

# Private Sector Development and TVET in South Caucasus

## „Skills for Business“ – Vocational qualification for sustainable economic development

Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ), European Union (EU)  
Partners: National ministries of economy and education; downstream institutions at local, national and sectoral level; business associations; business service providers and selected companies  
Current commission: 04/2017 – 04/2020  
Budget: EUR 14,08 million (including EUR 1.98 million EU cofinancing)  
Countries: Armenia, Azerbaijan, Georgia

### ◀ Our approach

The regional exchange academies provide a platform for sector-specific learning, professional exchanges and continuous cooperation on joint projects on national, regional and sectoral level. A total of 80 participants from partner organisations from the selected sectors across the three South Caucasus countries took part in expert input exchanges, thematic workshops and field trips, and worked together to devise joint action plans for implementing improvements. The identified measures were then implemented in each participating country. The three thematic exchange academies focused on the following three forward-looking topics in private sector development and technical vocational education and training: (1) sustainable management of companies and value chains; (2) dual-oriented technical and vocational education and training, and (3) promotion of innovation and clustering. This effort not only boosted cooperation between the public and private sector, but also encouraged regional and sectoral convergence as well as broadening international cooperation.



### ◀ Challenges

The countries of the South Caucasus face the challenge of achieving inclusive growth that can narrow the urban-rural gap and reduce the risk of poverty, especially in rural areas. In order to promote growth in sectors relevant for the labour market, like tourism and wine, providing a skilled labour force trained to meet labour market needs is essential. The preconditions for achieving this goal, stronger involvement of the private sector and practice-oriented vocational education in particular, are not yet in place.

### ◀ Objective

The objective is to improve the preconditions for sustainable economic development in selected sectors relevant for employment. The focus is on economic

sectors with high relevance for employment in rural areas and for young people and women.

### ◀ Activities

The programme's actions focus on selected economic sectors and three fields of activity: (1) building capacities that can improve the competitiveness of employment-relevant sectors, by promoting inclusive business models; (2) improving selected dual-oriented technical vocational education and training offers, and (3) strengthening regional and international professional exchanges in the areas of private sector development and dual-oriented technical vocational education and training. The main focus is on capacity development to strengthen small- and medium-sized enterprises in sectors relevant for employment as well as new and adapted service and technical vocational education and training offers. Sectoral cooperation and cluster/network formation is promoted in order to better linkup regional and international sectoral organisations and corporate networks.

Published by:  
Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered Offices:  
Bonn and Eschborn, Germany

GIZ Office South Caucasus  
42 Rustaveli Ave. / 31a Griboedov Street  
0108 Tbilisi, Georgia  
T +995 32 2201800  
E [giz-georgia@giz.de](mailto:giz-georgia@giz.de)  
I [www.giz.de](http://www.giz.de)

GIZ Office Azerbaijanian  
10, Nizami Street, 5. Stock  
1001 Baku, Azerbaijan  
T +994 124 978068  
F +994 124 978069  
E [giz-aserbaidshan@giz.de](mailto:giz-aserbaidshan@giz.de)  
I [www.giz.de](http://www.giz.de)

Editorial:

Responsible: Mary SchŠfer, Sonia Fontaine  
Editing: Maia Kvaliashvili  
Design & Layout: Batash Studio Ltd  
Printed by: Cezanne Ltd

February 2018



Implemented by:  
**giz** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



26 business service providers (e.g. chambers of commerce, associations, business development agencies) in the South Caucasus offer new or improved services (like consultancy or trainings) to more than 1,500 companies – with growing demand.

In Armenia and Georgia, SME strategies have been developed and agreed upon, in cooperation with the OECD's Eurasia Competitiveness Programme and with the involvement of business associations and on the basis of specific analyses.

In five tourist regions across the three countries, more than 400 micro and small businesses have seen their turnover increase and the number of overnight stays rise, as a result of improvements in service provision and joint marketing strategies.

## Results

70% of the participating companies in selected value chains (e.g. beverage, wine, tourism, construction) that introduced new or improved management approaches show improved business performance.

46 adapted or new professional qualifications (like electric welder, cook, and winemaker) are offered by 147 education providers in the South Caucasus.

467 managers and teachers from technical vocational education and training institutions across the South Caucasus received trainings in management, pedagogy, didactics, and/or dual-oriented vocational education.

## Our contribution in Azerbaijan

### „Skills for Business“ – Vocational qualification for sustainable economic development

Commissioned by:  
Partners:

German Federal Ministry for Economic Cooperation and Development (BMZ)  
Ministry of Economic Development; Ministry of Education; other line ministries; downstream institutions at local, national and sectoral level; business associations; business service providers and selected companies

#### ◀ A country-specific example

*Azerbaijan's rich climate and natural resources provide excellent preconditions for developing high quality services and products in the agriculture and tourism sectors. One of the major development barriers is the lack of a skilled labour force that is trained according to the needs of the private sector. The Private Sector Development and Technical Vocational Education and Training in the South Caucasus Programme seeks to address this obstacle. Working with our partner, the Farmer's House, we develop short-term training courses for orchard farmers in rural areas. In these short-term training courses, farmers gain valuable knowledge and skills regarding sustainable business models and production methods. In the regions of Quba, Khachmaz, Goychay and Ismayilli more than 80 orchard farmers have been awarded qualification and are seeing increased yields and incomes.*

#### ◀ Private sector development

- » Cooperation between the private sector and public sector institutions was promoted through five dialogue events on the needs and challenges of the local labour market. Following three public-private dialogue events in Ismayilli, Gabala and Khachmaz, cooperation between the private and public sectors was institutionalised, including the elaboration of action plans for local private sector development, which are now being implemented.
- » In the Goygol district, 14 providers of tourism services were trained in community based tourism approaches. The region around the Goygol National Park is particularly well-suited for visitors to enjoy hiking and exploring its rich cultural heritage. During the five trainings, the participants gained skills in innovative business models as well as the basics of hospitality management.

#### ◀ Vocational education

- » Training-of-trainer courses and in-service trainings in methodology, pedagogy and vocational school management helped 143 managers and instructors from 33 vocational training institutions across five regions develop key skills. By boosting the skills of both managers and teaching staff, such courses provide the basis for introducing modern training methods in technical vocational education and training institutions. Technical vocational education and training is increasingly being streamlined to respond to the current, market-oriented needs of employers.
- » Under the GIZ-organised "International Leadership Training in TVET" for trainees in vocational education, each of the five participants from Azerbaijan implemented a transfer project. These projects, developed with the Ministry of Education on several key topics (lifelong learning, green jobs, dual vocational education, career development, hospitality industry), were successfully closed out by March 2017.