take place, it is useful to provide a basic typology of „motives“ that will support the understanding of the different forms of partnerships outlined below.

* + **Upgrading the capacity of employment services** to perform their current tasks, which include two aspects:
* **The quantity of services provided** (for instance assisting all the new job seekers, or producing a more intensive effort for long term unemployed people);
* **The type and the quality of services provided** (for instance, implementing new services for people with disabilities /PwD/ or, in general, providing specialised services for specific target groups /young people, graduates, women, etc./).
* **Tackling multi-dimensional problems** (hard-to-place clients, industrial restructuring, young people entering the labour market, etc.), which normally requires:
* **Additionality:** extra skills and expertise, which are more convenient to acquire on the market or that are available only in specific organisations (such as not-for-profit organisations dealing with particular target populations);
* **Complementarity:** to avoid overlaps and duplication of effort (for instance, when different public bodies have both competences and obligations to support specific groups such as persons with disabilities, young people entering labour market, lone parents, etc.).

# Typology of partnership

The EU Commission’s partnership typology classifies relationships between labour market actors according to the **intensity** of their working together. This ranges from what it calls **“cooperation”** (in essence, sharing information), progressing through **“coordination”** (involving some joint planning, more intensive communication and a closer working relationship) and eventually, **“collaboration”,** which is characterized by joint objectives and decision-making, shared commitment and an interaction (see the table below).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | | **Forms of relationships** | | |
| **Cooperation** | **Coordination** | **Collaboration** |
| **Loose relationships Close relationships** | | |
| **Characteristics** | | |
| **Multi-stakeholder arrangements of PES**  **Arrangements between two or three partners** | **Strategic Orientation** |  | Information is shared, informal or formal | Some joint planning, intensified communication and closer working relationship | Joint objectives and decision making, shared commitment, developed partnership |
| **Aims** | To share information  To discuss topics  To network | To jointly develop policy areas  To solve (cross-policy) problems  To elaborate future partnership | To improve strategic planning and policy delivery  To contribute to the system change by sharing responsibilties |
| **Forms of agreement** | Informal: Mutual agreements | Informal/formal: Memorandum of Understanding,codes of conduct, guidelines | Formal (legaly binding): Partnership agreement, pacts, multi-lateral contracts |
| **Examples** | Policy Forums, Strategic platforms, networks, consultations, etc. | Involvement in social dialogue, Councils, Committees, Boards,etc. | Strategic partnerships, Territorial Employment Pacts, etc. |
|  |  |  |  |  |
| **Operative orientation** | **Aims** | * To exchange information about particular services * To update knowledge * To integrate skills into PES | * To coordinate services * To explore possibilities * To balance options | * To jointly improve specific employment services * To enhance employment options * To boost social inclusion |
| **Forms of agreement** | Informal/Formal: Mutual agreements, contracts in case of contracting out of servicee, etc. | Informal/formal: Agreement between parties | Formal (legaly binding): Partnership agreement, pacts, multi-lateral contracts |
| **Examples** | Meetings between parties, contracting out, outsorcing of the delivery of PES services, etc. | Coordination of skills supply and demand in a territory, etc. | Service partnership such as a Local Employment Partnership, Public-Private Partnerships of various kinds |

Source: Scoppetta,2013, p.7.

This typology makes further distinctions on the basis of the orientation of the relationship towards **strategy or operations**:

* ***a strategic orientation*** is often characterized by dealings with multiple stakeholders,
* while an ***operational orientation*** more often involves just two or three partners.

Partnership’s **geographical scope :** national, regional or local

Partnerships **among public actors**:

* **PES and relevant public institutions**, which are responsible for placement, matching and deliver training and other specialised services, ministries and relevant public bodies.
* **Local authorities** (municipalities, districts, regions) are generally responsible for social services and social assistance, but in some countries may also run ALMP. Other public bodies are responsible for target groups relevant to their particular domain of activity: health services dealing with the persons with disabilities, chambers of commerce with new entrepreneurs, etc. Each of these bodies plays a specific role in relation to employment services and labour policy (i.e. chambers of commerce with respect to firms, health services dealing with disabled job seekers).

Partnerships **between public and private actors**:

* **For-profit organisations** – here we mainly refer to private agencies offering employment services to jobseekers, or and private companies, private schools,VET schools, universities. etc. The profit-making orientation of their activities means that they are liable to focus on the segments of the market offering the best returns and, as a result, are often highly specialised. Compared to traditional public structures, they tend to be more flexible, less bureaucratic and more service-oriented.

Partnerships **between public, private and third sector actors.**

* **third sector actors/Not-for-profit organisations** mostly work with specific disadvantaged groups. Voluntary organisations generally have a better, hands-on, knowledge of the needs of vulnerable groups than private or public actors. They are also better able to reach out to clients that generally do not come into contact with other providers.

# What benefits can partnership offer

Today, public private partnerships **are formed between a government entity and private sector** to achieve a common purpose. Other actors can joined such partnerships, such as non-governmental and educational institutions, training providers, health care providers, non-profit organisations, community-based organizations, etc.

In general, the primary justification for establishing partnerships is that **no one organisation has the full range of competences necessary to deliver the entire package of services needed to help particular client groups**. This is particularly true at local level where problems are closely linked to local circumstances and may not match national priorities.

Engaging external stakeholders and service providers in the development and delivery of employment policy and programmes reflects both the limited capacity of any single organisation to address complex labour market problems and the interdependence of public, private and third sectors in maximizing results in different policy domains. In case of the employment service and ALMP delivery, **the benefits of partnership** can include the following:

* **access to new capabilities and specialist expertise and increasing the operational capacity of the PES**.
* extending the **range of service providers can help meet the needs of a greater number of variety of clients** (jobseekers) and allow existing public services “to overcome their constrains and limitations in term of resources, information and skills” (Fuller, 2011, p.4).
* Furthermore, if the PES is in need of selective “gap filling” of the services provided it can involve organisations that have the **capability to offer better service to particular client groups**. These may include, for example non-profit organisations with skills and experience in dealing with jobseekers who face barriers to employment such as people with disabilities, the socially excluded, low-skilled youth and women, older workers, other disadvantaged groups and minorities.
* Partnership can also increase service capacity in response to high unemployment rate and **can extend service to reach places and communities that might othervise not have access**, including rural areas (to provide services services through private employment services and partner local government).
* Engaging with private sector and agencies to coordinate and align services to overcome the barriers faced by some jobseekers (e.g. education, health, housing, child care) **optimizes the effective use of local resources**.
* **improving flexibility**
* partnership created to deliver PES and ALMPs is seen as offering more flexibility than “in-house” service provision through a government agency. They are not bound by the obligations of public service hiring practices; they often have a single focus or business line and can concentrate on quick responses that meet the labour market needs.
* **enhancing the role of the PES as network manager in local partnership**
* As more and more services are povided across networks of providers, and, at the local level, government agencies seek to harmonise their programmes and work in a more interconnected way, PES (or local representatives of the Ministry of Labour) can **play a leadership role in maximising local labour market outcomes** (improving connections between local services and linking provision of services to local economic development. This can involve bringing local stakeholders together to work out what work is most cost-effectively done by the PES itself and what can be better done by others, either as partners or under contract**, improving connections to existing services** for vulnerable groups(e.g.youth, women, PwD, etc.) that the PES itself might have trouble targeting ora multi-agency process that **links provision of services to local economic development** andjob creation strategies. That role is called a „conductor role“ in the sense of conductor of an orchestra that manages local network/s to maxumise the synnergies available through partnership and cooperation.

**Regional/local context**

* National governments set the legal framework for employers and trade unions but adaptability happens at the level of local communities. Employers and other stakeholders have to be empowered and incentivised to innovate and introduce change
* Local/regional units of employment services of all types should undertake a process of self-examination and attempt to diagnose weaknesses in service delivery from the perspective of the client and the whole chain of support that they might need. Then take a look around and ask yourself questions such as: who else is providing services to the same clients or others with similar needs; to what extent do these complement or overlap with your own services; would it help the client if these services were better coordinated; do other actors have information about clients that would be useful to us, or vice-versa? If this review reveals any possibility that collaboration with one or more local actors could be of benefit to clients then initiate dialogue with the relevant organisations to discuss the possibility of working together.
* As local problems become more complex, a cross‐sectoral response is often needed, drawing together government policies in the field of employment, skills and economic development among others. The local level is the level at which government policies can be effectively combined to tackle concrete issues. It is not just public actors that can benefit from working together in this context. It is also necessary to mobilise representatives from the social partners (trade unions and employers´associations) and the not-for‐profit sector (voluntary associations and community groups), to work in partnership together on specific issue/s.
* However, while PPPs can present a number of advantages, it must be remembered that these schemes are also complex to design, implement and manage. They are by no means the only or the preferred option and should only be considered if it can be demonstrated that they will achieve additional value compared with other approaches, if there is an effective implementation structure and if the objectives of all parties can be met within the partnership.
* Although local/regional partnerships are common place in some countries, in others they hardly exist and building partnerships will require a mentality shift, which will take time.

# Contractual arrangements among Employment Services

Operationalization of public–private partnerships will usually involve the drawing up of partnership agreements which will include clearly defined expectations, mutual responsibilities, reciprocity of benefits and accountability, as effective public–private partnerships require a level of mutual trust and respect, and a shared understanding of partners’ respective strengths. The development and life cycle of public–private partnerships will typically involve the following steps:

1. Identification and design of partnership opportunities;
2. Technical review of partnership proposal, including assessment and choice of partnership participants;
3. Approval process, including consultation with constituents, legal and financial review;
4. Conclusion of partnership agreement;
5. Implementation of partnership programme/project/activity;
6. Regular partnership monitoring, reporting and evaluation.

**Partnerships among employment services are usually managed through a variety of different contracts and formal arrangements.**

One of the partnership agreement widely used is **Memorandum of Understanding (MoU)**, which is defined as a written agreement to recognise and articulate collaborations between Public Employment Services (PES) and other actors in the labour market. MoU parties are linked by a mutual interest and a public commitment. A MoU defines, without being legally binding, the working relationships necessary for parties to achieve a shared objective. In general, an MoU does not create or imply any financial obligation. However any financial implications arising from a draft MoU *would need to be accepted by the parties before signature.*

The MoU represents a commitment for parties to work together to maximise the effectiveness of services provided to clients of employment services (both jobseekers and employers) and provides a transparent declaration of the objectives and common goals of the cooperation. As such, the starting point of the MoU should be a mutual recognition of the contribution that each party makes to the labour market and their role in addressing specific issues. This may be achieved through identification of shared values, relevant specialisms, or a shared interest in working with the same client group or sector.

The MoU should include a straightforward statement of intent describing what the parties want to achieve. This should clarify each parties interest in an issue (mutual recognition) and describe the benefits of cooperation. The MoU should be driven by and reflect current labour market challenges to contribute to better functioning of the labour market (for example by better mapping and matching, reducing unemployment spells, supporting young people and first time labour market entrants, e.g. graduates entering the labour market). The MoU should be focused and outcome driven.

If in Jordan are no many partnerships between employment services and any provider, it is suggested that a first MoU concentrates on tackling an issue of immediate concern (e.g. youth unemployment) and be focused on improving information exchange. Cooperation between employment services based on an MoU should be recognised as an evolving process developing and strengthening over time, starting with simple forms of information exchange (candidates and vacancies) before moving to more specialised cooperation projects (skills assessment & skills enhancement, job fairs, career guidance, integration of target groups / work on diversity). The language of the MoU should be clear and easy to understand, any jargon should be avoided. To increase the commitment of the people involved it should have an inspirational tone.

The MoU should be designed to provide a flexible framework for cooperation and avoid potentially restrictive specifications of how the partnership should operate.

After signing the MoU, an action plan should be produced listing the activities to be undertaken, with a schedule the parties/persons are responsible for. This should be circulated to all relevant personnel to assist implementation.

To foster effective cooperation the parties should promote exchanges between representatives at all levels. For example, it is recommended that staff visits/exchanges (at both senior and operational levels) should be arranged. This can foster mutual understanding of work processes and how cooperative arrangements can support these. Clients should be informed about the cooperation and what they can expect from cosignatories.

Parties to the MoU might usefully establish protocols (which do not need to be included within the Memorandum) for timely communication and dissemination of information in a common format and with consistent messages.

To ensure the effective implementation of the MoU provisions, the objectives and procedures described by the MoU should be disseminated to staff in all branches of signatory organisations. It could also be helpful for the parties to operate an ad hoc web-platform for sharing information (e.g. codes of practice, monthly monitoring data, steering committee reports, etc.) and making it available to all personnel involved.

A steering committee comprising representatives of all parties to the MoU should be established to periodically (e.g. every 3 - 6 months) review, report on progress and achievements against objectives, and make recommendations for on-going improvements to the operation of the partnership and delivery of services.

**Contracts** are needed to define the tasks, roles and objectives of the actors involved. Contracts for employment services have developed in recent years to link payments to performance, better exploit the flexibility of providers and transfer organisational costs onto them.

There are three main types of the contracts:

* **Internal government contracts** are variously called as „performance agreements“, „common protocols“, „service pacts“, „inter-institutional deals“, etc. These are public contracts between the government and PES, between PES and regional and local offices, or between PES and other agencies or bodies (local authorities, social services, schools, etc.).

Partnership agreements of this kind often serve to allow the public bodies involved to abide by obligations or tasks set by the law. These forms of partnership generally respond to the need for greater integration among different services and a smoother circulation of information on beneficiaries (clients). They reflect the influence of performance management, trying to replace the traditional input-based culture of public administrations with a „management culture“ adapted from the private sector.

* **Market-based service provider contracts** are widely used to contract out service delivery to private commercial or non-commercial actors. When tendering is used, the role of public players shifts from one of direct provider to that of „gateway“. The public „principals“ decide to purchase employment services from private external actors within a „quasi-market“ arrangement, whereby clients (the beneficiaries) are not the purchasers (PES in this case) and demand can only move around between providers from one tender to another. Tendering bodies are either PES, or local authorities (especially municipalities or regions in countries where they are in charge of ALMPs), or both. Outsourcing may concern single parts of services or ALMP programmes, with the public tendering body retaining overall control, or else encompass the whole process. In this last case, the role of PES is limited to registering jobseekers and determining their eligibility for services. Their service delivery activities may nonetheless continue in parallel, but only as one actor among many. Finally, it is worth noting that third sector organisations are frequently „privileged“ in the award of public contracts, for instance by introducing in the award criteria social clauses regarding the integration of disadvantaged workers or a requirement to make services available to specific target groups (e.g. PwD, women).
* **Client contracts** are contracts between (public or private) service providers and individual clients, usually laying down mutual rights and duties within reintegration agreements. In a sub-type of this contract form, eligible clients can receive vouchers, allowing them to choose among different providers of training or placement services. The outcome is, again, a quasi-market system in which services are purchased with public resources from whomever the individual decides, provided that they meet a number of conditions set up by the public body in charge of the scheme, usually through licensing mechanisms. As said above, these are generally either PES or local authorities, or both. In some cases, vouchers can be used to purchase services from either private providers or the PES themselves. In such cases, again, PES freely compete with private providers.

Each of these categories encompasses a large range of contract sub-types and different forms of partnerships. It is impossible to review all of them here, considering also that they often depend on the national regulatory context. However, within the marked-based contracts category at least it is possible to identify some extensive and significant sub-categories:

* ***Cost-reimbursement contracts:*** where providers receive payments for their expenses according to an initial budget defined in the tender process;
* ***Fixed-price contracts:*** whereby providers receive payments according to pre-determined fees or standard costs for a set of services defined in the contract;
* ***Outcome or performance-based contracts:*** under which providers are paid by results and according to outcomes defined in the contract (placements, action plan agreed, etc.). Payment can depend on results, in part or as a whole, according to different kinds of contract.

# Challenges the partnerships are facing

* *Increasing numbers of different actors with different roles, procedures and objectives.* The identification of who has which role and which competence/s and what is the legal mandate in each case are importatnt issues to be quickly solved during the preparation phase of the partnership.
* *Administrative barriers, different appropriate ministries, lack of coordination and involvement of partners.*
* *Finding the right partner/s* and the *right partnership format*.
* *Sharing a vision, clearly setting the duties and responsibilities*, along with close cooperation between professionals across sectors involved.
* Partners many times do not *trust* and compete among themselves, often have disincentives to cooperate, **sharing information and good practice,** as these are (in case of private partners) the source of their competitive advantage.
* Horizontal partnerships involving different public, private and third sector actors can **struggle to find common** **ground** in identifying both the priorities for action and the methods to be used.
* Positioning the PES to act as a “conductor” in addition to its traditional role in delivery assumes that it has the *skills needed to perform* the new role. These skills can be acquired and developed, but “while PES officials may be skilled at working with individual unemployed people, they **may not have the skills required** to work with other agencies, build networks, and plan activities strategically with other agencies” (OECD, 2015, p. 19, emphasis added). This may be an even bigger problem in some countries (like Jordan) where, for various reasons, working in partnerships is a relatively new idea.
* Need for *continuous improvement and adjustment of procedures* due to changeable context factors during the implementation of the partnetship agreement.

• *Difficulties in coordinating the activities of multiple service providers.* These can be especially evident in responding to emerging labour market opportunities and problems.

• *Finding common ground among partners.* Some partnership models struggle to *establish shared views on the priorities to be addressed and the methods to be used*.

• *Lack of partnership skills and ability to make local decisions.* New skills may be needed to establish and implement partnership-based approaches. It may also be assumed that local representatives have the authority to make decisions, whereas this may not be the case in practice.

• *Results-based contracts can lead to providers “gaming” the system.* This can take the form of practices such as “cream skimming” and “parking” hard-to-place jobseekers.

* *Lack of local capacity* both to manage contract arrangements and to conduct sometimes high-level negotiations with potential partners.
* Limitations imposed by the fact that other partners may themselves be restricted in their decision-making and *flexibility* and subject to more centralized control.
* Difficulties in *establishing national performance management systems and benchmarks.*

## Perspectives for PPP and measures aiming at generating job opportunities for inclusive labour market

Based on our mapping and desk review of the good practise examples we provide four areas where the partnership can try to develop solutions to the following labour market policy problems in Jordan:

* *Partnerships to enhance or expand employment service delivery.* This is a potential for MoL/EO and NAF as a public sector partnerships to integrate regional/local employment services, to serve as a “one-stop shops” for this purpose, and to conduct joint initiatives involving MoL-EO/NAF and municipal governments; public–private partnerships to establish new employment services, to enhance cooperation between MoL-EO/NAF and private employment agencies, to facilitate school-to-work transitions and to offer a better service to major employers; and public–private–third sector partnerships to expand employment service delivery through municipalities and NGOs and to engage whole communities in improving service design and delivery.
* *Partnerships to develop skills to meet labour market needs.* These include public sector partnerships to improve the identification of training needs and to better connect training delivery by one actor with job placement by another; and a public–private partnership improving collaboration in training design and delivery.
* *Partnerships to enhance the employment of disadvantaged or vulnerable groups*. These includes public–private partnerships to promote diversity of action plans and agreements; and public–private–third sector partnerships to establish “covenants” of shared commitment, and to coordinate local projects promoting employment equality.
* *Partnerships to increase the supply of jobs and expand access to job vacancies.* These includes public–private partnerships to share vacancies between PES and other public providers, to strike deals with local employers (or industry associations/chambers) to access their vacancies, and to establish agreements to promote work provided through temporary work agencies (TWAs); and public–private–third sector partnerships to coordinate local economic development and job growth. It is important that PES are sufficiently informed to gain employers´ trust, and understand different sectors/employers that are/will be most affected by labour market changes introduced by new form of work. Improving CV databases and collecting/analysing information on labour market shortages, mantaining close contacts with employers and promoting well-informed, flexible service help to increase the trust of employers.

## Example PPP from Jordan

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| **developing in-service training and job placement for the emerging aerospace industry** |
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| **Context of the partnership** |
| Within the EU TA SESIP, component 4, act. 1.4.7 – “Advise on PPP measures within Employment and Human Resource Development” aims at strengthening the establishment of PPP through different modalities such as job fairs, apprenticeships and internships, wage subsidised jobs for special target groups, job rotation projects, etc. PPP in this thematic area are usually established between public employment service of the respective ministry (MoL) and private operators to implement projects for support and training of job seekers with the ultimate goal of their *social and professional reintegration.* In line with the above, in 2018 with the support of TA SESIP a PPP was established on the occasion of the annual 2018 Job Fair (JF) regularly run by Akhtaboot - the online career network, serving the MENA Region and representing the private sector. The overall process of planning and implementation of the JF was carried out on the basis of a MoU signed by the three parties: the MOL, Akhtaboot and EU TA SESIP.  The partners of this strategic PPP stipulated in the MoU, expressed their willingness to cooperate, and provide support for fostering the development of mutually beneficial relationships based on the principles of equality of the partners and their legal autonomy, with main goal to increase employment opportunities and facilitate the activation of unemployed Jordanians and improving the cooperation with individual employers and their organisations in Jordan.  For the purpose of the MoU, the parties agreed they are wishing to develop and deepen the strategic cooperation and professional relations from medium and long-term perspective and to support and encourage mutual understanding of needs for providing proper and complex employment opportunities to unemployed Jordanian and services tailored to the needs of employers operational on the Jordanian territory.  The MoU was offciaiclly signed on 6 September 2018. The Annex 1 specified the general provisions and obligations as well as the concrete tasks and responsibilities of each partner of the MoU parties and was an integral part of the MoU. |
| **The implementation** |
| The JF was implemented on 26-27 September 2018 in the Amman Grand Hall – Al Hussein Youth City (Gate 1). The programme was prepared and followed as planned. Two key representatives – Minister of Labour HE Mr. Sameer Murad and EU Ambassador HE Mr. Andrea Montana accompanying by other high-level officials (VTC, NET, NAF, etc.) officially opened the JF and had opportunity to meet and discuss with the employers engaged in the fair.  For the first time:   * JF opened *vocational jobs area* in which 20 pre-selected companies offered over 500 vocational jobs for job seekers. In addition to the vocational vacancies another 1000 vacancies were available for the job seekers with higher education (see below for data details). The EU TA SESIP had two booths together with the MoL – one in the central part and one in the vocational area. These two booths served as an umbrella for other Jordanian stakeholders (NAF, VTC, NET, HCD) and donors engaged as partners - GIZ and JICA. * 11 workshops were held during the two-day JF and 271 job seekers attended the workshops in line with their preferences. Special attention was given to female job seekers encouraging them for active job search during the JF. |
| **The facts and lessons learned** |
| The Facts:   * 78 companies were engaged in the JF of which 20 with vocational jobs * 3340 is the no. of job seekers were registered in the JF system (will be traced by MoL after 3 months following to the JF completion) * 271 job seekers attended the workshops * 2212 vacancies offered * 149 is the no. of immediately hired job seekers (according to the survey done by Akhtaboot, in line with its tasks stipulated in the MoU) * More than 20,000 job seekers visited the job fair according to the clicker * 69% of total job seekers no. were males and 31% females * According to the age category: 12% (18-21 aged), 49% (22-25 aged), 20% (26-29 aged) and 19% (30+ aged) * Job seekers by level of education: 9% (high school), 17% (diploma), 67% (Bc degree), 7% (Master degree)   **Lessons learned:**   * The PPP for planning, preparing and implementing an annual JF proved to be operational and beneficial for partners involved in the MoU but first of all for the two main target groups – job seekers and employers (companies). * Set of very concrete recommendations was prepared based on the monitoring and evaluation of the whole process – from planning to concrete implementation – to be considered for any follow up of the PPP operation. * Special focus is to be put on coordination of all preparatory works among key PPP partners and towards other important key stakeholders, e.g. VTC, NET, NAF, HCD, Chambers. * Preparatory work is specifically needed to be done with the job seekers for their preparation prior to JF visit and prior to meeting with the potential employers. This is to be first of all done by MoL/EOs in close cooperation with other stakeholders, e.g. NAF, VTC, NET, BAU, HCD. * MoL is to provide sufficient staff for the all phases of JF – planning, preparation, implementation, evaluation and follow up. * Consider organisation of regional/local JFs upon specifics and needs of the regional/local labour market (LM) for skilled labour force. This to be coordinated timely and closely with the donors, specifically with GIZ that is engaged in career days in Irbid, Karak, Maan and Balqa to avoid any duplication of actions. * In line with above-mentioned to strengthen the whole JF team and plan timely the JF 2019 taking into consideration the resources the partners will make available. * Upon survey done by the MoL after more than 3 months upon JF end, 195 job seekers are still employed. |

# Performance management, monitoring and evaluating the outcomes achieved by PPP

Building a PPP is no guarantee of reaching better service or outcomes. Partnership must keep an eye on their goals and outocmes constantly question the value of their existence.

It´s necessary to consider how to assess the effectiveness and added-value of partnership on “on-going basis” in a way to ensure that the partnership: a) continues to be appropriate and b) to decide whether or not it is worth continuing the partnership. The systematic collection and analysis of information about the activities of the partnership are necessary to make judgements about the partnership’s performance and impact. This will assist in informing decisions about future partnership planning. Progress should be continuously reviewed through a circle of monitoring, reviewing, evaluating and improving. Evaluation is a useful and necessary instrument to assess the partnership interventions and activities and provide information that can be used as a basis for on-going improvement and to support decisions on whether or not a partnership should be continued or replicated.

Functional partnership should include in their partnership agreement mechanisms for continuous monitoring and evaluation. Partnerships can vary substantially in terms of their structure, size and scope and this may result in different approaches and operational solutions to evaluation, therefore defining an evaluation processes and methods to see the benefits arising from working in partnership is very crucial.

The benefits of working in partnership are usually framed in terms of added value, of which there are two forms:

**Soft added value** - relates to the features of the delivery process and how the people/organisations involved conduct their operations during the implementation of the partnership. Added value derives from an increase in the mutual trust amongst active partners and greater networking (exchange of information) between them, which together foster a positive environment for future cooperation and efforts to improve the functioning of the labour market. Soft added value can be measured through interviews with people involved in the implementation, customer satisfaction surveys, focus groups, and field notes including a description of the activities undertaken. It can require significant investment to collect the required information (e.g. surveys/interviews) and external assistance is often needed.

**Hard added value** relates to the outputs and outcomes of the service(s) provided through the partnership and the extent to which these meet the original programme design and objectives. Compared to soft added value, tangible hard added value is relatively easy to measure and can generally be assessed using the results of routine monitoring. It can be measured, for example, by looking at the number of people entering into employment, the time needed to find employment, the quality of placement (type of profession, length of employment, full-time/part time, salary), etc. A more challenging dimension of hard added value is the additional benefit that derives from working in partnership and assessing whether the combined efforts have produced better quality services or better outcomes compared to what was, or could be, achieved without a formal partnership arrangement. This dimension is particularly important when assessing the performance and cost-effectiveness of publicly funded services.

In partnerships it is important to choose the most suitable partner/s in relation to objectives and that the roles, contributions and expectations of each partner are defined and agreed by all partners. From a clearly defined starting point, evaluation can help to understand whether and the extent to which each partner has achieved its goals and why partnership is fruitful.

In some cases it may be difficult to build a cooperative environment within which to establish a partnership; the main reason being a *lack of mutual trust and understanding* (e.g. of values and mission/agenda). It is important to recognise that different types and levels of organisation (public national/public local/private) have different values and working methods and overcoming the barriers that these differences present in an initial collaboration (e.g. simple exchange of information) can be a fundamental achievement and provide the basis for more intensive future collaboration.

The effort devoted to evaluation should be proportionate to the aims of the partnership and should not impose an excessive burden on service delivery. Partners will be more committed to conducting a meaningful evaluation if the rules and methods are envisaged in the partnership agreement.

Evaluation should be conducted for all forms of partnership and the results be used to improve the functioning of the collaboration and the quality of services. Consequently, evaluation should be foreseen in the partnership planning phase and, where applicable, be clearly mentioned in the partnership agreement.

Evaluation of hard added value should be given priority in cases where credible evidence of what the partnership has achieved and an assessment of value for money are needed for the benefit of management and policy makers. Where the goal is to understand the functioning of the partnership and the processes involved then evaluation of soft added value can provide important additional information that cannot usually be obtained from the analysis of quantitative data.

The *objectives of evaluation and the key indicators* to be used should be defined and agreed at the earliest possible stage of the partnership in order to allocate relevant tasks amongst partners, plan the necessary collection of information, and the analysis thereof, and to define the stages at which the evaluation results will be reviewed and acted upon. For example, there are fundamental differences in the relationships between partners in a voluntary partnership defined by an informal partnership agreement and a partnership defined through a legal contract and this may have consequences for evaluation processes: e.g. optional vs. compulsory; participatory (all partners involved) vs. one-way process (driven by the contracting authority).

**Performance evaluation** of PES outsourced to private organizations takes place on quantitative and qualitative levels. The types of indicators and their level of importance varies depending on the service, but they generally follow a common pattern. The main indicators of quantitative evaluations are the employment rate and employment retention rate, and the sub-indicators are the numbers of employed job seekers and vacancies. Qualitative evaluation includes customer satisfaction, field assessment and level of cooperation among partners. Customer satisfaction evaluation is used to prevent moral laxity by the participating organizations. Field assessment observes the content of the employment services and the infrastructure of the organizations. The level of cooperation in partnership evaluates how well the participating organizations work with the clients to carry out the employment services effectively.

Key performance indicators (KPI) should be collectively agreed upon and a **monitoring and evaluation system should be part of the „institutional architecture“** of the partnership.

Performance monitoring should take place regularly (fixed periodicity) and key milestones should be set to meet short, medium and long-term targets. **Job-seekers and employers should be consulted through customer surveys and focus groups/panel discussions**.

*There should be clear guidelines about what happens if a partner fails to deliver.* While a mediation process may help to resolve issues, if a partner is consistently under-delivering, steps should be taken to ensure the partner replacement. **An escalation „process“ - and the conditions linked to its utilisation - should be set in place in relation to contractual, financial and performance issues.**

**Planning, methods and data collection**

At the planning phase it is necessary to decide – bearing in mind the main objectives of the evaluation - whether the evaluation will be purely quantitative or will use a mixed design with both qualitative and quantitative inputs. Also whether the evaluation will be conducted internally or outsourced. At the same time, it is important to assign responsibility for the planning and implementation of evaluation activities to a body (e.g. comprised of representatives of all partners) or individual(s) agreed by all partners.

Partnership evaluation should be managed at the level most appropriate to ensure effective implementation. This is not necessarily the top level management, which should nevertheless be fully informed of the results; rather, middle level managers may have more specialist knowledge and understanding of the context and be in a better position to implement the evaluation and channel information between different levels.

Evaluation should be on-going and managers should be informed of results throughout the implementation phase in order to facilitate on-going improvement in the functioning of the partnership (where necessary). However, since it can take some time for the partnership to settle and for the people involved to become familiar with the partnership arrangements, it is advisable *to set realistic milestones* in relation to the evolution of the project.

To measure hard added value and to find out whether the partnership has improved in terms of efficiency; it is important to have, for each indicator, a standard/baseline related to the situation before the partnership existed. Basic indicators should include:

* the number of people successfully placed in employment,
* the time needed to find work,
* the quality of placement (type of profession, length of employment, fulltime/ part time, salary).

Such indicators should take some account of the relative distance from the labour market of different groups of service beneficiaries.

To measure soft added value, customer satisfaction surveys should be conducted in order to gauge their appreciation of the service. Furthermore, independent review or self-assessment of the functioning of the partnership may identify mechanisms to improve trust, cooperation and integration of services between partners.

**Use of the evaluation**

Evaluation of partnership activities is essential to ensure accountability to the community, funding agencies and stakeholders, and to provide evidence for policy makers. An evaluation report should include key findings of the evaluation, informing what was in place before the partnership, the changes made through the implementation of a partnership and how this has impacted on the results achieved. There is also a tendency to focus evaluation on the quality of the service itself, rather than evaluating *how the quality of the service has increased* as a result of the partnership. Evaluation reports should aim to highlight where, and how, a collaborative approach has contributed (or not) to improving the efficiency and/or effectiveness of the services provided. Recommendations should address the issue of how to improve the functioning of the partnership as well as how to improve the particular services provided by the partnership.

The results of the evaluation should be used, in the first place, to inform the decision of policy makers on whether the partnership should be continued or not. The results can also be useful for other providers to gauge whether they are performing well in delivering similar services and how they might improve.

To ensure accountability and transparency, evaluation results should be disseminated to stakeholders and to the general public in a simple and understandable format. The final report should highlight the key success factors likely to be inspirational for other partnerships.

# Conclusions

The issue of partnership in employment service embraces a large number of policy fields and it maked more complex by strong national path-dependencies which doesn´t allow for direct comparison between countries. It is important to note that it is very difficult to draw conclusions about what works, what doesn´t and in what circumstances. However, we can point some contextual, approaches and design elements which might, in certain circumstances, have a significant impact on the success of such partnerships, including the following:

* Recognition of the importance of local and national context and culture: working in this way requires local knowledge as well as a willingness to “learn by doing”.
* Integration of the actions and policies of members in a coherent and organic strategy that is built around agreed objectives.
* Effective leadership – preferably from a single lead agency that is either well positioned to foster cooperation and/or carries the most perceived risk if local outcomes are unsatisfactory.
* The involvement and sometimes leadership of employers, to ensure that labour market demand issues are adequately addressed.
* The adoption of partnership structures and governance arrangements that work, regardless of the formality of the partnership, including mechanisms by which the partnership can monitor its own performance and its progress in achieving its agreed objectives.
* Sensitivity to the risks of partnerships – for example, persistent cross-sectoral barriers to collaboration, lack of local empowerment, conflicting interests of members, and the tendency for some partnerships to be more about talk than action – and strategies to mitigate these.
* Deal first the problem and then the partnership– not all kinds of partnership are suitable for every policy problem; actors, arrangements and resources vary according to the problem to be tackled. It means that in policy-making decisions it is necessary to focus first and foremost on deciding which partnerships to develop, because it represents an initial framework for policy design. This is particularly important, because the efficiency and effectiveness of partnerships depends on identifying the real source of the problem and the appropriate solution.
* Management and legal arrangements**:** technical issues are important in defining the functioning and effectiveness of partnership. In particular, tendering procedures and payment systems are crucial and can significantly affect the outcome of market-based initiatives, just as the absence of incentives and sanctions can limit the effectiveness of other forms of partnership. This means that particular attention should be paid to the *tools of partnership* and that *adequate governance mechanisms* should be in place.
* Broad scope for empowerment and networking– implementing partnerships is not only a question of legal rules and technical arrangements, but also depends on learning processes and social and administrative environments. It means that a broad scope for empowerment and networking activities to promote partnerships. In this respect it would be useful to disseminate the outcomes of experience, create communities of practice, identify good practices and design models, and share the results of evaluations.

# Good Practise Examples from EU and non EU countries

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| **Case 1: Turkey: skills’10 (UMEM Beceri’10)** |
| **Institutional set up and context** |
| Skills’10 (Beceri’10 in Turkish) combines skills development and job placement with a multi-level governance approach. This programme was launched by the Ministry of Labour and Social Security, bringing together government agencies, local communities, social partners and the private business sector, addressing employers and the unemployed as the final beneficiaries. The main task of the employers’ organization (TOBB) together with TOBB University of Economics and Technology is to conduct surveys. In this process they collect and analyze the skills and personnel demands of employers, match trainees with companies for internships, ensure the employment of successful trainees and coordinate a communication strategy with a programme website and central information system. The Ministry of Labour and Social Security, together with the public employment service, İŞKUR, is in charge of financing training courses, allowances for trainees and hiring incentives. This entity informs, selects and matches unemployed people with training measures. The Ministry of Education provides training via selected vocational schools including UMEM, the specialized occupation training centres. The Turkish labour market has been undergoing dynamic transformation from manufacturing to services, with technological change and rural to urban migration, and a pressing need to increase the skills levels of a growing workforce with an ever-larger youth contingent. At the beginning of 2012, while 2.7 million people were unemployed (10.4% of the workforce), firms were meeting difficulties in hiring qualified staff. The global economic crisis was leading to job losses, mainly among unskilled workers, and the authorities placed high priority on a large-scale programme to tackle the skills mismatch problem and up skill the workforce. |
| **Policy and main objectives** |
| The main objectives of the Skills’10 programme are to tackle the skills mismatch, to reduce unemployment, and to deal with the problem of skills shortages. The innovative approach combines research, identification of short-term skill needs at local level, a local partnership approach with close cooperation of the employers, and a fully-fledged public relations campaign.  The Skills’10 project is a large training and employment programme started in 2011 as policy measure to tackle skills mismatch by the Ministry of Labour and Social Security (MLSS). The scheme is a private-public partnership between national and local partners, led by the public employment service (ÍŞKUR) and TOBB, employers and local partners; it was initiated following a systematic skill needs assessment. The Turkish Economy Policies Research Foundation (TEPAV), a TOBB think tank, conducted a labour market demand analysis in 19 pilot provinces that account for 75% of registered employment and 80% of registered unemployment in Turkey. The results confirmed that there is a mismatch between the skills level of the workforce and employer demand, with shortages in occupations such as metal-working, welding, textiles and clothing.  One of the first actions was to modernise the specialised occupation training centres (UMEM), applying training for the teaching staff. ÍŞKUR organizes training for the unemployed in line with identified demands, followed by job placements for trainees organized with the help of hiring incentives in the form of reduced social security contributions for up to five years. Highly ambitious goals were set when the programme started, with plans to train 1 million unemployed people (200 000 each year), placing 90% of them in jobs within five years and reducing the unemployment rate by 4%. |
| **Key processes and instruments adopted and how these are used to establish key messages, recommendations and actions** |
| The Skills’10 programme is innovative and remarkable for its coherent approach, combining capacity development of vocational training providers with multi-level governance. Implementation is based on prior labour market analysis at local level. The skill demands survey covered 5 000 firms, involving them directly in the design of vocational training curricula and training delivery. Courses were offered in the areas of highest demand and firms were permitted to select those trainees they wanted to employ. Practitioners from the firms were engaged as trainers and incompany training was also offered.  **The programme covers four main phases:**   * + renewal of equipment in 140 selected schools to deliver training with modern technology; preparatory measures include the renewal of training equipment, curriculum review and trainer training;   + a skill needs survey in 24 cities, of which five were pilot cities;   + training courses organised in line with demand; trainees are matched with firms for internships and local course administration councils are established to ensure local ownership;   + regular job placement as a final goal after the trainees complete courses and internships; hiring incentives should contribute to a high placement rate.   Smooth implementation and transparency is encouraged by the 24/7 call centre providing responses to enquiries from unemployed candidates and companies. |
| **How this method or approach complements others in the overall national system of matching and anticipating skills** |
| The multi-level governance approach at national and local level is a valuable practice and may provide an institutional basis for further skills and employment programmes. Capacity development for demand-oriented vocational training provision, including investment in training infrastructure, promises sustainable impacts. The programme also combines existing employment promotion measures such as hiring incentives for unemployed women and young men. |
| **Lessons learned** |
| Close monitoring and continuous improvement of the programme has proven to be important. TOBB is also promoting implementation of the Skills’10 programme in other countries and is open to sharing of the lessons learned.   * During the first year from November 2012, 64 000 unemployed people applied for the programme, 47 500 people were trained on 3 884 courses, 40 000 successfully completed training and 30 000 were in regular employment. On the demand side: 6 000 companies have offered 80 000 internships. The first period of implementation showed that the bottleneck does not lie in the job vacancies but in finding enough motivated unemployed people to take part. * Some adjustments were made to the programme in 2012 after the initial experiences in implementation showed that vocational training was not a very attractive career option for the unemployed. The programme was improved to attract more female participants and the range of economic sectors was expanded. Further analysis of five pilot cities, with demand for agriculture and the service sectors, was added to the initial skill demand analysis for manufacturing in 19 pilot cities. * The initial focus on manufacturing meant that female participation was low during the first year, reaching only 19%. The recent amendment to include agriculture and services will provide more training and job opportunities for women. |

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| **Case 2 Mexico, State of Querétaro: developing in-service training and job placement for the emerging aerospace industry** |
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| **Institutional set up and context** |
| At the onset of the 2000s, after conducting a prospective analysis of global trends in the aerospace sector and the consequences for Mexico, the Federal and State Governments decided to develop a domestic industry and implement regional clusters in partnership with the private sector. In 2005, an Aerospace Park was established in the State of Querétaro with the Canadian Company, Bombardier Aerospace as a major partner in the project. Determining the skill requirements of Bombardier and the supply capacity of Querétaro was crucial to ensuring that operations could start in May 2006. The National Employment Service (SNE) contributed to this initiative by providing employment services and training to screened job candidates for the specialized manufacturing processes of Bombardier. The SNE played an important role in mobilizing resources and networks through collaboration with training providers and education centers in response to the workforce needs of the Aerospace Park. |
| **Policy and main objectives** |
| One of the key preconditions for success is having an educated workforce able to handle new and more sophisticated working processes. A competitive advantage of Querétaro was that it had a young and cost-competitive workforce with basic occupational skills that could be adapted to aerospace sector needs through on-site training. The mismatches detected were largely due to the lack of specialized training and the need to improve some transferable skills such as knowledge of the English language. In parallel, a medium-term policy objective sought to align education, training and technical programmes to the industry’s needs for labour. The policy intervention was based on collaborative efforts by the public and private sectors in formulating and implementing targeted job-matching services, training and retraining programmes, including specialized technical courses for new careers in the aerospace industry. |
| **Main approach and processes** |
| Research and occupation studies were commissioned to cover the national level and policy strategies for medium- and long-term impacts. At the local level, the use of employer surveys and survey of graduates provided a short-term picture of the needs of the industries that would be established in the Aerospace Park. The Labour Market Observatory, launched by the Federal Ministry of Labour in 2005, also helped to fill information gaps in occupations relevant to the aerospace sector, producing national and state level trends and projections of workforce needs. The Council for Dialogue with Productive Sectors operated as a key mechanism for the utilisation of prospective information. This state-level tripartite advisory body of experts was actively involved in the formulation of employment strategies to respond to specific bottlenecks, challenges or workforce requirements of local industry. As a member of this Council, the SNE has access to first-hand information about labour market trends and the occupation profiles that are, or will be, in demand as well as employer investment plans associated with job creation. The response to Bombardier’s requirements was divided in two consecutive phases of immediate and medium-term needs over the 2005-07 period. |
| **Pre-service and in-service training for technicians on aircraft manufacturing (2006)** |
| Bombardier participated in the BÉCATE job training programme operated by the SNE to reduce the learning curve of screened job candidates. The majority of candidates had the equivalent of high school plus two and a half years of technical education in occupation fields where core skills were easily adaptable to the aerospace sector through on-site training. The SNE used a demand-driven modality based on a voucher system to align participant skills to lean manufacturing systems. Under this scheme, the SNE covered part of the cost for training and Bombardier committed to hire at least 70% of the participants on successful completion of training. The company also brought in workers from other facilities to deliver training at the workplace. A total of 110 technicians were trained over a period of four months, starting work in the plant in May 2006. Another group of screened candidates started pre-service training delivered by public and private training providers for up skilling and accreditation. By the end of 2006, a total of 296 technicians were working to Bombardier’s standards. |
| **Vocational training of a higher technical level and aeronautical engineering degree (2006-07)** |
| In the second phase, a more specialised level of skills was required to develop more complex structures such as harnesses and engines. Bombardier targeted industrial engineers responsible for overseeing manufacturing. The SNE continued working in close partnership with vocational institutions to mobilise resources and increase responsiveness. By the last quarter of 2007 about 778 workers were hired by Bombardier. Throughout the first two phases, training vouchers from the BÉCATE programme were used to brush up soft skills such as the use of English language in the technical field of the industry. During the second phase, SNE intervention was more proactive. The entity continued to provide assistance in planning for future workforce needs and offered job-search support and referral to job training to facilitate the link between employers in the Aerospace Park and potential job candidates. |
| **Steps to achieve a more integrated approach** |
| The SNE enhanced the employability of young graduates and aided placement in qualified jobs with good future prospects in response to the immediate needs of one of the main employers in the Aerospace Park. The partnership between the SNE and the training and vocational institutions also helped in adapting the training programme curricula to medium- and long-term skill needs in the sector. A National University of Aeronautics was established in Querétaro in 2009 as part of an overall strategy to create a domestic aerospace industry. A total of 2 000 technicians had graduated by February 2011. In the initial stages of the intervention, the basis was set for the education sector to develop postgraduate studies in partnership with the Universities of Toulouse and Montreal. |
| **Lessons learned** |
| * + **Strong employer involvement**: contact with employers and other key stakeholders in the labour market is relevant in responding to current needs and planning future workforce requirements, as they can provide access to knowledge on potential vacancies and current labour market developments.   + **PES facilitated the flow of labour market information, its availability and utilisation**:. SNE helped to mobilize existing resources through collaborative efforts between public and private training providers and employers at the Aerospace Park. The added value of the SNE intervention had a strong sectoral dimension which enhanced responsiveness and capacity for adaptation.   + **Future-oriented thinking and gradual capacity building**: In the 2000s, the occupational skills required for the automotive and electronic industry were adapted to the lean manufacturing system applied in the aerospace industry. * **Multi-agency interventions**: the number of direct jobs generated by the aerospace industry in Mexico is forecast to grow from 33 000 in 2005-09 to over 100 000 by 2020 |

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| **Case 3 Partnership between the Federal Employment Agency and the school system in Germany** |
| **Context of the partnership** |
| This case study is based on the programme in Lower Saxony, which was the broadest in terms of size and of the number of students eligible to participate in project classes. The projects were evaluated by the sociological research institute in Gottingen (SOFI). Two reports vouched for the success of the programme based on a large number of standardised interviews with job-placement officers, Ministry officials, teachers, employers and students (Solga et al. 2010, 2011). |
| **Description of partnership** |
| The project was initially based on a federal law which enabled the BA (German PES) to fund innovative projects not covered by the regular tasks of the employment services. As a result of the 2005 labour market reforms in Germany, the BA had no responsibility for apprenticeship programmes. The only thing that was needed was the approval of the federal Ministry of Labour (BMAS). The second phase of the project was subject to two federal laws that demanded the cooperation of a third partner (in addition to BMAS and BA) covering at least 50% of the project costs. In the end the state had to make up for about 75% of the total costs, since the new laws prevented the federal government and its agencies from funding services (school classes etc.), which are to be provided at state level.  For the first phase of the project (AQB 1), the BA signed an administrative agreement with the Ministry of Education and Culture in Lower Saxony. They agreed to split the costs of the project, with the Ministry responsible for selecting schools and approving special classes. The project was tendered by the BA and won by BNW, a non-governmental educational institution, financed by employers and the Chambers of  Commerce. Tendering is compulsory in Germany for projects granted by federal agencies which exceed 150,000 EUR and the BA has a long experience of tendering and supervising training-related services. The object of the tender was the provision of services to prepare school students for apprenticeship, including information on careers, counselling and orientation, help in finding an internship, and social support. A tutor was assigned to each of the 24 schools involved. The BA was charged with overseeing the correct implementation of the agreement and had a representative in the coordination council. At the end of the project, tutors and placement officers worked together to find an apprenticeship position for each student.  The Ministry of Education and Culture supervised the schools which had successfully applied for the project. It liaised directly with school Principals and could intervene if the project goals were at risk. A representative of the Ministry sat in the coordination council. In the second phase of the project, the Ministry was project leader. Since state governments are free to tender projects, the Ministry announced that given the positive experience with BNW a new formal bidding procedure was unnecessary.  The evaluation of the project, instead, was tendered out by the BA. The contract was awarded to SOFI, a Gottingen-based research institute. They were asked to measure the effects of the project on the likelihood of students dropping-out, on students’ social skills and on their final results, as well as on their likelihood to start an apprenticeship after high-school. SOFI interviewed all students participating in this programmes four times and did expert-interviews with teachers, BA officials and internship programme advisors. The evaluation of the project was thought to be a key element in determining the success of the partnership. |
| **Implementation of the project** |
| The primary targets of the project were students at risk of failing to get a certificate of secondary education or of dropping out of school. The risk of dropping out was generally based on social behaviour and marks in previous exams but expert interviews indicate that it was difficult to agree on unambiguous criteria. It is possible, therefore, that some not at risk students were included in the programme. A total of 775 students participated in the project in 24 different secondary schools. Professional tutors hired by the contractor BNW had the task to support students in finding an apprenticeship. Each of them coached students in one of the 45 project classes on how to successfully apply for an apprenticeship. After the end of project classes, BA placement officers were responsible for finding the students a placement. The project was supervised by a ‘coordination council’ composed of representatives of each of the project partners, who met frequently and worked smoothly together. The council identified obstacles to implementation, settled disagreements between the partners and discussed issues related to the project and not foreseen in the planning phase.  Two kinds of challenges can be identified:   * The first concerns the legal status of the project. A federal reform law that came into force after the project started prohibited the funding of education-related activities by any federal body. In the end, the BA had to reduce the funding of the project and restrict its services to tasks related to the orientation and placement of students. * There were also a number of operational challenges. First, school Principals found it difficult to define the role of tutors within the school. In interviews, tutors stated that they sometimes taught regular lessons, which was not intended by the project and could violate the non-cooperation prohibition. The role of tutors should, instead, be to liaise with firms to guarantee every student an internship, talk to parents to improve the individual search strategy of students and supervise the success of internships. This problem was hotly debated within the coordination council. A second challenge for tutors and teachers was the cooperation with student families. Social workers were initially hired to deal with the students from socially deprived backgrounds, but at a later stage these had to be relinquished due to cost-related considerations. A third issue was the internship placement as tutors had to help students find internships without supporting familial networks. In the first project (AQB-1), all students were placed in an internship; however in the following project some students missed this opportunity. Tutors noted that the number of firms willing and able to hire a student is perhaps limited and so that the number of project classes may have reached a natural regional limit. This highlights the importance of a careful selection of participants, which should solve the problem of a natural limit of internship positions. Moreover, students were available only one or two days during the week, which may have discouraged some firms. Fourth and finally, teaching lessons had to be reduced to make room for internship days. Interviewed teachers mentioned that the reduction of lessons may either reduce the ability of students to continue secondaryschool or that they may have problems in vocational school, which is compulsory during vocational training. A solution to this problem could not be found during the project implementation. In the expert interviews, mentors maintained that only 48% of the students were able to start an apprenticeship with the biggest difficulty being the ability of students to attend vocational school. Mentors thought that only 38% of students would be able to get the necessary grades to get their vocational training certificates. |
| **Conclusion** |
| * The partnership approach is seen as a key to reaching the national targets set within the Europe 2020 strategy, one of which is to reduce early school leaving to below 10%. This target can only be reached by increasing the number of students starting a vocational training course, which includes off-the-job training. * This case study provides a good example of how partnership between the PES, state government and a private partner can help students at risk to get their certificate of secondary education which is essential to start an apprenticeship. This specific partnership is necessary since responsibility for the school system lies within the competency of the states, apprenticeship placement within the tasks of the PES, while services to boost the success of students applying for apprenticeships are best provided by private partners. * The project has shown that an effective apprenticeship orientation of students is best achieved by including work experience in the school curriculum. The project partner BNW demonstrated that using the services of private partners within schools can be highly efficient in terms of increasing the success of students applying for apprenticeship positions. The PES has learned that it is a good solution to start providing services as early as possible. From the point of view of the federal Ministry, the strategy of opening schools to private partners and the PES seems to be highly effective. After participating in the project, students previously considered being at risk of dropping out, are just as likely to complete school as their not-at-risk counterparts.   PES in Germany has a long tradition of cooperating with private partners, tendering services and evaluating results. However, the partnership between the state government and the PES with regard to the school system was a novelty. The main caveat seems to be the fragile legal framework which puts heavy constraints on partnerships between PES as a federal agency and the states. The tasks of the BA, according to the federal system reform law, should not include educational services, which are within the remit and competences of the states. This part of the reform law is currently seen as a great mistake and is likely to be repealed in the near future. For the time being, however, a partnership between BA and the states to improve the performance of the school system is necessarily limited to apprenticeship orientation.  The state level projects to reduce school drop-outs and improve apprenticeship orientation expired in 2010 but the success has led the Federal Ministry for Education and Science to launch a national initiative with similar goals. Through an administrative agreement, the BA has been tasked with coordinating the initiative and setting up permanent partnerships similar to those used in the AQB projects. However, at the moment the legal framework and the implementation of the initiative are still unclear.  The BA’s role as coordinator of the initiative indicates that it has established itself as a key player in the apprenticeship orientation of students, a development that follows some general trends.   * On the one hand, the BA is no longer servicing only the unemployed, but also people at risk of unemployment spells. * On the other hand, it is increasingly tendering out tasks to private actors. A second observable trend in this partnership is the evaluation of services provided by the BA and its partners. Nearly every new initiative by the federal government is now accompanied by an evaluation, on the basis of which decisions are made on the extension or refinancing of services. The AQB projects represent a good example where the results of evaluation are used to prolong and improve governmental initiatives.   In the near future, a lack of skilled workers in Germany might lead to an increase in initiatives aimed at improving the education of teenagers and young adults. The lion’s share of services dedicated to the further education of the unemployed is already organised by the BA and generally tendered out to private training companies. It is likely that the BA will be charged by the government with the using the experience gained through the AQB projects to extend this competence to help youngsters make the transition from school to apprenticeship and gain the skills needed in the market. |

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| **Case 4 PARTNERSHIPS WITH TRAINING INSTITUTIONS IN POLAND** |
| **Context of the partnership** |
| Partnerships of employment services in Poland are strongly connected to the political and economic transition of the country, and especially to the administration reform of 1998 which made PES subordinate to local governments and regional authorities, and no longer to the Ministry of Labour. This reform and further legislation in 2004 were intended to promote subsidiarity and improve the effectiveness of ALMPs at the local level.  Partnerships between employment services providers in Poland vary substantially across regions and local PES. This mainly depends on the capacity and structure of third sector organisations in the region. Local PES often complain that NGOs are not innovative and creative enough and they have too high costs for individual services. Nevertheless, they appreciate that NGOs may be the most effective partners to dealing with socially excluded, vulnerable groups.  Many local and regional PES in Poland act as self-sufficient institutions without any need for any kind of partnerships with other providers. Most often local PES in Poland cooperate with neighbouring local PES (72%). They either exchange job offers or submit common applications for projects funded by the ESF. They also tend to co-operate with other local government institutions such as Local Centres for Family Support (63%), the police (19%), road management bodies (17%) and health institutions (6%). However, if local and regional PES in Poland decide to enter into partnerships with ‘open labour  market institutions’, in nearly 80% of the cases these relate to training. The two projects reviewed below are presented as an illustration of this kind of partnership, of its functioning, its outcomes and its strengths and weaknesses. |
| **Simulation company as a mechanism of partnership with training institutions** |
| Simulation company training programmes usually involve a range of labour market actors, such as education institutions at various levels (vocational and high schools and universities), Vocational Education Centres; and commercial simulation companies. Simulation company programmes usually target:   * Jobless people, usually graduates of high schools as well as jobless housewives; * People in need of re-training and/or willing to change jobs; * Long-term unemployed vulnerable groups (senior and young workers).   Women made up the majority of participants in two-thirds of programmes36 and were more likely to complete them. This may be the case because simulation company programmes are more often connected to backoffice services and administrative jobs where women usually predominate. Simulation companies or quasisimulation companies are also applied in the field of construction and are usually called “Construction traverse”. Unsurprisingly, participants here are mostly men.  Beneficiaries of this form of partnership mechanism include:   * Directly: vulnerable unemployed with long track record of unemployment caused by lack of marketable skills; * Indirectly: local PES as institutions using the most effective instruments to activate their unemployed; * Indirectly: training institutions as partners of PES; * Indirectly: employers whose employees are re-trained and up-skilled. |
| **The regulatory framework and aims of partnership** |
| The regulatory framework of programmes using simulation companies covers various regulatory schemes:   * Contracting or sub-contracting with Vocational Education Centres and commercial simulation companies by education institutions and labour market institutions such as local and regional PES in public procurement procedures or partnership agreements; * Individual simulation company projects conducted by Vocational Education Centres with quasipartnerships (informal) with regional and local PES based on: * The selection and supply of unemployed with targeted profiles, set up in a project; * Internship placement in real companies after simulation company training; * Job placement after simulation company training; * Follow-up on placement.   Partnerships between the PES and training institutions using the mechanism of a simulation company aim to:   * Search for novel, more effective mechanisms of training of vulnerable groups of unemployed by PES; * Give tailor-made solutions, through one of the most effective ways of vocational training to long-term unemployed and people without jobs or with outdated skills; * Bring the unemployed back to the social routine of work (training in the 8 office hours system); * Deliver practically trained and flexible employees to employers who are able to rotate between units and replace absent workers as people are trained across all units of an average company. |
| **Rationale for partnerships between PES and training institutions using simulation company mechanisms** |
| * + An urgent need to search for novel, innovative methods of training or re-training of vulnerable groups where PES themselves are not able to bring them back to the labour market in a sustainable manner;   + The best way to address the training needs of those who are willing to set up their own business;   + Simulation company training programmes offer tested and reliable grounds to apply to apply for ESF funding to support partnerships with training institutions;   + High level of satisfaction of employers from getting comprehensively trained employees and long-term job placement of vulnerable unemployed;   + Building up an image of the PES as an effective, modern supplier of well trained employees in the eyes of employers. |
| **Evidence of results** |
| Out of the three projects under consideration, one has been evaluated ex-post and another is under evaluation at the present time. The third project is not yet concluded.  The results of the ex-post evaluation of the Project ‘*Simulation companies - skills upgrade of the unemployed*’, conducted in 2009-2010 by the Vocational Education Centre in Zielona Gora (LubuskieRegion, Western Poland) in co-operation with three local PES in Zagan, Nowa Sol and Zary, are:   * 36 people recruited in the project (all women aged 23 to 59; the majority in the 30-45 age group); 32 completed the course, the other 4 having found employment during the course of the programme; * 40% found employment after simulation company training and internship placement; * 2 participants set up their own business in trade and services; * Participants acquired soft skills such as the ability to organise their own work and that of others, to become assertive, to orient themselves and define their occupational preferences; * Younger workers proved more skilled in computer techniques; senior workers more skilled in making strategic decisions based on life experience; * Employers expressed great satisfaction with the results of this form of training compared to others; * Employees gained a better understanding of the structure, business model and logic of a company; * They are flexible and prepared enough to perform different tasks and replace others, when needed.   The first results of the ongoing evaluation of “New Perspectives”, a project implemented in 2010 by the local PES in Szczytno (Warmia & Mazury Region, Eastern-North Poland) and addressed to young unemployed with high school degrees, show that:   * All 16 long-term unemployed women who were recruited completed the project; * Participants are still in internship programmes after simulation company training; * Positive feedback was received from employers. |

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| **Case 5 Ireland - MOMENTUM training programmes – more innovative, rapid responses to employers’ training needs** |
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| **Institutional set up and context** |
| In Ireland, a government initiative was launched in 2012, fosuced on free education and training projects for up to 6 500 long-term jobseekers to allow them gaining skills and access work opportunities in identified growing sectors. Momentum is an outcomes-based model of education and training with courses tailored to both needs of job seekers and employers experiencing skill shortages.  *Target groups:* The Momentum Programme is designed to meet the needs of both individuals and employers within the context of four themes (occupational areas). The occupational clusters were chosen based on evidence that these skills are associated with relatively good employment chances. It is targeted at jobseekers who have been unemployed for 12 months or more. Funding of €20 million facilitated training for 6,500 persons. |
| **Occupational themes** |
| These include:  a) ICT, digital media, gaming, and telecommunications;  b) Transportation, distribution & logistics, sales and marketing;  c) Health care, and social services; manufacturing process technicians; natural resources energy conservation, food processing & food and beverage services  d) Training dedicated to under 25 year old to provide foundation to gain employment and or to continue into further education or training that will progress them to employment. |
| **Delivery** |
| The programme provides on-the-job training in the form of “work-experience” modules, as well as the development of workplace skills required to obtain and retain employment. Programme durations will range from 11 to 45 weeks.  Training is delivered by a range of public and private education and training providers and is outcomes-based with part-payment reserved for key stages of the programme including challenging certification, progression and employment outcomes at the end of the programmes.  The programme is administered by the National Training and Employment Authority (FAS), in partnership with the Deptartment of Education and Skills, as part of the Government Action Plan on Jobs and is ESF funded through the Labour Market Education and Training Fund. ([www.momentumskills.ie](http://www.momentumskills.ie)). |

**Labour Market Services & Active Labour Market Measures developed by WG 4**

Workshop 26-27 February 2019 (final exercise)

**Abbreviations:**

**MoL** Ministry of Labour

**NAF** National Aid Fund

**VTC**  Vocational Training cooperation

**E-TVET** Technical and Vocational Education Training Council

**PWD** Persons with Disabilities

**HCD** Higher Council for the Rights of Persons with Disabilities

**NET** National Employment & Training Company

**BAU** Balqa Applied University

**NCHRD** National Centre for Human Resources Development

**MOE** Ministry of Education

**DOS** Department of Statistics

**CAQA** Centre of Accreditation and Quality Assurance

**MOHE** Ministry of Higher Education

**VTI** Vocational TrainingInstitutions

**Service/ Measure 1**

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| **Name of the institution** | **NAF/HCD** |
| **Duration of the intervention** | 6 MONTHS |
| **Organization will be involved** | Investors Association, Private Sector |
| **Target group(s)** | Beneficiaries sons including PWD |
| **Main objectives** | Transferring clients to a productive persons within the umbrella of social protection |
| **Planned activities** | 1. field studies to private sectors and investors associations 2. signing MoUs with private sector 3. develop lists of job opportunities 4. develop database of beneficiaries sons and job seekers concluding their experiences and qualifications and a job required |
| **Cooperation with other providers** | MoL, WTC, Balqua University, Higher Council for PWD |
| **Requested resources** | financial support, logistics, human resources |
| **Planned outcomes / deliverables** | employment of 10 % of beneficiaries sons including PWD |
| **Precondition(s) in Jordan** | 1. situation is ready to implement the program 2. MoU between NAF and Higher Council for PWD |

**Service/ Measure 2**

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| **Name of the institution** | **NAF** |
| **Duration of the intervention** | 2/Y |
| **Organization will be involved** | VTC/Jordan Rever Foundation / Near East Foundation / BAU / CARE. |
| **Target group(s)** | Family members benefiting from the National Aid Fund, which have been trained. |
| **Main objectives** | Empowering beneficiary housholds and transforming them into productive housholds. |
| **Planned activities** | * Training on project management and marketing. * Technical support. |
| **Cooperation with other providers** | * International and local financial and technical donors. * The feasibility study. * Development and Employment Fund (loans). * Ministry of Social Development (producers families / credit funds). |
| **Requested resources** | - |
| **Planned outcomes / deliverables** | - |
| **Precondition(s) in Jordan** | - |

**Service/ Measure 3**

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| **Name of theinstitution** | **VET providers** |
| **Duration of the intervention** | - |
| **Organization will be involved** | 1. NCHRD 2. E-TVET Council in coordination with the National Curriculum Center 3. Training providers  * Public Sector   VTC  NET  MOE/Department of Vocational Education  BAU and other relevant government colleges   * Private Sector   Private colleges and universities  Private vocational training centers |
| **Target group(s)** | Employers |
| **Main objectives** | * Providing employers with the actual needs of trained manpower * Contributing to reducing unemployment rates * Updating programs and curricula of vocational training and education according to the latest developments in the labor market |
| **Planned activities** | * The establishment of the National Center for Human Resources Development as the reference body for identifying labor market needs studies and supervising their implementation * The establishment of curricula and training programs by the National Curriculum Center based on the results of needs assessment studies in coordination with E-TVET Council * Distribution of programs and curricula prepared by the National Center * Application of programs and curricula prepared by the National Center for Curricula through training providers |
| **Cooperation with other providers** | 1. Cooperation with trade unions (contractors union) 2. Chambers of Industry and Commerce 3. General statistics 4. Technical Universities (Public and Private Sector) 5. Ministry of Education |
| **Requested resources** | 1. Source of funding 2. Statistical data |
| **Planned outcomes / deliverables** | 1. Unification of the outputs of training as needed by the labor market |
| **Precondition(s) in Jordan** | 1. Develop laws and regulations governing the work  2. Consistent with the mandatory application and continuity of the planned study. |

**Service/ Measure 4**

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| **Name of theinstitution** | **NET (Watan Service)** |
| **Duration of the intervention** | 3-4 months |
| **Organization will be involved** | NET |
| **Target group(s)** | Youth aged 17-27 with 600 trainees |
| **Main objectives** | Meet the demand for labor  Reducing the unemployment rate in the targeted areas  Development of target areas |
| **Planned activities** | Sectors: Construction, Industry |
| **Cooperation with other providers** | NET, Jordanian Armed Forces |
| **Requested resources** | Special workshops for VTC  NET workshops  Military training units for males for an additional one month.  Financing (100 JD / trainee).  Transportation services |
| **Planned outcomes / deliverables** | A trained and qualified labor force with a profession certificate from CAQA |
| **Precondition(s) in Jordan** | Mastering reading and writing |
| **Incentives** | place the top ten in the armed forces |

**Service/ Measure 5**

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| **Name of theinstitution** | **MOL** |
| **Duration of the intervention** | Continuous / Evaluation will be done every 6 months |
| **Organization will be involved** | Ministry of Labor \ Universities \ Municipalities |
| **Target group(s)** | Job seekers - new entrants to the labor market |
| **Main objectives** | Integration of job seekers who do not have sufficient skills |
| **Planned activities** | Career counseling sessions (life skills) for new entrants in the labor market |
| **Cooperation with other providers** | Civil society organizations |
| **Requested resources** | any thing can enhance the career guidance sections of the Ministry of Labor (tools of cadres ...) |
| **Planned outcomes / deliverables** | High percentage of employees through the ministry for the previous experimental measurement year |
| **Precondition(s) in Jordan** | There is no precondition(s) |

**Service/ Measure 6**

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| **Name of the institution** | **وزارة العمل** |
| **Duration of the intervention** | Three years |
| **Organization will be involved** | **Public sector**-VTI, MOE,MOHE and various media **private sector**- companies, factories and dealers through chambers of industry, commarce and trade unions |
| **Target group(s)** | Students of primary and secondary schools and teachers through training and educational workshops on how to deal with students in this field and university students / first year through cooperation with King Abdullah II funds with the directorates of employment in the Ministry of Labor |
| **Main objectives** | Bridging the gap between the outputs of education and the requirements of the labor market through conducting studies, research and sampling |
| **Planned activities** | Idenfiy the cause of the gap |
| **Cooperation with other providers** | MOE, MOHE and Private Universities Chambers of Industry and Commerce |
| **Requested resources** | Financial sources from donors and human resources to do the work |
| **Planned outcomes / deliverables** |  |
| **precondition(s) in Jordan** |  |

# Principles of successful PPP

Public–private partnerships are voluntary and collaborative relationships among various actors in both public (State) and private (non-State) sectors, in which all participants agree to work together to achieve a common goal or undertake specific tasks. Partnerships may consist of a specific single activity, or may evolve into a set of actions, building consensus and ownership with each collaborating organization and its stakeholders. While they vary considerably, such partnerships are typically established as structured cooperative efforts with a sharing of responsibilities as well as expertise, resources and other benefits[[3]](#footnote-3).

Today, public private partnerships are formed between a government entity and private sector to achieve a common purpose. Other actors can joined such partnerships—including non-governmental institutions, such as educational institutions, training providers, health care providers, non-profit organisations, such as community-based organizations, etc. The private and public sectors build a collaborative relationship which requires “give and take” on both sides of the table to make the partnership successfull.

In the first phase – initiation - stakeholders’ opinions of the vision are surveyed and partners are selected. In the second phase, entities document the partnership and begin to define partnership elements, roles and responsibilities, risks and rewards, and the decision and implementation process. Partners also negotiate the “deal” and reach agreement on all relevant terms. In the third phase, the partnership attempts to obtain support from all stakeholders. Project financing and implementation begins and commitments of all partners are secured. Finally, in the fourth phase, the partnership monitors the indicators and evaluates its success.



# Prepare properly for Public Private Partnership

Early and comprehensive preparation by both the public and private sectors is very important.

**Public partner responsibilities**

Assess your capabilities. In the early stages of the process, the public sector should assess its institutional capacity to act as a partner. Creating an entity to handle the partnerships, such as a governmental agency, may be necessary if such an agency does not exist. The public partner needs to make sure it has the expertise to negotiate with the sophisticated private partner and use maybe in individual cases consultants assisting them in developing the partnership.

Be legislatively prepared. Make sure that regulations support the vision established for the policy implemented, including the potential to remove potential obstacles to effective partnerships.

Be resourceful with funding. With the increasing scarcity of public sector funds, it is essential to be imaginative and forward thinking to identify public and other funds that might be available.

Manage Expectations. During this stage of the process clarifies the expectations of the public decision makers.

**Private partner responsibilities**

Know your partner/s. This getting-to-know-you stage will ease the subsequent stages in the development partnership process. During the preparatory stage the private partner should familiarize itself with the legal framework and other processes concerned. The partner should assess the public partner’s ability to deliver and to commit its resources from the beginning.

Get the right team. If the partner decides to continue with the partnership, he should assemble a team who brings insight and experience with the public partner. If the private partner is new to the local community, it would be valuable to find local expertise to assist in the process.

# Create a shared vision

All successful projects start with a vision. Without a vision, the project will most likely fail. The vision is the framework for project goals and serves as the benchmark to ensure the realization of joint objectives. Creating a vision is not always easy, and it is crucial that the vision is shared. Creating a vision involves building consensus with all the stakeholders. Different tools for involving stakeholders in the visioning process should be used to ensure the broadest outreach. Involving the media is another key factor for two reasons. First, it helps get the message out about the visioning process, and second, it helps form the co-opeation with the media, which will be crucial in articulating and publicizing the vision once it is created.

# Understand yours partners and key players

The beginning point of any successful partnership is for all prospective partners to invest the time and effort necessary to gain a full appreciation of, and respect for, their counterparts in a deal—their background, reputation, experience, needs, financial strength, motivations, expectations, and goals.

Choose wisely, because you want partners who will work with you, not against you. Everyone is not in the deal for the same reasons, and without such understanding, trust will never be built, and distrust may cause the deal to unravel.

Public private partnerships can comprise different partners (government, non-profit organizations, for-profit companies and other stakeholders). Each partner plays a different role. Government should understand, for example, that the private partner needs a positive bottom line, while the private partner should understand that government does not move fast, is not necessarily profit driven, and has broader constituencies to deal with. If the public sector cannot make necessary compromises with its partners, the deal may be lost. Consultants and lawyers can help to facilitate the decision-making process during negotiations. The private sector can put together a development of the project and its financing, bring design and marketing expertise and operate it. When each partner understands the others and cooperates with them in a respectful, productive manner, the outcome will be win-win situation for everyone.

# Be clear on the risks and rewards for all parties

Key to having such a partnership produce tangible, positive results is for each partner to understand and appreciate the nature and scope of the opposite party’s potential risks and rewards, as well as its own, so that mutual success is achieved.

Except a concern for conflicts of interest, the public partner can face a bad publicity associated with the misuse of public funds and other resources. The ultimate concern of the public partner is that the partner might fail - just drop the project, lose its financing and leave the partnership “holding the bag” for substantial additional costs and performance commitments.

However, if the selection process for the private partner is conducted properly and appropriate bonding is included in the contract, this outcome will be avoided. Most successful economic development public/private partnerships are the result of a selection process that includes verification of the technical and financial capability of the private partner. To minimize risk, a certain tools have created for public partners to develop financial safeguards that are negotiated and can be included in the development agreement between the public partner and the selected partners.

The benefits to the private partner are perhaps the most obvious and readily measured: the deal should be profitable after paying all associated costs of investment of time and resources. However, companies have a reputation to protect and build if their business is to do other deals and continue to prosper, as well as the nonfinancial returns and self-esteem satisfied by a successful project.

Although the risks and rewards of a particular public private partnership may be more easily measured in the private sector, the public concerns are no less important, and a disciplined accounting of expected rewards and risks, or benefits and costs, will demonstrate to key stakeholders and the general public alike that the deal is worth doing and is being made with all relevant factors in mind—that risks are being carefully defined and considered and steps are being taken to mitigate them.

# Establish a clear and rational decision making process

All parties need to articulate and agree upon the process to be followed and the rules of engagement to be used to structure a deal with public and private dimensions as early as possible. Agreement on process helps ensure that partnerships establish effective policies and implement them efficiently and collaboratively. Furthermore, a documented decision-making process increases transparency and facilitates the sharing of information about the project.

*Create a road map:* At the beginning of the partnership, after a private partner has been selected, entities must define the process by which decisions are made, implemented, and reassessed. The most important step is creating a road map for decision making, with a timeline to schedule project implementation. The road map should describe a plan of action that is maintained throughout the process, particularly during the design, planning and implementation. The road map formalizes joint action and party commitments to the project, consequently promoting the sharing of all relevant information, and resulting in more rational decision making. Furthermore, by establishing milestones and deadlines, the partners can assess the project’s implementation status and each party’s activities.

*Define roles and responsibilities:* Entities within the partnership should also define the relationships for engagement and the various actors’ roles in the implementation of the project.

In many cases, the public partner defines the expectations for private partners, particularly in terms of their role and capacities. If the proposals are clear and accurate, they provide a strong framework by which actors can jointly implement a public private partnership. Memorandum of Understanding (MoU) is one of the tools implemented by many partnerships, which documents decision-making processes and relationships between partners. Project roles and responsibilities should also be assigned to entity representatives. To ensure collaborative decision making, dispute resolution mechanisms should also be incorporated into a contract.

A widely supported and collaborative process can be achieved through the inclusion of mechanisms to ensure sufficient and appropriate involvement of stakeholders, such as task force committees, involving input from many actors, and the use of facilitators and intermediaries.

*Create checks and balances:* Finally, partnerships must create and use mechanisms to allow continuous assessment of the effectiveness of decisions and implementation procedures. To resolve constraints, such as funding source requirements and bottlenecks in the process, partners must have the opportunity to modify the process. To overcome changing conditions, time frames, and conflicts, the process must be inherently flexible.

# Make sure all parties do their “homework”

For any public private partnership to be successful, all parties must do their homework - at the beginning of the work as well as throughout the implementation. The partners need to understand that they will have to invest time, energy, and resources at all phases of the project.

*Continue due diligence:* Although due diligence is part of the preparatory stage of a project, all partners must continue to understand all the issues - technical, social, and financial - of a project. By “doing their homework,” the partners maintain an understanding of the technical aspects of the project and can anticipate change. In other words - don’t drop out of the process and do stay invested. Public private partnership projects will fail when both sides do not continue to invest the resources needed to keep the project going.

*Share information:* All the parties need to know the status of each phase and aspect of development. All consultant work needs to be shared - and shared early. Information needs to be presented in a clear and transparent format so that everyone knows what is happening at all phases.

*Adopt scenario planning:* Doing your homework also includes understanding your partners’ limitations. For example, if part of the deal depends on long-term public investment, having a backup plan may be important in the event that the funding falls through because of budget cuts, changes in administrations, etc.

*Pursue creative public private finance plans:* One of the great qualities of the public/ private partnership approach to development is the tremendous creativity available to solve financial and development problems. The public partner, its public/private finance and development adviser, and the selected private partner must structure the financing plan for each of the public and private components; the plan often includes some combination of these elements.

# Secure consistent and coordinated leadership

Any public-private partnership needs a leader, whether it is an individual or a small group. Why? - To define clear goals; to build broad parthership; to bring the right parties around the table; to coordinate process; to bridge private project management with political leadership; to provide stakeholders who are not financially involved but have an interest in, and expectations about, a project, with a forum to express their views; and to keep everyone on point and not let a project failed. Leadership creates positive change. It makes a visible difference. It has to do with creating a vision, motivating others to support it, and implementing it. Therefore, leaders must be committed to realize the final goals. A good leader is a facilitator, a coach, an orchestra leader, an enabler. He or she brings people around the table and helps them move in a given direction. Leadership has to be sustained. Many ministers/political leaders have a short mandate - two years, four years, maybe longer - and often their successors have other ideas on continuation what has been started. These changes have to be foreseen and adequate measures to continue working in partnership to be adopted.

# Communicate early and often

The more open the communication channels and the more they are used by each partner, the greater the prospects for a successful project outcome and lasting public private partnership. Regular communication within the partnership assists in the recognition of joint interests and ensures a more efficient decision-making and implementation process.

*Internal communication:* Communication is essential to the internal dynamics of a complex partnership structure, allowing distribution of information and implementation of compatible efforts. Initially, the partners should communicate overarching project objectives to find common ground within the partnership. After obtaining consensus on project goals, partners should discuss and agree on strategies to reach those objectives. Communication is essential to the public private partnership process for many reasons, including ensuring a more efficient decisionmaking process by facilitating the exchange of information, ideas, and needs and creating opportunities for public involvement.

*External communication:* Consistent communication with a broad array of actors external to the partnership is integral to ensure widespread support and diverse perspectives within the process. Partners should reach out, listen, and respond to stakeholders and the community, elected and appointed officials, the media, and investors.

The partnership should develop a clear and concise concept of the project that can be communicated in a consistent, cohesive voice to these actors.

The designation of a project spokesperson from the public and private side can help deliver a consistent message about the partnership and its objectives. Leaders can also shepherd the project through the development process by acting as negotiator in securing political and financial support. Finally, the most informed actors should be directly involved in communicating partnership objectives.

A transparent process, achieved through open communication, information sharing, and participation in the decision process, increases the potential for broad support for public private partnership projects, particularly from nonstakeholders. Community outreach should include public involvement or notification of the project’s planning, design, and construction stages through ongoing meetings and news updates.

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# Negotiate a fair deal structure

Fairness is a value subject to judgment by both sides in any negotiation. Because we cannot anticipate all future changes, fairness will often remain an elusive goal.

**What is “Fair”?**

Fairness in negotiating a deal structure means that all parties are reasonably satisfied, at the point of closing, that they will receive the outcomes that were important enough to include in the final agreement. In public private partnerships, it is widely acceptable that the private side, in exchange for taking significant financial risk, will increase proportionate future financial returns. The public side, in return for providing the entitlements, or other public resources that allow the private activity to advance, will receive sufficient tangible and intangible public benefits - such as improved public infrastructure, increasing employment, or provision of needed services.

**Getting to “Fair”**

Negotiating a fair deal structure does not begin at the point when the agreement is completed. It is a cumulative process that begins with some of the principles previously outlined. By the time the agreement is documented, a clear understanding of the deal structure should already be in place. Both parties should have already done their homework and evaluated their respective risks and returns. Above all, mutual trust established over time will go a long way in bridging difficult negotiating issues as they invariably arise.

Some general rules to follow in achieving a fair deal structure include the following:

When possible, build in objective measures of the expected outcomes that can be used to determine the ultimate fairness of the contract/agreement. For example, asking the private partner to spell out the expected time frames of future development and the consequences if conditions change significantly is reasonable. The same is true for public partner commitments.

Both sides need to hire competent legal and relevant policy advisers.

Allow sufficient time for final negotiations resulted in agreement. If you are faced with an immovable deadline, forced compromises may result in lasting resentment by one or both parties. On the other hand, too much time can also result in an unsatisfactory outcome and will usually mean larger legal bills.

Understand the long-term nature of the partnership. The public sector is not going away anytime soon, and private partners, even those with short- to intermediate - term investment horizons, are still creating assets in the built environment that should last for generations. The difference in time horizons may require compromise.

Understand that compromise is a necessary requirement for achieving a fair deal. It is not a sign of weakness. Principals are the only parties that can keep the ultimate objectives in mind and know when compromise is appropriate

**Build trust as a core value**

Trust is one of the overarching values to be realized from the beginning and throughout the public private partnership process. To endure, partnerships require a foundation of trust in each partner’s commitment to the project and its objectives. Given the complex public private partnership process and structure, trust is required between the multiple actors and entities to enable shared decision making and taking of financial risks. Partners must also ensure that other stakeholders as well as the public are dedicated to and trust the project and the partnership.

**Building trust**

Trust is tangible and can be earned through work and commitment to the project. Building trust incrementally through small efforts within the partnership creates a record of small successes that support bigger challenges. Parties begin to build trust in each other’s interests, capacity, and diligence toward the project during the selection process. Many approaches exist for selecting appropriate private partners that provide opportunities to verify their qualifications.

**Maintaining Trust**

After partner selection, trust is reinforced through each partner’s realization of expected responsibilities. Reasonable performance schedules for deliverables help document the commitments of parties and ensure consistency in the implementation of the project.

Partners can communicate more effectively by building personal relationships with each other. Formal and informal forms of communication between entities create opportunities to build a more open and trusting relationship. Parties must act honestly and in good faith and work under the assumption that the other partners are doing the same. The practice of reciprocity also increases the co- operative nature of the partnership. Finally, to overcome misperceptions and differences impeding the emergence of trust, partners should work to understand the perspective and needs of actors involved in the process.

Building trust with other stakeholders and the public requires a high degree of transparency and the realization of promised objectives.

Overall, partners must understand that people rely upon trust to protect their interests. By pursuing mutual goals, trust can emerge among partners if the process includes mechanisms to encourage honest communication and dedication to the project.

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1. This definition has been derived from broadly accepted United Nations partnership definitions (see for example, *Building partnerships: Cooperation between the United Nations system and the private sector*; United Nations, Dept. of Public Information). [↑](#footnote-ref-1)
2. <https://www.britannica.com/topic/public-private-partnership> [↑](#footnote-ref-2)
3. This definition has been derived from broadly accepted United Nations partnership definitions (see for example, *Building partnerships: Cooperation between the United Nations system and the private sector*; United Nations, Dept. of Public Information). [↑](#footnote-ref-3)