

**Side Event: “Enhancing LLDCs’ competitiveness: public/private partnership on vocational training”
organized by the Austrian Development Agency**

**Moderated Panel Discussion / 03 November 2014 / 13:15 to 14:30 / Conference room M5 /
2nd LLDC Conference, Vienna, Austria: M-Building**

The Austrian Development Cooperation is organizing the side event "Enhancing LLDCs' competitiveness: public/private partnerships on vocational training".

A. Background:

As a consequence of their lack of direct access to sea ports resulting in additional border crossings, costly and cumbersome transit procedures, as well as inadequate infrastructure and bottlenecks associated with importation and exportation requirements, LLDCs face significantly higher transportation and trade transaction costs compared to coastal countries. Thus LLDCs find it often difficult to compete in international markets and are particularly vulnerable to exogenous shocks. As a result, while the annual GDP growth rate of the 32 LLDCs has been very volatile in the past decade, in 2011 their total share in global trade was only 1.17%, demonstrating continued marginalization of the LLDC group in the world economy.

To help overcome the challenges of economic marginalization, LLDCs need to develop their comparative advantages and, inter alia, create an enabling environment for private sector development. A key ingredient for sustainable private sector development is the build-up of a skilled work force. In LLDCs, private sector development, however, has often been hampered by a widening gap between the supply and demand for skilled manpower across various industries. This shortage of skills has translated directly into unemployment among an increasing number of untrained workers or even among “wrongly” trained graduates who are forced to be re-trained in order to become marketable. Increased investments in demand-driven vocational training might thus provide a solution to this challenge.

As a consequence, technical and vocational education and training (TVET) is now attracting greater attention in the debate on development due to an increased emphasis on economic

promotion and private sector development. In the past years, a number of studies conducted by UNESCO, the World Bank, the OECD and the EU have stressed the importance of vocational training for sustainable economic and social development.

VET programmes offer many advantages, which can have a number of positive impacts on the competitiveness of LLDCs.

VET is a direct means of providing workers with the necessary skills greatly increasing the employability of trainees and their productive capacity in an era of economic integration and technological change. In addition, if implemented well, VET programmes can make an important contribution to inclusive growth and lifelong learning.

Secondly, VET considerably facilitate the transition from academic to work life and thereby play an important role to reduce sky rocking youth unemployment rates; a source for socio-economic inflicted unrest.

Finally, VET programmes are a formidable instrument to drive human development empowering people to live independent and productive lives as part of society.

B. Objectives of the side event:

A “one size fits all” approach in applying the VET concept across the LLDC group, however, seems unpromising as a consequence of differing educational systems, institutional frameworks, and general traditions and practices in landlocked countries.

Specific approaches are needed to take due account of different local country contexts, market needs and stages of development in target countries.

The discussion will therefore focus on the following three aspects and questions, which are common to the successful implementation of VET programmes.

1. **Reality-check: the demand and supply of a skilled workforce** – VET programmes need to cater to the demand of the labour market, while to be demand-driven means dialogue and close cooperation with the private sector and other relevant stakeholders.

Potential questions include:

- What are best practices to assess demand in the labour market?
- How can the dialogue between businesses and governments be facilitated?

2. **Inclusiveness of VET** – If open and accessible to all and targeted at disadvantaged and marginalized population groups, VET can significantly contribute to inclusive growth.

Potential questions include:

- How can VET programmes reach out to a broad group of people and particularly marginalised groups in society?
3. **Differentiation in VET** – The positive impact of VET on the private sector can be enhanced when a variety of VET programmes (school, out-of-school, combination school and enterprise) is offered.

Potential questions include:

- Which programme designs for which sectors help attract trainees while responding to market demands?
4. **Financing of VET:** VET is essential for the success of companies as well as for the success of the economy as a whole.

Potential questions include: How can the public and the private sector share the burden of financing these programmes? What financing models work best?

In a solution-orientated discussion, participants will discuss present and past experiences and lessons learnt, whereas particular focus will be put on practical examples from the private sector and conditions necessary for the implementation of vocational training programmes.

C. Format and Participants:

The event will be held at the high-level in the format of a panel discussion. 10 minute key note presentations by each panelist will be followed by a moderated panel discussion.

This panel discussion will focus on three key aspects (demand driven VET offers, inclusiveness and the added value of differentiation in VET) which are important for the implementation of VET in educational systems.

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Moderator	Ms Monika Kalcsics, Ö1 radio [moderation]
Panelists	H.E. Mr Sebastian Kurz, Minister of Foreign Affairs of Austria
	H. E. Mr Harry Kalaba, Minister of Foreign Affairs of Zambia
	H.E. Mr Thomas Pale, Vice – Foreign Minister of Burkina Faso (TBC)

	H.E. Mr Erdenetsogt Odbayar M. A. Director General in Charge of the International Think Tank for LLDCs Ministry of Foreign Affairs of Mongolia
	Ms Barbara Potisk – Eibensteiner Member of the Management Board of RHI AG, CFO
	Ms Sonja Böhme, Head of Corporate Sustainability, OMV
	Mr Helmut Kronika, CEO BEST (Institut für berufsbezogene Weiterbildung und Personaltraining GmbH)
	Questions and answers

For further information or questions please do not hesitate to contact:

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