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VOCATIONAL SKILLS DEVELOPMENT

BEST PRACTICES AND BREAKTHROUGH INNOVATIONS

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Abstract

This paper presents seven different social enterprises located in Southern and Eastern Africa, India and Latin America. All chosen projects distinguish themselves through an innovative business approach and provide vocational skills development services to people from a disadvantaged background. An in-depth analysis of every project's business model allows the identification of several success elements, which then leads to the composition of common best practices and breakthrough innovations. The paper also takes into account different forms of cooperation between development agencies, project implementers, beneficiaries as well as the private sector. With reference to the Swiss Agency for Development and Cooperation (SDC) Format Finder, this paper also discusses potential roles of the SDC within the chosen projects as well as recommendations for future engagement with similar project models.

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ABBREVIATIONS

CSR	Corporate Social Responsibility
EPS	Engagement with the Private Sector
MNE	Multinational Enterprise
PPP	Public-Private-Partnerships
SDC	Swiss Agency for Development and Cooperation
SIINC	Social Impact Incentive
TVET	Technical Vocational and Educational Training
VSD	Vocational Skills Development

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1 Introduction

Worldwide, around 71 million young people are affected by unemployment and over 150 million young workers live in poverty. This stems partly from a widespread lack of basic education as well as relevant skills training: Only 11 percent of all secondary students in the world are enrolled in any form of vocational education and training. To make matters worse, the social acceptance of such vocational education is still rather low among vulnerable societal groups and is often perceived as an unattractive training offer. Academic education still remains one of the leading paradigms in educational matters. These predominant conditions lead to two different consequences. On the one hand, young people's entry to the labour market is being impeded. On the other hand, the situation is substantially influencing the social stability within the society. (SDC, May 2017)

Vocational skills development, short VSD, aims at addressing these issues and building a bridge between the provision of training and the requirements of labour markets. Thereby, the effects of overcoming major gaps in labour market relevance and quality of training are threefold. First of all, vocational skills development has a direct impact on **poverty reduction**. After completing their vocational education, young people have higher chances of finding a paid job. Earning a higher income then enables workers to lift themselves out of poverty and live a decent life. A second impact of vocational education would be its contribution to the **economic development** of a country. Skills training strengthens a nation's workforce, companies benefit from highly-skilled workers and become more productive and competitive through the employment of paid workers. Hence, vocational skills development is a driving force for economic development. The third effect focuses more on the sociological component of vocational training. As mentioned above, prospects of a lack of work among large parts of the population might endanger the social stability within a society. Vocational skills development, however, enables people to escape the poverty trap and improve their living conditions. Hence, such skills training has a direct bearing on the **social development** of a country and can be perceived as population empowerment. (Employment & Income, June 28, 2017)

Vocational skills programmes can be provided by many different actors, one of them being the private sector. In the current SDC strategy for education, further implementation of engagement with the private sector in the field of vocational skills development is a central objective. To find new models that fit this approach and to enrich the SDC catalogue of "**successful VSD models**" with a focus on the private sector and social entrepreneurs, this paper involved the task of identifying some highly successful and innovative VSD models. Besides our contact with the SDC and extensive desk research, we collaborated with Ashoka, New Ventures and LeFil Consulting in order to collect projects matching our criteria. In the following, we conducted interviews with selected social entrepreneurs to deepen our understanding of their business models and extract their innovative elements.

This paper elaborates on the most promising results of the extensive research done on innovative VSD models and introduces some key elements for success found within the projects. Thereby, the paper is structured as follows. To give some general orientation, we will first talk about fundamental principles such as the concept of *Engagement with the*

Private Sector, short EPS, in vocational skills development. Also, we will present the methodological framework used for the analysis, namely the *SDC Format Finder* and the *SDC Typology Tool*. After laying this groundwork, we will then present seven models that have been identified as innovative during our research, namely *CampoAlto, Trabajo y Persona, Young Africa, Unnati, Laboratoria, Samasource* and *hola<code>.* These projects and their identified best practices will then be followed by a discussion of the potential role of the SDC in future VSD engagement, specifically in new approaches such as *Social Venture Investment*, *Social Impact Bond* and *Social Impact Incentive SIINC.* Lastly, we will synthesise our findings and present several key elements identified as innovative in the business models we analysed.

2   Orientation

As a basis of the analysis presented in this paper, we have integrated central principles designed by the SDC. First, we have addressed and incorporated the Engagement with the Private Sector (EPS) within the VSD models and explained why Public-Private-Partnerships (PPP) are central for the new strategy of education of the SDC. Second, we have applied the SDC methodological framework, using the *SDC Format Finder* and the *SDC Typology Tool* for the analysis of the social enterprises.

2.1   Engagement with the Private Sector (EPS)

Engaging with the private sector is one of the priorities of Switzerland's *International Cooperation strategy 2017-2020*. It is crucial that the private sector is involved in VSD, as training will be done in pertinent economic sectors and will meet qualitative expectations of future employers (Employment & Income, March 20, 2015). The engagement of the private sector can take different aspects affecting governance**,** funding and training delivery. In the box below, you can see the **four main functions of the private sector** when participating in VSD. In our analysis, we have tried to identify the functions of the private sector in each model. This will allow for some insights on how the private sector has been engaged in and collaborating with VSD projects in different regions of the world, which can potentially serve the SDC as an example for further projects in the future.

FUNCTIONS OF THE PRIVATE SECTOR

The private sector's involvement in VSD projects can take different forms, depending on its functional role in the planning and organisation of VET systems (Employment & Income, February 2018). Key functions of the private sector include:

1. Private sector as provider of expertise, involved in the governance of VET systems
As the private sector is an expert in responding to market demand, it can be part of the governance of VET systems through councils and commissions, define skills standards on a national level and participate in the training of staff (part of the actual policymaking committee, having a voice within the system).

2. Private sector as co-financer
In many VET systems, the private sector is a co-financer of skills development, as it can contribute to the costs of on-the-job training or be part of a public-private training fund, even if they are not directly taking part in the training process (CSR contributions of other firms in a project).

3. Private sector as host of training
This category includes firms that offer training at the workplace. Often, this training is individual and informal, but development cooperation can help them become part of the educational system by combining their training with school- or centre-based instruction.

4. Private sector as a client of training
The private sector can also act as a client of vocational training, as they receive well-educated students, which could be employed at a later point in time and become a valuable workforce. Firms should be therefore in the measure to select the most adequate students and recruit their own trainers.

Figure 1: Functions of the private sector (Employment & Income, February 2018)

The private sector is, however, diverse and does not only comprehend private firms. In this context, we have seen that **social entrepreneurs** are also important actors of the private sector, as they bring in innovative ideas and approaches in the VSD sector. When it comes to the collaboration and support of these entities, a new approach has been evolving in recent

years. The goal of the SDC and other public entities is not just to provide social businesses with traditional top-down funding, but rather to collaborate with them and to have a long-term accompaniment, including monitoring and evaluation. The new strategy is hence to create Public-Private-Partnerships (PPP) between the SDC and social entrepreneurs, in order to create synergies and a proper exchange between those two entities. (Information from Brigitte Colarte)

In the following illustration, we are showing the different interaction that has emerged in recent years:
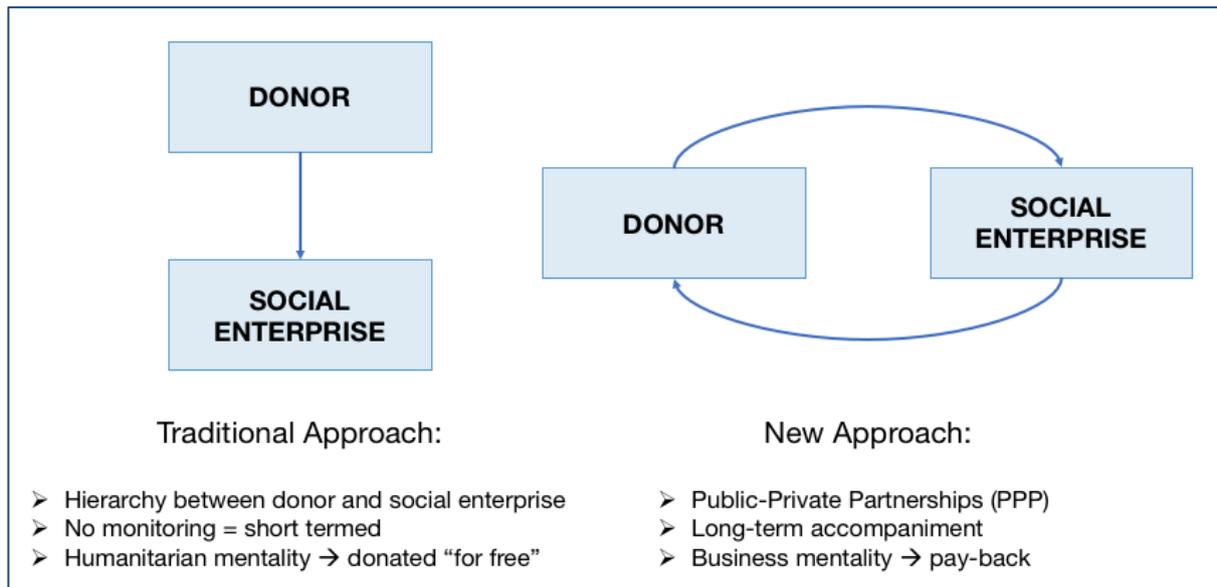
Figure 2: Engagement with the private sector (Information from Brigitte Colarte)

In the realm of VSD, the SDC has mostly been working with **NGOs** or other public entities in the past, as the application process that responded to the call for bids from the SDC was too burdensome and expensive for smaller entities. However, the SDC now wants to support and collaborate with social entrepreneurs that have good ideas but still need cognitive and financial assistance from the SDC. There are plenty of good models existing, so it is not forcefully necessary to create new models of VSD, but rather to reproduce existing ones and improve them according to previous experience. (Information from Brigitte Colarte)

In this context, the SDC has cooperated with organisations that identify and invest in social entrepreneurs with innovative and practical ideas for solving social problems, such as Ashoka, New Ventures and LeFil Consulting. This has allowed the SDC to get insights into the work of social entrepreneurs and collect helpful information for the creation of innovative VSD projects in the future. In this paper, we will list and recommend some key elements for the SDC with the purpose of orientation for the new strategy for education 2017-2020. (Information from Brigitte Colarte)

2.2 Methodological Framework for Analysis

Regarding the methodological framework for our analysis, our work is in large parts taking in material provided by the SDC. To analyse and classify the discussed social enterprises, the *SDC Format Finder* and the *SDC Typology Tool* play a central role and are therefore introduced in the following.

2.2.1 Format Finder

The *Format Finder* helps to break down complex business models into graphic descriptions allowing for a better understanding of a model's structure and each stakeholders role in it. Thereby, stakeholders include but are not limited to actors such as the SDC, Privates, International Organizations, Government Agencies, Donors, Development Banks, Clients, Beneficiaries, Outcome Payers and Investors. In the Format Finder, the stakeholders included in a business model are given attributes of whether being an **implementer**, **financial contributor**, **manager of the project**, provider of **knowledge** or rather involved with regard to **steering**. The resulting formats are manifold and include namely "Single Private Partner Project, Multistakeholder Project, Formalized Multistakeholder Consortium, Political dialogue Alliance, Venture Investment, Impact Bond, Social Impact Incentive SIINC, Structured Fund, Guarantees, Secondment and Support/Facility (Matching Grant)". Overall the *Format Finder* helps to comprise the central actors involved in any VSD business model and to facilitate the understanding in which way they are contributing to the success of a business model. (Brigitte Colarte, also compare SDC, August 8, 2017)

In chapter 4, we will adopt the identified social enterprises to the *SDC Format Finder* and discuss the potential role of the SDC in future VSD engagement. Thereby, we will especially illustrate the *Format Finder* concepts of *Social Venture Investment, Social Impact Bond* and *Social Impact Incentive,* which fit best to the selected social enterprises.

2.2.2 Typology Tool

In VSD, there is no one-size-fits-all approach. The development of skills serves different purposes, such as productivity and competitiveness, labour market integration, and inclusion. Also, VSD projects can pursue various, sometimes conflicting, objectives. Therefore, it is important that different models of VSD projects with different outcomes are appropriately distinguished. An approach used by the SDC towards that aim is to place projects in its VSD portfolio. The two-dimensional *Typology Tool* structures the diverse field of VSD interventions and supports the identification of project types. (SDC, February 2018)

As figure 3 shows, the *Typology Tool* comprises four quadrants, which are distinguished according to their **focus** on Social Policy Orientation versus Economic Policy Orientation on the one hand and on their **impact** on the other hand (impact on education system versus impact on employment and productivity). (SDC, January 2017)
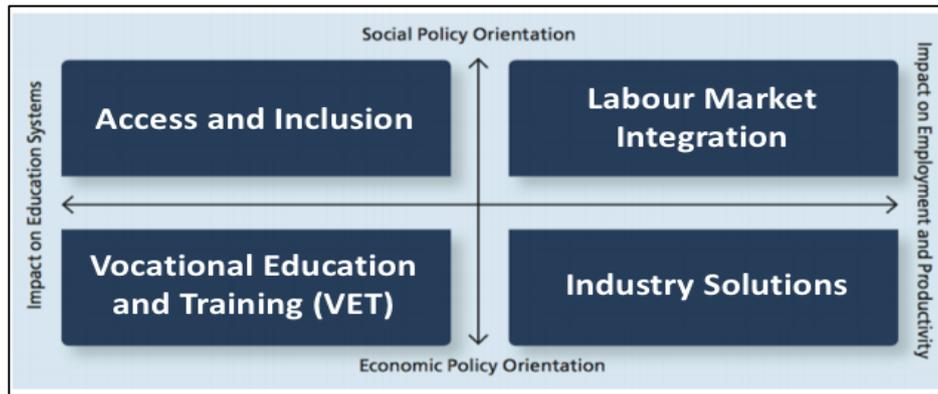
Figure 3: The SDC Typology Tool (Employment & Income, February 2018)

In the long run, VSD must serve both social and economic objectives, but individual projects pursue either more economic or social objectives. **Social policy objectives**, on the one hand, respond to the social demand of young school leavers, pursuing labour market integration of the unemployed or simplify the access and inclusion of groups which are faced with specific hurdles that hinder them to participate in educational programmes on any qualification levels. **Economic policy objectives**, on the other hand, respond to the existing labour market demand and build the quality, productivity, competitiveness and innovation capacity of national economies, industries or individual companies. (SDC, January 2017)

Regarding their impact, projects can be designed for immediate **impact on employment and productivity**, or they focus on contributing towards the development of sustainable national educational capacities and VET systems, i.e. towards **impact on education systems**. Depending on their policy orientation and approach, projects (or project components) in the four quadrants have a different focus and produce four different types of outcomes. (SDC, January 2017)

Access and Inclusion outcomes focus on the participation of students from disadvantaged groups in mainstream vocational skills development at any qualification level, and on the re-insertion of early school leavers into the education system (SDC, January 2017). The local private sector may play a key role in developing adapted curricula, relaxing entry requirements and promoting on the job training for everyone (SDC, February 2018).

VET outcomes focus on the sustained intake and delivery capacities of VET institutions with their impact on the respective clientele in relation to national policy objectives (SDC, January 2017). The local private sector should develop and strengthen formal VET, for example in hosting training processes directly at its workplace (SDC, February 2018).

Labour Market Integration outcomes focus on sustained income for specific target groups through employment, self-employment, improved family businesses, start-ups or social firms. Target groups may include school drop-outs, women, ethnic minorities or people living in areas of particular interest (SDC, January 2017). The private sector acts as a provider of skills training or internship placements (SDC, February 2018).

Industry Solutions outcomes focus on responses to the immediate requirements of the existing labour market in the more dynamic and growth orientated segments of the economy to promote productivity, quality, competitiveness, innovative capacities and potential multipliers (SDC, January 2017). The main stakeholders are promising industry clusters, business associations or large firms. They are directly involved in the definition of skill standards and curricula that responds to their specific needs (SDC, February 2018).

To reach more congruence with the SDC approaches and languages, we will apply the *SDC Typology Tool* to each of the seven analysed projects by attributing them to one of the quadrants in chapter 3.

3   Analysis of Successful Projects

In this part of the paper, we will introduce seven projects that we have identified as containing innovative aspects throughout our research, namely *CampoAlto, Trabajo y Persona, Young Africa, Unnati, Laboratoria, Samasource* and *hola<code>.* For each project, we will, in a first step, introduce the most important elements of the **business model**, such as training offered, the strategy, the role of partners and the private sector as well as the respective projects' target group. At the end of this first step, we will also introduce the projects' position in the *SDC Typology Tool* and then, in a second step, we will discuss the main **elements of success** characterizing each of the analysed projects, namely its impact and important innovative aspects, as well as mentioning sustainability and replicability aspects of each project.

3.1   CampoAlto

CampoAlto is a social enterprise which provides vocational training to young people living in poor neighbourhoods of Bogotá. The idea has been launched by three Colombian doctors in 1996, who realised that there was a huge gap between the supply and demand of staff within the medical field. *CampoAlto* therefore started as a vocational training centre in the health-sector, but subsequently expanded to more and more sectors over the past 20 years. (Hystra, April 2016)

3.1.1   Business Model

Training offered: Today, *CampoAlto* offers 16 different technical courses of three semesters in average, each focusing on practical and professional skills in 9 different sectors, namely health, administration, design, mechanics, marketing, education, social services, languages, system services and tourism (Hystra, April 2016).

Strategy: *CampoAlto* is based on three pillars. First of all, it wants to grant maximum flexibility. The students have some flexibility regarding their schedule, and *CampoAlto* also allows them to use a pay-as-you-go system. Usually, the full fee is paid back within 10 months after the completion of their studies, which makes this model unique. The second pillar is that *CampoAlto* intends to do everything they can to keep the students from abandoning their studies. This is mainly done through the flexibility mentioned before, but also through maintaining a close and personal relationship with the students. The third pillar is to minimize the transaction costs for students and therefore *CampoAlto* decided to allocate their centres in poor neighbourhoods. Herewith, the students do not lose time in getting to the training centres and they also do not need to pay for transportation. (Gerente Emprendedores, 2015)

Partners: *CampoAlto* has many local partners, such as hospitals, schools and sector-specific institutions, but it does not rely on any financial partner. This project has the key feature to be self-sustainable and has even been making profit. The flexibility of payment has

allowed *CampoAlto* to establish itself and become self-sustainable without donors, and therefore conduct their model in an independent manner. (Information Peter Beez)

Private sector: The role of the private sector is twofold. On the one hand, the private sector acts as a **host of training processes**. The courses usually have 1-2 theoretical semesters taking place in the training centres, followed by 1-2 practical semesters. The practical part is usually done in collaboration with hospitals for the health courses, hotels for the tourism ones and schools for the education courses. The same applies for the other 6 sectors. (CampoAlto, 2018)

On the other hand, the private sector can also be a **client of training**. *CampoAlto* has signed contracts with different firms, such as Pfizer, Olimipica and Esconaltur, in order to have an exchange on what firms need and how *CampoAlto* can fulfil these expectations through their vocational education. This collaboration will make the transition for the students much easier from the training to a stable employment in the aforementioned firms. (CampoAlto, 2018)

Target group: *CampoAlto* has 8 training-centres in Bogotá, each located close to poor neighbourhoods of the city. The targeted groups are low- and medium-income populations, and the goal is to develop their productive capacities. *CampoAlto* aims at helping its students to obtain a well-paid job within approximately three months after completing the programme. The earlier the students get an employment after their training, the sooner they will be able to pay back the costs of the educational training. (Gerente Emprendedores, 2015)

Typology Tool: The programme is designed to have a substantial impact on the education system, as it provides students with insightful theoretical as well as practical courses, which then allows them to be best prepared for their future work. Also, *CampoAlto* pursues social objectives, as it targets people living in poor neighbourhoods of Bogotá and it gives the opportunity to poor people to pay their fee at a later time in point. This is why we would place it in the upper-left quadrant of the Typology Tool, namely **Access and Inclusion** (compare figure 4).
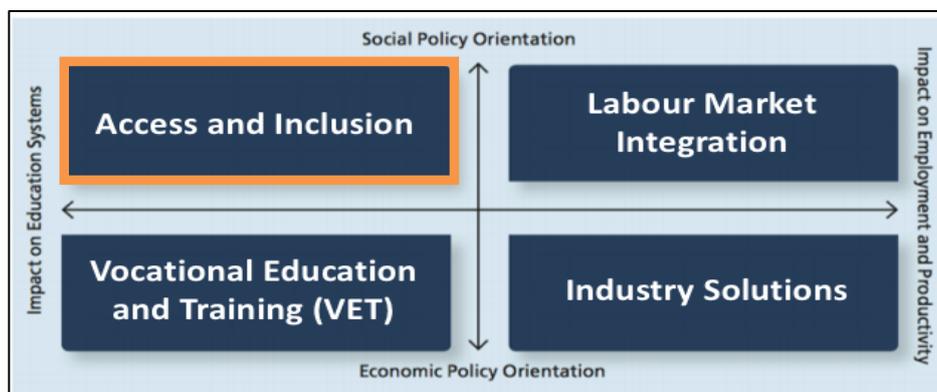

Figure 4: SDC Typology Tool applied to CampoAlto

3.1.2 Success Elements

Impact: Over the last 20 years, *CampoAlto* has had a real impact on the Colombian society. The educational model has so far reached 30'000 people with low income to gain access to technical education. CampoAlto has not only allowed its students to increase their monthly income by USD 150, from USD 450 to USD 600, but also to increase their quality of life in general. Every year, 6'500 new students are joining *CampoAlto*, of which 70 percent are women. (Hystra, April 2016)

As we can see, this social enterprise has been highly successful, and we can extract three key elements that might be useful for further vocational skills projects.

Innovative aspects
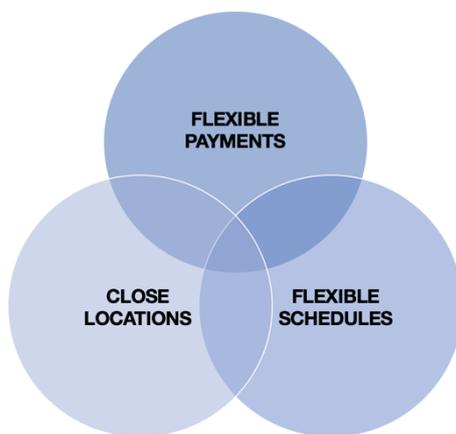
Figure 5: Innovative aspects of CampoAlto

1. Flexible payment: The first innovative aspect is the flexible payment method. In most cases, people coming from low- and medium-income neighbourhoods do not have the financial means to pay for their education. This is why *CampoAlto* wants to keep a policy of maximal flexibility in payment, which leads to more people taking part in vocational training and thus increases the level of education of the Colombian population. This flexible payment has proven very successful as the social enterprise has been able to be self-sufficient over 20 years.

2. Flexible schedule: *CampoAlto* has also kept a maximum flexibility in schedules, including evening lectures and lessons on Saturdays and Sundays. This is very important with regards to very poor people. Usually, there is no actual unemployment in the low classes of Colombia, but just under-employment. Nobody is in the position to be able not to work at all, as they need a minimal revenue to survive. Thus, many students attend vocational education in the need to increase their skills so as to increase their salary in the future. This is why *CampoAlto* offers courses at any possible time, so that the schedule can be adapted to the needs of each individual.

3. Close location: The third aspect that has substantially contributed to the success of *CampoAlto* is the location of the 8 training centres within poor neighbourhoods. Additionally, the social enterprise makes sure that it has enough partners of the private sector to be able to have the practical part close to their neighbourhood as well. Within the nursing-programme for instance, *CampoAlto* has partnerships with more than 7 hospitals, in which the students could attend their practical semester. Transportation cost are herewith minimised, and this has allowed *CampoAlto* to keep dropouts low.

In the following illustration, you can find a summary of the model and how the forces interplay to make the whole project self-sustainable:
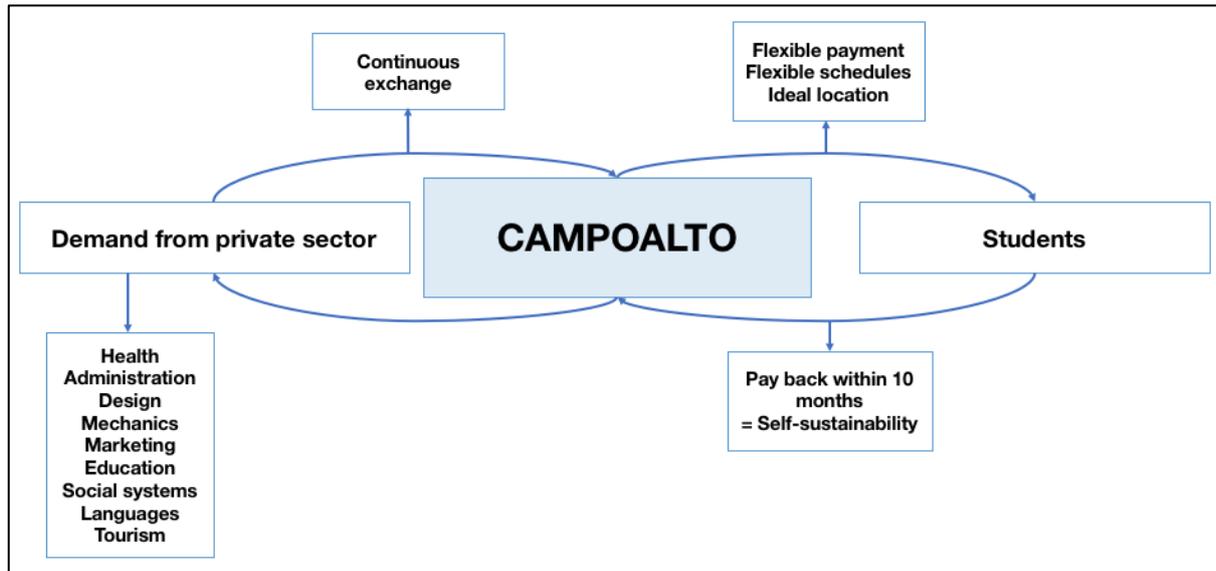
Figure 6: Business model CampoAlto

Sustainability: These key innovative aspects have led to two crucial consequences. First, *CampoAlto* is a self-sustainable social enterprise, which is not dependent on external donors and will be able to educate more and more students in the long-run. Second, the successful model of *CampoAlto* has allowed them to grow and to gain on importance. In 2011, CampoAlto has been recognised by the Colombian Ministry of Education and was designated as the "*best education*" for young people originating from poor neighbourhoods. By 2021, *CampoAlto* wants to be perceived as being the best educational option for young Columbians, in order to gain more support and expand regionally as well as internationally. (CampoAlto, 2018)

Replicability: The pre-conditions for this model to be replicable are the three innovative elements mentioned above. Flexibility in payment and schedule are crucial, as well as the close location to the poor neighbourhoods. Also, the social enterprise needs to have a very close partnership with local institutions and firms, in order to respond to their demand of employment. (CampoAlto, 2018)

3.2   Trabajo y Persona

Trabajo y Persona was founded in 2009 in Caracas to promote technical education and entrepreneurship. The programme was launched by social entrepreneur Alejandro Marius and has been running since then.

3.2.1   Business Model

Training offered: Trabajo y Persona provides training programs lasting a maximum of two years in four different areas, namely chocolate, beauty, furniture and mechanics. *Trabajo y Persona* has also launched a programme called *Emprender 360°* (in English *Entrepreneurship 360°*), which allows the students to become themselves entrepreneurs. *Emprender 360°* is a 2-months programme in which the students are not only taught technical skills, but also life skills. In this programme, students learn how to build up their own business, going from administrative basics to marketing and communication. (Ashoka, October 21, 2016)

Strategy: Instead of creating their own centres, *Trabajo y Persona* decided to collaborate with existing ones and reinforce these by using synergies. This has allowed them to save expenditures and support existing social institutions, such as *Fe y Alegría* and the *Centro Don Bosco*, among others. (Trabajo y Persona, 2018)

Form: *Trabajo y Persona* is an entity that can be considered as a mixture between a social enterprise and an NGO. On the one side, it promotes entrepreneurship and has innovative elements, but, on the other side, the education provided is free of charge and therefore the project is very dependent on external funding. This makes it have similar features to an NGO. Its founder Alejandro Marius has received the price *Social Entrepreneur 2015*, issued by the foundation *Venezuela sín Límites* as well as the *Schwab foundation* (Venezuela sin Límites, November 12, 2015).

Partners: When it comes to its partners, *Trabajo y Persona* has worked closely with public institutions as well as firms, as it is dependent on external funding. Some of their financing partners are the European Union, the Chamber of Commerce of Venezuela and Italy (Cavenit), the Chamber of Commerce, Industry and Agriculture of Venezuela and France, among others. *Trabajo y Persona* also have other partners like universities, foundations or even parish churches, in which they have been able to use their cellars to implement chocolate workshops. (Trabajo y Persona, 2018)

Private sector: The private sector has the very important role of a **co-financer**. 60 percent of *Trabajo y Persona*'s funding is done by Corporate Social Responsibility (CSR) funding of private firms, 30 percent are funded by national and international cooperation and the last 10 percent are funded by sustainability projects (Ashoka, October 21, 2016). Here we can see that the private sector covers more than half of the expenditures, even if they are not involved in training processes.

Target group: The targeted groups are people living in poor neighbourhoods of Caracas as well as in rural areas around the city. *Trabajo y Persona* seeks to give access to education to

vulnerable groups of the Venezuelan capital, such as young people and women in general. (Trabajo y Persona, 2018)

Typology Tool: This project is designed to have an impact on employment and productivity, as it promotes entrepreneurship and labour access. Being a hybrid version between a social enterprise and NGO, *Trabajo y Persona* mostly pursues social objectives, as it targets the most vulnerable population in this already weak state of Venezuela. This is why we would place it in the **Labour Market Integration** quadrant as illustrated in figure 7:
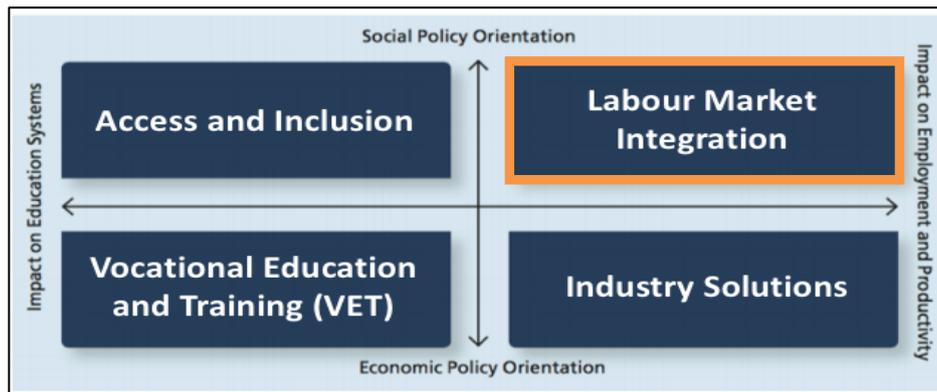
Figure 7: Typology Tool applied to Trabajo y Persona

3.2.2 Success Element

Impact: Since the creation of *Trabajo y Persona*, 1'400 students and 500 teachers have been trained at more than 19 training centres all over the country. Its main objective is to restore self-estimation and value of an individual through labour. (Ashoka, October 21, 2016)

As we can see, this social enterprise has shown considerable success and we can extract three key elements that might be useful for further vocational skills projects.

Innovative aspects
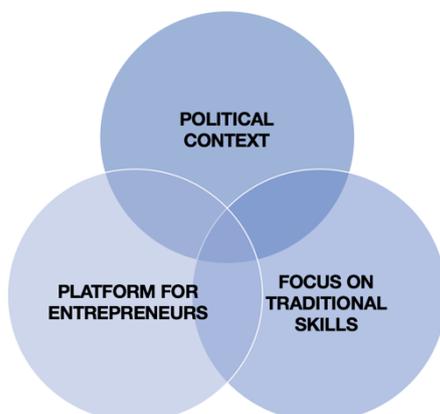
Figure 8: Innovative aspects of Trabajo y Persona

1. Political context: The situation in Venezuela is very volatile and the economic prospects of young Venezuelans very poor. In this context, it is already innovative to create a social enterprise in such a politically unstable environment and to face all the institutional difficulties that arise. *Trabajo y Persona* has shown that even if there is social unrest, a social enterprise can still survive.

2. Focus on traditional skills: In a world of globalisation and digitalisation, *Trabajo y Persona* wants to insist on the fact that technical skills are still very important for the

society. According to Marius Alejandro, it is very hard to find good carpenters, plumbers, electricians or mechanical engineers in Venezuela. This is why they chose to keep their focus on these sectors and promote human value. The technical and manual work of the students and future entrepreneurs will give them more confidence and self-esteem, which is crucial in the Venezuelan context (Ashoka, August 24, 2016).

3. Entrepreneurial platform: Also, this social enterprise is special as it is also a platform for future entrepreneurs. The students do not only get vocational education in a technical sector, but they also learn how to build up a business on their own. This will help them regaining self-esteem and at the same time increase their revenues substantially. Figure 9 shows how the *Emprender 360°* programme is divided. (Marius, January 15, 2014)

Sustainability: *Trabajo y Persona* is not entirely sustainable, as it mostly relies on external funding. Within such a political and economic context as Venezuela, it is not feasible to ask entrepreneurs to pay back their tuition fee, if there is not even enough food supply and water in the country (e-mail Alejandro Marius). Once the situation will stabilize, *Trabajo y Persona* could eventually consider turning their yet NGO to a self-sustainable social enterprise.

Figure 9: Model Emprender 360° of Trabajo y Persona

Replicability: Even if *Trabajo y Persona* have chosen to stay in Caracas only, we estimate that the model can be replicated in other countries as well. The social aspect is very central for this programme, and in the context of political instability, we would suggest that the vocational training stays free of charge for its students.

3.3 Young Africa

Young Africa is an organisation which was founded in the Netherlands in 1998 by two social entrepreneurs - Dorien Beurskens and her partner Raj A. Joseph - with the mission to **empower young people** through skills training to employability and entrepreneurship. At present, *Young Africa* is active in six countries in Southern Africa, running training centres in Zimbabwe, Mozambique, Namibia, Botswana, Zambia, and South Africa. Every branch in the respective country thereby acts independently and is locally registered as an affiliated organisation. (Young Africa, 2018a)

3.3.1 Business Model

Training offered: *Young Africa* (YA) offers courses in various technical, commercial and agricultural skills and combines practical with theory-related training in their classes. Training courses are delivered through three different models: centre-based training, mobile outreach training, and industry-attached training. All technical vocational education and training (TVET) programmes of *Young Africa* are **accredited by the government** of the respective countries. In case students do not meet the formal requirements set by the government (e.g. minimum amount of schooling), *Young Africa* provides them with a separate "uncertified" degree after having completed the training sessions. (interview, May 3, 2018)

1. Training centres: The main way of training delivery takes place at training centres where young people participate in TVET programmes for periods ranging from 8 weeks to 12 months depending on the course and level. Those trainings centres are financially and organisationally self-sustainable within five to ten years after the initial investment of *Young Africa*. This is due to a unique **franchise model** shown in figure 10: all courses are franchised to local entrepreneurs who pay rent for the use of YA facilities, equipment and brand name. In exchange, they train young people on-the job. These students then pay low school fees to the entrepreneurs, become "apprentices" and can later be employed by the very same entrepreneurs. (Young Africa, 2018b; interview, May 3, 2018)
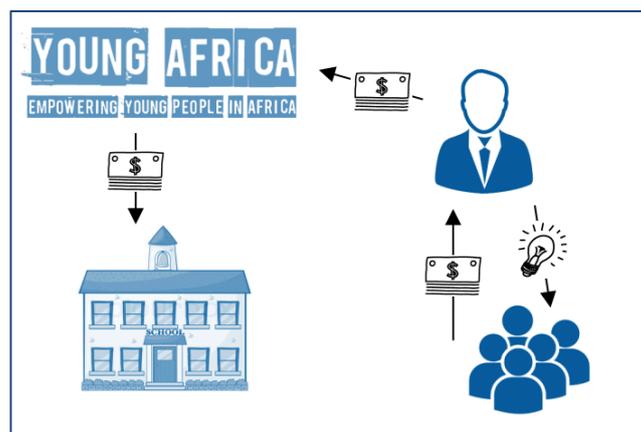

Figure 10: Young Africa's franchise model

In terms of training, *Young Africa* follows a three-pillar based approach: Life skills and entrepreneurship education is integrated in the technical vocational training. Hence, every curriculum includes a **module on entrepreneurship** (business start-up) and a **life skill**

course covering topics such as HIV/AIDS, gender, leadership, and human rights. Whereas the vocational training is provided in partnership with local entrepreneurs, the courses in life skills and entrepreneurship are conducted by *Young Africa* itself. (Young Africa, 2018c; UNESCO - UNEVOC, 2017a; UNESCO – UNEVOC, 2017b)

2. Mobile outreach training: This approach has been implemented in Zimbabwe only and contains a mobile unit comprising equipment, trainers, and training consumables which then move from one remote site to another in the country and provide 12 week-long TVET programmes to young, disadvantaged people in outlying areas. In contrast to the first model (centre-based training), this form of training delivery is still heavily reliant on donor support. (Young Africa, 2018d; interview, May 3, 2018)

3. Industry-attached training: Young Africa has also started a pilot project of industry-attached training in Namibia. Here, the organisation joins forces with leading local industries with an interest in offering job-related skills training at their industrial sites. Through this model, small groups of unemployed young people receive practical job-related skills training at the workplace. Dorien Beurskens, the founder of *Young Africa*, sees a lot of potential in this model but also stressed the small scale of the project. Interestingly enough, the initiative for such in-house training often comes from the private sector itself. (Young Africa, 2018d; interview, May 3, 2018)

Partners: As mentioned above, *Young Africa* works in partnerships with many local entrepreneurs, but at the same time also counts on the support of development agencies (such as USAid, Sida, GIZ, and Australian Aid) as well as foundations and NGOs. While their training centres become financially self-sustainable in the long-run, *Young Africa* still relies on financial contributions in order to train their staff conducting the life-skill and entrepreneurial courses as well as for administrative processes. (Young Africa, 2018e)

Private sector: The private sector's involvement within programs of *Young Africa* takes different forms. First, the private sector functions as a **co-financer** of skills development through the provision of on-the job-training. Second, the private sector can act as a **main client of vocational training.** Trained students can either be employed directly by entrepreneurs conducting the courses or alternatively get hired by the local industry. In case of the third model, the pilot project in Namibia, the private sector can also assume the role of a **host (of training processes)**, as training programmes take place directly at the centre of work. (Young Africa, 2018d; interview, May 3, 2018)

Typology Tool: As the programme is designed to have an impact on employment and productivity, promotes entrepreneurship and pursues a social objective, we would place it in the upper-right quadrant of the *Typology Tool* called **Labour Market Integration**. Furthermore, it contributes to national educational capacities. All TVET programmes are accredited by national governments as long as students meet the formal requirements set up by the respective state department. Hence, the programme can also be placed in the upper-left quadrant of the *Typology Tool* called **Access and Inclusion**.
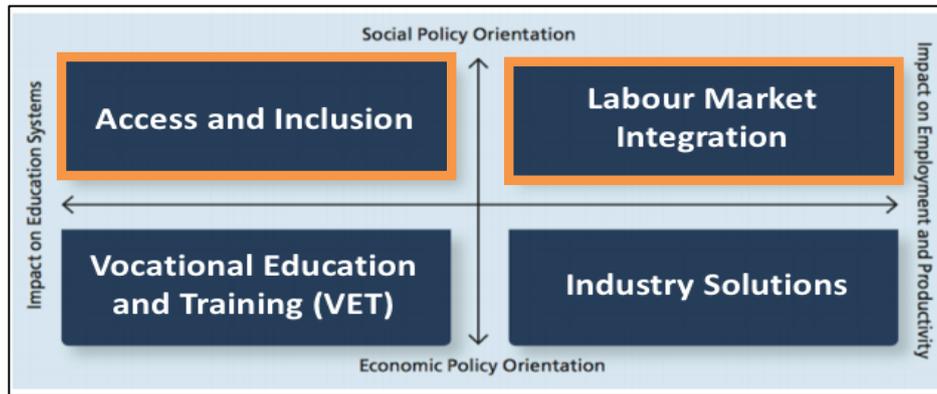
Figure 11: Typology Tool applied to Young Africa

3.3.2 Success Elements

Impact: Over the last 20 years, *Young Africa* has achieved several milestones. Besides expanding to other countries in Southern Africa and replicating their model in different training centres, they have trained 33'000 students in vocational skills. On average, there are about 1'000 young people in the respective six countries which benefit annually from the services provided by *Young Africa*. Furthermore, the approach of the organisation has been nominated by UNESCO/UNEVOC as one of the thirteen most promising TVET practices around the world. (Young Africa, 2018f)

As Dorien Beurskens pointed out in the interview (May 3, 2018) the success of a VSD model always depends on the local economy. Nevertheless, three main elements determine the overall performance of the program in question.

Innovative aspects
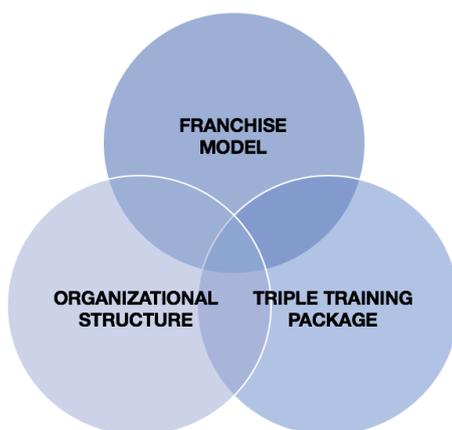
Figure 12: Innovative aspects of Young Africa

1. Franchise model: The first key element for success is the business model itself. Not only does the franchise model lead to organisational and financial sustainability of training centres but it also grants maximum responsibility to local entrepreneurs without requiring any form of capital investment. This form of partnership allows a market-oriented angle whereby the curriculum can immediately respond to market demands. Moreover, taking courses with potential future employers offers students excellent insights into a profession and allow them to see their teachers as role models. (interview, May 3, 2018)

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2. Triple training package: A second innovative aspect would be the three-sided training package. The combination of technical training, life skill courses and entrepreneurship classes is key for guaranteeing a high overall impact. Evaluations have shown that at least 83 percent of *Young Africa*'s graduates are economically active of which 32 percent are self-employed. Dorien Beurskens underlined how the offered entrepreneurship module within each training package contributes to the self-employment rate. Increased self-confidence of students and skills going beyond the technical education are crucial for survival on the employment market. (interview, May 3, 2018)

3. Organisational structure: The third success element would be the structure of the organisation itself. Being a confederation of independently and locally registered affiliated organisations allows the individual units to be flexible in their approaches and to adapt their programmes to the respective contexts in which the centres are located. In addition, this approach also enables maximum ownership to the respective local communities. (interview, May 3, 2018)

Sustainability: Parts of *Young Africa*'s business model are self-sustaining. As explained above, training centres reach financial and organisational independence within 10 years after *Young Africa*'s initial investment. However, the organisation still depends on the support of external actors for a smooth functioning of all services offered. This financial dependence can be explained by the fact that *Young Africa* has expanded in the last decade and replicated their model in several Southern African countries. (Young Africa, 2018b; interview, May 3, 2018)

Replicability: To sum up, the critical factors which contribute to *Young Africa*'s success story can be narrowed down to the franchise model, hence the strong collaboration with local entrepreneurs paying a renting fee for their training sessions, as well as the integral teaching method combining technical education with life skill and entrepreneurship classes. *Young Africa* has already successfully replicated its model in various countries. Hence, we believe that this approach would also function in other regions apart from Southern Africa – as long as local entrepreneurs are willing to collaborate and the government accredits the technical skills trainings.

3.4 Unnati

Unnati is a "vocational training and transformation program" founded in 2003 by social entrepreneur Ramesh Swamy in Bangalore, India. Since then, it has spread all over India and today has training centres all around the country. The *Unnati* mission is to help the underprivileged youth to secure stable employment. Its three core philosophies are 1) "if we train somebody we must be able to get them a job, 2) we must enable the youth to be good and responsible citizens and be a part of an inclusive society by being able to present themselves in the society, and 3) we must be a change agent in this society". (Unnati, 2016a)

3.4.1 Business Model

Training offered: Training is organized as a short term 50-day vocational training programme for vocations in various sectors, each containing over 300 training hours. Training is done in *Unnati* centres and is offered at a subsidized cost to students. (interview, May 9, 2018)

1. Vocational training: In total, *Unnati* currently offers 6 specific vocations, namely Admin Assistant, Retail Sales & Marketing, Guest care, Beautician, Bedside Attendant and Driving (for women) (Unnati, 2016b). However, centres often only provide 3-4 vocations, depending on market requirements (interview, May 9, 2018).

2. Training for life and for livelihood: *Unnati* stresses not only the relevance of core vocational skills and employment, but also focuses largely on other skills such as English, basic computer skills, life skills and core values ((Unnati, 2016a). Mr. Swamy described *Unnati* as being different from the market with this value systems approach (interview, May 9, 2018). Thereby, confidence, self-respect, moral values and living the "precious gift called life more meaningfully" are central (Unnati, 2016b). Specific key deliverables of the life skills are for example principles such as punctuality, honesty, respect, responsibility and happiness caution (interview, May 9, 2018).

Target group: As a youth empowerment programme, *Unnati* targets underprivileged youth above 18 years. Eligibility is 18-25 years for men and 18-35 years for women, who have a longer "vulnerable period" to be covered. In the selection process for students, the only clear official selection criteria are the *Unnati* age requirements as well as the general "willingness to learn and grow". There is no requirement of educational qualifications and students are selected on a case-by-case basis, which include underprivileged, rural, urban, semi-literate and non-literate, school dropouts or young people with no school education at all. (Unnati, 2016c; interview, May 9, 2018)

Partners and donors: When it comes to partners, *Unnati* generally mentions beneficiaries and benefactors, teachers, volunteers and industry partners (Unnati, 2016b). However, a few partners can be stressed.

National Skill Development Scheme India (NSDC): *Unnati* has been recognised as a Vocational training provider under the National Skill Development Scheme. While the government is not contributing financially to *Unnati*, Mr. Swamy described the fact that having a government certification is beneficial for the attraction of new students i.e. convincing young people to go through the *Unnati* training as well as to get funds and foundations on board who often ask for government recognition. (interview, May 9, 2018)

Power to empower (P2E) winner 2015: *Unnati* is also one of the winners of the 2015 P2E programme, a national-level "Skill Enterprise Plan Competition to encourage entrepreneurs with innovative and scalable business solutions to contribute to the development of a sustainable vocational skills ecosystem". Driving forces behind the project were the National Skill Development Corporation NSDC India as well as CII, the Confederation of Indian Industry with a heavy industry involvement. (India@75, 2017)

Donors: Currently, Unnati is heavily dependent on donations. A big financial contribution comes from various foundations as well as CSR programmes of private firms, which cover about 75% of the training costs at the moment. (interview, May 9, 2018)

Private Sector: The private sector is involved in the *Unnati* business model in various ways. According to Mr. Swamy (interview, May 9, 2018), getting the private sector on board is generally a rather easy task for a number of reasons. First, students are trained for low-skill entry level jobs for which firms usually hire people who have not been trained at all. Therefore, the *Unnati* training allows companies to hire more qualified people without having to pay them more. Also, reputation and experience play a major role, with companies continuing to hire *Unnati* graduates once they made good experience with them. In the interview, Mr. Swamy further elaborated on the role of the private sector, which was initially also involved as a host of training of on-the-job training in *Unnati*'s initial 70-day program. However, this model was changed to a shorter programme by excluding the unpaid on-the-job training to sooner move on to paid employment. This leaves the private sector the following functions:

Contributing to the curriculum: A very central role of the private sector is connected to the curriculum, which has been developed by industry experts. Therefore, *Unnati* training is market focused, taking into account current industry trends and the requirements of employers, to work towards maximizing the benefit both for students and their prospective employers. (Unnati, 2016b)

Client of training: The private sector is centrally involved as a client of training, hiring *Unnati* students after completing the programme. Over the years, a number of companies have hired *Unnati* graduates repeatedly, thereby establishing a "cherished, trusted relationship with *Unnati*". The list of top employers includes internationally known companies such as Tata, AXA Insurance, Bata, J.P. Morgan Levis, Puma or FedEx. (Unnati, 2016e; Unnati, 2016d)

Financial contributions: The private sector financially contributes to Unnati in two ways. First, companies hiring *Unnati* graduates pay a placement fee as a contribution to the training done by *Unnati*. Second, there are a lot of general CSR projects sponsoring the education and hiring of the youth. (interview, May 9, 2018)

Typology Tool: The *Unnati* program is designed to have an impact on employment and productivity and pursues a social objective. Furthermore, outcomes focus on a sustained income for a specific target group through employment and the private sector is involved as a provider of placement. Therefore, we would place *Unnati* in the upper-right quadrant of the Typology Tool called **Labour Market Integration.**
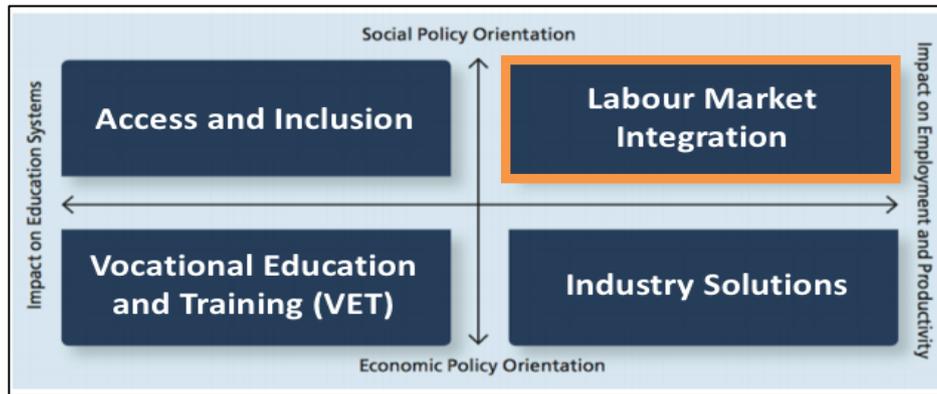
Figure 13: Typology Tool applied to Unnati

3.4.2 Success elements

Impact: *Unnati* stresses that it "enables inclusive growth by empowering families below poverty line" with the economic independence of one youth enabling the family to increase its independence 4 to 5 folds, allowing the family for example to educate other siblings and change the family social status completely within a few years. To date, over 10'000 students have been educated and placed by *Unnati*. The salary increase described by *Unnati* is considerable, with 4'000 up to 25'000 Indian Rupees a month (approximately 59 to 372 CHF a month). (Unnati, 2016a)

As we can see, this social enterprise has shown considerable success and we can extract three key elements that might be useful for further vocational skills projects.

Innovative aspects
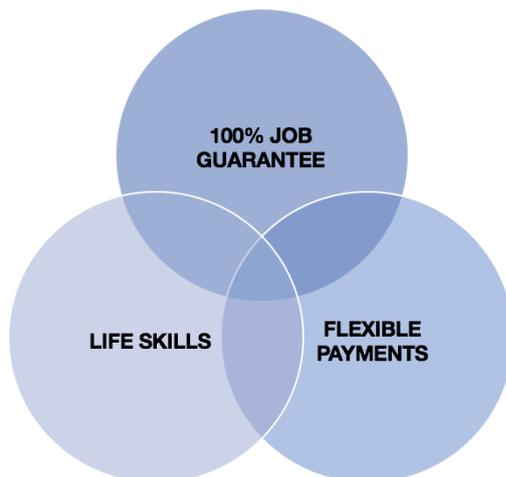
Figure 14: Innovative aspects of Unnati

1. 100% Job Guarantee: *Unnati* gives its students a 100 percent guarantee to job placement at the end of their training, which is one of its core innovative elements according to Mr. Swamy, who stated that "the others just don't have the guts to do it". He described the realization of the 100 percent employment rate as a challenge, but one that can be realistically reached. From experience, he estimates that 90 to 95 percent of placements go through without any problems, leaving only a few cases posing challenges. For those few, *Unnati* is willing to take the extra effort, resources and time to live up to its promise. Overall, Mr. Swamy says the guarantee is definitively an advantage and also considerably facilitates the challenging process of attracting students. (interview, May 9, 2018)

Interestingly, the placement process works without any specific agreements such as companies guaranteeing that they will take a certain number of students. Also, placement of students is only tackled towards the end of their training. It is during the final week of training

that students are briefed on existing placement partners. Matching companies are then invited for interview sessions and ideally, student and company are successfully connected. In this process, *Unnati* substantially benefits from established relationships and successful experiences with former students building a good reputation (Unnati, 2016f; interview, May 9, 2018).

2. Flexible payment: While training is offered to students at a highly subsidized price of only about 3'000 Indian Rupees (about 44 CHF), flexible payments are a central element of success according to Mr. Swamy. It is not compulsory for students to pay on day one of the training, but flexible payments on a case-by-case basis are possible. (interview, May 9, 2018)

3. Life skills: Life skills are an important part of the *Unnati* training scheme (see also above). While Mr. Swamy acknowledges that life skills are certainly not the selling point when it comes to attracting new students, he sees a very central role in *Unnati*'s aim to educate its students to be "responsible citizens" (interview, May 9, 2018).

Sustainability: According to Mr. Swamy, the model is generally very sustainable as 15 years of experience have shown. However, he acknowledges that the model will most likely never be financially independent but continue to rely on donations, although they are working towards a more even allocation of the financial contribution (see figure 15). Today, about 75 percent of revenue sources are donations from foundations or CSR projects of companies, while only about 25 percent are covered by students and placement fees of companies hiring *Unnati* graduates. For the future, *Unnati* hopes to reach a more even distribution of financial contributions as shown in figure 15 and is also working towards a reduced cost of training overall from 20'000 to 7'000 Rupees per training. (interview, May 9, 2018)
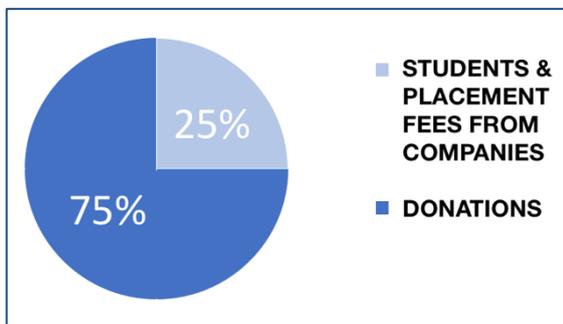
Figure 15: Approximate financial contributions today (interview, May 9, 2018)
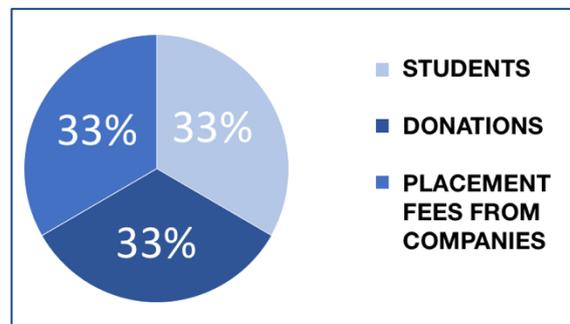
Figure 16: Financial contribution distribution aim for the future (interview, May 9, 2018)

Replicability: *Unnati* has proved its replication potential already by opening new centres all over India and is currently looking at opening more centres, with 20 centres in Karnataka alone (Unnati, 2016g).

Mr. Swamy described the replication process as rather straightforward from a management perspective, but described challenges and gaps related to implementation, manpower and delivery. While no plans exist to expand to other countries at the moment, the SDC could potentially be involved in either replicating the model elsewhere or helping to make it more successful within India. (interview, May 9, 2018)

3.5 Laboratoria

Back in 2014, the founders of *Laboratoria* (CEO Mariana Costa Checa, CPO Rodulfo Prieto, CDO Herman Marin) were running a web agency called *Ayu*. Facing difficulties in the hiring process of their tech team and receiving 100 percent male applications, *Ayu* formed the interest of educating female software engineers. First, they trained female applicants within their own web agency and focused particularly on women who had not been able to access higher education due to economic constraints. Then, sensing the success of their idea, *Ayu* decided to create *Laboratoria*, a social enterprise which would not only train women for its own business, but also offer its education services to other firms looking for diverse tech talents. There is a multitude of companies that cannot find adequate workforce with the skills they need, especially companies undergoing digital transformation. By 2019, there will be more than 450'000 unfilled tech jobs in Latin America, showing enormous need on the labour market. (Laboratoria, 2017b)

3.5.1 Business Model

Strategy: *Laboratoria* offers a 6 months boot-camp, which consists of a common core and later splits up into two specializations, namely Front-End development and UX design. Moreover, through an agile classroom methodology, students gain important team skills needed at work. In *Laboratoria*, women also have a platform to connect and to support each other to start their careers in the technological sector. (interview, May 9, 2018)

Partners: *Laboratoria* has financial partners, such as the Interamerican Bank of Development, Google, Microsoft, City Foundation, Blackrock, and also some governments (for example Chile). Furthermore, hiring partners like Crowdbotics, Everis, Accenture and Thoughtworks support *Laboratoria* in carrying out Talent-Fest-hackathons for their students. (interview, May 9, 2018)

Private sector: The private sector role in *Laboratoria* is twofold. First, it acts as a **co-financer**, as *Laboratoria* is dependent on external funding from global firms. Usually, this funding comes from CSR programmes of firms such as Microsoft, Google or Blackrock, among others. *Laboratoria* tries to respond to market demands and to strengthen the programme by collaborating with tech-companies. Furthermore, the private sector acts as a **client of training**. *Laboratoria* connects its students with hiring companies through their own TalentApp and Talent-Fest-Hackathons, where the companies provide the students with real challenges that they have to solve within 36 hours. According to these results, they identify and hire the best talents. (interview, May 9, 2018)

Target group: Any woman can apply to *Laboratoria*, but the programme is aimed at preparing especially young women from low-income backgrounds to become world-class junior software developers. Through a series of questions and interviews, *Laboratoria* identifies those who truly need the offered opportunity for social mobility as well as those who could gather the money for the training. Then, through a selection process that includes exams, pre-work and real class dynamics, they collect more than 600 data points to identify those applicants with the best potential for technology. There are no prerequisites required

for the incoming students and the young women's learning potential is prioritized over prior experience. (interview, May 9, 2018)

Typology Tool: The programme is responding to market demand of digitalisation and is therefore designed to have an impact on employment and productivity. Additionally, it pursues an economic objective, as students have to pay for the training and the long-term goal of the social enterprise is to become self-sustainable one day. This is why we would place *Laboratoria* in the bottom-right quadrant of the Typology Tool called **Industry Solution**.
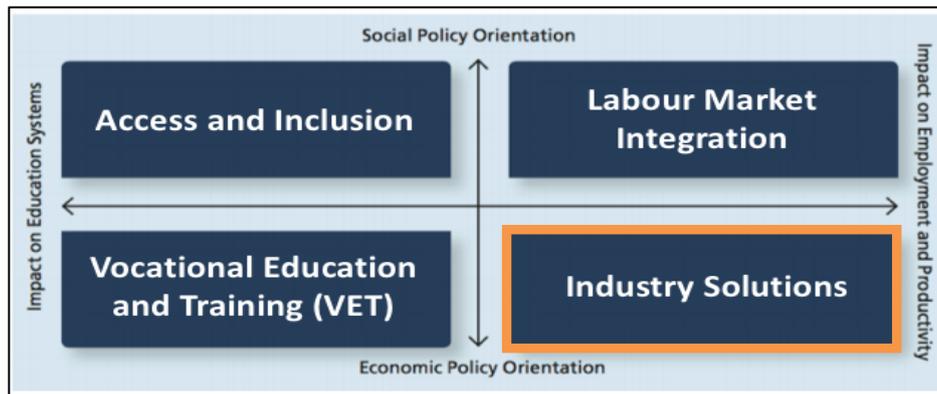
Figure 17: Typology Tool applied to Laboratoria

3.5.2 Success Elements

Impact: In the last three years, over 7'500 women applied for Laboratoria, whereby the latest acceptance rate was around 9 percent (Laboratoria, 2017b). In some cases, *Laboratoria* offers a stipend, but it is not a standard. In general, they encourage their students to save money or to borrow money from relatives and friends to overcome this 6-months-programme without income. For some of the students, which often live in the suburbs, coming to the training facility takes more than an hour, sometimes even two hours, because of bad public transportation. This is why they try to give them as much flexibility as possible (interview, May 9, 2018). As shown in figure 18, the employment rate among Laboratoria graduates has been growing in the past years, reaching 81 percent in 2017. A steady increase has also been observed regarding salaries (see figure 19), which have nearly tripled in two years, compared to their former job (Laboratoria, 2017b).
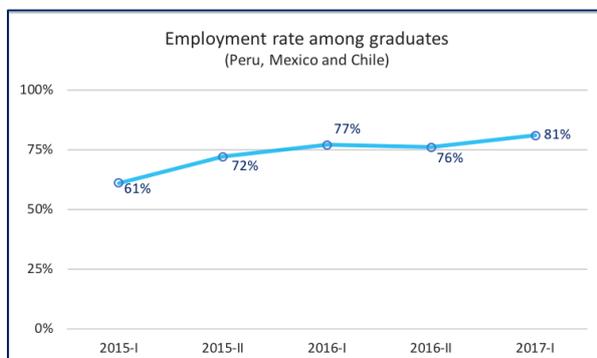
Figure 19: Employment rate among graduates (Laboratoria, 2017b)
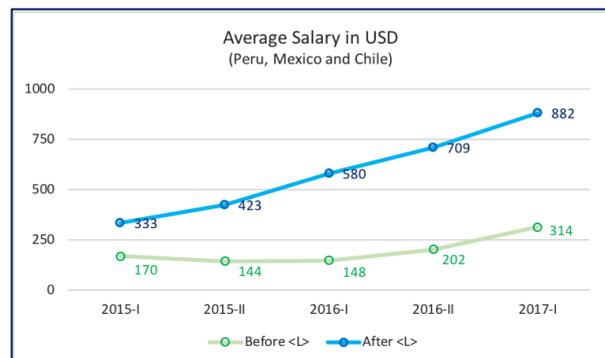
Figure 18: Average salary after graduating compared to former job (Laboratoria, 2017b)

As we can see, Laboratoria has had considerable success and we can extract three key elements that might be useful for further vocational skills projects.

**Innovative aspects**
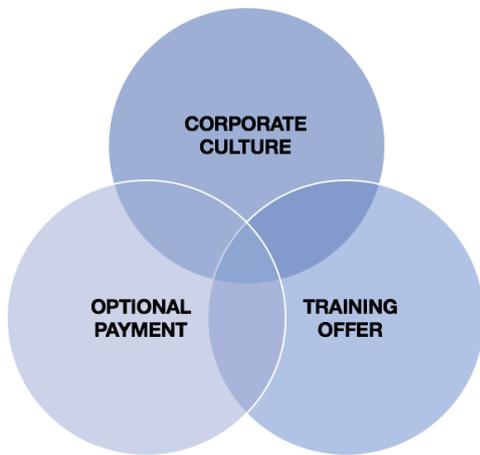
Figure 20: Innovative aspects of Laboratoria

1. Corporate culture: When asked about their success element, Mariana (founder and CEO) emphasised the extraordinary work culture at *Laboratoria* and the commitment from the whole team. In addition to that, she pointed out that the curriculum and programmes are continuously evolving in response to labour market demands. (interview, May 9, 2018)

2. Flexibility: Another success element of *Laboratoria* is their flexibility. They do not have to fulfil any requirements from the government because their programme is not recognized by it (intentional decision). This allows them to do what they believe is requested by the labour market, which is a key factor for their success. (interview, May 9, 2018)

3. Optional payment: What is also innovative about *Laboratoria*'s business model and as we have also seen in previous examples, is that only those students that get connected to a job have to pay for the programme (interview, May 9, 2018). Mariana did not experience this as a hurdle, as they respond to a growing market and most of their graduates will get a job in a very short period of time from experience.

Sustainability: Until now, *Laboratoria* is not self-sustainable. The main reason for this is that it has an income-share agreement with its graduates, which includes that they pay back 20 percent of their income over the first two years of salary after graduation. As *Laboratoria* is still a very young project, it still needs some additional time to close the circle until they get paid back by their students. In the meantime, and to close the financial gap, *Laboratoria* gets financial support from the previously mentioned partners. In addition to that, the social enterprise also receives money from the hiring companies when contracting a graduate. According to the founder Mariana, this combination will lead to self-sustainability in the long-run. (interview, May 9, 2018)

Replicability: *Laboratoria's* model is replicable as previous expansion has shown. Recently, they have opened new centres in Sao Paulo (Brazil) and Guadalajara (Mexico) in addition to the existing ones in Mexico City, Lima (Peru) and Santiago (Chile) (Laboratoria, 2017a). There is not a lot of infrastructure required for the centres, except for computers, which makes the model easy to replicate elsewhere.

3.6 Samasource

Samasource is a non-profit social enterprise founded in 2008 by Leila Janah with the aim of creating new opportunities for low-income people. The company is a pioneer in the field of impact sourcing. The Samasource impact sourcing model is to source data projects from large tech companies, to then train people from the bottom of the pyramid with digital skills and let them complete digital work. At present, *Samasource* is active in four countries and employs people in Kenya, Uganda, India, and Haiti. (Samasource, 2018a)

3.6.1 Business Model

Strategy: The organisation offers data processing and voice services (such as image annotation, data verification and classification) to global tech companies and thereby guarantees that their services meet certain quality requirements. How does it work? *Samasource* consists of two groups: On the one hand, the US team with its headquarter in San Francisco which provides support throughout a project's lifecycle and is responsible for the contact with tech companies as well as the management and distribution of projects. On the other hand, four global delivery teams in Kenya, Uganda, India and Haiti then execute complex data projects and are continuously supervised by quality assurance experts. Thereby, alll offshore work is done in highly secure delivery centres. (Samasource, 2018a; Samasource, 2018b)

Training offered: In order to complete the data projects sourced from tech companies, *Samasource* reaches out to poor people and offers them computer literacy sessions, professional soft skill training as well as support in financial planning within an intensive 10-day programme. There seems to be an infinite demand for such training courses - hence, the demand often outstrips the supply as Samasource has limited resources (interview, May 15, 2018). After successful application and completed training, most students get employed by *Samasource* and earn a living wage. For most employees, the position at *Samasource* is their first formal job. (Samasource, 2018a; Samasource, 2018b; interview May 15, 2018)

Partners: As explained above, *Samasource* partners with several technology firms and has, amongst others, contracts with Getty Images, Microsoft and Qualcomm. Their business model is self-sufficient since 2016, hence the NPO does not rely on any financial support for their core activities. However, the digital basic training programme is still grant-funded and thereby depends on funds from various partners, such as the Mastercard Foundation or individual philanthropists. (interview, May 15, 2018)

Private sector: The private sector is not directly involved in the training program of *Samasource* as courses are conducted by the NPO itself. But the private sector functions as main **client of the vocational training**. After all, the tech companies benefit from skill trainings and can outsource part of their data projects to the social enterprise. (interview, May 15, 2018)

Target group: *Samasource* offers job opportunities to marginalized women and youth who would otherwise be excluded from digital work. More than half of the employees are female

and more than 90% were unemployed or underemployed before joining the enterprise. (Fastcompany, February 16, 2016)

Typology Tool: As the programme is designed to have an impact on employment and productivity and pursues an economic objective, we would place it in the bottom-right quadrant of the Typology Tool called **Industry Solution**. Samasource cannot be placed on the left side of the axis as training courses are not accredited by any local governments. Hence, the programme does not contribute to the development of national educational capacities and inclusive VET systems.
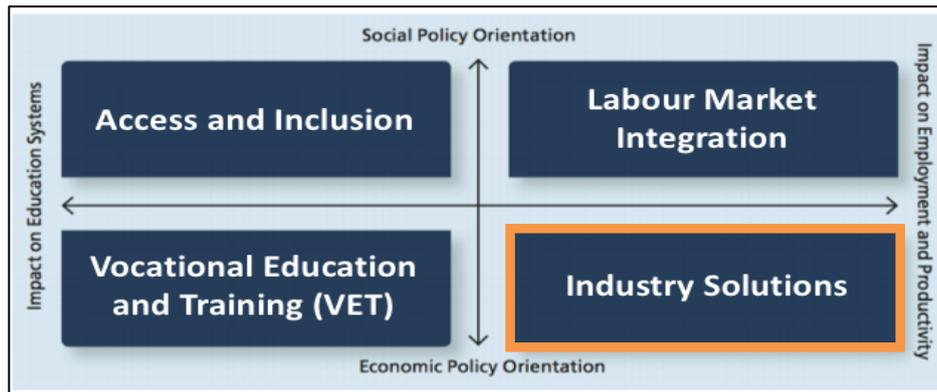
Figure 21: Typology Tool applied to Samasource

3.6.2 Success Elements

Impact: Both the completion of training and the entering into the formal labour market contribute greatly to people's chances of launching a successful long-term career. At *Samasource,* they gain valuable skills and knowledge, which can later be applied to different jobs within the tech sector. Moreover, the company has a strong impact on people's quality of life and enables its employees to lift themselves out of poverty. For instance, three years after starting at *Samasource* workers can increase their earning up to four times while normally having an average income of USD 2.20 per day before joining the programme. In the last ten years, *Samasource* has helped approximately 51'000 people out of poverty of which 43 percent were direct beneficiaries and 47 percent benefited indirectly through the increase in income (e.g. by being a family member). (Samasource, 2018a; Samasource, 2018b)
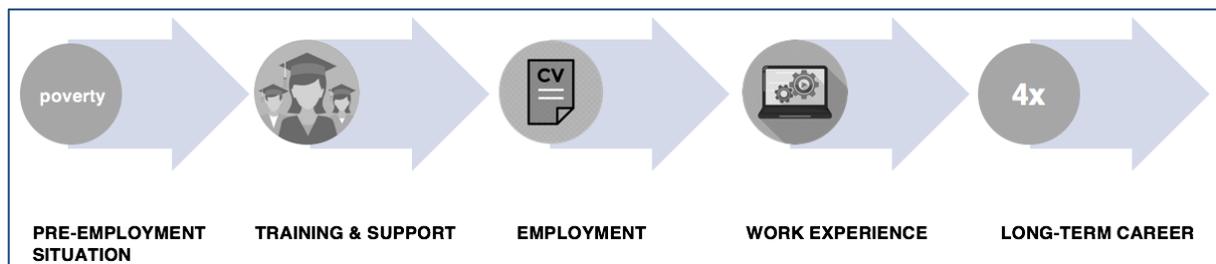
Figure 22: Impact Sourcing (Samasource, 2018a)

As we can see, this social enterprise has shown considerable success and we can extract three key elements that might be useful for further vocational skills projects.

Innovative aspects: As Tony MacDonald (CFO of Samasource) pointed out, the fundamental success element is the organisational approach of "doing good by doing good business", getting the right balance between maximizing social impact and offering employment opportunities to people (interview, May 15, 2018). In addition to this general statement, we determined three innovative aspects as key for Samasource's success story:
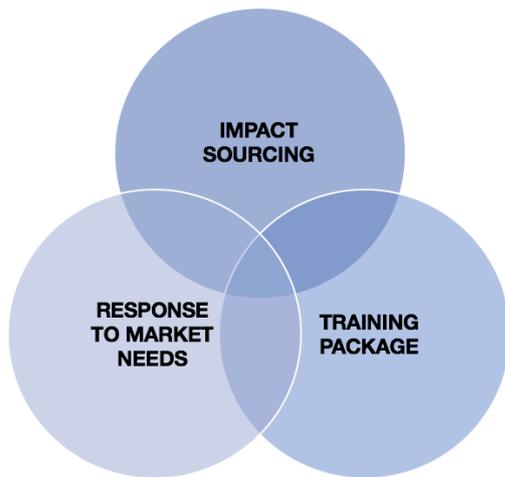

Figure 23: Innovative aspects of Samasource

*1. **Impact sourcing:*** The success of *Samasource* is based on impact sourcing, a new social impact model which is self-sufficient. Hence, the collaboration with tech companies, the provision of digital literacy training as well the direct recruitment of in-house trainees are three critical factors on which this innovative approach is based on.

*2. **Training package:*** A second innovative aspect would be the three-sided training package which includes not only digital skills training but also professional soft skills as well as financial planning courses. This is key for a long-term success of all graduates as it enables them to find their path in the labour market. Tony MacDonald underlined the relevance of soft skills training and deemed it as equally important as digital literacy training. It is seen as a crucial factor leading to a confidence boost among students and thereby unleashing a lot of potential. (interview, May 15, 2018)

*3. **Response to market demand**: A third key aspect of the program would be the industry sector itself. In our digitalised world, more and more companies will require digital skills from their employers. Hence, *Samasource* has responded to a strong market demand and creates a vast range of opportunities for its graduates after having completed trainings and gained first work experience at the social enterprise.

Sustainability: *Samasource* has only been running for a decade but has contributed to a substantial improvement of living conditions among their target group. Furthermore, their business model is **self-sustaining** since 2016 as they do not rely on financial support - apart from required funding for digital basic training sessions. (Interview, May 15, 2018)

Replicability: As *Samasource* has already successfully transferred their model to other countries and built centres in Uganda, India and Haiti, it seems that there is great potential for further expansion. Nevertheless, Tony MacDonald outlined three key prerequisites which have to exist for a successful replication of the project. First, a demand has to be built. Thus, the organisation has to grow in order to supply work for future graduates. Second, adequate

infrastructure and high internet stability need to be present at site. Third, finding local management talents which can execute tasks at the regional office remains an ongoing challenge. (Interview, May 15, 2018)

3.7   hola<code>

Hola<code> is a social enterprise based in Mexico City with the mission of promoting access to high demand employment for returned youth, the so-called *Dreamers*, to Mexico from the United States. *Hola<code>* has been created in 2017 by Marcela Torres and Nicolas Demeillier, who saw this gap as a chance (Holacode, 2018a; Holacode 2018b). In March 2018, the social enterprise has been chosen by the International Finance Corporation and the World Bank as one of the top 50 start-ups changing Latin America (Milenio, March 18, 2018).

3.7.1   Business Model

Strategy: By taking advantage of the growing demand for software engineers and the potential talent of Mexican youth, powered by HackReactor (a software and coding boot camp based out of San Francisco) *hola<code>* offers an immersive career-led software engineering boot-camp of 5 months (Holacode, 2018a). *Hola<code>* is also allied with big tech companies in Mexico that are looking for bilingual engineers in software development. Bilingual candidates are particularly sought, as the tech sector is based in Silicon Valley and it is highly required to speak a good English when working in this sector. In Mexico, English is not widely spoken, why is why tech companies encounter issues in the recruitment phase. Therefore *hola<code>* can be seen as a talent-pool, which provides the industry with the skills needed (interview, May 7, 2018).

Training offered: The programme is divided into three phases. The first phase consists of a 5-week preparatory phase, which introduces students to the fundamentals of coding. Second, a 12-week immersive phase takes students through intensive coding and problem-solving sessions. The third phase includes a 3-week job readiness programme, which helps students to identify potential employers and navigates them through the interview process (Holacode, 2018a). The immersive program of *hola<code>* is very intense and does not allow for any simultaneous part-time jobs. *Hola<code>* provides world class training with highly experienced international mentors. Students also have access to counselling, mentoring and networking (Holacode, 2018d). Furthermore, *hola<code>* also represents a life school with a supportive community, in which people from staff to peers help each other. Students also get three meals a day at the facilities of *hola<code>*, as well as one extra hour of free time, do yoga, football, drawing, among others. This aims at strengthening the whole community and also at developing soft skills. By finishing the boot-camp, students get confidence, acceptance and most of all they learn how to learn (interview, May 7, 2018). The programme was designed so that students learn how to think like a software engineer and land a career in tech. Graduates from *hola<code>* become individuals that can distil and solve any complex problem thrown at them resulting in better careers, better work, and better lives (Holacode, 2018d).

Partners: As a graduate from *hola<code>*, students have access to entry level positions for software engineers. *Hola<code>* supports the chances of its students by providing the best tools through their diverse activities held throughout the boot camp with their hiring partners like "near soft", "TACIT KNOWLEDGE" and "Crowdbotics" (Holacode, 2018c). *Hola<code>* is looking for additional partners, but first they have to deliver and show that they are able to produce talented workforce to get more partners (interview, May 7, 2018).

Private sector: The private sector acts as a **co-financer** but also as a **client of training**. Graduates are desired workforce and get employed by the tech industry in Mexico. When interviewing Nicolas Demeilliers, he mentioned that students are in a comfortable position, which allows them to negotiate with the hiring companies. One of the 21 students from the first cohort, which started in November 2017 and just finished in March 2018, even got a job offered in Austria (interview, May 7, 2018).

Target group: *Hola<code>* is going against the current migration trends. Their ultimate goal is to prove that migration is a positive thing. That communities, sectors and whole economies can benefit from the interaction between people with different perspectives, cultures, and ideas. Target subjects are former immigrants (18-35 years old) who have been deported or exited the U.S. due to the climate of hostility or that are immigrants from other countries (Guatemala, Honduras). For many, it is the first time coming back to Mexico since they were children. It is estimated that around 75% of them are unable to find formal employment. Many of them arrive without support networks and no recognition of prior studies. Furthermore, those who are able to find jobs, are exposed to different forms of abuse, lack of social or income security and unsafe working conditions at alarming rates. In addition, they will join the 1.2 million young women and men in Mexico who face a job search every year. At the same time, the tech and software development sectors in Mexico are experiencing growth at an unprecedented pace. Currently, the demand of human capital in the sector has grown above the national supply. The deported, bilingual youth is the perfect match for a career as software engineers. There are no education requirements required for admission, the only prerequisite is bilingualism (or fluency in English) (interview, May 7, 2018).

Typology Tool: The program responds to the demand of a talent seeking tech-market. As it is designed to have an impact on employment and productivity and pursues an economic objective, we would place hola<code> in the bottom-right quadrant of the Typology Tool called **Industry Solution**.
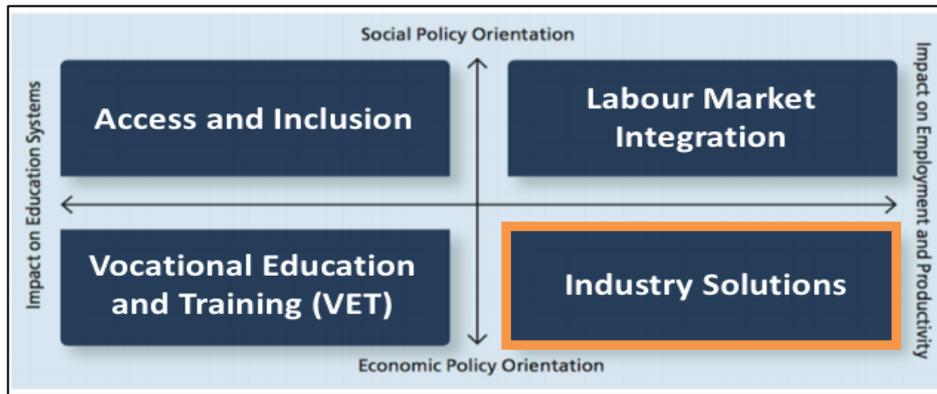
Figure 24: Typology Tool applied hola<code>

3.7.2 Success Elements

Impact: *hola<code>* started its first cohort in November 2017 with 21 students. They graduated in April 2018 and half of them already found a job in the tech-industry 2 weeks after graduating. According to Co-Founder Nicolas, they could increase their average income 6 times compared to their job in a call-centre before. The next cohort is planned to be with 45 students and in November a start with two simultaneous cohorts of 45 students is planned. From then onwards, *hola<code* aims at starting with a new cohort all 3 months (interview, May 7, 2018).

Innovative aspects

Figure 25: Innovative aspects of hola<code>

As we can see, this social enterprise has shown considerable success. When being asked about *hola<code>*'s success element, CFO and co-founder Nicolas Demeilliers underlined the enormous commitment of the whole team as a main success element (interview, May 7, 2018). In addition, we can extract three key elements that might be useful for further vocational skills projects.

1. Financial support: One innovative aspect of *hola<code>* is the monthly provided USD 300 stipend, which secures that students can fully focus on their full-time studies at *hola<code>*. In addition, the students are granted flexible payment schemes, as tuition is based on success. The total costs (tuition + stipend = USD 7500) have to be paid back after the program, if the student got successfully placed. From the first cohort, nearly everybody got employed or is on a good way to find a job in the tech-industry.

2. Respond to market demand: Obviously, another element of success is the fact that there are many returned, talented immigrants from the US, which are native English speakers and often bilingual. The founders of *hola<code>* found a gap in the labour market and could change a problem into an opportunity by delivering bilingual coders to the talent seeking tech-market.

3. Extracurricular activities: *hola<code>* also focuses on soft skills and the overall cohesion of the team. Providing students with activities, such as yoga and football improves the well-being of the students, which might increase their productivity and creativity.

Sustainability: *Hola<code>* just started with its business (first cohort of 21 students started in November 2017 and graduated in March 2018), which makes it too early to assess if it will be self-sustainable in the long-run. Therefore, *hola<code>* still depends on external funding. According to CFO Nicolas Demeillier, hola<code> needs to show first successes and boost its reputation, in order to receive further support from firms and financial institutions (interview, May 7, 2018).

Replicability: *Hola<code>*'s business model is all about replication. CEO and co-founder Marcela Torres and HackReactor co-founder Shawn Drost worked together to adapt HackReactor's 3-month boot camp into a 5-month programme for *hola<code>* (Pocoapoco, December 15, 2017). Regarding infrastructure, there is nothing more needed except a computer and access to the internet, coming with a lot of flexibility.

4 Potential Role of the SDC

After having identified and described different innovative social enterprises, we will now adopt these to the *SDC Format Finder*. This could serve the SDC as a source of inspiration when considering different forms of cooperation for VSD services provided by social entrepreneurs. The potential role of the SDC in future VSD engagement will be discussed namely regarding the *Format Finder* concepts of *Social Venture Investment*, *Social Impact Bond and Social Impact Incentive SIINC.*

4.1 Social Venture Investment

The *Social Venture Investment* model in our context represents a social venture capital, where the SDC as well as other donors and investors financially support a social enterprise with high social impact. In some of our analysed models, we have seen that requiring a tuition fee that would cover expenses is not feasible – such projects therefore require continuous funding from donors. *Trabajo y Persona*, *Unnati* and *Laboratoria* apply to this category, as they are all fundamentally dependent on external funding and are not self-sustainable. In the *Social Venture Investment* model, the SDC, donors and investors would share the cost and hence be on the same level. The SDC and other investors can also support the social entrepreneur with knowledge, but the social enterprise still remains the only stakeholder having managerial and steering functions.

The prerequisites and conditions we have identified for the *Social Venture Investment* model are the following: First, projects of this kind are in need of continuous financial support from donors. Therefore, projects that would fall into *Social Venture Investment* are likely to have a high social impact as a prerequisite for realizing the continuous financial inflows from donors and investors. Social impact could be high for example if a projects targets highly vulnerable populations and or countries experiencing political unrests (e.g. Venezuela).
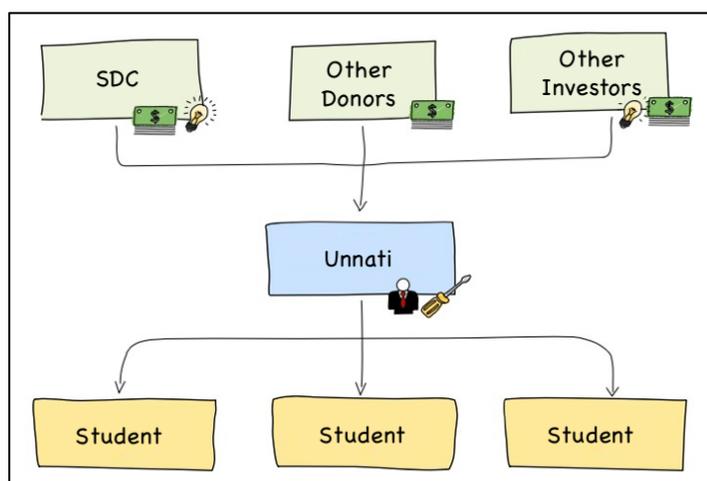

Figure 26: Social Venture Investment applied to Unnati

4.2 Social Impact Bond and Social Impact Incentive SIINC

Social enterprises often have a high social impact but lack profitability in their early phases - a feature which makes them rather unattractive for investors. The *Social Impact Bond* as well as the *Social Impact Incentive* model enable social enterprises to attract growth capital and hence substantially scale their impact in the long-run. Our key criterion for either ascribing a project to the concept of *Venture Investment* or *Impact Bond / SIINC* was the sustainability of their core businesses.

In SIINC models, the SDC could for instance take the role of an outcome payer and work with a chosen social enterprise acting as an implementer such as *Young Africa*, *CampoAlto*, *Samasource* or *hola<code>*. Thereby, both parties would agree on a desired outcome such as a certain number of TVET graduates (being the beneficiaries) per year. In terms of financial contribution, two different options exist.

Option 1: The outcome payer, in our case the SDC, would transfer on-going premium payments to *Young Africa*, *CampoAlto*, *Samasource* or *hola<code>* directly for a proven social impact (e.g. *Social Impact Incentive*).
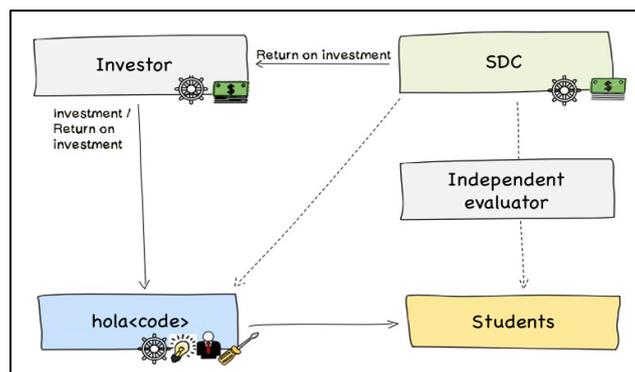

Figure 27: Social Impact Incentive applied to hola<code>

Option 2: The SDC, acting as outcome payer, could alternatively also transfer payments to the investor - for instance a commercial bank otherwise unwilling to invest in risky businesses - and act as a **guarantor of investments** (e.g. *Social Impact Bond*).
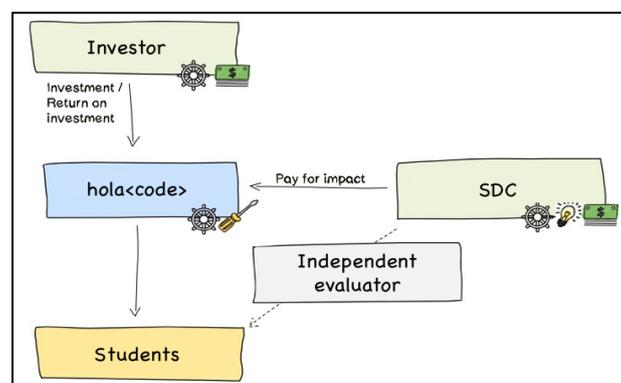

Figure 28: Social Impact Bond applied to hola<code>

In both cases, an independent third party (independent evaluator) would be responsible for the verification of the achievements. The additional source of revenues made available by the SDC would allow the social enterprise to scale its operations and reach profitability. In the long-run, the enterprise would not rely on the SIINC payments of the SDC anymore. It could run independently as it would now be in the position of attracting other investors for further scaling projects and the role of the SDC would be limited to a comparatively short period of time. (Roots of Impact, 2018)

This model could be applied to any social enterprise which has a sustainable business model but lacks access to financial loans in their starting phase. We would ascribe *Young Africa*, *CampoAlto*, *Samasource* and *hola<code>* to this cooperation form as all four models have a high social impact and self-sustaining elements within their project cycle. *CampoAlto* is already self-sufficient, *Young Africa* has financially independent training centres and *hola<code>*'s business model is very likely to become self-sufficient in the future. In the case of *Samasource*, this could be an approach for funding their digital basic course programme.

Ideally, the in-depth analysis of the seven successful models as well as our deduction of innovative aspects allows for future guidance when cooperating with VSD providers that have similar business approaches and make use of promising practices.

5 Best Practices and Breakthrough Innovations

Based on our analysis of the seven projects, we will now abstract our work to a more general level and synthesize the main findings by presenting some key elements that have been identified as innovative in the chosen models. Thereby, we distinguish between two broad categories of impact, namely impact on beneficiaries and elements contributing to more general kinds of impact.

5.1 Impact on beneficiaries

Innovative elements of this category all have an impact on beneficiaries, be it to make it more attractive for students to sign up for a program or to increase the impact of the program on students once they are enrolled. Specifically, we extracted the five elements "flexible payment options, flexibility during training, location close to target group, soft skill training and job guarantee".

5.1.1 Flexible payment options

Flexible payment schemes have appeared in several projects as a very promising element that allows taking specific circumstances of students into consideration. Elements of flexibility might for example be *pay-as-you go schemes*, agreements to pay a certain *percentage of income* in the post-training phase on a job - for instance for a specified time or until a certain amount has been paid - or *specified agreement*s on a case basis. Furthermore, payments can also be made contingent on job placement (compare *Laboratoria's* optional payment policy or *hola<code>*). In that case, students are only required to pay for training if they have been successfully employed.

Such elements allow students to adjust payment to their specific situation and minimizes the risk of financial indebtedness. Also, having an attractive payment system potentially facilitates the process of attracting new students, thereby contributing to a projects' overall success. Furthermore, flexible payment schemes do not need to be an obstacle for the financial success of a project, as *CampoAlto* has shown with its long policy of flexible payment systems and self-sufficiency over 20 years.

5.1.2 Flexibility during training

Often, the target groups of VET projects are underprivileged and might not be able to terminate a job or other income generating activities for a training programme. Therefore, flexibility during training can be a very promising tool to take in students' needs. *Flexible schedules* such as the possibility for evening lectures or lessons on Saturdays and Sundays can be a very successful tool since they allow students to pursue income generating activities next to training (compare *CampoAlto)*. This can be a crucial element especially for the often under-privileged target groups depending on a continuing income. Another element giving flexibility could be *financial support* such as the monthly stipend done by *hola<code>* to give students the possibility to fully focus on their full-time studies*.

5.1.3   Location close to target group

A rather straightforward innovative element taking into account target groups' situations can be to set up sites in their immediate neighbourhood. Even though it can be challenging and risky to be active in certain areas, there are many positive impacts connected to it. For example, it adapts to students by reducing the travel efforts needed to reach the training, such as time or costs. Also, it allows a project to have a closer link to local communities, facilitating access to target groups and to attract students. Also, reducing travel efforts to a minimum can have a positive impact on dropout rates during training, as the example of *CampoAlto* has shown.

5.1.4   Soft skill training

Life skill training has been identified as a very central element to be included in any form of training. In many of the analysed projects, life skills are either explicitly part of the curriculum with specific courses such as the "life skill courses" of *Young Africa* or generally embedded in the training. The prospects of a focus on life skills are manifold. For example, they can contribute to a smoother transition to the labour market, such as through the positive effect on self-employment options. General impacts of life skill training mentioned by the projects were increased self-confidence of students and higher awareness of general principles such as punctuality, honesty, and self-power or interview skills and behaviour in different business contexts. In short, the main point of attraction for private firms and students will be based on technical skills but life skills still play a crucial role for the long-term success of graduates. Also, entrepreneurship courses and extracurricular teambuilding activities have been identified as a good element in addition to hard skill training. Entrepreneurship training thereby raises the opportunity to build up a own business, such as the Emprender 360° programme of *Trabajo y Persona.* Extracurricular activities can be a good element for example to contribute to the wellbeing of students and team spirit such as shown with *hola<code>.*

5.1.5   Job guarantee

Giving beneficiaries a 100 percent job guarantee can be a powerful and innovative element of a business model, allowing for a high impact by ensuring that any training provided can actually be applied and used in a job. The concept is rarely applied, but as the example of *Unnati* has shown, it can be an important element of success for a number of reasons. First, it might facilitate the attraction of students. A 100 percent job guarantee, and the return connected to it makes it considerably more interesting for target groups to invest time, work and money in any training. Second, it can be a unique selling point also with regard to attracting partners and investors or to boost publicity.

Regarding feasibility, *Unnati*'s experience has shown that job placement can go rather smoothly in the great majority of cases and only a few require additional effort to reach a placement, given that training is market-focused and takes the needs of employers into account. However, it is important to keep in mind that even if no 100 percent employment guarantee is given, many of the analysed projects actually have very high success rates with regard to employment.

5.2 General impact enablers

Elements contributing more generally to impact target different issues. The elements extracted from our research are thereby namely "market demand adaptation, corroboration with social enterprises, decentralizing for certain elements, impact sourcing, being active in a politically unstable context and call for concept".

5.2.1 Market demand adaptation

A central finding of our project analysis was that regardless of a project's type, adaption to market demands is key for a number of reasons. First, having a training that responds to market needs facilitates the process of students to successfully enter the labour market. Second, providing industry specific training was also found as an enabler to get the private sector on board. Of course, the interest of a company to contribute to a VSD project - be it financially, as a provider of expertise or a host of training - will be higher if the training contributes to a supply of attractive workforce. Adapting to market demand can be done at several levels.

Response to a strong market demand with a projects' general area of training and the choice of the industry sector can be a very smart choice. The examples of *Samasource, Laboratoria* and *hola<code>* illustrate how central a strong response to market demand and a smart choice of an industry sector can be for a projects' success. Including the private sector and its needs already in the development of the core curriculum can also be a promising tool to build relationships from the start and facilitate to provide industry targeted training, as it is the case for *Unnati*. Also, continuously evolving the curriculum and training programmes in response to market demands is central (compare *Laboratoria*).

Interestingly, the absence of government recognition seems to bear the potential to be beneficial regarding the ability to adapt to market demands. A project has more flexibility without having to fulfil any government requirements that come with recognition. This was for example shown with *Laboratoria,* where the intentional decision against government recognition was taken in order to respond better to the market.

5.2.2 Collaboration with local enterprises

Collaboration with local enterprises going further than adjusting to labour demands have been identified as another possible element of success. For example, strong collaboration with local entrepreneurs can be a very strong element of a business model since it allows a strong connection to prospective workplaces for students. In the case of *Young Africa*, for example, the strong role of social entrepreneurs providing training in the franchise model facilitates a smooth transition from school to work.

5.2.3 Decentralizing for certain elements

An element that has been found to work well in a number of cases has been abstaining from wanting to do everything. One approach can be to outsource training, for example through a franchise model. Being active in different locations and even countries, franchising can help supporting the organisational and financial sustainability of training centres, as well as giving responsibility to local entrepreneurs without requiring much capital investment from the

project, as *Young Africa* has shown. Also, it can make sense to <u>decentralize the general organisational structure</u>. As *Young Africa* has shown, the use of a confederation of independently and locally registered affiliated organisations can lead to a better adaptation to local contexts while enabling maximum ownership for respective local communities.

Another approach from abstaining to do everything could be to <u>use eternal facilities</u> for training. For example, *Samasource,* as well as *Trabajo y Persona*, have shown that it can be very beneficial to use already existing training centres' infrastructure with the big advantage that no own centres need to be brought up and paid for. Also, using already existing sites bears the potential to access the students connected to them and maybe even profit from the wider infrastructure such as a centre's network of alumni, current students or a centre's publicity.

5.2.4 Impact sourcing

Impact sourcing and collaboration with MNE's can be a good way to bring companies on board not as part of their CSR activities but their core business. This rather new approach brings in companies who outsource part of their work to service providers, who can for example train and hire targeted groups, such as done by *Samasource.* For a VSD project, such a model can allow for a high social impact within a specific company collaboration.

5.2.5 Being active in a politically unstable context

Generally speaking, it is important to keep in mind that targeting an area where VSD can have the most impact is very important. From this perspective, it makes sense to especially target areas with high youth unemployment – being the case in many parts of Africa. In addition to poor prospects and economic situations, being active in volatile contexts and politically unstable environments can be a core element in itself. As the example of *Trabajo y Persona* has shown, even in areas of social unrest, institutional difficulties arising from challenging situations can be met and it is possible for a social enterprise to create a positive impact even in harsh conditions.

5.2.6 Call for concept

A general challenge - connected to successful VSD projects - remains getting access to entrepreneurs and projects different from the traditional NGO realm. An important element to mention regarding this issue is the <u>call for concept</u> resp. an <u>auction for impact</u>. While not really being part of the business model of the VSD projects we analysed, they can have a big impact for example through enabling the identification of promising models or ideas that can then be supported or raise general awareness.

The possible specifications of such an approach can be manifold. However, one example could be <u>national level approaches</u> such as the Indian <u>programme power to empower</u>, a "Skill Enterprise Plan Competition to encourage entrepreneurs with innovative and scalable business solutions to contribute to the development of a sustainable vocational skills ecosystem" (India@75, 2017). This example shows the possibility of the SDC to organise such a competition, in order to attract many innovative ideas having a high impact and a high outreach.

6   Summary and Conclusion

The aim of this paper was to identify and analyse some highly successful models for the provision of vocational training. Vocational skills development has a substantial impact on poverty alleviation and the development of a country as it builds a bridge between the provision of training and the requirements of labour markets. After a general introduction of the engagement with the private sector (EPS) in vocational skills development, we briefly elaborated on two methodology tools, the *Format Finder* and the *Typology Tool* of the SDC, that we used throughout the paper.

Then, we thoroughly analysed seven innovative examples for the provision of vocational skills training and concentrated our research on their business model as well as their innovative practices. Subjects of our analysis were the following projects:
- *CampoAlto* in Columbia,
- *Trabajo y Persona* in Venezuela*,*
- *Young Africa* in Southern Africa*,*
- *Unnati* in India*,*
- *Laboratoria* in Latin America*,*
- *Samasource* in Kenya, Uganda, India and Haiti,
- and *hola<code>* in Mexico.

The selected models vary in terms of scope, teaching offers and business approaches. Still, we could identify some common denominators with regard to critical elements for success. One of the key elements encountered in several models was the **combination of technical training with life skill and entrepreneurship courses.** It seems as if this additional soft skill training is crucial for enabling a smooth and successful transition between training and employment - especially, as it also facilitates the option of self-employment. Another success factor being present in several business models are **flexible payment schemes**. Allowing students to pay school fees either throughout the training period or after having graduated minimizes the risk of financial indebtedness. Also, the **adaption to market demands** and **collaboration with local enterprises** seems to be of utmost importance when launching successful vocational training centres. We have, for instance, identified three social entrepreneurs focusing on the tech sector as there seems to be a strong demand for people equipped with digital literacy skills. As chances for finding a job within the vocational field and launching a long-term career are extremely high, such an approach creates a vast range of opportunities for trained students.

In a next step, allocating our projects to models presented in the *Format Finder* allowed us to discuss the potential roles of the SDC with regard to VSD services provided by social entrepreneurs. Thereby, we concentrated on three different forms of cooperation between development partners, the private sector, implementers and beneficiaries:
- *Social Venture Investment*
- *Social Impact Bond*
- *Social Impact Incentive (SIINC)*

The SDC could act as a **temporary outcome payer** (*Social Impact Incentive (SIINC))* or a **guarantor of investment** (*Social Impact Bond)* for any social enterprise with a sustainable business model being in need of financial start-up aid - for instance *Young Africa*, *CampoAlto, Samasource* and *hola<code>*. We would recommend cooperation in form of *Social Venture Investment* for projects requiring a continuous funding from donors, such as *Trabajo y Persona*, *Unnati* and *Laboratoria*. In the latter case, the SDC could take the role of a **venture investor** and contribute financially to a VSD provider along with other donors and investors.

The last part of the paper contains a general synthesis of best practices and breakthrough innovations that have been encountered throughout our desk research, email exchanges and Skype interviews with respective contact persons of *CampoAlto*, *Trabajo y Persona*, *Young Africa*, *Unnati*, *Laboratoria*, *Samasource* and *hola<code>.* We thereby distinguish between innovative elements having a direct impact on beneficiaries (such as flexibility in terms of payment or course schedules, school locations, training packages offered, and job guarantees) and key aspects playing a crucial for the overall impact of the project.

The results presented in this paper can potentially enrich the SDC's work and development of new approaches. However, conclusions and recommendations are solely based on the analysis of our seven models and information we got through our project research. For any further engagement, country specific considerations as well as more in-depth elaborations on specific elements would be necessary. Hence, before considering to work with the analysed projects or similar models, more extensive insights would be needed - for instance, through contact with other organizations working in the same field or location as well as governments and partners involved in the projects. Lastly, it should be kept in mind that the authors of this paper are no experts on VSD and have no relevant field practice related to vocational training. Such insights, however, would be a crucial element of further development.

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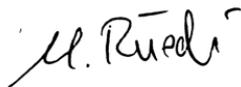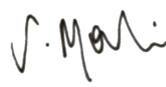
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