

EUROPEAN TRAINING FOUNDATION

SINGLE PROGRAMMING DOCUMENT

2017 – 2020

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FOREWORD

The ETF is the EU agency tasked with supporting human capital development among the countries on the EU's borders. This mission is increasingly complex as the EU faces considerable challenges in this area. Many of the EU's neighbouring regions are poor, economically fragile, and affected by social and political unrest. The enlargement process has become more demanding and comprehensive in all sectors, including the human capital field. To the south and the east of the EU, armed conflicts have unsettled countries and, among other things, prompted a spike in migration towards the EU.

The EU's response is driven by the Juncker Commission's priority for Global Europe. The EU reviewed its external relations policies and strategies for the Enlargement and Neighbouring countries in 2015. Likewise, the EU's internal policies and priorities for human capital have been reinforced through the review of the Education and Training 2020 strategy, and objectives for EU cooperation in the field of vocational education and training agreed in Riga under the Latvian Presidency. Both the external and internal policies highlight the role of human capital in building prosperous, democratic, and stable societies within the EU as well as on its borders. Similarly, from an international perspective, the UN Sustainable Development agenda places greater emphasis than ever before on the expected contribution of technical vocational education and training as a catalyst to be fully integrated into human and economic development processes across all sectors.

In this volatile context, with rapidly changing external conditions and new emerging policy approaches, the ETF has developed its programme for 2017-20. It is rooted, above all, in the ETF's mission to contribute to improving human capital development in the context of the EU's external relations policies. The ETF is ready to support the EU as a global actor through the contribution of EU human capital development to economic and social development in partner countries. The ETF's programming support for the European Commission and the European External Action Service (EEAS) aims at ensuring EU assistance in human capital is accurately focused and differentiated in line with the priorities and capacities of the EU and the partner countries.

The ETF's specific policy focus derives from regular analysis of partner country needs carried out together with the partner countries themselves and with the active participation of EU and international and bilateral partners. The ETF Programming Document 2017-20 takes the ETF 2014-20 strategy forward and builds on the progress made in the 2014-17 Mid-Term Perspective. This gives continuity of focus essential for sustainable change in partner countries.

The ETF will have two objectives for 2017-20. The first is to modernise VET systems in a lifelong learning perspective with a focus on building internal efficiency. The second targets the external efficiency of VET and sets out to increase the relevance of VET provision in support of economic and social cohesion, transition to work and legal migration. These objectives are further developed into strategic areas of action, including support for effective policy making; modernisation of VET for employability; transition to work and transversal support to EU assistance.

I am confident that this new strategic framework will enhance the ETF's capacity to deliver added value to the EU and impact in its partner countries.

Madlen Serban
ETF Director

EXECUTIVE SUMMARY

The 2017-20 programming document has been prepared according to the guidelines and common programming template for all EU decentralised agencies. It is structured around three components: the multiannual policy context; the multiannual objectives and strategic areas of action for the period 2017-20; and, finally, the annual objectives and activities for 2017. It includes a series of annexes, required by the template, which provide detailed mid-term and annual information on budget and human resources, the ETF's premises, evaluations and indicators.

The ETF's programme for 2017-20 has been established in a period of high volatility within the EU as well as within the countries on its borders. The EU has reviewed both its internal 2020 policies and its Enlargement and Neighbourhood policies and instruments.

With these changes in the policy context, the multiannual and annual objectives and priorities proposed by the ETF are bound to evolve during the 2017-20 period. There will need to be some flexibility in the ETF programming framework so each annual programme can be adapted to the evolving situation under the guidance of the ETF Governing Board and according to the requirements of its founding regulation.

The programming document opens with a reminder of the agency's mandate, mission and vision. It specifies that the ETF's main purpose is to contribute to improving human capital development in the context of the EU's external relations policies.

The first section sets out the ETF's constantly evolving context, framed by high-level policy initiatives, such as President Juncker's political guidelines 2014-19 and the European Parliament's concern for external solidarity. It assesses the EU's internal policies, in particular Education and Training 2020, the EU Employment Strategy, migration and the role of entrepreneurship in industrial development. It also surveys key external relations policies governing EU assistance, including the implications of the Enlargement Strategy and the review of the European Neighbourhood Policy, both adopted in November 2015, as well as the development cooperation policy as regards Central Asia. The analysis also covers the changing needs and circumstances in partner countries, largely informed by the Torino Process. It also introduces the international development policy context and, in particular, the expectation that the Sustainable Development Agenda will play an increasing role in shaping human capital development in ETF partner countries.

The second section opens with the strategic context of the ETF deriving from analysis of the policy context. It continues the goals set in the ETF 2014-20 strategy and the objectives of the 2014-17 Mid-Term Perspective.

| Goals from ETF Strategy 2014-20 | Multiannual strategic objectives | Strategic areas of intervention | Strategic projects |
|--|---|--|--|
| <p>Goal 1: Evidence-based policy making: to support partner country intelligence and capacities at all stages of the VET policy cycle, bringing innovation and sustainable development</p> <p>Goal 2: EU policy support: to support the external dimension of EU policies in human capital development</p> | <p>1. Modernise VET systems in a lifelong learning perspective</p> <p>2. Increase the relevance of VET provision in support of economic and social cohesion, transition to work and legal migration</p> | <p>1. Support to assistance in the context of EU external relations policies</p> <p>2. Effective policy making in VET for economic development and social cohesion</p> <p>3. Modernisation of VET for employability and competitiveness</p> <p>4. Transition to work</p> | <p>SP1 Support to EU assistance in the context of EU Policies</p> <p>SP2 Policy analysis and system wide progress monitoring (including Torino Process)</p> <p>SP3. VET Governance</p> <p>SP4. VET Provision and Quality</p> <p>SP5 Qualifications and qualifications systems</p> <p>SP6. Employment skills and employability (including skills and migration)</p> <p>SP7 Entrepreneurial learning and enterprise skills</p> |

The second section also establishes the principles underlying the ETF's interventions. These are: prioritisation reflecting, in particular, EU priorities towards partner countries; differentiation according to the context of each partner country; focus on a limited number of actions, each bringing a critical mass of resources to achieve results; ownership as regards the partner countries' readiness to take action on HCD reform; and expected impact/added-value from ETF actions.

The second section goes on to present the main dimensions in which the ETF draws up the programming document. The first dimension is geographical and in particular the ETF's prioritisation of the partner countries under the guidance of the Governing Board. This means that the ETF gives high priority to Enlargement countries, Eastern Partnership countries with Association Agreements (Georgia, Republic of Moldova and Ukraine) and countries in the Neighbourhood South with Association Agreements and advanced cooperation status (Jordan, Morocco and Tunisia). Other Neighbourhood countries will have medium priority, while the countries of Central Asia will be given low priority and engaged in regional rather than bilateral ETF activities. Low priority is also given to Russia and Israel according to the bilateral EU cooperation agreements with these countries. The ETF will provide support to EU assistance and to the Torino Process in all partner countries regardless of priority.

The second dimension is the ETF functions: all ETF interventions in support of human capital development in partner countries involve one or more of the functions defined in the founding regulation. These are:

- provision of support to the European Commission in the entire project and programming cycle as well as in policy dialogue and policy progress monitoring related to external assistance to the partner countries in the framework of EU external policies and assistance programmes;
- delivery of capacity building;
- provision of evidence-based policy analysis and policy advice;
- knowledge dissemination and networking, facilitating exchanges of information and experience in the international community and between partner countries.

The third dimension covers the thematic areas of intervention. For the period 2017-20, the ETF will focus on:

- **Effective policy making in VET for economic development and social cohesion:** increasing the effectiveness of policy making in VET by supporting partner countries towards evidence-based policy making at system level at all stages of the policy cycle and moving towards better multilevel governance in VET.
- **Modernisation of VET for employability and competitiveness:** supporting country efforts to improve their qualifications and VET provision. Specific emphasis is given to modernising qualifications, work-based learning, professional development of teachers and trainers in VET, quality assurance policies and mechanisms, mechanisms for identifying present and future skills needs and opportunities for the efficient use of migrants' skills.
- **Transition to work:** considering the priority given to fighting unemployment and inactivity in all partner countries, this area of intervention focuses on developing and implementing comprehensive policies that aim to improve the transition to employment, with a particular focus on young people, the low skilled, jobseekers and other vulnerable groups.

Based on the above, the programming document concludes that the ETF's planning 2017-20 should be shaped around four strategic areas of action comprising (1) effective policy making in VET; (2) modernisation of VET for employability and competitiveness; (3) transition to work and (4) a cross-cutting functional area of support to EU assistance in the context of EU external relations. In addition, the ETF proposes a fifth strategic area on organisational efficiency and effectiveness. This is broken down into two strands: (1) partnership and communication and (2) organisational development.

Finally, section 2 presents the financial and resource assumptions for the ETF in the period 2017-20.

| Resources | Planned budget 2016 | Planned budget 2017 | Planned budget 2018 | Planned budget 2019 | Planned budget 2020 |
|--|---------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| Title 1 Staff Expenditure | 13,867,400 | 13,942,500 (+0.5%) | 13,926,950 (-0.1%) | 13,886,000 (-0.3%) | 14,001,000 (+0.8%) |
| Title 2 Infrastructure and operating expenditure | 1,589,100 | 1,633,700 (+2.8%) | 1,648,700 (+0.9%) | 1,625,200 (-1.4%) | 1,708,200 (+5.1%) |
| Title 3 Operational expenditure | 4,688,500 | 4,567,800 (-2.6%) | 4,568,350 (+0.0%) | 5,034,800 (+10.2%) | 5,247,800 (+4.2%) |
| TOTAL EXPENDITURE | 20,145,000 | 20,144,000 (0.0%) | 20,144,000 (0.0%) | 20,546,000 (+2.0%) | 20,957,000 (+2.0%) |

Overall, the ETF's resources are aligned with Commission Communication COM(2013)519 final of 10/07/2013 entailing a freeze in the EU contribution until 2018, followed by a 2% increase until 2020. Titles 1 and 2 are kept at a minimum throughout the period covering the basic staff and infrastructure costs only. The majority of the overall budget increase has been assigned to Title 3 to further strengthen the ETF's operational work. This increase will be highest in 2019 to fund preparatory actions for reporting on the Copenhagen/Riga process as part of the EU Education and Training Agenda 2020.

As regards human resources, the programming document confirms that the ETF is gradually implementing a 10% reduction in the establishment plan to reach 86 posts in 2018. The basic assumptions are: a minimal yearly indexation of 1% linked to promotions and the increase in steps, no increase in the weighting factor, and maintaining the 2016 level for administrative costs. Priority has been given to safeguarding operational expenditure, which is expected to grow in particular in the second half of the programming period. The resources section confirms the positive and negative

priorities for the ETF's operational expenditure following guidelines from the EU institutions and the ETF Governing Board.

In section 3, the programming document provides an outline of the background, objectives, geographical focus and main actions for operational activities in 2017. Further detail on the activities as well as individual country strategic perspectives 2017-2020 for each partner country will be made available in advance of the final adoption of the annual work programme by November 2016 as per the ETF founding regulation.

The Strategic Project on **Support to EU assistance in the context of EU external relations** will focus on assistance in different phases of the programming cycle, both for VET/skills programmes (or components within broader programmes) as well as sector programmes in the HRD field. Human capital and skills development issues feature strongly in 2014-20 programming. The ETF will also provide inputs to external assistance related bilateral and regional policy dialogue. It will also provide the ETF's contribution to the EU reporting process linked to external relations policies through regular inputs to the light European semester (ERP assessments) in the SEET countries, ENP progress reports, etc.

The Strategic Project on **Policy analysis and system wide progress monitoring** will contribute to effective policy making in VET for economic development and social cohesion by facilitating an evidence-based approach. Coming at the end of the 2016 Torino Process round, 2017 will see the finalisation of all the country and regional reports as well as the cross country synthesis. Particular emphasis will be placed on broadly disseminating the findings of the Torino Process analysis through an international conference in Turin involving all the ETF partner countries, the EU institutions, and the international community. The ETF will continue to develop the capacity of its partner countries to collect and analyse data in 2017. The ETF will also support candidate countries in monitoring and implementing the mid-term deliverables of the Copenhagen Process, not least through broadening engagement in the ex-ante impact assessment exercise that started at the end of 2015.

In 2017, the Strategic Project on **VET Governance** will contribute to strategic area one on effective policy making in VET for economic development and social/territorial cohesion and, more specifically, to good multilevel governance in VET. The main focus will be strengthening the overall governance of VET systems and the territorial dimension of skills and VET governance. This will include support to VET regionalisation processes, to the development of smart territories and smart specialisation policies; and institutionalising and strengthening the role of social partners at national, territorial or sectoral level. This will include strengthening selected social partner institutions on their role and function in VET councils, tripartite governance structures, etc.

The Strategic Project on **VET Provision and Quality** will focus on assisting partner countries to enhance work-based learning, improve their quality assurance mechanisms and make continuing professional development of teachers and trainers in VET more effective. This will focus, among other things, on relevant mid-term deliverables under the Copenhagen Process in the candidate countries. Enhancing work-based learning will be addressed in the SEET, EaP and SEMED regions. In the field of quality assurance (QA), the transnational policy learning platform established in 2016 will be the vehicle to support participating partner countries in developing systemic and systematic quality assurance in VET and monitoring QA improvement to enable them to progress in planning and/or implementing policies and practices. In the field of the continuous professional development (CPD) of VET teachers and trainers, the focus will be on the SEET region. In 2017, the ETF will complete the initiative with a third round of demonstration projects and recommendations to further develop, implement and monitor policies and practices bringing CPD closer to the needs of schools, teachers and trainers to improve VET delivery.

The Strategic Project on **Qualifications and Qualifications Systems** will continue to support countries on how to move their NQFs through the development stages to make them a tool for modernising VET for lifelong learning, employability and competitiveness. Policy advice and capacity building will focus on countries with an internal policy focus on qualifications, as well as those where EU projects are supporting the modernisation of qualifications and qualification systems. Following EQF developments, the ETF will support countries in the recognition and portability of qualifications with a special focus on the application of such measures to support legal migration. Finally, the ETF will update the Global NQF inventory and maintain the international Qualifications Platform.

The Strategic Project on **Employment, Skills and Employability** will continue to support countries in skills identification and matching and the efficient use of migrants' skills, as contributions to the modernisation of VET for employability and competitiveness. In SEET, the ETF will continue to build capacity on monitoring the skills requirements of key economic sectors in the short to medium term as part of the Economic Reform Programmes. In the EaP, the ETF will help countries develop mechanisms for skills identification and matching (including labour market intelligence) through the regional initiative "Make it Match", which started in 2015. In the area of skills and migration, the main action will aim at mainstreaming migration in the human capital development policies of partner countries engaged in a Mobility Partnership. Finally, the ETF will launch new initiatives to build capacity in partner countries on policy options for enhancing youth employability and the transition to work. In the framework of the review of ENP, the ETF will support the establishment of a panel on youth employment and employability within the EaP and encourage exchanges between SEMED countries on youth policies.

The Strategic Project on **Entrepreneurial Learning and Enterprise Skills** will build capacity and develop tools and instruments for policy implementation in areas linked to the Small Business Act for Europe. The ETF also encourages partner country policymakers and training providers to improve policy and practice by identifying and disseminating quality-assured good practice in the field of entrepreneurship training (formal and non-formal). Reinforcing the interface between the ETF's Small Business Act policy assessment and follow-up support at country level and good practice development will be the key focus in the period 2016-17. The purpose is, in particular, to improve policy implementation by closing the gap between practitioners and policymakers through dialogue and knowledge sharing. Particular attention will be given to promoting entrepreneurship in vocational education and training.

The horizontal activity on **organisational efficiency and effectiveness** will focus on two main strands. The first covers the actions the ETF carries out to reinforce its communication and stakeholder relations. The second comprises actions to improve organisational performance including performance management, human resources, finance and procurement management, resource management, information and communication technologies and facilities management. These actions are directly related to progress in the ETF key performance indicators, which are given in Annex XI.

LIST OF ABBREVIATIONS

| | |
|-----------------|--|
| AAR | Annual activity report |
| ABAC | Activity-based accounting system |
| ABB | Activity-based budgeting |
| ADB | Asian Development Bank |
| AFD | Agence Française de Développement |
| ALMPs | Active Labour Market Policies |
| BC | British Council |
| BTC | Belgian Development Agency |
| CEDEFOP | European Centre for the Development of Vocational Training |
| CG | Career Guidance |
| COM | European Commission |
| CPD | Continuous Professional Development |
| CVT/CVET | Continuing vocational training /Continuous vocational education and training |
| CORLEAP | Conference of Regional and Local Authorities for the Eastern Partnership |
| DCI | Development Cooperation Instrument |
| DG | Directorate General |
| DG DEVCO | Directorate General International Cooperation and Development - EuropeAid |
| DG EAC | Directorate General Education and Culture |
| DG EMPL | Directorate General Employment, Social Affairs & Inclusion |
| DG GROW | Directorate General Internal Market, Industry, Entrepreneurship and SMEs |
| DG HOME | Directorate General Home Affairs |
| DG NEAR | Directorate General Neighbourhood and Enlargement Negotiations |
| DG REGIO | Directorate General Regional and Urban Policy |
| DG SG | Directorate General Secretariat-General |
| DG TRADE | Directorate General Trade |
| DOL | Distance and open learning |
| ET 2020 | Strategic framework for European cooperation in education and training |
| EaFA | European Alliance for Apprenticeship |
| EBPM | Evidence-based policy making |
| EBRD | European Bank for Reconstruction and Development |
| EaP | Eastern Partnership |

| | |
|------------------------|--|
| EC | European Commission |
| EEAS | European External Action Service |
| EESC | European Economic and Social Committee |
| EQAVET | European Quality Assurance in Vocational Education and Training |
| EQF | European Qualifications Framework |
| ENI | European Neighbourhood Instrument |
| ENP | European Neighbourhood Policy |
| EPSO | European Personnel Selection Office |
| EQARF | European Quality Assurance Reference Framework |
| EQF | European Qualifications Framework |
| ERI SEE | European Reform Initiative of South East Europe |
| ERPs | Economic Reform Programmes |
| ETF | European Training Foundation |
| EU | European Union |
| Euromed | Euro-Mediterranean Partnership |
| FTE | Full-time equivalent |
| Function 1 (F1) | Supporting EU external assistance and policy dialogue with partner countries |
| Function 2 (F2) | Supporting partner country capacity building in human capital development, policy in action and policy progress reviews |
| Function 3 (F3) | Providing policy analyses through evidence-based analysis on country or cross-country policy reforms to support informed decision-making on partner country policy responses |
| Function 4 (F4) | Disseminating and exchanging information and experience in the international community (agencies, regional platforms and councils, bilateral and international organisations and donors) |
| GDP | Gross domestic product |
| GEMM | Governance for Employability in the Mediterranean |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation) |
| HRD | Human resources development |
| HCD | Human capital development |
| ICT | Information and communications technology |
| ILO | International Labour Organisation |
| IPA | Instrument for Pre-accession Assistance |
| LuxDev | Luxembourg Development Cooperation |
| MISMES | Migrant Support Measures from an Employment and Skills Perspective |

| | |
|-----------------|--|
| MTD | Medium-term deliverables |
| MTP | Mid Term Perspective |
| NEET | Not in education, employment, or training |
| NQF | National qualifications framework |
| OECD | Organisation for Economic Co-operation and Development |
| OIB | Office for Infrastructure and Logistics in Brussels |
| OSHA | European Union information agency for occupational safety and health |
| PMO | Paymaster Office |
| PRIME | Projecting reform impact in vocational education and training |
| PSD | Private Sector Development |
| QA | Quality assurance |
| RCC | Regional Cooperation Council |
| RCI | Regional Competitive Initiative |
| SBA | Small Business Act for Europe |
| SEE | South Eastern Europe |
| SEECEL | South East European Centre for Entrepreneurial Learning |
| SME | Small and medium-sized enterprise |
| SP | Strategic Project |
| SPD | Single Programming Document |
| SRC | SRC Sector Reform Contract |
| VET/TVET | (Technical and) vocational education and training |
| UfM | Union for the Mediterranean |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| VNFIL | Validation of non-formal and informal learning |
| WBL | Work-based Learning |
| YEP | Youth Employment Programme |

ETF PARTNER REGIONS AND COUNTRY ACRONYMS¹

| | |
|---|-----------------|
| South Eastern Europe and Turkey | SEET |
| Albania | AL |
| Bosnia and Herzegovina | BA |
| Kosovo ² | XK ³ |
| the former Yugoslav Republic of Macedonia | MK ⁴ |
| Montenegro | ME |
| Serbia | RS |
| Turkey | TR |
| Southern and Eastern Mediterranean | SEMED |
| Algeria | DZ |
| Egypt | EG |
| Israel ⁵ | IL |
| Jordan | JO |
| Lebanon | LB |
| Libya | LY |
| Morocco | MA |
| Palestine ⁶ | PS |
| Syria | SY |
| Tunisia | TN |

¹ These acronyms are taken from International Standardisation Organisation (ISO) and based on practice by the European Commission. <https://www.iso.org/obp/ui/#search>

² This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

³ 'XK' is a code used for practical reasons and not an official ISO country code.

⁴ 'MK' is a provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place on this subject at the United Nations.

⁵ ETF support to Israel takes place in the context of EU-Israel cooperation and related Guidelines on eligibility of Israeli entities and their activities in the territories occupied by Israel since 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards

⁶ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

| | |
|----------------------------|------------|
| Eastern Partnership | EaP |
| Armenia | AM |
| Azerbaijan | AZ |
| Belarus | BY |
| Georgia | GE |
| Republic of Moldova | MD |
| Ukraine | UA |

| | |
|---------------------|-----------|
| Central Asia | CA |
| Kazakhstan | KZ |
| Kyrgyz Republic | KG |
| Tajikistan | TJ |
| Turkmenistan | TM |
| Uzbekistan | UZ |

Other Partner Countries

| | |
|---------------------|----|
| Russia ⁷ | RU |
|---------------------|----|

⁷ ETF support to Russia takes place in the context of EU-Russia cooperation and with respect to Council Decision 833/2014 and subsequent acts

THE ETF'S MANDATE, VISION AND MISSION

The European Training Foundation (ETF) is a specialised European Union (EU) agency with a mandate to contribute to improving human capital development in the context of EU external relations policies.

Its mission is to support its partner countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policies. It cooperates with partner countries engaged in the EU's enlargement and neighbourhood policies, as well as Central Asia.

The ETF's vision is to make vocational education and training (VET) in the partner countries a driver for lifelong learning and sustainable development, with a special focus on competitiveness and social cohesion.

The ETF supports the EU as a global actor with particular emphasis on the contribution of EU human capital development to economic and social development in partner countries. At EU level, the ETF cooperates with the European institutions, the business community, social partners and other civil society organisations. Internationally, the ETF exchanges information and lessons learned with relevant international organisations and donors.

Through its policy analysis, advisory and capacity building actions, the ETF improves knowledge dissemination and policy management to promote realistic priority and objective setting, policy implementation and monitoring of progress. The ETF's programming support for the European Commission and the European External Action Service (EEAS) helps to ensure that assistance is accurately focused and differentiated to fit EU and partner country priorities and capacities.

ETF respects the values of loyalty, diversity, development and integrity in its work.

SECTION I – GENERAL CONTEXT

This section presents the context that shapes the ETF's objectives and activities for the 2017-20 period. It analyses the overall needs in ETF partner countries across the four main operating regions, as well as developments in relevant EU internal and external relations policies, and in international development policy. Out of these overall needs, depending on EU priorities, and the work of other donors and international organisations, and resource capacity, the ETF then proposes its own operational objectives and activities.

Although the ETF's overall mission and policy context remain constant, there are continuous changes in specific partner countries and a steady evolution in EU internal and external policy according to EU 2020 objectives, as well as in relevant international development policy.

Where relevant, this contextual analysis may be updated during the annual programming exercise between 2017-20 to take account of such changes.

1.1 Partner Countries

The analysis of the partner country context is based on the outcomes from the 2014 Torino Process. It briefly presents the progress made over the current strategic period since 2014 and the overall needs and priorities of the countries over the next mid-term programming period 2017-20.

South Eastern Europe and Turkey

Against a challenging European economic backdrop, countries of South Eastern Europe and Turkey (SEET) have experienced mixed economic and labour market trends in recent years. Most countries' economies are still characterised by low productivity, low skills, high levels of informality and precariousness. SEET countries face negative demographic trends (e.g. ageing populations and outward migration). Employment rates in SEET lag behind EU benchmarks. At the same time unemployment indicators are high in all countries, with the exception of Turkey. Young people are among the most affected by unemployment, informal employment and a mismatch between education and training outputs and labour market demand.

SEET countries share a common vision within an enlarged European Union (EU). The perspective of EU membership has a direct effect on their employment, education and social inclusion policies that are framed by the broader policy objectives and targets of the EU 2020 strategy and the SEE 2020 strategy. Skills development to support socio-economic development and inclusive growth is a priority for all countries of the region. The focus is on shifting from supply-driven education and training provision to systems that are more responsive to the needs of learners and the economy. With substantial support from EU pre-accession funds and other donor contributions, ETF progress reports from 2015 show that countries have made progress in one or more of the following areas: adapting their governance, reforming their qualifications systems, modernising their curricula and introducing forms of entrepreneurial learning, work-based learning and teacher training. Although the countries are at different stages of implementing their policies, they all need to enhance their institutional capacity, also including consistent governance and legislative frameworks.

Based on the findings of the Torino Process 2014, the results of the FRAME project, the Bruges process for the candidate countries, and the assessment of the 2015 ERPs, the ETF has identified the following priority areas for countries to pursue:

- **National Qualifications Framework (NQF) implementation:** Countries have conceptualised and designed their qualifications frameworks. Priorities are: (i) to develop new relevant outcomes-based qualifications, including qualifications for adult learning, to develop levelling methodologies and populate frameworks; (ii) to improve transition to the labour market from initial VET; (iii) to develop mechanisms for validation of non-formal and informal learning; (iv) to implement the process of referencing to the European Qualification Framework (EQF) and; (v) to determine institutional arrangements and responsibilities, strengthen institutional capacities and adopt or revise legislation.
- **Teaching and learning processes and the quality of provision:** The priority is to enhance the quality and attractiveness of VET. This will require the modernisation of (i) qualifications and training programmes, (ii) the diversification of VET provision, including increased investment in work-based learning, continuing vocational education and training (CVET) and distance and open learning (DOL); (iii) more emphasis on entrepreneurship and entrepreneurial learning and (iv) the improvement of continuous professional development of vocational teachers and trainers to implement modern teaching and learning processes and (v) further development of quality assurance mechanisms.
- **Policy monitoring:** To ensure the sustainability of reforms it is necessary to monitor progress in the implementation of policies. This will require capacity building to use monitoring as an instrument for improving policy making processes. For the candidate countries, in particular, there is a need to explore different options for setting up mechanisms to achieve the EU medium term deliverables.
- **Skills gaps and mismatches:** Countries have made efforts to enhance the responsiveness of education and training systems to labour market demands. The priority is now to establish the institutional setting and develop technical capacity to analyse skills demand and feed the results into skills development processes.

Eastern Partnership

In recent years, the countries of the EaP (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine) have formalised or started to prepare comprehensive VET sector strategies. A common feature is that the new strategies link to national development strategies, which invariably identify human capital as the country's key asset, and include improving education and training as a policy priority.

Between 2010 and 2013 EaP countries showed solid growth of 3-5% on average. The economic crisis in Eastern Europe and the conflict in Ukraine combined with economic sanctions on Russia, has negatively affected growth rates since then. The profiles of national economies show that low productivity sectors continue to be significant in the composition of gross domestic product (GDP). Low added-value trade and agriculture provide employment, while employers in advanced sectors seek high-level skills and recruit young people with high educational attainment.

Participation in the labour market is generally high in the Eastern Partnership, with the exception of the Republic of Moldova. Female rates are slightly lower than the male ones. Since 2012, employment rates have increased in all countries except Azerbaijan. Unemployment is relatively low: the levels are high only in Armenia and Georgia (14-17%). Youth unemployment rates are higher than overall ones and again Armenia and Georgia stand out with around 35%. All countries are characterised by a decrease in the total unemployment rate and new jobs are emerging slowly.

'Over-qualification' is a particular issue with more and more university graduates finding jobs below their level of education. At the same time, unemployment among university graduates, in particular in law and economics, is growing. Although participation in education is declining, the population is well-educated and illiteracy is close to zero. The participation of adults in training is low, though adult training opportunities are increasing.

Based on the 2014 Torino Process findings and the 2015 Torino Process Declaration, the key priorities for the modernisation of VET in the EaP are:

- **Modernisation of qualifications and qualification systems:** All countries have started to design and implement national qualifications frameworks to improve the transparency, trust and relevance of their qualifications. The focus is on implementation methodologies and the institutional infrastructure.
- **Private sector involvement in VET:** Policy makers are seeking higher private sector engagement in the design and delivery of vocational education and training. Most countries are establishing sector skills councils to align occupational and qualification requirements; they aspire to improved school-business cooperation and more and better work-based learning.
- **Skills anticipation and matching:** The countries have developed information on the skills needs of the labour market in an unsystematic way and aim to introduce a more coordinated approach to labour market information. There is a growing interest in skills anticipation to adjust VET programmes, including continuing training, to labour market needs and student demand. Building closer relations between initial and continuing VET remains a target.
- **VET attractiveness:** In several countries, VET participation is declining. To make VET a real option for students, the countries emphasise the need to raise quality and improve quality assurance mechanisms and transparency and permeability of their systems.

Russia⁸

Russia's annexation of Crimea has led to a suspension of most EU-Russia cooperation programmes and to sanctions. ETF cooperation with Russia is guided by the EU's relations with the country.

Southern and Eastern Mediterranean

Although the situation varies from country to country, the region as a whole remains highly unstable, particularly on the political and security fronts. Instability and political turbulence contributed to a decline in economic activity. Vulnerable economies lag behind in job creation and there is a large informal sector with a low-skilled labour force and low productivity. The region has persistently very low activity rates (on average less than half the working age population is economically active) mainly due to the low participation of women in the labour market. Youth unemployment is of great concern, with peaks above 25% in a demographic situation where 60% of population is under 30 years of age. While the region has made very good progress in attaining universal enrolment in education (with few exceptions), the existence of dropouts, in particular after lower secondary education, is of high concern. NEETs are estimated at 32% of the population aged 15-29.

⁸ ETF support to Russia takes place in the context of EU-Russia cooperation and in particular Council Decision 833/2014 and subsequent decisions

All countries in the region have prioritised tackling the problem of youth unemployment. Countries have progressed in developing employment strategies, although more attention has been devoted to emergency measures than to sustainable job creation policies. In response to the pressing need to boost employment, VET and employability have been rising on the political agenda in recent years. The countries have made significant efforts to develop legislation, strategies and action plans for VET reforms. However, the pace of implementation is still slow, with many countries reporting challenges in the ownership, coordination and leadership of the reforms.

Based on the findings of the 2014 Torino Process, the ETF has identified the following priority areas for countries to pursue:

- **Participatory governance:** Countries are aware that shifting from supply-driven to demand-driven VET systems implies a participatory approach to skills development. This requires support both in achieving greater coordination among key partners and in devolving responsibilities to the regional level.
- **Modernisation of qualifications and qualification systems:** NQFs are on the agenda of most countries in the region, but progress is generally slow. Priorities include passing necessary legislation, agreeing concepts, defining technical elements such as level descriptors, establishing required institutional structures and associated quality assurance systems, which are currently either absent or partial.
- **Promotion of entrepreneurial learning and skills for small and medium-sized enterprises (SMEs):** Job creation in the private sector has become a high priority in all countries and countries have started to introduce a wide array of schemes to support financing, training or support to SMEs. More attention to specific groups, such as young people and women, and an integrated support to SMEs is needed.
- **Policy analysis and progress monitoring:** In recent years most countries have engaged in ambitious reform initiatives (often with donor support) and have started to provide a wide array of short or medium term measures to support employment. There is a need to develop robust analytical and monitoring tools to assess and measure progress.

Central Asia

The CA region is characterised by its diversity of resource-rich and resource-poor economies. The countries' economies face a structural adjustment with the relative decline of agriculture as a proportion of Gross Domestic Product (GDP) (except Tajikistan) and an increase in the service industries (tourism, retail, business services and transport and distribution). A growing small business sector is a strong trend across the region. However, total employment growth is one of the biggest challenges. Weak job creation is a particular problem for Kyrgyzstan and Tajikistan. Overall, the countries face strong demographic pressure with growing youth populations. Labour migration is an important trend. The economic problems in the Russia and Kazakhstan have led to growth in the number of migrants returning to Kyrgyzstan, Tajikistan and Uzbekistan.

Despite very different socio-economic realities, all CA countries have, over recent years, put a strong emphasis on education and VET reform driven by a combination of socio-economic pressure and growing policy engagement on the part of stakeholders. VET has been evolving from a sector that frequently addresses social protection issues to one with the potential to make a broader contribution to social and economic development. Across the region, the sector is becoming more complex and the countries have developed and consolidated their capacity to develop and manage VET.

Based on the findings of the 2014 Torino Process, the ETF identifies the following priority areas for the region:

- **Labour market relevant VET:** Labour market analyses are weak and ministries still drive curriculum developments with little engagement of business. There is a need to increase the relevance of the VET system and to enhance the involvement of enterprises and social partners in VET policy development and implementation both at national and regional/provider level including operationalisation of sector councils and development of coherent policies for education-business cooperation.
- **Quality VET provision:** Countries have started to introduce a more systemic approach to quality assurance and management, and the capacity of schools to monitor VET quality is slowly improving. There is a need to adapt programmes to the needs of the labour market and provide continuous professional development (CPD) to vocational teachers and trainers to ensure the implementation of new approaches foreseen by VET reform.

1.2 EU Policy

This section outlines how EU internal and external policies and instruments will influence the priorities and activities of the ETF over the period 2017-20.

As defined by its mandate, the European Training Foundation (ETF) is a specialised European Union (EU) agency with a mandate to contribute to improving human capital development in the context of EU external relations policies. Within this remit and in line with the President Juncker's political guidelines, the ETF contributes to the EU's role as a global actor.

The ETF is well positioned to support its partner countries to develop their human capital by using EU policies and instruments suitable to the needs and complexities of the countries.

The ETF actively draws on EU internal human capital development policies in its support to economic and social development, growth and competitiveness in partner countries. It disseminates and adapts EU internal policy approaches, tools and instruments to meet the different contexts of the partner countries according to the geopolitical priorities set by EU external relations policies.

Effective policy making in VET for economic development and social cohesion

The main EU policy framework in education and training is provided by Education and Training 2020 (ET 2020), which addresses challenges such as skills deficits in the workforce and global competition and establishes policy priorities⁹. As partner countries largely share similar challenges, ET 2020 (and its review) continue to represent a valuable reference for the ETF's work, even if the priorities and solutions need to be adapted to national or local contexts.

As regards VET, the new set of medium term deliverables (MTDs), as defined in the Riga conclusions of 22 June 2015, have sharpened the focus of VET reforms with 2020 as a horizon. The new set of five medium term deliverables, as opposed to 22 short-term deliverables under the Bruges Communiqué, will shape the work and priorities of the ETF in the candidate countries and beyond. The ETF will

⁹ Making lifelong learning and mobility a reality; Improving the quality and efficiency of education and training; promoting equity, social cohesion, and active citizenship; Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

support candidate countries to implement these medium term deliverables and monitor progress to achieve the objectives set by Copenhagen Process.

The Joint Report on ET 2020 also renewed the priorities of the European Agenda for adult learning, as it is seen as the basis for up-skilling and re-skilling. Recent trends in low basic skills of adults and high unemployment rates made it necessary to reinforce the implementation of the European Agenda for Adult Learning. Priorities include more effective governance, significant increases in supply and take-up, more flexible supply, broader access, closer monitoring and better quality assurance.

The Open Method of Coordination provides a methodological approach and source of inspiration for ETF-facilitated mutual learning and exchange of good practice. The Riga Conclusions¹⁰ also indicate that progress in the area of VET will be monitored and analysed by the European Centre for the Development of Vocational Training (Cedefop) and the ETF. It will be done through a streamlined monitoring system using newly developed indicators and available VET-specific statistical data, adapted to the new medium term deliverables.

The Europe 2020 strategy and other EU policy documents set up a framework of indicators and benchmarks in the field of employment and education and training that the ETF uses to monitor reform progress of partner countries under the Torino Process.

Modernisation of VET for employability and competitiveness

The ministers in charge of vocational education and training of the EU Member States, the candidate countries and the European Economic Area meeting in Riga in June 2015 agreed to promote investment in work-based learning by involving social partners, companies, chambers of commerce and VET providers, as well as by stimulating innovation and entrepreneurship; to further develop quality assurance mechanisms in VET; to enhance access to VET and qualifications for all through more flexible and permeable systems; to further strengthen key competences such as language skills and digital literacy in VET curricula; and to introduce systematic approaches to, and opportunities for, the initial and continuous professional development of vocational teachers, trainers and mentors in both school and work-based settings.

The ministers also invited the European Commission to develop, in cooperation with Member States, social partners and stakeholders, a VET and skills agenda with a view to strengthening European cooperation in VET and to boosting employability and competitiveness.

Under the framework of ET 2020, instruments and tools have been developed together with approaches to foster effective partnerships that are also relevant to the ETF partner countries as potential reference systems. For example, the Council recommendation on the validation of non-formal and informal learning (2012) and the European Quality Assurance Reference Framework (EQARF)¹¹.

In qualifications, the EQF recommendation (2008) has had a far-reaching and rapid impact on partner countries' policies and instruments. Most are developing or already implementing national qualifications frameworks for lifelong learning using the EQF as a technical model. Additionally, the EQF has become a reference to which partner countries wish to link their qualifications systems or frameworks. The five candidate countries are already part of the formal EQF process. In 2017, the ETF will continue to advise countries on NQF-driven qualifications reform also in the frame of the future revision of the EQF recommendation.

¹⁰ http://ec.europa.eu/education/policy/vocational-policy/doc/2015-riga-conclusions_en.pdf

¹¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:c11108>

The new European Skills Agenda that is expected to be launched in spring 2016 will have an impact on ETF work with the partner countries.

The European Employment Strategy (EES) provides a framework (the "open method of coordination") for EU countries to share information, discuss and coordinate their employment policies. It constitutes part of the Europe 2020 growth strategy and is implemented through the European semester. The implementation of the EES involves the following four steps: employment guidelines, joint employment report (JER), national reform programmes (NRPs) and country-specific recommendations (CSRs). The employment guidelines, proposed by the Commission and approved by the Council, present common priorities and targets for the national employment policies. In March 2015, the Commission adopted a proposal for a new package of integrated policy guidelines. Overall, the EU employment strategy represents a key reference for policy objectives and organisation of effective policy making in partner countries.

Work-based learning (WBL) has been recognised at EU level as a fundamental aspect of vocational training, being directly linked to the mission of VET to help learners acquire knowledge, skills and competences that are essential in working life. In line with the "Rethinking Education" Communication (2012), the ETF promotes the principles of the European Alliance for Apprenticeships and draws lessons in its policy advice from EU policies and tools such as the Youth Guarantee, the Policy Pointers on work-based learning, the Quality Framework for Traineeships and the Guidebook on Key Success Factors for Apprenticeship and Traineeship Schemes in the EU.

Moreover, the four European priorities in career guidance as defined by the latest Council Resolution on Lifelong Guidance (2008) are key and instrumental to the ETF's work in the partner countries.

The ETF's policy support tools and indicators in entrepreneurship and enterprise skills draw specifically on the human capital principles of the Small Business Act for Europe (SBA), namely entrepreneurial learning, training for women's entrepreneurship and SME skills, as well as on "Rethinking Education" and its focus on entrepreneurship key competences and on the wider entrepreneurship skills promotion drive of Education and Training 2020.

On skills matching and anticipation, the ETF, Cedefop and the International Labour Organization (ILO) have developed comprehensive guidelines, which are practice-oriented tools for policy makers and experts of non-EU countries and apply the latest knowledge and experience of relevant EU experience and initiatives including those included in the repository of the EU Skills Panorama.

The Communication and the Council conclusions on the "Global Approach to Migration and Mobility" (GAMM), mentions the importance of the skills dimension of migration, which is another area of ETF work. The European Agenda on Migration (2015) indicates that migration is both an opportunity and a challenge for the EU. The medium to long-term priorities consist of developing structural actions that look beyond crises and emergencies and help EU Member States to manage all aspects of migration better.

Transition to work

The EU Youth Employment Package (2012), which includes the Youth Guarantee (2013), the Quality Framework for Traineeships and the European Alliance for Apprenticeships, is a key reference for the ETF's work, especially given the high levels of youth unemployment that plague partner countries. In addition, the ETF takes into account the Youth Employment Initiative (2013) and the Communication "Working together for Europe's young people – A call to action on youth unemployment" (2013).

The Youth Guarantee Scheme (2013) increasingly inspires the ETF partner countries in view of uncertain labour markets and weak institutional settings. The Youth Guarantee is a new approach to

tackling youth unemployment by ensuring that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within four months of leaving formal education or becoming unemployed. A good-quality offer should be a job, an apprenticeship, a traineeship, or continuing education, which should be adapted to each individual's needs and situation.

Developing and delivering a Youth Guarantee scheme requires strong cooperation between all the key stakeholders: public authorities, employment services, career guidance services, education and training institutions, youth support services, business, employers, trade unions, etc. Early intervention and activation are key and, in many cases, reforms are needed, such as improving VET systems.

Equally, long-term unemployment, economic restructuring and social vulnerabilities greatly affect the adult population of ETF partner countries. Timely and demand-relevant upskilling and reskilling of jobseekers, low skilled and other groups at social risk, coupled with sound support for activation are EU recommended priorities (e.g. Employment Guidelines, and the Commission initiative on long-term unemployment) which the ETF will follow in its advice and support to partner countries.

Support to assistance in the context of EU external relations policies

Human capital development is a driver for reaching the common policy goals for EU external relations, such as economic development and prosperity through employment, social cohesion and stability, strong and democratic governance, the rule of law and enhanced trade.

The ETF supports EU cooperation under the specific policies and instruments established for each region, and according to the geopolitical priorities and cooperation agreements defined by the EU with each partner country. EU cooperation also establishes key principles that guide the ETF's work, such as differentiation, focus, ownership and broad participatory approaches including social partners and civil society.

In this context, the ETF provides direct support to EU cooperation on request in such areas as the programming of assistance, the implementation of projects, monitoring and evaluation, expert input to bilateral policy dialogue and the review of policy progress.

Enlargement Strategy

The EU's Enlargement Strategy and Main Challenges 2014-15, published on 10 November 2015, confirms an approach based on the fundamentals of the rule of law, economic governance and the reform of public administration. The EU is strengthening its support to improving economic governance and competitiveness in enlargement countries. This is key to addressing the concerns of citizens in a persistently difficult economic environment, with high unemployment and low investment. This approach will build on the experience of EU Member States in the European Semester. Improving economic governance in the enlargement countries is also of importance for maintaining support for enlargement within the European Union.

The ETF will provide inputs to the Commission's analysis and assessment of Economic Reform Programmes and the Employment and Social Reform Programmes in the enlargement countries and will follow EU recommendations issued under these processes in its country and thematic work.

Neighbourhood Policy

The revised Neighbourhood Policy promotes stability on Europe's external borders and helps neighbouring countries develop and support deep democracy, partnership with society and sustainable economic and social development with a view to becoming stable and prosperous neighbours. The policy has created close cooperation between the EU and eligible countries, particularly those with Association Agreements or Advanced Cooperation Status (Jordan, Morocco, Tunisia, Georgia, Republic of Moldova and Ukraine). The ETF's contribution to the Neighbourhood focuses on human

capital development for sustainable economic and social development and good governance. The ETF supports EC programming and regular monitoring of progress through instruments such as the employability fiches, as well as through participation in bilateral subcommittees. The ETF also provides regular policy support and inputs to the Euro-Mediterranean policy dialogue through its regional employability papers and country fiches.

In Eastern Europe, the ETF's work supports the platforms of the EaP in its objective of inclusive economic development in the EU's neighbouring countries, with an emphasis on job creation, improving social protection and reducing social inequality. To the south, the ETF supports the EU-Mediterranean dialogue on employment, the dialogue with the Southern Mediterranean on education, and the EU's involvement in the Union for the Mediterranean.

The EC has conducted a review of the Neighbourhood Policy which was published in a Communication on 18 November 2015. The review is expected to lead to enhanced focus on stabilisation in the eligible partner countries as well as greater attention on relevant topics such as entrepreneurship and migration. Once the review has been discussed with partner countries, there may be impact on the ETF's work from the second half of 2016.

Development policy

The EU Development Policy focuses on good governance and human and economic development. ETF activities focus on human capital development policy, governance at school or local levels, as well as the contribution of human capital to economic progress for example through school-business cooperation and entrepreneurship. In Central Asia, the ETF's input is framed by the EU Strategy for a New Partnership with Central Asia (2007), in particular through the EU-Central Asia Education Platform. The Council conclusions on the EU Strategy for Central Asia (2015) stressed that the main objectives and priority areas of the 2007 strategy remain pertinent. The Council emphasises the fundamental importance of democratisation, respect for human rights and the rule of law, and socio-economic development, all of which are essential elements of the strategy.

1.3 International policy developments

This section outlines changes in international development policy and initiatives of key multilateral and bilateral actors that are expected to influence ETF work over the period 2017-20.

The Post-2015 Development Agenda

The Post-2015 Development Agenda adopted in September 2015 confirms the role of VET in developing life skills and employment through:

- Inclusive and equitable quality education and lifelong learning opportunities for all; and,
- Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The third international conference on Financing for Development in Addis Ababa¹² on 13-16 July 2015 also highlighted, under point 16, the importance of generating full and productive employment and decent work for all, and promoting micro, small and medium-sized enterprises. The commitment is to work with private actors and development banks to promote adequate skills development for all,

¹² <http://www.un.org/esa/ffd/ffd3/>

particularly for young people and entrepreneurs. National youth strategies will also be promoted as a key instrument for meeting the needs and aspirations of young people. By 2020, a global strategy for youth employment and for implementing the International Labour Organization's (ILO) Global Jobs Pact will be developed and put into practice.

Multilateral actors in VET

At their meeting in 2015 in Elmau (Germany)¹³, the G7 leaders agreed to foster growth by, among other things, promoting education and innovation and supporting private investment with a business friendly climate especially for small and medium-sized enterprises. At the same time, women entrepreneurship needs a boost and the leaders committed to addressing the specific needs of women entrepreneurs, in particular by promoting their access to finance, markets, skills, leadership opportunities and networks.

Through its strategy for TVET, UNESCO (United Nations Educational, Scientific and Cultural Organization) recognises the indispensable role of TVET in development, and particularly its importance in addressing youth unemployment, equity and income disparities, socio-economic development and, more broadly, quality of life. The key directions of UNESCO's new Strategy for TVET are currently under discussion. The Shanghai Consensus (2012)¹⁴ highlighted the need to rethink and transform TVET systems to make them more resilient and sensitive to the context of extensive economic uncertainty.

Recognising both the complexity of skills policies and the potential for peer learning, the Organisation for Economic Co-operation and Development (OECD) has developed a global Skills Strategy¹⁵ that helps countries identify the strengths and weaknesses of their national skills systems, benchmark them internationally, and develop policies that can transform better skills into better jobs, economic growth and social inclusion.

The Business and Industry Advisory Committee to the OECD (BIAC) in its document "A business agenda for 2015 and beyond"¹⁶ stressed the need to promote "private sector cooperation with education policymakers and institutions in support of greater lifelong employability. Promote apprenticeship and the inclusion of women in our economies, with labour market reforms conducive to employment creation."

The World Bank through its Education Strategy 2020 "Learning for all: Investing in people's knowledge and skills to promote development"¹⁷ focuses on education in terms of supporting reforms at country level that strengthen the education system's capacity to achieve learning goals.

The ILO operates a global Youth Employment Programme (YEP)¹⁸ which provides assistance to countries to develop coherent and coordinated interventions on youth employment.

An Interagency Group (IAG-TVET) was set up in 2008 to ensure coordination of activities by the key international organisations involved in the delivery of policy advice, programmes and research on

¹³https://sustainabledevelopment.un.org/content/documents/7320LEADERS%20STATEMENT_FINAL_CLEAN.pdf

¹⁴ <http://www.unesco.org/new/en/education/themes/education-building-blocks/technical-vocational-education-and-training-tvet/third-international-congress-on-tvet/>

¹⁵ <http://www.oecd.org/edu/oecdskillsstrategy.htm>

¹⁶ <http://biac.org/wp-content/uploads/2015/08/2015-BIAC-Annual-report-FINAL-web.pdf>

¹⁷ <http://documents.worldbank.org/curated/en/2011/01/15048679/learning-all-investing-peoples-knowledge-skills-promote-development-world-bank-group-education-strategy-2020-executive-summary>

¹⁸ <http://www.ilo.org/employment/areas/youth-employment/lang--en/index.htm>

vocational education and training. Under the leadership of UNESCO, it enhances knowledge sharing and a common understanding of key issues and the group seeks ultimately to leverage the work of each member organisation to help countries design and implement more effective VET policies, to improve productivity, economic prosperity, sustainable development and employment opportunities. The ETF will continue to contribute actively to the conceptual and operational actions adopted by this group.

Bilateral actors

In parallel with other international actors, the ETF will continue to work in close cooperation with bilateral donors active in VET in its partner countries. In particular, it will consolidate its close cooperation and exchange of information with Member State donor agencies engaged in skills development in partner countries, such as Agence Française de Développement (AFD), the British Council (BC), the Belgian Development Agency (BTC), the German Agency for International Cooperation (GIZ) and the Luxembourg Development Cooperation (LuxDev), and actively seek opportunities for information exchange and cooperation with other Member States through its Governing Board.

1.4 Partnership and stakeholder cooperation

The main objective under stakeholder cooperation remains to enhance collaboration and communication with EU institutions, bodies, agencies and other relevant EU stakeholders. In the 2014-17 mid-term perspective, under the leadership of its partner DG, the ETF supported structured dialogue with the EC services and established lines of communication with the Council and the European Parliament. During 2017-20, this will be continued through active participation in structured dialogue and regular information sharing with the EC services on programming with particular attention to the needs and expectations of DG Employment, Social Affairs and Inclusion in its role of coordinating the ETF's support to the Commission. The ETF will also continue to support the European Parliament committees in the field of human capital development on request. Finally, the ETF will continue to seek opportunities for cooperation with relevant EU agencies such as Cedefop, Eurofound, OSHA and regular consultation with EU advisory bodies and representatives of the social partners at European level.

Furthermore, the ETF will enhance collaboration with EU Member States. Building on practices established during the 2014-17 MTP, the ETF will seek to identify and mobilise relevant experience in the EU Member States with a view to disseminating them to the partner countries and to promoting the active participation of the Governing Board representatives in the governance of the ETF and in the implementation of its activities.

Finally, building on the ETF's active role in particular in the Inter-Agency Group, the ETF will strengthen co-operation with international organisations and other relevant international and regional actors. This will be achieved by forging fruitful and reliable partnerships, co-operation and harmonisation for the development of the partner countries and enhancing the exchange of information and experience among institutions engaged in human capital development reform in partner countries.

SECTION II – MULTIANNUAL PROGRAMMING 2017–20

2.1 Multi-annual objectives

Based on the analysis of progress in the partner countries and EU policy context, the ETF will continue to support partner countries in modernising their VET systems for improved employability and aligning it to the prerequisites of increasing competitiveness, social and territorial cohesion. This will be done by providing targeted assistance to the partner countries taking into account their needs and priorities as well as by providing expertise to the EU for improved EU programming and policy dialogue.

In line with its mandate and the goals set in the ETF Strategy 2014-20 the strategic objectives for ETF work in the programming period 2017-20 are:

- to modernise VET systems in a lifelong learning perspective
- to increase the relevance of VET provision in support of economic and social cohesion, transition to work and legal migration.

These objectives are enshrined in the objectives set in ETF regulation as well as the goals set in the ETF strategy 2014-20 and the objectives of the 2014-17 mid-term perspective. Evidence from the Torino Process suggests that the main reform needs and priorities for the partner countries have also remained constant over the period of the strategy, despite the volatility in some partner countries. This enables the ETF to maintain its strategic support framework over the long term. This continuity of effort is fundamental for substantial system wide and system deep transformation in the partner countries. The following table illustrates the continuity in goals and objectives over the period 2014-2020.

| Goals from ETF Strategy 2014-20 | Multiannual strategic objectives | Strategic areas of intervention | Strategic projects |
|--|---|--|--|
| <p>Goal 1: Evidence-based policy making: To support partner country intelligence and capacities at all stages of the VET policy cycle, bringing innovation and sustainable development</p> <p>Goal 2: EU policy support: To support the external dimension of EU policies in human capital development</p> | <p>1. Modernise VET systems in a lifelong learning perspective</p> <p>2. Increase relevance of VET provision in support of economic and social cohesion, transition to work and legal migration</p> | <p>1. Support to assistance in the context of EU external relations policies</p> <p>2. Effective policy making in VET for economic development and social cohesion</p> <p>3. Modernisation of VET for employability and competitiveness</p> <p>4. Transition to work</p> | <p>SP1 Support to EU assistance in the context of EU Policies</p> <p>SP2 Policy analysis and system wide progress monitoring (including Torino Process)</p> <p>SP3. VET Governance</p> <p>SP4. VET Provision and Quality</p> <p>SP5 Qualifications and qualifications systems</p> <p>SP6. Employment skills and employability (including skills and migration)</p> <p>SP7 Entrepreneurial learning and enterprise skills</p> |

In defining its actions, the ETF will continue to apply its principles of action established during the current 2014-17 MTP namely:

- **Prioritisation:** the ETF's interventions reflect the cooperation agreements, priority and interventions of EU development in each partner country, with particular reference to the human capital development (HCD) sector;
- **Differentiation:** the ETF's interventions are differentiated according to the context of each partner country;

- **Focus:** the ETF focuses on a limited number of actions to ensure mobilisation of a critical mass of resources within the agency;
- **Ownership:** the ETF's interventions take into account the partner countries' readiness and willingness to engage in HCD reform. This includes consideration of the prominence of HCD in national policies and the respective commitment of stakeholders;
- **Expected impact/added-value:** The ETF's added value comes from its neutral, non-commercial and unique knowledge base consisting of expertise in human capital development and its links to employment. This includes expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries. ETF interventions aim for impact and added value over the seven-year strategic horizon with progress assessed annually. ETF strategic projects are informed by indicators that measure the achievement of the ETF's contribution to the goals from the 2014-20 strategy in terms of effective policy making, increased employability and enhanced social and territorial cohesion and competitiveness in partner countries.

2.2 Multiannual programme 2017-20

According to the implementation logic, the ETF's work in the period 2017-20 will combine three dimensions: geographical, functional and thematic.

Geographical dimension

The ETF's geographical dimension combines the specific EU external assistance priorities for each partner country and the needs identified through the regular policy analyses such as the Torino Process. The logic of intervention in each partner country is differentiated according to the following criteria

1. The strategic importance of human capital development in EU assistance for the country, including both the overall strategic importance of the country for the EU (i.e. existing contractual relations) and the role of human capital development in the development cooperation envelope;
2. The country's readiness and willingness to cooperate with the EU/ETF to meet mutual accountability and conditionality (i.e. "more for more") to secure the potential sustainability of EU/ETF interventions, including the importance of human capital development in national policies; the commitment of stakeholders to human capital reform, and specifically VET and skills development and the country's commitments to making resources available to implement reforms; and,
3. The expected impact/added-value of any ETF intervention, including its capacity to meaningfully support country needs through a focused, differentiated and impact-oriented approach, complementarity with other donors in human capital development in the country willing to cooperate with the EU/ETF and potential sustainability.

During the 2017-20 period, the geographical focus for ETF activities is on supporting the candidate countries as well as Neighbourhood countries with advanced cooperation agreements with the EU. The ETF's work focuses on assisting countries to fulfil their commitments and the recommendations of EU to these countries in the policy areas under the ETF mandate.

Functional dimension

All ETF interventions that support of human capital development in partner countries are shaped by one or more of the functions defined in the founding regulation. The ETF seeks to deliver its support through four main vehicles:

1. **Provision of support to the EC** in the entire project and programming cycle as well as in policy dialogue and policy progress monitoring related to external assistance to the partner countries in the framework of EU external policies and assistance programmes. This function focuses on providing expertise to the EU Institutions and Delegations to support the different phases of the project cycle (identification, formulation implementation, monitoring and evaluation) and to the bilateral dialogue between the EU and partner countries. This is expected to remain the ETF's primary direct input to EU assistance. This function will adapt according to developments in EU assistance policies and strategies and specific country or regional programming priorities defined by the EU services, and the support expectations of EU Delegations;
2. **Provision of support directly to partner countries** through capacity building in terms of quality policy formulation, policy in action and policy progress review. During the next single programming period, this function is expected to focus increasingly on capacity for policy implementation;
3. **Provision of evidence-based policy analysis** and subsequent policy advice on country or cross-country policy reforms to support informed decision-making on policy responses through the Torino process for the overall VET system and through distinct processes specific to policy areas (e.g. qualifications, employability, entrepreneurial leaning and enterprise skills). During the next programming period the focus of policy analysis will be on documenting policy progress in terms of implementation; and
4. **Knowledge dissemination and networking**, facilitating exchanges of information and experience in the international community and between partner countries. This function will also increasingly focus on sharing information and approaches which help institutionalise reforms and create long term, sustainable capacities in the countries for policy cycle management;

Thematic dimension

The ETF expertise contribution to HCD policy development is structured around three fundamental levers for achieving policy change in partner countries. These are

1. **Effective policy making in VET for economic development and social cohesion:** increasing the effectiveness of policy making in VET by supporting partner countries towards evidence informed policy making at system level along all stages of the policy cycle and moving towards better governance in VET.
2. **Modernisation of VET for employability and competitiveness:** supporting country efforts in improving their qualifications and VET provision. Specific emphasis will be given to the modernisation of qualifications, work-based learning, professional development of vocational teachers and trainers, quality assurance policies and mechanisms, mechanisms for identifying present and future skills needs and opportunities for efficient use of migrant skills.
3. **Transition to work:** developing and implementing comprehensive policies that help improve the transition to employment in view of the priority given to fighting unemployment and inactivity in all partner countries, with a particular focus on young people, the low skilled, jobseekers and other vulnerable groups. On top of improvements in VET as a vehicle for developing appropriate skills, this area of intervention will focus on actions that improve vocational guidance and lifelong career counselling, increase the efficiency of active labour market policies, enhance the role of public employment services in matching, and expand further training opportunities.

Assumptions

The ETF multiannual objectives have been proposed under the assumption of continuity of

- EU external assistance priorities for ETF partner countries;

- ETF functions;
- Reform commitment and priorities in ETF partner countries;
- Efforts toward enhanced organisational performance in terms of efficiency and effectiveness.

2.2.1 Strategic areas of intervention 2017-20

Drawing on the policy context and the planning dimensions, the ETF proposes five strategic areas of intervention to structure its activities in 2017-2020. The first area brings together the ETF's efforts to deliver its key function of support to EU assistance in the context of EU external relations. In addition, the ETF proposes three thematic focus areas, namely support to effective, system wide policy making, modernisation of VET in a lifelong learning perspective and transition to work. These areas will be the main vehicles for delivering ETF's policy analysis, capacity building, dissemination and networking functions. Finally, ETF will further its efforts towards efficient and effective organisational performance.

Strategic area 1: Effective Policy making in VET for economic development and social cohesion

As demonstrated by the 2014 Torino process reports, in recent years, ETF partner countries have made efforts to improve their policy making processes to make vocational education and training more effective in generating skills that support economic development and social cohesion. The key issues have been to make VET more proactive, more participatory and more attractive for citizens.

The ETF has supported partner countries in these efforts along two lines of action. The first has been to work towards evidence-based policy making and, in particular, to develop a culture of policy analysis building on a deep understanding of the challenges to be addressed as well as of monitoring progress in the implementation of policies for feedback and policy adaption. The second has been to work towards multilevel governance in VET promoting the active participation of key stakeholders across the different functions of the VET system, the existence of institutional settings that ensure clear roles and accountabilities, and that decisions are taken at the right level (subsidiarity principle).

Although progress has been made in both lines of action, further efforts are needed and ETF will continue to work with the partner countries to address the remaining gaps, according to the stage of development of each country.

Evidence-based policy making

Since 2010, the ETF has supported partner countries through the Torino process in undertaking system wide policy analysis and in monitoring the progress of their VET policies. The aim has been to help countries to identify achievements and gaps and provide feedback for policy adaptation. The Torino process has been implemented four times in 2010, 2012, 2014 and 2016. Through the years, ETF partner countries have gained ownership of the process, and more countries have taken full responsibility for drafting self-assessments. Moreover, many countries have improved their evidence base and analytical capacity, as well as the participation of stakeholders in monitoring progress.

In the 2017-2020 period, the Torino process will be implemented in 2019 with the specific aim of evaluating countries' progress in enhancing the responsiveness of their VET systems to the economic and social demand for skills, as well as in implementing policies decided previously, bearing in mind the results and recommendations of the last three rounds of the Torino process.

The ETF's experience during previous editions demonstrates that the Torino process provides a wealth of information and experience for mutual learning and knowledge sharing across ETF partner countries. The results of the Torino process will therefore continue to be analysed and discussed not

only at national level, but also through regional and cross-country reports, which will, in turn, be discussed in regional fora and an international corporate conference.

The ETF will also implement a number of supplementary actions to enhance the policy analysis and monitoring capacity of each country depending on its specific needs. These include country specific support for coaching policy makers and professionals in (i) generating and/or analysing targeted quantitative information; (ii) designing and setting up better monitoring mechanisms; and (iii) undertaking ex-ante impact assessment when new policies are to be developed.

The ETF will provide targeted assistance, especially to the candidate countries, to support (i) the identification through ex-ante impact assessment of policy choices that will enable countries to move their VET reforms forward in relation to the Medium Term Deliverables (MTDs); (ii) the monitoring and analysis of progress towards the achievement of the MTDs; and (iii) the institutionalisation of national networks for collecting and processing information related to the monitoring of the MTDs.

Good multilevel governance in VET

ETF partner countries recognise that participatory and anticipatory governance can lead to more efficient and effective VET. The majority of partner countries have reviewed the functionality of their institutional arrangements and identified areas for improvement. The Torino process, the EU funded Governance for Employability in the Mediterranean (GEMM) project in the SEMED region and the FRAME project in the SEET region, along with other ETF-initiated actions, have been instrumental in these institutional reviews between 2013 and 2016.

The governance of VET systems in all countries is evolving alongside system reforms. A significant number of countries have started improving VET governance, moving towards more decentralised responsibilities and engaging multiple stakeholders in VET policy design and implementation. VET is considered as an area of shared responsibility, implying both inter-ministerial coordination and cooperation with employers, social partners, and regional and local authorities. Albania, Georgia, Kosovo, Republic of Moldova, Morocco, Serbia, Tunisia and Ukraine, in particular, are currently working on overall institutional arrangements, inter-governmental coordination, productive partnerships with non-state actors, and/or inter-play of national, sub-national, local and sectoral levels in VET.

Nevertheless, well-functioning multi-level governance with active participation and clear accountabilities of actors requires further action. Given the close connection between governance and system functionality, the ETF will continue its support to partner countries in this process. The focus will be on countries that are opting to implement change in the governance of their VET systems.

The ETF will continue to develop the capacity of social partners to strengthen their role in national VET Councils, sector or regional Councils to ensure an effective structured involvement of the private sector in VET governance. Also particular importance will be given to the role of regional/local authorities in VET governance. The ETF will also support the partner countries in the efficiency of VET governance, inter-governmental coordination, and where relevant the VET legislative framework and financing will receive special attention. The ETF will focus on building the capacity building of actors and enabling appropriate institutional settings.

In 2017-2020 the ETF will operate along the following lines: (i) overall VET governance covering legal frameworks, institutional settings, financing, inter-governmental coordination and cooperation; (ii) horizontal dimension of governance, covering the actors cooperation in particular state and non-state actors, in terms of productive partnerships with respective roles and responsibility; and (iii) vertical dimension of governance, addressing the territorial levels of VET systems for closeness to regional and local needs and specialisation.

Strategic area 2: Modernisation of VET for Employability and Competitiveness

The focus of this strategic action area is to support partner countries in the modernisation of their VET system responding to a twin challenge: i) to ensure that all individuals (both young people and adults) have access to quality skills development opportunities and obtain relevant qualifications that enhance their employability in domestic and international labour markets; and ii) to ensure that firms have the skills they need to enhance their competitiveness.

The modernisation of Qualifications and Qualifications systems

The ETF's partner countries are generally dissatisfied with their qualifications, which are often outdated, inputs-based, fail to meet labour market needs and do not facilitate lifelong learning. Modern governing structures or organising systems such as specialised VET agencies or qualifications authorities, Sector Skills Councils and quality assurance systems are still in their early stages, under development or short-lived pilots.

Most countries are reforming their systems using NQFs as the tool. The ETF will advise countries on how to move their NQF through the development stages (determined by our policy stage indicators). While countries are at varying stages of development, all frameworks should produce similar benefits: relevant, portable qualifications that enable lifelong learning and are understood and trusted by employers. NQFs should also influence systems to be more outcomes-oriented, in curricula for example. Interventions are decided on the basis of our assessment of the development stage countries have reached. In SEET, where QFs are most advanced, the first priority will be to finalise the frameworks and support their referencing to the EQF. In the longer term, the ETF will advise on developing new qualifications, levelling methodologies and populating frameworks; on systems for validation of non-formal and informal learning linked to the respective NQF; on institutional arrangements and legislation; and on referencing to the EQF. In SEMED, the challenge is to ensure NQFs are more firmly embedded in national VET systems by contributing to development of expertise in national institutions, agreeing on the concept of the NQF; advice on legislation and the enabling infrastructure, including institutional arrangements and quality assurance. In Eastern Europe, the ETF will facilitate and advise countries to agree concepts and plans, prepare legislation, adopt implementation methodologies, develop institutional infrastructure, including Sector Skills Councils and, in the most advanced cases, populate the framework with qualifications.

Enhancing opportunities for Work-based learning (WBL)

As in the EU, ETF partner countries recognise the need to engage business better in the VET learning process and to strengthen the practical learning component. Fostering the development and implementation of work-based learning opportunities, including apprenticeships, is a key factor to enhance the relevance of VET provision and its impact on the employment and employability of VET learners. It contributes to diversifying and modernising VET systems and making VET provision more attractive. ETF interventions will help partner countries to develop policies to strengthen work-based learning and to engage employers in cooperation with VET schools, identify and implement a better mix between school- and work-based learning in IVET, introduce innovative approaches and raise quality in work-based learning provision. Tools developed in the previous MTP will continue to be applied in capacity building and adapted to specific country needs.

Ensuring the professional development of vocational teachers and trainers

Many ETF partner countries are confronted with shrinking and ageing teacher and trainer populations. Wages are low and the possibilities for professional development are underused and often ineffective. Strengthening the continuous professional development (CPD) of vocational teachers and trainers is a precondition for improved learning and teaching in VET. It supports motivation and commitment of

teaching and training staff and contributes to raising overall quality of VET provision. To be effective, the quantity, quality and responsiveness of professional development needs to be well balanced. ETF interventions will support partner countries to further develop, implement and monitor policies and practices to bring CPD closer to the needs of schools, teachers and trainers to improve VET delivery. Policy dialogue and networking will be extended and its focus moved towards implementation.

Comprehensive approach to quality assurance

The attractiveness of VET depends largely on VET quality and quality assurance. Many partner countries are developing initiatives in quality assurance and recognise a role of VET schools in this process, but most actions are still ad-hoc. Improvement of VET provision and VET systems requires a systemic and systematic approach to quality assurance (QA). Quality assurance policies and mechanisms need to be regularly reviewed and modernised to be effective in meeting labour market demands and learners' needs. The ETF will support partner countries to develop a systemic QA approach and focus on systematic monitoring of QA improvement to allow partner countries to progress in planning and/or implementing policies and practices. The ETF's international profile in the field of QA in VET will be strengthened and the transnational policy learning forum for QA will be expanded to cover a larger number of partner countries.

Identification of present and future skills needs (in particular for SMEs)

Skills mismatches in the labour market are a growing concern in most partner countries. They represent a significant loss of investment in human capital and have a negative economic impact by damaging the competitiveness of companies and, especially, creating obstacles to the growth of SMEs. As SMEs represent an absolute majority of companies in the Partner Countries, there is a need to reflect their specific skills requirements in the provision of education and training systems and to better anticipate and meet the rapidly changing demands of labour markets. Most partner countries are already developing labour market monitoring and are testing anticipation tools. However, there is still a need to develop more comprehensive approaches to skills anticipation and to improve cooperation among key stakeholders. It is also important to embed these measures in the overall decision-making system for skills development and to implement them regularly and continuously. The ETF will continue building the capacity of responsible institutions and stakeholders to carry out skills needs analysis and skills trends projections (tools, methods etc.), provide methodological guidance, foster consolidation of stakeholder cooperation networks, encourage development of the best practice by piloting selected measures at regional/sectoral levels and facilitate a peer learning and knowledge exchange among partner countries. Special attention will be given to the link between skills development and job creation to generate visible impact and foster national growth.

Migrants' skills – recognition and portability

The ETF partner countries are primarily, though not exclusively, countries of emigration owing to many factors, including challenging labour market conditions. Labour mobility across borders increasingly puts education and training systems under pressure to provide skills enabling people to work both in domestic and foreign labour markets. On the other hand, imperfect labour markets and asymmetric information often do not allow labour migrants to use their skills both in the country of origin and the destination country. Skills development and employment policies therefore need to take migration into account to ensure better matching of the skills of outgoing as well as returning migrants. Within the scope of the European Agenda on Migration, covering both the internal and external aspects of EU migration policy, including the Mobility Partnerships, the ETF will work with partner countries on awareness raising and exchange of knowledge and experience regarding migrant support measures from an employment and skills development perspective. The focus will be on supporting policy

measures for and mutual learning on the transparency and portability of skills and qualifications of partner countries' citizens, both as potential and actual emigrants and as returnees.

Supporting entrepreneurship and entrepreneurial learning

Enterprise skills will make up a core component of ETF's support to the European Commission in its wider drive to promote the key provisions of the Small Business Act for Europe (SBA). The SBA policy monitoring framework applies specifically to countries in the EU pre-accession, Eastern Partnership and Southern Neighbourhood regions. The thrust of the support in 2017-2020 will involve evidence-based policy reviews set against an existing battery of SBA policy indicators elaborated by ETF and adapted to each region. The indicators and assessment drive highlight progress in and constraints to policy development and its implementation at country level. The assessment drive (on average every two years) additionally allows each country to prioritise areas for improvement, including the need for customised ETF support (e.g. partnership building) that can be included in the subsequent annual work programme. Further, enhanced multi-country cooperation mechanisms through a) the South Eastern European Centre for Entrepreneurial Learning (SEECEL, pre-accession region), b) Eastern Partnership Platform on Economic Integration and Convergence with EU Policies and c) the Euro-Mediterranean Working Group on Industrial Cooperation allow for multi-country policy dialogue. More specifically, the SBA policy tools and assessment methodologies will be dovetailed with the specific requirements of the Riga Conclusions for EU candidate countries and the Competitiveness Outlook for the Western Balkans. Finally, common policy interests and concerns for all ETF partner regions on entrepreneurial learning and SME skills will be addressed through the Torino Process.

A second pillar of the ETF's entrepreneurship work will focus particularly on more effective policy delivery through sharing knowledge and know-how between policymakers and education and training providers. Two support lines are envisaged. Firstly, good practice will be shared through the multi-country cooperation mechanisms referred to above. For the pre-accession region, in particular, policymakers and education and training experts will connect through the SEECEL policy-sharing platform, borrowing particularly on the principles and practice of the EU's Open Method of Coordination. Secondly, the ETF will continue its work on building intelligence on good practice in training in three areas: youth entrepreneurship, women's entrepreneurship and SME skills. This will focus on a) further developing the ETF's good practice scorecard, b) practitioner-to-practitioner peer reviews and c) dedicated policymaker-practitioner fora on pre-identified themes each year, such as eco-entrepreneurship or immigrant entrepreneurship. Further developments to the ETF Good Practice Platform will ensure more effective outreach and dissemination of the good practice intelligence. Finally, ETF's expertise and good practice support tools will be shared into wider efforts of EU Member States in partner countries as well as through new initiatives of the European Commission.

Strategic areas 3: Transition to work

The last rounds of Torino Process showed that the ETF's Partner Countries face great challenges in ensuring smooth transitions to work for young people, the low skilled, jobseekers and other vulnerable groups. To address this problem effectively, it is not enough to generate, update and disseminate information on current and future skills needs. The countries need to develop effective mechanisms to bring supply and demand together, including continuous flow of timely information available to education and training institutions, employers, trade unions, young people and their families, and jobseekers. Successful strategies to address unemployment and inactivity in a sustainable way combine effective career guidance and job counselling, effective public employment services, targeted Active Labour Market Policies (ALMPs), and provision of lifelong learning opportunities and entrepreneurship chances.

Young people in most partner countries are a group that encounters the worse conditions in the labour market and faces structural challenges in making the transition from school to work. Based on the EU 'Youth Guarantee' initiative, the ETF will assist partner countries in developing and implementing an integrated strategy to support young people's transition to work. This will entail the following areas of action: addressing early school disengagement; making education and training more responsive to demand; strengthening cooperation with businesses and providing more chances for work-based learning and first job experiences; harnessing the entrepreneurial potential of young people better through dedicated financing, counselling and support schemes; and active labour market policies and job matching support tailored to the needs of young people. ETF support will also focus on: early tracking of exposed youth; efficient combination of funding from national and EU/other donors; and improved monitoring and assessment of youth-related education, employment and social actions (in line with EU developments on Youth Guarantee monitoring and assessment, such as the Indicator Framework for Monitoring the Youth Guarantee).

While the position of young people in the labour market is a major challenge in all countries, the ETF will focus its support also on other groups that face difficulties entering the labour market and/or are at social risk. Continuous skill acquisition and integrated support towards employment are part of the solution. Many Partner Countries face slowing demographic growth, coupled with outmigration, which leads to labour shortages both in terms of quantity and quality/skills. To achieve better matching of supply and demand, the ETF will support partner countries in developing or refining human-capital based activation measures, improving ALMP planning, implementation, monitoring and evaluation, and expanding Labour Market Information Systems and cooperation across Labour Market (LM) stakeholders.

Strategic area 4: Support to assistance in the context of EU external relations policies

Human capital development remains high on the agenda of the 2014-20 programming period of EU external assistance. In South Eastern Europe and Turkey the Instrument for Pre-accession Assistance (IPA) gives high priority to education, including VET, and employment issues. The financial allocation to the area of employment, social policies, education, promotion of gender equality and human resources development varies between 8% and 23% by country in the bilateral IPA II 2014-20 allocations. All the Single Support Frameworks 2014-20 for the European Neighbourhood Instrument South (ENI-South) include skills development as part of the three priorities for the programming period, as part of labour market reform, employment and private sector development, inclusive growth and competitiveness or support to youth. In the ENI-East 2014-20 programming, priority is given to areas such as employment and VET, education or private sector development. In Central Asia all countries except Kazakhstan will receive bilateral EU support for reforming VET.

The ETF provides support to EU Institutions and Delegations, upon request, in the different phases of the EU project cycle (identification, formulation, implementation, monitoring and evaluation). The ETF has already provided support to the Commission services for the design of new EU interventions in the 2014-2020 programming period in most of its partner countries and is well prepared to continue supporting the subsequent phases of the project cycle. The ETF's objective throughout 2017-2020 period will remain providing support with high quality expertise contributions while at the same time adapting ETF support to developments in EU external policies. Special attention will be given to streamlining and quality assuring the ETF's support services and products. At the same time, the ETF will seek to better forecast, together with the Commission, up-coming requests or new emerging needs of the Commission services in order to be responsive with the required type of expertise and level of resources.

Support to the project cycle goes hand in hand with support to external assistance related policy dialogue, both at bilateral and multilateral (regional) level. At bilateral level, the ETF will continue to

provide intelligence on VET and employment related issues and on skills and migration in particular as input to the Mobility Partnerships and migration policy dialogue. The ETF will seek to provide its inputs in the most relevant format (EC annual progress reports on the external assistance instruments, enlargement progress reports, inputs to bilateral committee meetings, subcommittee meetings, etc.). At multilateral level, the ETF will as well seek to provide inputs for the different regional fora in South Eastern Europe, the Candidate countries, the Union for the Mediterranean, the Eastern Partnership, or the Central Asia Education Platform.

2.2.2 Horizontal areas of intervention enhancing the efficiency and effectiveness of ETF organisational performance

The ETF's horizontal actions aim at enhancing the Agency's performance as an organisation. They take forward the progress made under the ETF strategy 2014-2020 and the Mid-Term Perspective 2014-17.

The main objectives for 2017-20 are clustered under two strands according to the goals in ETF strategy 2014-2020 and the logic of ETF Performance Management Framework. These are; firstly, strengthening ETF performance; and secondly improving organisational development.

Strand 1: Partnership and communication

1.1. Partnership and stakeholder management

The main objective under stakeholder management remains to enhance co-operation and communication with EU institutions, bodies, agencies and other relevant EU stakeholders. During the MTP 2014-2017, under leadership of its lead DG, the ETF has supported structured dialogue with the Commission services and established lines of communication with the Council and the European Parliament. During 2017-20, this will be continued through:

- active participation in structured dialogue and regular information sharing with the European Commission services on ETF programming with particular attention to the needs and expectations of DG Employment as the new partner DG especially in its role in coordinating the ETF's support to the Commission;
- support to the European Parliament committees in the field of human capital development on request;
- cooperation with relevant EU agencies such as Cedefop, Eurofound, OSHA and regular consultation with EU advisory bodies and representatives of the social partners at European level.

Furthermore, the ETF will enhance collaboration with EU Member States. Building on practices established during the Mid Term Perspective (MTP) 2014-2020, the ETF will seek to:

- identify and mobilise relevant experiences and practices in the EU Member States with a view to disseminating them to the partner countries;
- promote the active participation of the Governing Board representatives in the governance of the ETF and in the implementation of its activities.

Finally, building on the ETF's active role, especially in the Inter-Agency Group, since 2010, the ETF will strengthen its co-operation with international organisations and other relevant international, regional and bilateral actors to add value to the ETF's expertise development and field actions.. This type of cooperation will be developed in consideration of ETF's mandate and resources, and the expected added value by forging fruitful and partnerships and exchange of information and experience among institutions engaged in human capital development reform in partner countries.

1.2 Communication

The ETF's main asset is its expertise in bringing about transformative change in partner countries. To have an impact in the real world, this expertise must be communicated effectively to the right people. The ETF's communication activities support knowledge sharing in its field of competence within the organisation and with stakeholders and international partners. Internal communications ensure that the full capability of the organisation is aligned to its objectives by promoting organisational effectiveness and employee engagement.

In parallel with meeting the day-to-day communication needs of the organisation, the main priorities and objectives for communication in 2017-20 will be:

- Integrate communication into the ETF's project activities starting from the planning stage;
- Further improve the ETF's digital communication platforms (intranet, website, online communities, social media) and integrate them more effectively with each other and with internal information systems;
- Promote a proactive approach to communicating with the ETF's stakeholders, producing tailored communication products for different target audiences;
- Continue to expand the ETF's social media activities to create more opportunities for dialogue and interaction;
- Reinforce interaction with stakeholders through face-to-face meetings and events as well as through online tools such as webinars and e-seminars;
- Consolidate ETF publications in both print and digital formats (e.g. e-books) as well as other communication channels in order to better meet the needs of stakeholders.

Strand 2: Improving ETF organisational development

2.1 Performance management

From January 2015, ETF made organisational changes in order to enhance its performance, with particular reference to efficiency. These included the revision of its Key Performance Indicators to include the standard indicators which inform the discharge for Directors of Decentralised agencies together with specific key indicators designed for the ETF. Underpinning the Key Performance Indicators, the agency also defined a system of cascading indicators to assess the productivity and quality of its business processes. Finally, ETF defined specific indicators to assess efficiency gains from the 2015 reorganisation leading to a performance baselines study and organisational development action plan in 2016.

The 15 Key Performance Indicators have been included in the Single Programming Document and, together with information from the underpinning indicators, will be used by the ETF to assess performance, and identify and implement opportunities for organisational development.

During 2016, this framework should be integrated with the ETF approach to capturing the progress, added value and long term impact of the ETF's contribution to human capital development. At strategic project level, this will draw on project outcome indicators, while at country level this will be informed through country progress indicators, among other things.

The key improvement focus for 2017-2020 is consolidating the "measurement area" of the ETF Performance Management Framework (PMF) 2015-2017.

The specific actions for 2017-20 are:

- To improve ETF performance through organisational development based on outcomes of the 2016 ETF performance baseline and resulting action plan which will be revised annually.

In addition, ETF will continue to implement the ETF Performance Management Framework in respect of the relevant EU regulations and guidelines and the actions of the inter-agency Performance Development Network. These shape in particular ETF actions in the field of planning, monitoring, evaluation and reporting, process mapping, risk management and audit.

2.2 Human resources management

As a centre of expertise, the ETF relies fully on its expert staff to fulfil its core mission and on its service and support staff and on its managers to create an enabling environment.

During MTP 2014-20, the ETF has made progress in regularly scrutinising human resources policies to ensure they allow the ETF to optimise its expertise. In addition, the ETF has made progress in ensuring that the relevant procedures and work processes are in place for an effective and efficient implementation of the regulatory framework.

The three main objectives for the period 2017-2020 will be:

- To strengthen ETF's performance and expertise through investing in learning and development for all staff; investing in leadership and people's management skills; and promoting staff wellness and engagement.
- To adapt and design human resources policies that promote modern HR management practices; support the sustainable development and performance of the organisation; encourage efficient and effective use of its expertise.
- To comply with the regulatory framework by continuous development of a unified HR management system and ensuring full compliance with the Staff Regulations.

2.3 Finance and procurement management

During the period 2017-20 the challenge of optimising the trade-off between resources and performance will continue. The ETF will therefore keep focusing on budget performance and discipline while maintaining a robust, compliant and performing financial and procurement management cycle.

The main objectives in the area of budget implementation will be:

- To improve the balance between cost and efficiency in its financial management and control measures within a risk based management framework
- To enhance the efficiency and effectiveness of budget implementation using information and communication technology, in particular e-procurement solutions
- To optimise the use of procurement instruments by sharing them, with EC services and other agencies, for standard procurement in particular
- To implement the reform of the EC financial regulation by, adjusting administrative procedures, simplifying and streamlining financial rules
- To implement efficient quality assurance measures within the ETF performance based management and risk assessment frameworks.

2.4 Information and communications technology management

In the period 2017-2020, the ETF will ensure the continued evolution of ICT systems and services supporting the strategic objectives and business needs of the Agency launched during the MTP 2014-2017. The ICT governance model defines and maintains mutually agreed principles, procedures and architecture in particular value for money.

ICT will cooperate with other EU Agencies on issues of common interest and collaborate through knowledge and experience sharing and exchange of good practice.

The main objectives for this period will be:

- To ensure adaptation to fast changing technology by keeping the infrastructure up-to-date.
- To improve information sharing and integration, addressing ETF's web presence, social business and collaboration needs.
- To improve the efficiency of the ETF's administrative systems in the area of financial management and human resources
- To ensure seamless mobility and enhanced cost effectiveness and security of mobility services.

2.5 Facilities management

Facilities ensures the effective and efficient operation of all aspects of the ETF site/premises to provide the agency, its staff and visitors with an optimal, safe and cost effective working environment, while respecting corporate and regulatory compliance.

For the period 2017-20, the objectives in this area of work will be:

- To consolidate outsourced services while maintaining high standards in service delivery and increasing staff satisfaction
- To optimise working spaces, with special attention on state of the art technologies
- To enhance staff working conditions (health & safety and security) based on risk assessment and applicable regulations
- To improve the agency's environmental performance.

2.6 Accounting

In the period 2017-20, the ETF will ensure the continued high quality of the annual financial statements to receive a positive opinion of European Court of Auditors (ECA). The ETF will therefore keep focusing on maintaining a robust, compliant and auditable accounts and related documentation.

The ETF will be active in the accountant network of EU agencies on issues of common interest and collaborate through knowledge and experience sharing and exchange of good practice.

2.3 Human and financial resource outlook 2017-20

The following sections present the key features of the ETF's human and financial resource outlook from 2015 up to the end of the Single Programming Document (SPD) period in 2020. Further details are available in Annex II.

2.3.1 Overview of the past and current situation

Staff population overview N-1:

The results of the job screening exercise in 2014 and 2015 demonstrate how the ETF through a restructuring taking effect early 2015 has managed to increase the overall allocation to the core operational job category from about 47% to 50% while reducing finance/control. The increase in administrative support was caused by the temporary transfer of one staff from operations to implement the expertise gap analysis.

The following table presents the outcome of the job screening exercise in 2014-15.

| Job type (sub category) | 2014 (%) Only ETF statutory staff | 2015 (%) Only ETF statutory staff |
|--|--------------------------------------|--------------------------------------|
| Administrative support and coordination | 22.18 | 23.83 |
| Administrative support | 15.68 | 16.69 |
| Coordination | 6.50 | 7.14 |
| Operational | 61.65 | 62.78 |
| Top level operational coordination | 3.76 | 3.01 |
| Programme management and implementation | 46.99 | 50.00 |
| Evaluation and impact assessment | 3.38 | 4.51 |
| General operational | 7.52 | 5.26 |
| Neutral | 16.16 | 13.38 |
| Finance/Control | 15.41 | 12.63 |
| Linguistics | 0.75 | 0.75 |

Expenditure for N-1:

| Resources | Committed 2014 | Executed 2015 |
|---|-------------------|-------------------|
| Title 1 Staff Expenditure | 12,795,390 | 13,144,962 |
| Title 2 Infrastructure and operating expenditure | 2,089,879 | 1,955,631 |
| Title 3 Operational expenditure | 5,252,326 | 5,030,083 |
| TOTAL EXPENDITURE | 20,137,595 | 20,130,677 |

In both 2014 and 2015, the ETF maintained a good commitment rate (99.9%).

The surplus resulting from savings in Title 1 related to the decrease of the weighting factor was allocated to reserve activities in Title 2 and 3 in both 2014 and 2015. In 2014, the ETF replaced obsolete office furniture, while in 2015, following confirmation of the ETF's premises, there was some further investment in infrastructure.

2.3.2 Resource programming for 2017-20

2.3.2.1. Financial resources

| Resources | Planned budget 2016 | Planned budget 2017 | Planned budget 2018 | Planned budget 2019 | Planned budget 2020 |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Title 1 Staff Expenditure | 13,867,400 | 13,942,500 (+0.5%) | 13,926,950 (-0.1%) | 13,886,000 (-0.3%) | 14,001,000 (+0.8%) |
| Title 2 Infrastructure and operating expenditure | 1,589,100 | 1,633,700 (+2.8%) | 1,648,700 (+0.9%) | 1,625,200 (-1.4%) | 1,708,200 (+5.1%) |
| Title 3 Operational expenditure | 4,688,500 | 4,567,800 (-2.6%) | 4,568,350 (+0.0%) | 5,034,800 (+10.2%) | 5,247,800 (+4.2%) |
| TOTAL EXPENDITURE | 20,145,000 | 20,144,000 (0.0%) | 20,144,000 (0.0%) | 20,546,000 (+2.0%) | 20,957,000 (+2.0%) |

Overall, the ETF's resources are aligned with Commission Communication COM(2013)519 final of 10/07/2013 reflecting a freeze in the EU contribution until 2018, followed by a 2% increase until 2020. Throughout the period, titles 1 and 2 are kept at a minimum with the aim of covering the basic staff and infrastructure costs only, and therefore do not increase in line with the overall budget increase, the majority of which has been assigned to Title 3 to further strengthen the operational work. This increase will be highest in 2019 to fund preparatory actions for reporting on the Copenhagen/Riga process as part of the EU Education and Training Agenda 2020.

On the revenue side, the ETF relies on the EU contribution together with the recovery of surpluses from previous years. Other possible sources of revenue are specific projects implemented through delegation agreements, but none are currently envisaged.

The forecast for Title 1 (staff expenditure) is aligned with the human resources allocation across 2017-20. The basic assumptions are: a salary increase (yearly salary adaptation) from 2016 to 2018 of 2% and then of 1.5% and 1% respectively for 2019 and 2020, while the Italian weighting factor is estimated to remain negative (at the 2015 level of 99.4) until 2018 when it is estimated that it could progressively reach 100. Each year an increase is also planned for yearly promotions and increase in steps as well as savings from part time workers. The ETF also maintains its 2016 level for administrative missions, training, social and medical infrastructure.

Title 2 will remain stable at a level required to ensure the ETF's basic functioning. While some investment in the building infrastructure (painting of offices, technological systems, improvements to the main meeting room) are required over this period as detailed above, resources will be assigned only if savings can be achieved in the course of the financial year.

Title 3 is adjusted to follow the limitation of resources and reflects the operational negative priorities for the period 2017-2018. From 2019, the operational expenditure is expected to grow, providing the resources to achieve ETF's objectives within the framework of the EU Education and Training Agenda 2020. As per consolidated practice, amounts resulting from savings in Title1 will be assigned to operational activities placed in reserve and if appropriate to infrastructure improvements.

2.3.2.2. Human resources

The Commission Communication (COM(2013) 519 final) foresees a gradual implementation of a 10% reduction in the establishment plan to 86 posts in 2018. The ETF will achieve this by cutting two posts each year in 2017 and 2018. The ETF does not expect any further evolution in the staff population in 2019 and 2020. There are two options to achieve the reduction in posts: either through natural departures (resignations and retirements) or non-renewal of contracts. The ETF has almost exclusively recruited support and service staff as contract agents since 2004 and the only contracts which are still

for a definite period are for expert positions. Therefore, non-renewal of contracts is not available as a tool to improve the balance between human capital development experts and other staff functions. At the same time, natural departures are expected mainly amongst senior human capital development experts. This aggravates the overall impact of the staff reduction on the capacity of the ETF to meet expectations.

The following table presents the estimated evolution till 2020 in the allocation of staff to the key job type categories as per the job screening exercise.

| Job type (sub category) | 2015 (%) Only ETF statutory staff | Estimation 2016 (%) (only ETF statutory staff) | Estimation 2017 (%) (only ETF statutory staff) | Estimation 2018 until 2020 (%) (only ETF statutory staff) |
|--|---|--|--|--|
| Administrative support and coordination | 23.83 | 22.12 | 20.92 | 21.25 |
| Administrative support | 16.69 | 14.92 | 14.38 | 14.61 |
| Coordination | 7.14 | 7.20 | 6.54 | 6.64 |
| Operational | 62.78 | 65.53 | 65.77 | 65.23 |
| Top level operational coordination | 3.01 | 3.03 | 3.08 | 3.13 |
| Programme management and implementation | 50.00 | 51.14 | 53.46 | 52.73 |
| Evaluation and impact assessment | 4.51 | 4.55 | 4.62 | 4.69 |
| General operational | 5.26 | 5.30 | 4.62 | 4.69 |
| Neutral | 13.38 | 13.86 | 13.31 | 13.52 |
| Finance/Control | 12.63 | 13.11 | 12.54 | 12.73 |
| Linguistics | 0.75 | 0.76 | 0.77 | 0.78 |

In spite of the difficulties explained above, the ETF aims at ensuring an increase in the share of staff allocated to the operational job type from 2015-17. This increase will be ensured by cutting one AST post in Administration, returning the AD on loan in Administration and replacing a departing staff of the Coordination type by a VET expert in Operations. Further staff will be transferred in 2017 from the Administrative and Neutral job types to Operations. These positive trends will be countered by the retirement of Operational staff who cannot be replaced due to the staff cuts.

Growth of existing tasks:

Although no new tasks are foreseen for the ETF, President Juncker's political guidelines 2014-2019 give a clear indication of the importance of Global Europe, to which the ETF makes a contribution. This calls for a coherent and effective use of all instruments available to the EU, including the ETF. The European Parliament has prioritised the three 'E's - employment, enterprise and entrepreneurship for smart, sustainable and inclusive growth – and external solidarity beyond the EU's borders, which has the potential to put the ETF at the heart of increased EU efforts in the partner countries. More recently, volatility in EU neighbouring countries, such as Ukraine, Syria and Libya, has, together with the refugee crisis, intensified focus on the importance of sustaining economic and social development in partner countries.

As a result, the demand for ETF services is expected to rise, in particular in the area of ETF support to EU external relations policies and assistance. The EU's external assistance policies and instruments for Pre-accession and Neighbourhood have been reviewed and continue to emphasise the importance

of human capital for social and economic development. In addition, the ETF foresees that demand for implementing effective policies, modernising VET systems and supporting youth transition to work will escalate. Requests for ETF expertise in the human capital dimension of migration in mobility partnerships, in particular through transparency of qualifications, is likely to increase substantially.

Efficiency gains

Even before the staff reduction foreseen in the current MFF, the ETF has consistently pursued efficiency gains in order to deploy the highest possible number of staff to core business functions. One example is the major reorganisation that took place in 2011, which included optimisation of internal processes and procedures, improving ICT tools and increasing outsourcing. The results of these efforts are reflected in the outcomes of the job screening exercise. The ETF has a solid basis for continuing to make the organisation more strategic and efficient with a performance based management framework in place, a management information system that allows real-time monitoring of operational activities and a robust platform for activity-based management. Following a reflection on making the ETF more strategic and efficient to mitigate the impact of the 10% staff cut, a further reorganisation was implemented as of 2015. This entailed in particular the creation of a single operations department organised around seven strategic projects in contrast with some 50 country, regional and thematic projects previously.

Bearing in mind that the implementation of the staff cuts will reduce the number of human capital experts, it will be challenging to maintain the current share of about 63% of staff involved in operational activities. Though a high degree of efficiency in the use of staff has already been achieved, the ETF will implement a series of additional measures to that effect.

In 2015, the ETF initiated two major actions, which will continue in 2016 to reap efficiency gains during the 2017-20 period. Firstly, following the 2015 reorganisation, the ETF commissioned a study during the second part of the year to analyse the effects of the new organisation on efficiency gains. The study includes a review of the model for setting performance indicators with the aim to provide improved performance management information through a leaner process. The study also includes a review of progress achieved on improvement actions decided upon following the 2013-2014 functional analysis. The results will, together with continuous internal reviews, be used as the basis for potential adjustments of work processes and organisation during 2016.

The other main action is in human resources management. In 2016 the ETF will complete an organisation wide expertise area analysis which will allow for a more optimal allocation of assignments, provide key information for focusing learning and development and identify gaps to be covered through new recruitments where applicable. Furthermore, the ETF aims at gaining efficiency through the completion of a unified HR management system to be in place by 2017. The ETF intends to take advantage of the forthcoming access to the Commission's HR management system (SYSPER) if the relevant modules will be available to the ETF at competitive costs. This should avoid the ETF duplicating efforts in the continuous development of an HR management system already undertaken by the Commission.

The 2017-20 period will see a consolidation of the measures under development in 2015 and 2016 as a response to the staff cuts. While doing so, the ETF will continue to bear in mind the conclusions of the Common Approach regarding governance, management and efficiency. The ETF is already taking advantage of common services provided by the European Commission (Activity-based accounting system (ABAC), Paymaster Office (PMO), European Personnel Selection Office (EPSO), Office for Infrastructure and Logistics in Brussels (OIB) and uses as far as possible common procurement with the Commission and the other Agencies.

The external evaluation, the outcomes of the external evaluation are due in 2016, should provide further advice and guidance towards making the ETF more strategic and efficient.

Negative priorities/decrease of existing tasks:

Resource constraints have obliged the ETF - in close consultation with Commission services and more broadly with its Governing Board - to adopt positive and negative priorities to balance expected demands with resource availability according to EU policy and partner country context. In all countries, the ETF will give positive priority to satisfying requests from the EU Institutions and Delegations for support to EU policy and external assistance. The ETF will continue to give high priority to Enlargement countries and Eastern Partnership countries with Association Agreements (Georgia, Republic of Moldova and Ukraine) and countries with Association Agreements and an advanced cooperation status in the Neighbourhood South (Jordan, Morocco and Tunisia).

A lower level of engagement is expected in other countries in the Neighbourhood and in Central Asia in which ETF actions will be limited to support to EU assistance on demand; providing opportunities to take part in the Torino Process where requested; and engagement in regional actions. Low priority will also be given to Russia and Israel according to the bilateral EU cooperation agreements. Throughout the programming period, ETF will actively seek guidance from European Commission services and its Governing Board to be able to adapt its activities to the changing priorities in EU external relations as well as internal policy developments.

Internal redeployment:

The continuous efforts to make the ETF more efficient has allowed an increase of the total number of human capital development experts from 36 in 2008 to 48 foreseen in 2016. Following the outcomes of the abovementioned functional analyses and the resulting efficiency gains achieved through the reorganisations in 2011 and 2015, the options for further internal redeployment in the coming years are limited. The functions of the Administration are closely linked to compliance and a continued separation of roles and duties is required to ensure the four eyes principle. There are limits to how much further Administration can be reduced in size.

Still the ETF will try to identify opportunities for reconversion of staff currently deployed in support services to operational activities. The current efficiency analysis on the effects of the restructuring in 2015 and related improvement measures, and the ongoing external evaluation will provide further indications for potential efficiency gains in the way the ETF is organised. The expertise area analysis to be completed in 2016 will help identify staff for potential reconversion.

Conclusion on evolution of resources:

The staff cuts foreseen in the Commission Communication (COM(2013) 519 final) will make it difficult for the ETF to respond positively to an increase in requests for services in relation to the current tasks and will require that the Commission and the Governing Board together with the ETF to agree on clear negative priorities. The available financial resources, which have been frozen until 2018, will not allow a significant increase in title 3, and increasing the outsourcing of expertise is not a viable option. Title 3 operational projects will remain relatively stable until 2018 and will not be an alternative route to meeting an increase in requests for services in existing tasks.

SECTION III - WORK PROGRAMME 2017

Drawing on ETF's multiannual objectives and strategic areas of action for 2017-2020 ETF's work programme, ETF has identified its annual objectives and related strategic projects for 2017

| Annual objectives 2017 | Strategic projects 2017 | SP resource assumptions € |
|---|--|------------------------------|
| 1: Modernise VET systems in a lifelong learning perspective for employability and competitiveness through support to system-wide evidence-based policy reforms, multilevel governance and quality assurance | SP1 Support to EU assistance in the context of EU Policies | 810,000 |
| | SP2 Policy analysis and system wide progress monitoring (including Torino Process) | 1,511,500 |
| | SP3. VET Governance | 989,000 |
| | | Total: 3,310,500 |
| 2: Increase relevance of VET provision in support of economic and social cohesion, transition to work and legal migration through support to qualifications and qualifications systems, work based learning, continuous professional development of teachers, employment skills and employability, entrepreneurial learning and enterprise skills | SP4. VET Provision and Quality | 1,271,000 |
| | SP5 Qualifications and qualifications systems | 1,730,000 |
| | SP6. Employment skills and employability (including skills and migration) | 1,146,000 |
| | SP7 Entrepreneurial learning and enterprise skills | 665,000 |
| | | Total 4,812,000 |

NB. SP1 covers both objectives

The following sections (3.1 to 3.7) outline the main activities the ETF will carry out in 2017. These comprise the objectives, geographical focus and indications of main actions/outputs and estimations of resources for its seven strategic operational projects. The project outlines also include the expected annual outcomes from the ETF's activities and indicators of achievement, and, where possible, specific targets for 2017. These outcome indicators can be read in correlation with the ETF's matrix of policy development stages and its macro Country Progress Indicators, regularly collected and analysed through the Torino Process, in order to assess ETF impact and added value over 2017-2020. In addition, the ETF has presented its actions to support partnership, communication and organisational development.¹⁹

In the 2017-20 period, the ETF will give priority to activities and actions aiming at the implementation of policies to ensure actual progress in the different dimensions of human capital development by 2020. While it is the prerogative of the partner country to implement policies, the working methods of the ETF support this implementation in different ways, as defined in the functions stated in its founding regulation (refer to section 2.2 Functional dimension of this document).

As the EU is the biggest donor in the ETF's Partner Countries, an important means of support to policy implementation is the expertise provided to EU institutions and Delegations in the different phases of the EU project cycle and to the bilateral dialogue between the EU and partner countries. This follows

¹⁹ Further detail on these activities will be presented to the ETF Governing Board before the final adoption of the annual work programme 2017 in November 2016. These will take into account the evolution of ETF policy context, progress in delivering work programme 2016, and the outcomes from the 2015-2016 external evaluation of the ETF.

the different methods of EU Project Cycle Management, especially the approach and the different stages of the Logical Framework, the methodology of Support to Sector Programmes and the Policy coherence for Development.

The ETF also provides capacity building support to partner countries in terms of quality policy formulation, policy in action and policy progress review, with a particular focus on capacity for policy implementation. The ETF has developed its own policy on capacity building in human capital development and an accompanying toolkit outlining the key methodologies in use, e.g. peer-learning, training, coaching and network development.

The ETF also provides evidence-based policy analysis and subsequent policy advice to support informed decision-making on policy responses, with a focus on monitoring progress of implementation. Main methodologies supporting this function are the Torino Process Analytical Framework and implementing principles, the Ex-ante Policy Impact assessment, various specific thematic inventories (Qualifications, governance, entrepreneurship) and other specific studies.

Finally, through knowledge dissemination and networking actions, the focus is on sharing information and approaches that help implement reforms and create long-term, sustainable capacities in the partner countries for policy cycle management. This includes management of stakeholders' networks, electronic platforms and acting as facilitators for innovation and good practice visibility and advocacy.

3.1 Strategic Project 1 Support to EU assistance in the context of EU external policies

The Strategic Project (SP) on support to assistance in the context of EU external policies will contribute to Strategic Area four in 2017.

The SP will provide support to the EU services upon request from the EU institutions and Delegations. The requests for support can be classified in four types:

- **Support for EU external assistance in different phases of the programming cycle**, both for VET/skills programmes (or components within broader programmes) as well as sector programmes in the HRD field. Human capital and skills development issues have high priority in the 2014-2020 programming period for EU external assistance in all ETF partner regions. Since the number of requests for programme or sector programme design have increased over the 2015-2016 period, covering a high proportion of ETF partner countries, it is expected that in 2017, requests will focus on support to operationalisation and/or monitoring of ongoing programmes or sector programmes. Based on this assumption, the number of bridging activities preparing country stakeholders for the start of the implementation of an EU project should also decrease.
- **Inputs to bilateral external assistance related policy dialogue**. This will in particular focus on SEET and ENP countries, in particular those with reinforced cooperation mechanisms with the EU (association agreements deep and comprehensive free trade agreements, etc.). The type of support is expected to focus on specific inputs (notes, short analysis, briefings) for subcommittee meetings, task force meetings, etc. It is to be seen whether the revised neighbourhood policy will have an impact on the mechanisms and tools for policy dialogue.
- **Inputs to EU reporting process linked to external relations policies**, in particular for SEET and ENP countries. In 2017, the light European semester and the revised neighbourhood policy reporting requirements (in terms of content, and timing) will have been agreed and stabilised and the ETF's role in this cycle should have been agreed. On that basis, the ETF will provide regular inputs to the EC for the light European semester (ERPs assessment), ENP reports etc. as per the timing and content/format agreed with relevant EC services.

- **Inputs to regional policy dialogue.** The specific inputs will depend on the EU external assistance priority agenda, e.g. issues selected under the Eastern partnership platforms, Union for the Mediterranean Ministerial agenda. The revision of the neighbourhood policy could also introduce changes in the mechanisms for regional policy dialogue, in particular in the South, that will affect WP 2017. In the SEET region, the ETF will continue to contribute to the different regional fora and platforms as requested by EC services and providing inputs to the Central Asian education platform, under the coordination of DG DEVCO.
- **Provision of expertise inputs to trainings organised by DEVCO for the EU Delegations.**

Objective 2017: To support EU external assistance and policy dialogue with high quality expertise contributions while at the same time adapting ETF support to changes in EU external policies such as the European Neighbourhood and Enlargement policies.

| Outcome | Indicator |
|---|---|
| 1. The relevance of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to programming and project design | 80% of the EU services supported for programming/project design assess the ETF contribution positively ²⁰ |
| 2. The efficiency and effectiveness of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to implementation, monitoring and evaluation | ETF is requested to support the implementation, monitoring or evaluation in 50% of its partner countries 80% of the EU services supported for implementation and/or M&E assess the ETF contribution positively |
| 3. EU policy dialogue on HCD issues is enhanced in partner countries through ETF policy and thematic contributions | 80% of all EU services supported for policy dialogue assess the ETF contribution positively support positively |

The expected resources for the SP in 2017 are 7 FTEs, 141,000€ in project funds and 60,000€ for missions which represent fairly stable figures in relation to previous years, with a small increase in FTEs and missions given the expected increase in requirements in reporting in SEET and ENP.

3.2 Strategic Project 2: Policy analysis and system wide progress monitoring

The Strategic Project on policy analysis and system wide progress monitoring will contribute in 2017 to strategic area one on effective policy making in VET for economic development and social cohesion and, more specifically, to evidence based policy making. The analysis and information via the Torino process will constitute an important input for Strategic Area four, support to assistance in the content of EU external relations policies and, in particular, to the bilateral and regional external assistance related policy dialogue.

Coming at the end of the 2016 Torino process round, 2017 will see the finalisation of all country and regional reports and the cross country synthesis. Particular emphasis will be put on the broad dissemination of the findings of the Torino process analysis, which will include an international conference in Turin with all ETF partner countries, EU institutions, and the international community.

²⁰ Source of verification: ETF administers an on-line feedback survey to EU services on completed requests

The conference will give the opportunity to reflect on the past four rounds and to start preparing the revised methodology for the next Torino process expected to take place in 2019, with a stronger focus on evaluation on country progress (in line also with the post-Riga monitoring framework).

Actions started in 2016 in a number of countries to develop capacities of relevant institutions on data collection and analysis, based on the country commitment to the TRP principles, and the priority given to set up robust monitoring systems, will continue in 2017.

Furthermore, and with focus on the candidate countries, based on the Torino process findings and in line with the Copenhagen process monitoring framework, the ETF will provide an interim report on progress achieved by candidate countries in implementing the medium term deliverables as well as the country monitoring annual inputs.

Also for candidate countries, the ex-ante impact assessment exercise started end 2015 to support candidate countries in the implementation of the MTDs will continue focusing on new/different MTDs according to the priority expressed by the countries. Support to the institutionalisation of the candidate countries national networks for the collection, processing and analysis of information related to the monitoring of MTDs will also continue. This will focus on specific capacity building actions on issues linked to data collection, set up of indicators, analysis of data, network building and maintenance, etc. ETF is assessing how to provide financial support to frame the activities and actions to be undertaken in the candidate countries in the development of the national networks.

Objective 2017: To strengthen institutional capacity for the generation and use of evidence throughout the policy making cycle (design, implementation, monitoring and evaluation) and to develop a culture of policy monitoring, feedback and improvement

| Outcome | Indicator |
|--|---|
| 1. Partner country policy reform processes are increasingly holistic and participatory, and take into account the results of the Torino Process, while building capacities for using evidence-based information for policy making. | Partner countries progress within, or to next, policy making stage with focus on policy monitoring |
| 2. Sound policy analysis and reporting by candidate countries complies with the new methodology for the Copenhagen-Bruges-Riga Process as defined by the EC/Cedefop | 90% of EC services positively assess ETF input to policy analysis for the Copenhagen-Bruges-Riga process useful |
| 3. Informed, evidence-based transition from policy planning to policy action is facilitated through ex-ante impact assessment methodologies linked to the new mid-term deliverables of the Copenhagen Process. | At least four comparative analyses of policy options completed and followed by implementation actions |

Resources expected for the Strategic Project in 2017 include 8.5 FTEs, €712,000 in project funds and €60,000 for missions, which represents a slight increase in the mission budget compared to previous years on the assumption that more effort will be deployed at country level on capacity building and ex ante assessment expert inputs.

3.3 Strategic Project 3: VET governance

The Strategic Project on VET governance will contribute in 2017 to strategic area one on effective policy making in VET for economic development and social/territorial cohesion and, more specifically, to good multilevel governance in VET.

Within the broad area of VET governance, the areas of ETF intervention will remain fairly stable, under the following three lines:

- Strengthening the overall VET system governance. This may include, for example, issues linked to legislation, institutional settings, coordination mechanisms, funding and financing, etc. In addition to the analysis of institutional arrangements, the ETF will provide expertise to improve functions, coordination mechanisms, or partnerships arrangements. Another important area of support will be the facilitation of inter-stakeholder dialogue. The Torino process 2016 will give inputs for the identification of a limited number of countries where this area will be high priority for support. The ETF VET governance inventory, started in 2015, will be updated for all countries based on the Torino process 2016 findings and complementary country information.
- The territorial (vertical) dimension of skills and VET governance. This will include support to VET regionalisation processes, to the development of human resources in the context of smart territories and smart specialisation policies. This area will apply in particular to SEET and selected ENP countries where there has been a stronger drive towards introducing a territorial approach in VET. This will be translated into sharing good practices, defining/clarifying national-regional-local mandates, activating actors for innovation in local development – in cooperation with relevant EU actors. It is expected that the ETF will work on a limited number of countries, namely those involved in the work on smart territories in 2016 (expected Serbia, Ukraine, Morocco, among others).
- Institutionalisation and strengthening of role of social partners, at national, territorial or sectoral level. This area will include the strengthening of selected social partners' organisations on roles and functions in VET councils, tripartite governance structures, etc. It will apply to a number of ETF partner countries. A selection will be made also informed by the Torino process 2016.

Objective 2017: To empower stakeholders to design, formalise and implement coordination mechanisms at national, regional, sectoral and local levels for good multi-level governance.

| Outcomes | Indicators |
|---|---|
| VET governance reviews inform policy options for good and multi-level governance, including financing, in selected partner countries | 20% of countries have their VET governance improved (through coordination mechanisms, legislation, methodologies, etc.) The ETF VET Governance inventory is updated. |
| Policy development and implementation strategies on regionalisation of VET is strengthened and human resources is key asset in territorial strategies for sustainable development (smart territories) in selected regions/countries | 10% of countries introduce mechanisms for national and sub-national coordination in VET. |
| Increased capacity of social partners and other civil society organisations to take an active role in VET governance at national and/or territorial level in selected partner countries | Social partners and other civil society organisations participate in VET needs assessment in a 20% of partner countries . |
| Dissemination and cooperation with international/EU/regional institutions and initiatives | ETF provides inputs to at least five external initiatives |

Expected resources for the project are 6.6 FTEs, 360,000€ in project funds and 55,000€ of mission budget, representing stable figures in relation to previous years.

3.4 Strategic Project 4 VET provision and quality

The Strategic Project on VET provision and quality will contribute in 2017 to the Strategic Area two: Modernisation of VET for Employability and Competitiveness. It will focus on assisting partner countries to enhance work based learning, improve their quality assurance mechanisms and make continuing professional development of teachers and trainers in VET more effective.

The enhancement of work-based learning will be addressed to the regions of South Eastern Europe and Turkey, the Eastern Partnership and South Mediterranean. In the SEET region the focus will be on the Candidate Countries (CCs) that have selected WBL in 2015 as a priority area for identification of policy options under the relevant MTD. The aim is to support the implementation of the policy options selected in 2016 through the ex ante impact assessment. The support involves targeted capacity building actions and peer learning as well support in making best use of their participation in the European Alliance for Apprenticeship (EAfA). In the Eastern Partnership, support to the countries will be provided through the implementation of the three year regional initiative launched in 2015. Specifically, following the initial mapping (2015) and setting the conditions for WBL (2016), in 2017 the work will concentrate on the implementation of reviewed forms of work-based learning, differentiated according to national context. Networking activities between the participants from the different EaP countries will also continue for the mobilisation of actors at national, regional and international levels. In the South Mediterranean region, following the collaboration with UNESCO in 2016 on the review of WBL policies, it is planned in 2017 to support a selected number of countries to develop an action plan to implement recommendations on how to enhance work-based learning.

In the field of Quality Assurance (QA) the transnational policy learning platform initiated in 2016, focusing on systemic and systematic quality assurance in VET, will be the vehicle to support participating partner countries to develop a systemic QA approach and focus on systematic monitoring of QA improvement to allow partner countries to progress in planning and/or implementation of policies and practices. Also targeted support will be provided to 2-3 selected priority countries to proceed with actions that improve their QA systems.

In the field of Continuous Professional Development of VET teachers and trainers, the focus will be in the SEET region. In 2017 ETF will complete the initiative with a third round of demonstration projects and recommendations to further develop, implement and monitor policies and practices to bring CPD closer to the needs of schools, teachers and trainers to improve VET delivery. Policy dialogue and networking will be extended and its focus moved towards implementation and the achievement of respective MTDs.

Objective 2017: To support partner countries in enhancing work based learning, improving their quality assurance mechanisms and making continuing professional development of teachers and trainers in VET more effective.

| Outcomes | Indicators |
|---|---|
| 1: Work-based learning enhanced in different forms, with special attention to apprenticeships and internships/traineeships, by involving social partners, companies, chambers and VET providers | Candidate countries implement MTD WBL policy options, and participate in EAfA; A majority of EaP countries implement WBL schemes ; Selected SEMED countries develop action plans on WBL enhancement |

| | |
|---|---|
| 2: Further development of quality assurance mechanisms in VET in line with the EQAVET recommendation | 50% of partner countries participate in the QA policy learning platform and 15% develop a systemic QA approach and focus on systematic monitoring of QA improvement |
| 3: Systematic approaches to, and opportunities for continuous professional development of VET teachers, trainers and mentors introduced | All SEET countries implement a third round of CPD demonstration projects A selected number of candidate countries implement MTD CPD policy options, |

The indicative resources for the SP in 2017 are 8 FTEs, €525,000 in project funds and €50,000 for missions.

3.5. Strategic Project 5: Qualifications and qualifications systems

The Strategic Project on Qualifications and Qualifications Systems will continue in 2017 to support countries on how to move their NQF through the development stages to make them a tool to modernise VET for lifelong learning, employability and competitiveness.

Policy advice and capacity building will focus on 12 countries (AL, BA, MK, RS, TR, AZ, BY, GE, MD, UA, MA; EG), with a differentiated approach in the interventions according to the assessment of progress in the policy stage carried out in 2016 and the 7 countries where EU projects are supporting the modernisation of qualifications and qualification systems

The ETF will facilitate partner countries in developing skills and knowledge in reforming their qualification systems to enable them to progress towards achieving recognition i.e. via measures for transparency, quality, labour market relevance and portability of qualifications. It will do so continuing the support to referencing/aligning their NQFs to the EQF and through a dedicated study on this issue. It will also collaborate with the SP Employment and Migration on the measures to facilitate recognition of qualifications, skills and prior learning of migrants, with a priority given to countries having established a Mobility Partnership agreement with EU and EU Member States.

Finally, the ETF will update in 2017 the Global NQFs inventory with progress reported after the Corporate Conference in 2016, while it will continue the sharing of knowledge on Qualifications and qualification systems through the Qualifications Platform.

Objective 2017: To support countries on developing their NQF to make them a tool to modernise VET for lifelong learning, employability and competitiveness.

| Outcomes | Indicators |
|---|--|
| 1. Lifelong learning qualifications systems progressed and skills and knowledge of partner country institutions and stakeholders developed. | Partner countries progress within, or to next, policy development stage ²¹ |
| 2. Evidence based-policy and international policy discussions, moderated by ETF, inform PCs' reforms of qualifications systems. | 100% of partner countries developing NQFs and working with ETF analysed and reported in NQF Inventory |
| 3. Partner countries have developed measures enabling them to progress towards recognition of qualifications | Measures for transparency, quality, labour market relevance and portability of qualifications implemented by AL, BA, MK, RS, TR, AZ, BY, GE, MD, UA, MA; EG) |

²¹ Measured against ETF policy stage indicators

Indicative resources for the SP in 2017 include 10 FTEs. €775,000 in project funds and €85,000 for missions.

3.6 Strategic Project 6: Employment, skills and employability (including skills and migration)

In addition to continuing the interventions on skills identification and matching and on the efficient use of migrant's skills as contributions to the modernisation of VET for employability and competitiveness, in 2017, the Strategic Project on employment, skills and employability will start a new action on Youth employability and transition to work.

In the Southern Eastern Europe and Turkey, the ETF will continue to focus on the issue of skills identification and matching in the short to medium term. Particular emphasis will be given to skills requirements in key economic sectors. This will be done through building stakeholders' capacity - also using methodological instruments jointly developed by ETF/ILO/CEDEFOP and in the EU by Cedefop and through promoting their cooperation. Country targeted actions will also be defined to support the countries in the implementation of Economic Reform Programmes (ERP) recommendations and measures.

Development of mechanisms for skills identification and matching (including labour market intelligence) will continue to be addressed in the Eastern Partnership countries through the regional initiative "Make it Match" started in 2015. This combines regional mutual learning on the implementation of these mechanisms (through the EaP platform 2) and capacity building actions for implementation in selected priority countries (through the ETF subsidy).

The ETF action on youth employability and transition to work will continue in SEET and EaP. Under the framework of the review of ENP, in 2017 the ETF will start activities in EaP and SEMED. In particular, the ETF will foster the establishment of a panel on youth employment and employability within the EaP and encourage exchanges on education, training and youth policies between SEMED countries. The ETF foresees targeted capacity building actions at country level in a limited number of priority partner countries and actions to promote regional cooperation between the participating countries. The ETF will assist partner countries in developing and implementing an integrated strategy to support young people's transition to work. Particular focus will be given to early tracking of exposed youth, efficient combination of national and EU/other donors funding and improved monitoring and assessment of youth-related education, employment and social actions.

In the skills and migration area in partner countries with a Mobility Partnership (MP), the main intervention will be to provide expertise in support to the implementation of follow up actions included in the MPs and related to the fields of skills development and use for migrants and returnees.

Given the changing context in the field of migration the ETF will follow the developments and may provide, in coordination with DG EMPL services and upon request, information and expert support on short-term measures to address the immediate challenges of newly arrived migrants. ,

The ETF's intervention in the skills and migration area will be coordinated by the Strategic Project on employment, skills and employability, but may include expert input from the different Strategic Projects (Qualifications, VET Provision, Governance and Entrepreneurial Learning), with the aim of ensuring a comprehensive and transversal support in line with the priority of Migration Policy in the EU.

Objectives 2017:

- To improve stakeholder cooperation and implementation capacity to monitor and anticipate skills needs and adapt VET provision to meet these needs;
- To contribute to the implementation of Mobility Partnership agreements between the EU and relevant partner countries on skills dimensions of migration through policy advice to facilitate the transparency and transportability of qualifications and their contents, in terms of skills and competences;
- To monitor labour market developments in the ETF partner countries to inform regional dialogue in the different regions (i.e. EaP, Union for the Mediterranean).

| Outcomes | Indicators |
|--|---|
| 1: Increased capacity of partner countries to monitor labour market trends and use information on skills needs for effective VET policy implementation | At least half of countries receiving ETF support in LM field have developed mechanisms to increase the relevance of VET provision in respect of the labour market |
| 2: Skills dimension of labour mobility has been taken into account in the implementation of Mobility Partnerships between EU and partner countries | At least half of the EU Mobility Partnership agreements signed with partner countries includes skills-related measures |

Indicative resources for the SP EMPL project are 8 FTEs. €400,000 in project funds and €50,000 of mission budget.

3.7 Strategic Project 7: Entrepreneurial learning and enterprise skills

The support to entrepreneurial learning and enterprise skills in the partner countries will contribute to the strategic area of modernising VET for employability and competitiveness. Enterprise skills will make up a core component of ETF's support to the European Commission in its wider drive to promote the key provisions of the Small Business Act for Europe (SBA).

In 2017 there are no plans to undertake a new set of policy reviews against the existing battery of SBA policy indicators elaborated by the ETF and adapted to each region (SEET, SEMED and EaP). Therefore, the ETF will pursue partner countries progress in the SBA human capital development indicators, with particular focus on youth and women's entrepreneurship. It will do so through the SBA assessment and follow-up recommendations, with particular emphasis on policy implementation and capacity building for a selected number of countries.

The ETF will also aim at encouraging partner country policymakers and training providers to improve policy and practice by identifying and disseminating quality-assured good practice in the field of entrepreneurship training (formal and non-formal). Good practice will be shared through multi-country cooperation mechanisms, as follows: a) the South Eastern European Centre for Entrepreneurial Learning (SEECCEL, pre-accession region), b) Eastern Partnership Platform on Economic Integration and Convergence with EU Policies and c) the Euro-Mediterranean Working Group on Industrial Cooperation.

Reinforcing the interface between the ETF's SBA policy assessment and follow-up support at country level and its good practice developments will be the key focus in the period 2016-17. In particular, the purpose is to improve policy implementation by closing the gap between practitioners and policymakers by way of dialogue and knowledge sharing. Particular attention will be given to promoting entrepreneurship in vocational education and training.

Objectives 2017:

- To pursue partner countries' progress in the SBA human capital development indicators, with particular focus on youth and women's entrepreneurship,
- To encourage partner country policymakers and training providers to improve policy and practice by identifying and disseminating quality-assured good practice in the field of entrepreneurship training (formal and non-formal),
- To reinforce the interface between the ETF's SBA policy assessment and follow-up support at country level and its good practice developments

| Outcomes | Indicators |
|--|---|
| 1. Progress achieved in partner countries implementing SBA recommendations with particular focus on youth and women's entrepreneurship | At least 2 partner countries from each of the SBA-assessed regions follow up on ETF human capital recommendations |
| 2: Entrepreneurship better promoted in training | At least 5 partner countries upgrade policy in response to ETF good practice promotion |

Indicative resources for SP EL are 5 FTEs, €175,000 in project funds and €55,000 in mission budget.

3.8 Horizontal actions to enhance the efficiency and effectiveness of ETF institutional performance

The main actions in 2017 are clustered under the two strands of this horizontal action

Strand 1: Actions to enhance partnership and communication

Partnership and stakeholder cooperation

In 2017 main actions will be:

- Continue to support the structured dialogue with the Commission services under the coordination of DG Employment, Social Affairs and Inclusion and the dialogue with the European Parliament committees, the EU advisory bodies and the representatives of the social partners at European level;
- Enhance cooperation with the EU member states relevant institutions by mobilise relevant experiences and practices with a view to disseminating them to the partner countries;
- Strengthen co-operation with international organisations and other relevant international and regional actors under the format of the donors coordination meeting organised on a specific thematic area, participation in the TVET inter-agency group and working groups activities as well as in the international networks and debates.

Communication

In 2017, the ETF will build on its achievements, in particular continuing to implement its strategic objectives for communication, which are to strengthen stakeholder relationships, develop a compelling narrative for all partners, and build trust to enhance the ETF's effectiveness.

In parallel with meeting the day-to-day communication needs of the organisation, the main priorities for communication in 2017 will be to:

- Integrate communication into the ETF's project activities starting from the planning stage;
- Enhance corporate-level planning and coordination of communication activities across the organisation;
- Enhance the ETF website to improve access for stakeholders and citizens and use it as a platform for promoting a proactive approach to communicating with the ETF's stakeholders;
- Continue to expand the ETF's social media activities to create more opportunities for dialogue and interaction;
- Reinforce interactivity and participation in the ETF's face-to-face meetings and events and promote the use of online alternatives such as webinars and e-seminars;
- Consolidate ETF publications in both print and digital formats (e.g. e-books) as well as other communication channels in order to better meet the needs of stakeholders.

Strand 2: Actions to improve ETF organisational development

Performance management, audit and risk management

In 2017 main actions will be to:

- Maintain, update and improve the ETF integrated performance management system and underlying tools and processes system with consequent gains in terms of consistency, efficiency, effectiveness and impact of ETF performance;
- Timely execution and follow up of audits, risk management and other (self) assessment exercises;
- Make sure that the consolidated ETF Improvement Plan is followed up, monitored and reported to Management Team on a quarterly basis or more often if requested by management thus recommendations are timely and effectively implemented within agreed deadlines;
- Institute digital historical archive of ETF for public and internal use.

Human resources management

In 2017, the main actions will be:

- Continue implementation of learning and development programmes in line with the anticipation of expertise needs launched in 2015 ;
- Continue implementation of personalised long-term development paths for managers on the basis a 360° feedback exercise for development purpose;
- Further develop a unified HR management system;
- Implement improvement actions stemming from the results of 2015 staff engagement survey and 2016 work-related stress risk assessment.

Financial and procurement management

In 2017, the main actions will be:

- Deploy electronic communication tools with tenderers and contractors;
- Optimise internal procedures and quality assurance measures;
- Reinforce risk based management principles.

Information and communication technologies

In 2017 main actions will be:

- Enhance information management and sharing by finalizing the upgrade of the ETF Website and continued implementation of customised solutions to ETF's Document Management System
- Enhance seamless and secure mobility
- Further improve ETF's wired and wireless network infrastructure to keep up to date.

Facilities management

In 2017, the main actions will be:

- Consolidate outsourced services, while maintaining high standards in service delivery and increasing staff satisfaction;

- Optimise meeting rooms, with special attention to updating and maintaining technological facilities to state-of-the-art;
- Enhance working conditions (health safety and security) of the ETF staff based on risk assessment and applicable regulations;
- Implement priority actions as a follow up to an assessment of existing heating and cooling systems.

Accounting

In 2017 the main actions will be:

- Reconcile budget execution with the general accounts and reconcile on a regular basis balance accounts;
- Maintain cash flow follow-up and request funds on time to assure that payments can be on time;
- Implement EC financial regulation by, adjusting administrative procedures, simplifying and streamlining financial rules;
- Organise adequate training for colleagues that are involved in financial processes that have an impact on the general accounts.

Annex I – Resource allocation per strategic area of intervention 2017-20

| Strategic area of intervention | 2017 | | 2018 | | 2019 | | 2020 | | % |
|--|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|-----|
| | FTE | Budget (m€) | |
| Effective policy making in VET for economic development and social cohesion. | 39.2 | 6.043 | 38.6 | 6.043 | 38.6 | 6.164 | 38.6 | 6.287 | 30% |
| Modernisation of VET for employability and competitiveness. | 65.3 | 10.072 | 64.3 | 10.072 | 64.3 | 10.273 | 64.3 | 10.479 | 50% |
| Youth transition to work | 13.1 | 2.014 | 12.9 | 2.014 | 12.9 | 2.055 | 12.9 | 2.096 | 10% |
| Support to assistance in the context of EU external relations policies | 13.1 | 2.014 | 12.9 | 2.014 | 12.9 | 2.055 | 12.9 | 2.096 | 10% |
| Total ETF | 130.5 | 20.144 | 128.5 | 20.144 | 128.5 | 20.546 | 128.5 | 20.957 | |

The FTE represents headcount for temporary agents, local agents and seconded national experts, and full-time equivalents for contract agents. The latter is calculated based upon expected average annual working time

Direct resource allocation by strategic project 2017

| Operational Activities 2017 Strategic Projects | FTE | Project Budget € | Mission Budget € | Total Budget € |
|---|-------------|------------------|------------------|------------------|
| Support to EU assistance in the context of EU external policies | 7 | 141.000 | 60.000 | 810.000 |
| Policy analysis and system wide progress monitoring | 8.5 | 712.000 | 60.000 | 1.511.500 |
| VET governance | 6.6 | 360.000 | 55.000 | 989.200 |
| VET provision and quality | 8 | 525.000 | 50.000 | 1.271.000 |
| Qualifications and qualifications systems | 10 | 775.000 | 85.000 | 1.730.000 |
| Employment, skills and employability (including skills and migration) | 8 | 400.000 | 50.000 | 1.146.000 |
| Entrepreneurial learning and enterprise skills | 5 | 175.000 | 55.000 | 665.000 |
| Total Strategic Projects | 53.1 | 3.088.000 | 415.000 | 8.122.700 |

One Full Time Equivalent is estimated at €87.000.

NB: these figures are purely indicative.

Annex II – Human and financial resources 2017-20

Table 1 – Expenditure

| Expenditure | N (2016) | N+1 (2017) |
|--------------------------|---------------------------|---------------------------|
| | Commitment appropriations | Commitment appropriations |
| Title 1 | 13,867,400 | 13,942,500 |
| Title 2 | 1,589,100 | 1,633,700 |
| Title 3 | 4,688,500 | 4,567,800 |
| Total expenditure | 20,145,000 | 20,144,000 |

| Expenditure | Commitment appropriations | | | | | | | |
|--|----------------------------|-------------------|-------------------------|-----------------|-------------------------|-------------------------|----------------------|----------------------|
| | Executed Budget N-1 (2015) | Budget N (2016) | Draft Budget N+1 (2017) | | VAR N+1 / N (2017/2016) | Envisaged in N+2 (2018) | Envisaged N+3 (2019) | Envisaged N+4 (2020) |
| | | | Agency request | Budget Forecast | | | | |
| Title 1 - Staff Expenditure | 13,144,962 | 13,867,400 | 13,942,500 | | 0.5% | 13,926,950 | 13,886,000 | 14,001,000 |
| 11 Salaries and allowances | 12,349,319 | 13,002,000 | 13,065,000 | | 0.5% | 13,059,200 | 13,025,000 | 13,139,000 |
| - of which establishment plan posts | 10,411,362 | 10,752,000 | 10,725,000 | | -0.3% | 10,695,200 | 10,646,000 | 10,709,000 |
| - of which external personnel | 1,937,957 | 2,250,000 | 2,340,000 | | 4.0% | 2,364,000 | 2,379,000 | 2,430,000 |
| Expenditure related to staff recruitment | 15,892 | 29,000 | 29,000 | | 0.0% | 19,000 | 19,000 | 19,000 |
| 13 Mission expenses | 93,000 | 150,000 | 150,000 | | 0.0% | 150,000 | 150,000 | 150,000 |
| 14 Socio-medical infrastructure | 24,260 | 35,000 | 35,000 | | 0.0% | 35,000 | 35,000 | 35,000 |
| 1e Training | 234,184 | 250,000 | 250,000 | | 0.0% | 250,000 | 240,000 | 240,000 |
| 1d External Services | 403,600 | 368,000 | 380,000 | | 3.3% | 380,000 | 380,000 | 380,000 |
| 17 Receptions and events | 3,851 | 8,400 | 8,500 | | 1.2% | 8,750 | 12,000 | 13,000 |
| 1f Social Welfare | 20,857 | 25,000 | 25,000 | | 0.0% | 25,000 | 25,000 | 25,000 |
| Title 2 - Infrastructure and operating expenditure | 1,955,631 | 1,589,100 | 1,633,700 | | 2.8% | 1,648,700 | 1,625,200 | 1,708,200 |
| 20 Rental of buildings and associated costs | 728,447 | 617,600 | 662,750 | | 7.3% | 698,550 | 658,150 | 660,850 |
| 21 Information and communication technology | 932,964 | 675,200 | 665,550 | | -1.4% | 639,650 | 667,850 | 748,150 |
| 22 Movable property and associated costs | 120,943 | 87,100 | 91,200 | | 4.7% | 96,300 | 95,000 | 95,000 |
| 23 Current administrative expenditure | 62,064 | 83,000 | 83,000 | | 0.0% | 83,000 | 73,000 | 73,000 |
| 24 Postage / Telecommunications | 19,127 | 26,200 | 31,200 | | 19.1% | 31,200 | 31,200 | 31,200 |
| 25 Meeting expenses | 92,087 | 100,000 | 100,000 | | 0.0% | 100,000 | 100,000 | 100,000 |
| 26 Running costs in connection with operational activities | - | - | - | | | - | - | - |
| 27 Information and publishing | - | - | - | | | - | - | - |
| Title 3 - Operational expenditure | 5,030,083 | 4,688,500 | 4,567,800 | | -2.6% | 4,568,350 | 5,034,800 | 5,247,800 |
| 30 - Communications | 506,483 | 569,500 | 509,500 | | -10.5% | 479,500 | 479,500 | 479,500 |
| 31 - Corporate Performance and Stakeholders | 305,773 | 220,000 | 220,000 | | 0.0% | 220,000 | 245,000 | 265,000 |
| 31 - Operational Projects | 3,498,127 | 3,138,000 | 3,188,300 | | 1.6% | 3,218,850 | 3,660,300 | 3,853,300 |
| 32 - Operational Missions | 719,700 | 761,000 | 650,000 | | -14.6% | 650,000 | 650,000 | 650,000 |
| TOTAL EXPENDITURE | 20,130,677 | 20,145,000 | 20,144,000 | | 0.0% | 20,144,000 | 20,546,000 | 20,957,000 |

Table 2 – Revenue

| Revenues | N (2016) | N+1 (2017) |
|--------------------------------------|----------------------------------|-------------------|
| | Revenues estimated by the agency | Budget Forecast |
| EU contribution | 19,956,000 | 20,144,000 |
| Other revenue(Recovery from surplus) | 189,000 | |
| Total revenues | 20,145,000 | 20,144,000 |

| Revenues | N-1 (2015) | N (2016) | N+1 (2017) | | VAR N+2 / N+1 (2018 /2017) | Envisaged N+2 (2018) | Envisaged N+3 (2019) | Envisaged N+4 (2020) |
|---|-------------------|----------------------------------|----------------------------|-----------------|----------------------------|----------------------|----------------------|----------------------|
| | Executed Budget | Revenues estimated by the agency | As requested by the agency | Budget Forecast | | | | |
| 1. Revenue from fees and charges | | | | | | | | |
| 2. EU contribution | 20,143,234 | 20,145,000 | 20,144,000 | | 0.0% | 20,144,000 | 20,546,000 | 20,957,000 |
| of which Administrative (Title 1 and Title 2) | | | | | | | | |
| of which Operational (Title 3) | | | | | | | | |
| of which assigned revenues deriving from previous years' surpluses | 198,234 | 189,000 | | | | | | |
| 3. Third countries contribution (incl. EFTA and candidate countries) | | | | | | | | |
| of which EFTA | | | | | | | | |
| of which candidate countries | | | | | | | | |
| 4. Other contributions | 402,019 | | | | | | | |
| of which delegation agreement, ad hoc grants | 402,019 | | | | | | | |
| 5. Administrative operations | 9,042 | | | | | | | |
| 6. Revenues from services rendered against payment | | | | | | | | |
| 7. Correction of budgetary imbalances | | | | | | | | |
| TOTAL REVENUES | 20,554,295 | 20,145,000 | 20,144,000 | | 0.0% | 20,144,000 | 20,546,000 | 20,957,000 |

Table 3 – Budget outturn and cancellation of appropriations

| Budget outturn | 2013 | 2014 | 2015 |
|---|-------------------|-------------------|-------------------|
| Revenue actually received (+) | 22,004,048.99 | 21,386,012.01 | 20,593,142.85 |
| Payments made (-) | -19,906,374.10 | -20,741,263.02 | -19,908,790.31 |
| Carry-over of appropriations (-) | -2,100,608.40 | -1,826,701.57 | -1,249,885.60 |
| Cancellation of appropriations carried over (+) | 125,795.46 | 81,496.96 | 53,404.07 |
| Adjustment for carry over of assigned revenue appropriations from previous year (+) | 75,354.86 | 1,292,752.88 | 886,582.88 |
| Exchange rate differences (+/-) | 17.35 | -4,103.79 | -1,056.40 |
| Adjustment for negative balance from previous year (-) | | | |
| Total | 198,234.16 | 188,193.47 | 373,397.49 |

Cancellation of commitment appropriations

At the end of 2015 the ETF has cancelled €20 385,19 commitment appropriations, representing appropriations for Title 1 and 2 which have not been committed. The biggest amount has been on Title 1 (€16,388) and is mainly linked to recruitment, missions and social activities.

Cancellation of payment appropriations for the year

In Title 3 (differentiated appropriations), there were €279 548.72 payment appropriations which were not disbursed (5.5% of Title 3), linked mainly to the timing of receipt of invoices at the end of the year.

Cancellation of payment appropriations carried over

Cancelled appropriations for administrative expenses are reduced compared with previous years (from €81,496.96 to €53,404.07), indicating a more appropriate estimation of remaining expenses at the end of the year.

Annex III - Table 1 – Staff population and its evolution; overview of all categories of staff

| Staff population | | Actually filled as of 31.12 N-2 (2014) | Authorised under EU budget N-1 (2015) | Actually filled as of 31.12.N-1 (2015) | Authorised under EU budget for year N (2016) | Expected filled as of 31.12.N (2016) | In draft budget for year N+1 (2017) | Envisaged in N+2 (2018) | Envisaged in N+3 (2019) | Envisaged in N+4 (2020) |
|---|--------|--|---------------------------------------|--|--|--------------------------------------|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Officials | AD | | | | | | | | | |
| | AST | | | | | | | | | |
| | AST/SC | | | | | | | | | |
| TA | AD | 59 | 60 | 59 | 59 | 59 | 57 | 55 | 56 | 56 |
| | AST | 33 | 32 | 31 | 31 | 31 | 31 | 31 | 30 | 30 |
| | AST/SC | | | | | | | | | |
| Total headcounts | | 92 | 92 | 90 | 90 | 90 | 88 | 86 | 86 | 86 |
| CA GFIV | | 6.5 | 6.5 | 7.5 | 8.5 | 8 | 9 | 9 | 9 | 9 |
| CA GF III | | 19.5 | 23 | 20.5 | 23.5 | 24 | 24.5 | 25 | 25.5 | 26 |
| CA GF II | | 10.5 | 9 | 9.5 | 7 | 8 | 7 | 6.5 | 6 | 5.5 |
| CA GFI | | | | | | | | | | |
| Total CA in FTE | | 36.5 | 38.5 | 37.5 | 39 | 40 | 40.5 | 40.5 | 40.5 | 40.5 |
| SNE | | | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Local Agents ²² | | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | | 130.5 | 133.5 | 129.5 | 132 | 132 | 130.5 | 128.5 | 128.5 | 128.5 |
| Structural service providers | | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| GRAND TOTAL | | 133 | 136 | 132 | 134.5 | 134.5 | 133 | 131 | 131 | 131 |
| External staff for occasional replacement | | 3.7 | | 4.7 | | | | | | |

²² Please note that in 2016 one LA was replaced by one CA.

Table 2 – Multi-annual staff policy plan year 2017 – 2020

| Category and grade | Establishment plan in EU Budget N-1 (2015) | | Filled as of 31/12/N-1 (2015) | | Modifications in year N-1 in application of flexibility rule (2015) | | Establishment plan in voted EU Budget n (2016) | | Modifications in year N in application of flexibility rule (2016) | | Establishment plan in Draft EU Budget N+1 (2017) | | Establishment plan N+2 (2018) | | Establishment plan N+3 (2019) | | Establishment plan N+4 (2020) | |
|--------------------|--|-----------|-------------------------------|-----------|---|----------|--|-----------|---|----------|--|-----------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|-----------|
| | officials | TA | officials | TA | officials | TA | officials | TA | officials | TA | officials | TA | officials | TA | officials | TA | officials | TA |
| AD 16 | | 0 | | 0 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AD 15 | | 0 | | 0 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AD 14 | | 1 | | 1 | | | | 1 | | | | 1 | | 1 | | 1 | | 1 |
| AD 13 | | 6 | | 0 | | | | 6 | | | | 6 | | 6 | | 6 | | 6 |
| AD 12 | | 12 | | 8 | | | | 13 | | | | 14 | | 14 | | 15 | | 15 |
| AD 11 | | 8 | | 9 | | | | 9 | | | | 7 | | 8 | | 9 | | 10 |
| AD 10 | | 4 | | 5 | | | | 6 | | | | 8 | | 8 | | 6 | | 6 |
| AD 9 | | 12 | | 12 | | | | 12 | | | | 13 | | 12 | | 12 | | 11 |
| AD 8 | | 8 | | 7 | | | | 7 | | | | 5 | | 5 | | 6 | | 6 |
| AD 7 | | 9 | | 14 | | | | 5 | | | | 3 | | 1 | | 1 | | 1 |
| AD 6 | | 0 | | 2 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AD 5 | | 0 | | 1 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| Total AD | 0 | 60 | 0 | 59 | 0 | 0 | 0 | 59 | 0 | 0 | 0 | 57 | 0 | 55 | 0 | 56 | 0 | 56 |
| AST 11 | | 0 | | 0 | | | | 2 | | | | 3 | | 3 | | 3 | | 4 |
| AST 10 | | 4 | | 1 | | | | 4 | | | | 5 | | 5 | | 6 | | 6 |
| AST 9 | | 9 | | 7 | | | | 9 | | | | 8 | | 9 | | 9 | | 9 |
| AST 8 | | 6 | | 4 | | | | 6 | | | | 6 | | 6 | | 6 | | 6 |
| AST 7 | | 4 | | 5 | | | | 4 | | | | 4 | | 4 | | 4 | | 4 |
| AST 6 | | 4 | | 3 | | | | 4 | | | | 4 | | 4 | | 2 | | 1 |
| AST 5 | | 5 | | 4 | | | | 2 | | | | 1 | | 0 | | 0 | | 0 |
| AST 4 | | 0 | | 3 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AST 3 | | 0 | | 4 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AST 2 | | 0 | | 0 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| AST 1 | | 0 | | 0 | | | | 0 | | | | 0 | | 0 | | 0 | | 0 |
| Total AST | 0 | 32 | 0 | 31 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 31 | 0 | 31 | 0 | 30 | 0 | 30 |

| | | | | | | | | | | | | | | | | | | |
|-------------------------|----------|-----------|----------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
| AST/SC1 | | | | | | | | | | | | | | | | | | |
| AST/SC2 | | | | | | | | | | | | | | | | | | |
| AST/SC3 | | | | | | | | | | | | | | | | | | |
| AST/SC4 | | | | | | | | | | | | | | | | | | |
| AST/SC5 | | | | | | | | | | | | | | | | | | |
| AST/SC6 | | | | | | | | | | | | | | | | | | |
| Total AST/SC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 92 | 0 | 90 | 0 | 0 | 0 | 90 | 0 | 0 | 0 | 88 | 0 | 86 | 0 | 86 | 0 | 86 |

Annex IV - Recruitment policy

a. Officials

There are no posts for Officials in the ETF.

b. Temporary agents

Main selection principles:

There is no major difference in selection procedures for contract or temporary agents. Both are governed by the Staff Regulations and their respective Implementing Rules as adopted by ETF Governing Board.

External selection procedures can be launched for one or more similar positions or the creation of reserve lists.

Both selection procedures include the following main steps:

1. setting up of a Selection Assessment Board (SAB) to be approved by the Director;
2. drafting of the vacancy notice and approval by the Director before publication. The vacancy notice includes amongst other things , the eligibility and selection the type and duration of contract and the recruitment grade;
3. publication of the vacancy notice with the name of the SAB members on the ETF website and wide dissemination amongst others to: EPSO, other agencies, EU delegations etc.;
4. questions for the interview and written test are prepared by the SAB with the support of HR staff before the names of applicants are disclosed to the SAB;
5. pre-screening of candidates' CVs on the basis of eligibility criteria mentioned in the vacancy notice is performed by HR staff;
6. screening of eligible candidates on the basis of CVs according to selection criteria mentioned in the vacancy notice is performed by the SAB;
7. each time the SAB meets, minutes are drafted and included in the recruitment file;
8. invitation of selected candidates for interview and written tests are sent;
9. assessment of candidates by the SAB who then proposes a short-list of successful candidates to the Director who decides on the potential job offer and establishment of a reserve list where applicable;
- 10.all candidates who participated in the interviewing process are informed in writing on the result of the selection procedure.

Type of key functions, typical entry grades:

Temporary agents are normally recruited at the levels indicated below taking into account, in particular, the job market for the specific job profiles concerned:

- AST/SC: the ETF does not intend to recruit staff in this category, as such secretarial and clerical activities are mainly carried out by Contract Agents in the ETF.

- AST1-AST3 are generally not recruited any longer as Contract Agents are instead recruited for those related administrative functions
- AST 4 as an ad-hoc decision (as in principle, Contract Agents is a preferred option) for Professionals where specific technical knowledge is required and longer professional experience (posts such as IT officer, budget officer, HR officer, project officer ...)
- AD 5 to AD 9 for Experts and Senior Experts (posts such as HCD Specialist and HCD Senior Specialists), Professionals/Senior Professionals (posts such as Legal advisor etc.) where specific deep or very deep technical knowledge and expertise are required.
- AD 9 for Middle Managers (Heads of Units) and AD 9 (or above) for Senior Managers (Heads of Departments, Deputy Director). The exact grade will depend on the complexity of the Unit/Department and the level of expertise required.
- AD 14 for the post the Director of the ETF.

Typical length of contracts of employment:

Unless specified otherwise in the vacancy notice, Temporary Agents are generally offered contracts of up to 3 years that may be renewed for another fixed period of generally up to 3 years. If further renewed, it shall lead to an indefinite duration contract as per article 8 of the CEOS. This does not apply to the Director's position which is usually for a 5-year initial contract and that may be renewed for a maximum of 3 years. It cannot be of indefinite duration.

c. Contract agents

Type of key functions, typical entry Function Groups:

- FGI for archivist, mailing and mass copy support staff (manual and administrative support tasks) under the supervision of Temporary Agent.
- FGII for administrative and technical support staff (clerical and secretarial tasks; financial, HR, IT, project or other support and assistance) under the supervision of Temporary Agent.
- FG III for senior assistant and/or professional staff (executive and/or technical tasks such as financial, HR, IT, project assistants and officers) under the supervision of Temporary Agent.
- FGIV for professional/senior professional staff where specific deep or very deep technical knowledge is required (administrative, advisory tasks...) under the supervision of Temporary Agent.

Typical length of contracts of employment:

Unless specified otherwise in the vacancy notice, Contract Agents are generally offered contracts of up to 3 years that may be renewed for another fixed period of generally up to 3 years. If further renewed, it shall lead to an indefinite duration contract in line with article 85 of the CEOS and the related ETF Implementing Rules. For Contract Agents FGIV, they need to demonstrate a B2 level in a 3rd EU language before renewal for an indefinite duration.

d. Seconded National Experts²³

Main selection principles:

Please refer to “Temporary Agents main selection principles” as selection principles are very similar

SNEs: type of key functions:

SNEs are usually covering positions of Experts and Senior Experts (posts such as HCD Specialist and HCD Senior Specialists) where specific deep or very deep technical knowledge is required.

SNEs: typical length of secondment:

SNEs are generally offered secondment for an initial year. The initial period of secondment may not be less than 6 months or more than 2 years. It may be renewed up to a total period not exceeding 4 years.

e. Structural service providers²⁴

Key tasks:

IT consultants/Software developers

Receptionists

Tender procedure:

Open tender

Duration of the contract

Framework contract signed for 4 years.

²³ NB SNEs are not employed by the agency.

²⁴ NB Structural service providers are not employed by the agency.

Appraisal of performance and reclassification/promotions

The agency's policy on performance appraisal and promotion/reclassification – short description

The ETF encourages each Reporting Officer to have open, constructive and frequent discussions with their staff to review progress against objectives set, learning and development activities, to identify difficulties and support needs all along the year as best practice in performance management. Staff members are also encouraged to have open, constructive and frequent discussions with their Reporting Officer.

The appraisal procedure

The Implementing Rules (GB/15/DEC/008 and GB/15/DEC/007) adopted by ETF Governing Board describe the appraisal procedure for Temporary and Contract Agents respectively. Both comprise the following main principles and steps.

Main principles

An appraisal report is made on a yearly basis for each staff member with at least one-month service.

The report is a qualitative appraisal on efficiency, ability and conduct in service and must include a conclusion on whether the performance has been satisfactory or not, based on factual elements.

The Reporting Officer is the direct superior of the jobholder.

Main steps

- Each jobholder (JH) has 8 working days to write their self-assessment ;
- The Reporting Officer arrange for the formal dialogue (on performance and identification of training needs);;
- Within 10 working days from the formal dialogue, the RO writes the appraisal report, adding a conclusion on whether the performance has been satisfactory;
- The JH has 5 working days to accept or refuse (with a reasoned explanation) the report.
 - Where the report is accepted (with or without comments), the reports is considered final and archived²⁵
 - Where the report is refused, it automatically triggers the appeal process
 - Where the report concludes the performance has not been satisfactory, it triggers the approval by the countersigning officer

Reclassification policy

The existing policy as per ETF Governing Board Decision of February 2000 provides that on a yearly basis, a promotion exercise is launched.

It starts with the publication of the list of staff eligible for reclassification. Then, on the basis of past performance reports as well as a supporting note from the respective Reporting Officers, a Promotion Board, after comparing merits, proposes to the Director a short list of staff members to be considered for reclassification.

²⁵ The ETF has developed an Electronic system to support the Annual Dialogue exercise, which leads to secured electronic archiving.

The Director takes decision considering the merits and the limits authorised by the ETF's establishment plan, Annex 1 of the Staff Regulations and budget.

The reclassification takes place on 1st July unless the B2 level for the 3rd language has not been attested (for Temporary Agents prior to their first reclassification).

Table 1 – Reclassification of temporary staff/promotion of officials

| Category and grade | Staff in activity at 1.01.2014 | | How many staff members were promoted / reclassified in 2015 | | Average number of years in grade of reclassified/promoted staff members |
|--------------------|--------------------------------|-----------|---|----------|---|
| | officials | TA | officials | TA | |
| AD 16 | | | | | |
| AD 15 | | | | | |
| AD 14 | | 1 | | | |
| AD 13 | | | | | |
| AD 12 | | 7 | | | |
| AD 11 | | 11 | | | |
| AD 10 | | 3 | | 1 | 4 |
| AD 9 | | 13 | | 1 | 8 |
| AD 8 | | 7 | | | |
| AD 7 | | 14 | | 2 | 5 |
| AD 6 | | | | | |
| AD 5 | | 2 | | 1 | 3 |
| Total AD | | 58 | 0 | 5 | 5 |
| AST 11 | | | | | |
| AST 10 | | 2 | | | |
| AST 9 | | 6 | | | |
| AST 8 | | 3 | | 1 | 3 |
| AST 7 | | 7 | | | |
| AST 6 | | 3 | | 1 | 3 |
| AST 5 | | 3 | | | |
| AST 4 | | 4 | | 1 | 3 |
| AST 3 | | 4 | | 1 | 5 |
| AST 2 | | 1 | | | |
| AST 1 | | | | | |
| Total AST | | 33 | 0 | 4 | 3.5 |
| AST/SC1 | | | | | |
| AST/SC2 | | | | | |
| AST/SC3 | | | | | |
| AST/SC4 | | | | | |
| AST/SC5 | | | | | |
| AST/SC6 | | | | | |
| Total AST/SC | | | | | |
| TOTAL | | 91 | 0 | 9 | 4.25 |

| From | To | N° of TAs | Average years |
|------|------|-----------|---------------|
| AD5 | AD6 | 1 | 3 |
| AD7 | AD8 | 2 | 5 |
| AD9 | AD10 | 1 | 8 |
| AD10 | AD11 | 1 | 4 |
| AST3 | AST4 | 1 | 5 |
| AST4 | AST5 | 1 | 3 |
| AST6 | AST7 | 1 | 3 |
| AST8 | AST9 | 1 | 3 |

Table 2 – Reclassification of contract staff

| Function Group | Grade | Staff in activity at 1.01.2014 | How many staff members were reclassified in 2015 | Average number of years in grade of reclassified staff members |
|----------------|-------|--------------------------------|--|--|
| CA IV | 18 | | | |
| | 17 | | | |
| | 16 | | | |
| | 15 | | | |
| | 14 | 5 | 1 | 3 |
| CA III | 13 | | | |
| | 12 | | | |
| | 11 | | | |
| | 10 | 10 | 2 | 4.5 |
| CA II | 9 | 9 | 1 | 3 |
| | 8 | 3 | 1 | 4 |
| | 7 | 2 | | |
| | 6 | 2 | | |
| CA I | 5 | 5 | 3 | 3 |
| | 4 | 2 | | |
| | 3 | | | |
| CA I | 2 | | | |
| | 1 | | | |
| Total | | 38 | 8 | 3.5 |

| From | To | N° of CAs | Average years |
|----------|----------|-----------|---------------|
| FGII 5 | FGII 6 | 3 | 3 |
| FGIII 8 | FGIII 9 | 1 | 4 |
| FGIII 9 | FGIII 10 | 1 | 3 |
| FGIII 10 | FGIII 11 | 2 | 4.5 |
| FGIV 14 | FGIV 15 | 1 | 3 |

Mobility policy

There are two types of mobility:

- Internal mobility
- Mobility between Union agencies

1. Internal mobility

The ETF adopted a revised internal mobility policy in June 2012 that highlights the two ways through which staff can move from one position to another one. However, now that the ETF Governing Board has adopted the Implementing Rule governing the recruitment of Temporary Agents 2f (GB/15/DEC/009) that entered into force on 1/7/2015, the mobility of Temporary Agents is governed by that Implementing Rule. The principles in the ETF policy and Implementing Rule remain overall the same though and are presented hereafter.

The Internal Mobility can have two different forms:

- a) Through reassignment of staff members in the interest of the service as par article 7 of the Staff Regulations
- b) Through internal publication of a post. In that case, the post is published at a range of grades within a function group corresponding to the type of post to be filled. Staff members are invited to send their application for the specific post with a view to its being filled further to a selection procedure.

The outcome of an internal mobility does not lead to any change in the contract of employment.

2. Mobility between Union agencies.

The ETF is part of the interagency job market agreement that was signed between agencies, as until the revised Staff Regulations of 2014, mobility was not foreseen for Temporary Agents.

Since the ETF signed this agreement, the ETF launched two vacancy notices via the Inter-agency Job Market and successfully recruited one colleague in 2009.

Now that the ETF Governing Board has adopted the Implementing Rule governing the recruitment of Temporary Agents 2f (GB/15/DEC/009), the mobility of Temporary Agents between Union agencies is also governed by that Implementing Rule. The main principles are highlighted hereafter.

In the vacancy notice, the post is published at the same range of grade as in the internal publication. It specifies that applicants must be Temporary Agents with at least two years' service, and have successfully completed a probation period.

In case of successful procedure, the selected Temporary Agent will keep his/her grade, step and seniority. The contract duration shall be that of the preceding contract and his/her personal file shall be transferred to the new "employer".

Staff movement between the agencies and the institutions.

As can be seen from the table below, the ETF recruits twice as many staff from other agencies/institutions than depart from the ETF to other agencies/institutions. The majority of applications from other agencies/institutions are in the Administrative and Management areas whereas it is limited in the core business area due to the requirements linked to specific prior experience.

| Year | Staff (TA+CA) recruited FROM other institutions/agencies | Staff (TA+CA) leaving the ETF TO join other institutions/agencies |
|--------------|--|---|
| 2007 | 4 | 4 |
| 2008 | 5 | 0 |
| 2009 | 2 | 1 |
| 2010 | 4 | 1 |
| 2011 | 2 | 3 |
| 2012 | 8 | 5 |
| 2013 | 5 | 1 |
| 2014 | 1 | 0 |
| 2015 | 2 | 1 |
| Total | 33 | 16 |

Gender and geographical balance

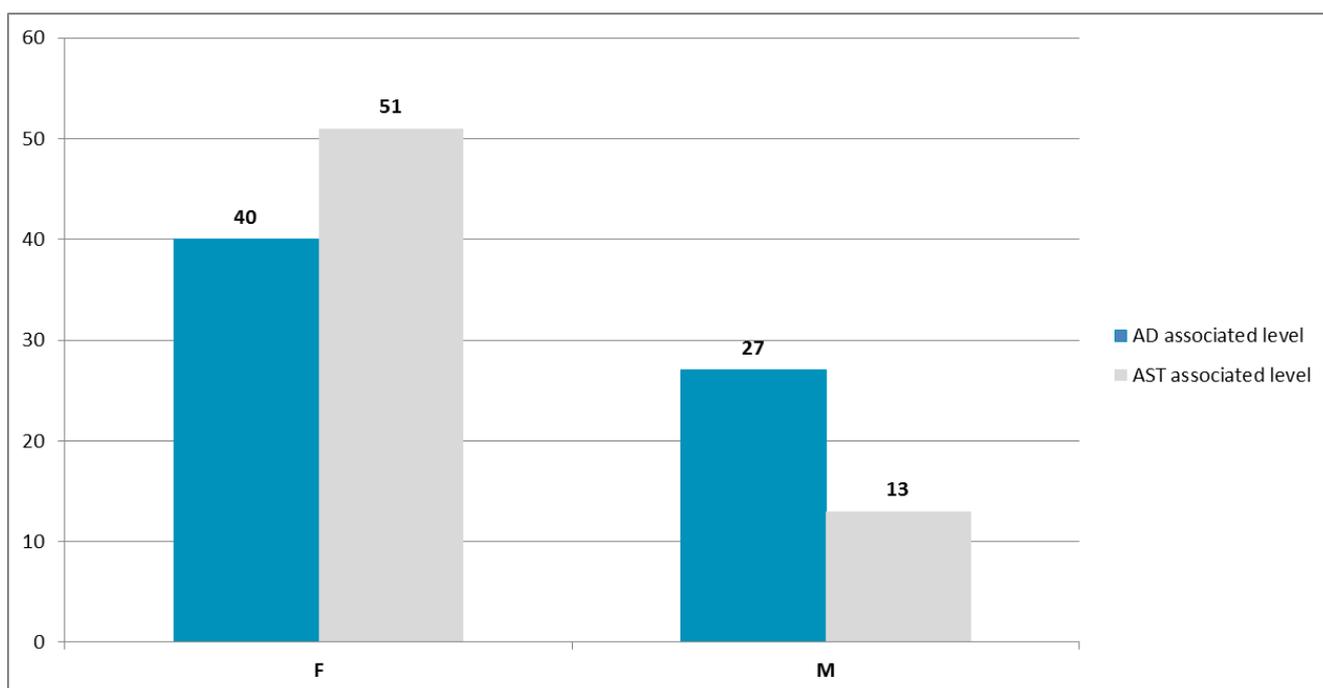
Gender balance

The data provided below refers to **posts occupied** on 31/12/2015 and not FTEs, therefore 131 (90 TAs, 39 CAs and 2 LAs).

| Contract (Function Group) | F | M | Total |
|---------------------------|-----------|-----------|------------|
| Temporary Agents (AD) | 34 | 25 | 59 |
| Temporary Agents (AST) | 24 | 7 | 31 |
| Local Agents (AL/N2) | | 2 | 2 |
| Contract Agents (II) | 8 | 2 | 10 |
| Contract Agents (III) | 19 | 2 | 21 |
| Contract Agents (IV) | 6 | 2 | 8 |
| Grand Total | 91 | 40 | 131 |

| TA, CA, LA | F | M | Total |
|----------------------|-----------|-----------|------------|
| AD associated level | 40 | 27 | 67 |
| AST associated level | 51 | 13 | 64 |
| Total | 91 | 40 | 131 |

| Managerial position | F | M | Total |
|-----------------------|----------|----------|----------|
| Middle Managers | 3 | 1 | 4 |
| Senior Managers | 2 | 3 | 5 |
| Total Managers | 5 | 4 | 9 |



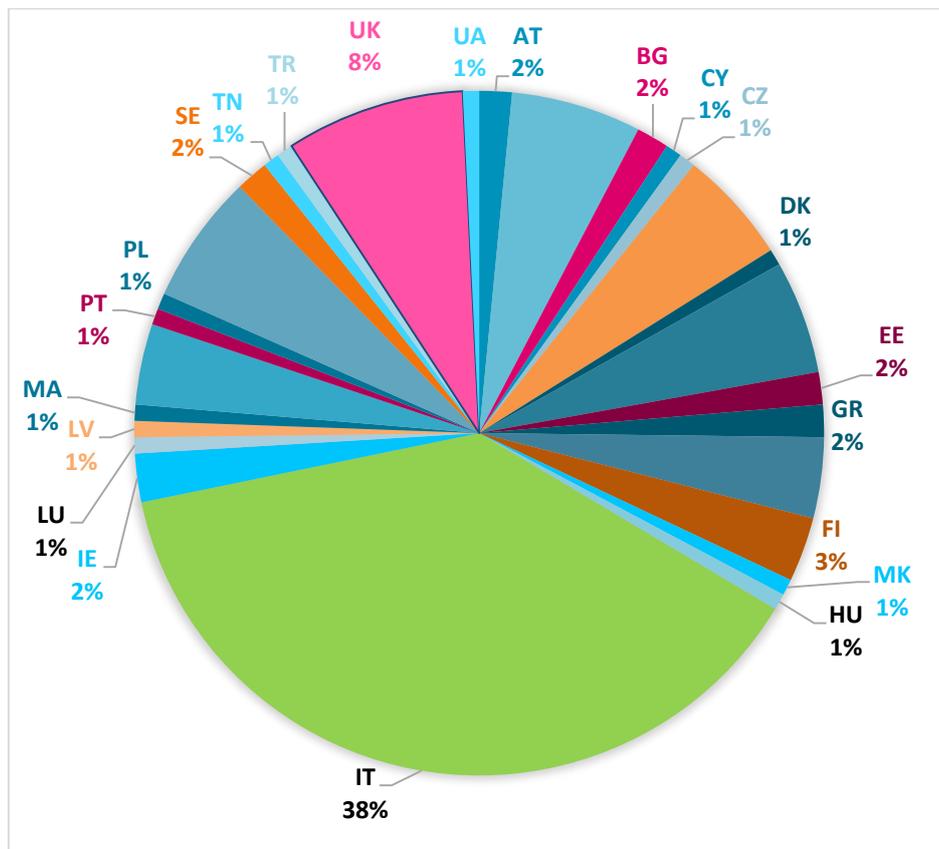
Geographical balance

The data provided below refers to **posts occupied** on 31/12/2015 and not FTEs, therefore 131 (90 TAs, 39 CAs and 2 LAs).

| Nationality | Total | % |
|------------------|-------|----|
| AT ²⁶ | 2 | 2% |
| BE | 8 | 6% |
| BG | 2 | 2% |
| CY | 1 | 1% |
| CZ | 1 | 1% |
| DE | 7 | 5% |
| DK | 1 | 1% |
| ES | 7 | 5% |
| EE | 2 | 2% |
| GR | 2 | 2% |
| FR | 5 | 4% |
| FI | 4 | 2% |
| MK | 1 | 1% |
| HU | 1 | 1% |

²⁶ Austria (AT), Belgium (BE), Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Germany (DE), Denmark (DK), Spain (ES), Estonia (EE), Greece (GR), France (FR), Finland (FI), the former Yugoslav Republic of Macedonia (MK), Hungary (HU), Italy (IT), Ireland (IE), Luxembourg (LU), Latvia (LV), Morocco (MA), Netherlands (NL), Portugal (PT), Poland (PL), Romania (RO), Sweden (SE), Tunisia (TN), Turkey (TR), United Kingdom (UK), Ukraine (UA).

| Nationality | Total | % |
|--------------------|------------|-------------|
| IT | 50 | 38% |
| IE | 3 | 2% |
| LU | 1 | 1% |
| LV | 1 | 1% |
| MA | 1 | 1% |
| NL | 5 | 4% |
| PT | 1 | 1% |
| PL | 1 | 1% |
| RO | 8 | 6% |
| SE | 2 | 2% |
| TN | 1 | 1% |
| TR | 1 | 1% |
| UK | 11 | 9% |
| UA | 1 | 1% |
| Grand Total | 131 | 100% |



Schooling

Turin has a range of international schooling opportunities. This diversified offer targeting a broader community than ETF staff has proven not to need specific agreements with eventual direct financial contribution on the part of ETF.

Nevertheless, the international education available in Turin does not cater sufficiently for all nationalities and schooling can be a barrier for staff in mid-career. Moreover, the current economic crisis and resulting budget cuts mean that public capacity to cater for the needs of international pupils has significantly diminished in recent years and the appetite of the Italian authorities for further developing the provision of international education in Turin is very limited.

Amongst the schools of main interests, we can find the following four:

- **Altieri Spinelli:** international state school covering ISCED 0 to 3. In every grade of school, the teaching of languages is carried out by Italian state teachers and by English, French and German mother tongue advisors. It has to be noted that this school is on the process of reviewing its international profile due to budget constraints.
- **International School of Turin:** a private international school offering a complete academic program in English covering ISCED 1 to 3. The school's curriculum is international and leads to the completion of both the American college preparatory diploma and the International Baccalaureate (IB) Diploma.
- **Lycée français Jean Giono:** French school, covering ISCED 0 to 3 offering curricula in French and Italian as well as in English (since 2009).
- **Istituto Vittoria:** an Italian state-recognised private school covering ISCED 3 offering a 4-year upper secondary programme in English leading to the Cambridge International Certificate of Education (ICE) and the International Baccalaureate (IB) Diploma.

The new Site Agreement ratified in 2012 by the Italian Government contains a new clause on schooling as follows:

"Italy shall do its utmost to provide adequate school education at kindergarten, primary and secondary level for the children of the Foundation's staff, and shall guarantee multilingual tuition in line with the system adopted in the European Schools."

Annex V Buildings

Current building(s)

| | Name, location and type of building | Other Comment |
|--|-------------------------------------|--|
| Information to be provided per building: | Villa Gualino, Torino, Italy | The ETF also has a liaison office in Brussels (J-70) |
| Surface area (in square metres) | 6,000 | |
| Of which office space | 2,175 | 23 |
| Of which non-office space | 3,825 | |
| Annual rent (in EUR) | 1 | 17000 |
| Type and duration of rental contract | 3 years | |
| Host country grant or support | NO | |
| Present value of the building | N/A | |

Building projects in planning phase

N/A

Building projects submitted to the European Parliament and the Council

NA

Annex VI Privileges and immunities

| Agency privileges | Privileges granted to staff | |
|--|--|----------------------|
| | Protocol of privileges and immunities / diplomatic status | Education / day care |
| <p>* Local premises have been provided by local authorities on the basis of a convention that provides for the following main essential points: ETF to participate in the costs of refurbishing the premises to be used, ETF to pay a symbolic rent, ETF to participate in the costs of maintenance of the building</p> <p>* General support is provided by Italy against unauthorised access or other forms of disturbances to the premises.</p> <p>*ETF is authorised to install and operate communications systems.</p> <p>* ETF official communication is not subject to any restrictions or to confidentiality breaches.</p> <p>*The Protocol of privileges and immunities is applicable to ETF.</p> <p>* ETF, its assets and funds may not be subject to administrative or legal measures of constraints.</p> <p>*Premises (including temporary premises) and buildings are inviolable, except in case of emergencies/ fire.</p> <p>* ETF, its assets and funds are exempt from taxes or direct duties, except for taxes on public services.</p> <p>* ETF is exempt from the payment of VAT for all purchases of goods or services or for imports above 300 Euros.</p> <p>* ETF imports and exports are exempted from customs duties, taxes, prohibitions or restrictions.</p> | <p>Staff immune from legal proceedings for acts performed in the exercise of their official duties.</p> <p>* Staff exempted from taxes on salaries and emoluments paid by ETF.</p> <p>* Staff, spouses and dependent members of family not subject to immigration restrictions or registration formalities for foreigners.</p> <p>* For currency exchange staff has the same privileges as officials of equal rank in the diplomatic missions.</p> <p>* Staff, spouses and dependent members of family receive assistance for repatriation in the event of international crises.</p> <p>* Staff may, duty-free and without prohibitions and restrictions, import from the country of their last residence or the country of which they are nationals, when they first take up their post, for a period of one year from their appointment for a maximum of two shipments, their own furniture and personal effects, including a vehicle bought at the conditions of that country, which will be registered in special series.</p> <p>* Staff may export, in the year following the date of cessation of their duties, without prohibitions and restrictions, their own furniture and personal effects, including vehicles.</p> | N/A |

| | | |
|---|--|--|
| <p>* Goods transported as hand baggage are treated as diplomatic luggage.</p> <p>* ETF vehicles are exempted from any taxes, duties or fees or from any import prohibitions/ restrictions.</p> <p>* ETF exempted from payment social security and health insurance contributions on salaries paid to staff, except for local agents</p> | <p>* The ETF Director, spouse and dependent members of family, is granted privileges and immunities, facilities and concessions granted by the Italy to members of equivalent rank in the diplomatic corps in Italy.</p> <p>* Staff, who is not permanently resident in Italy at the time of their appointment, may purchase a motor vehicle free from taxes and charges for the period of their residence in Italy.</p> <p>* Italy issues a special identity card to staff, spouses and dependent members of family to prove that the holder is ETF staff and enjoys privileges and immunities.</p> | |
| | | |

Annex VII Evaluations

Evaluation and monitoring over the period 2017-20 will be outlined in an ETF Monitoring and Evaluation policy which will take into account the requirements from ETF's mandate and financial regulations to set up an effective monitoring and evaluation system. The policy will also incorporate the monitoring and evaluation principles from the regulatory framework of the European Commission, the 'Better Regulation Guidelines and Toolkit'²⁷.

The ETF commitment to work towards achieving impact is supported by linking the ETF strategic objectives to the project objectives in each annual work programme and by associating these with targets to enable effective and efficient monitoring and evaluation. The ETF utilises the logic of an 'Impact Value Chain' whereby inputs and activities create outputs and outcomes which contribute to intermediate and long term impact. Additionally Key Performance Indicators (KPIs) are defined for the ETF as a whole to measure the overall performance of the organisation in two areas: i) operational and ii) human resources and financial.

Evaluations will enable the measurement and identification of the impact of ETF's work as illustrated in an ETF Intervention Logic, which will be incorporated within the policy and will outline the relationship between the ETF Impact Value Chain and the Key Performance Indicators through which the overall impact of ETF work can be measured.

Monitoring of projects will be done annually using a monitoring self-assessment tool based on the DAC criteria of relevance, efficiency, effectiveness, impact and sustainability. On a rotational basis supplementary external monitoring assessments using internal and/or external experts, including interviews with beneficiaries (principle of triangulation) will be carried out.

Evaluations planned for the period 2017-20

2017 - Policy analysis and system wide progress monitoring

2017 - VET provision and quality

2018 - Qualifications and qualifications systems

2019 - Support to EU assistance in the context of EU external policies

2019 - Entrepreneurial learning and enterprise skills

2020 - Employment, skills and employability (including skills and migration)

2020 - VET governance

²⁷ European Commission, Better Regulation Guidance and Toolkit, Strasbourg, May 2015

ANNEX VIII 2017 Risks

To be provided Q3 2016

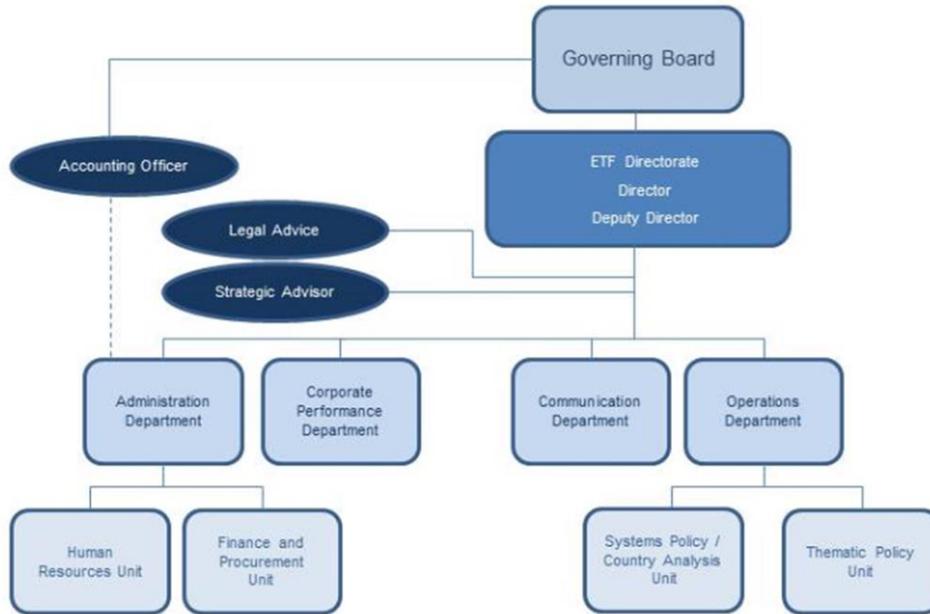
Annex IX Procurement Plan Year 2017

| 2017 | | | |
|---|----------------------------------|--------------------|--------------------------------------|
| Indicative planning of procurement procedures needed for the implementation of the projects | | | |
| Title | Estimated value in € for 4 years | Contract Tool | Tentative launch timeframe (quarter) |
| Services to support ETF project activities in Belarus | 120,000.00 € | Framework Contract | Q1 |
| Framework Contract: Services to support ETF project activities in Bosnia and Herzegovina | 200,000.00 € | Framework Contract | Q1 |
| Framework Contract: Services to support ETF project activities in Serbia | 150,000.00 € | Framework Contract | Q1 |
| Services to support ETF project activities in Palestine | 100,000.00 € | Framework Contract | Q1 |
| Provision of expertise to support ETF initiatives for human capital development | 4,000,000.00 € | Framework Contract | Q2 |
| Professional conference organiser services | 6,000,000.00 € | Framework Contract | Q3 |
| Meeting Design and Facilitation | 25,000.00 € | Framework Contract | Q4 |

Annex X 2015 Organisation Chart



ETF organisational structure



NB: The data provided above refers to **posts occupied** (including 2 job offers sent) on 31/12/2015 and not FTEs, therefore 131 (90 TAs, 39 CAs and 2 LAs).

| Organisational structure | CA | SNE | LA | TA | Total | Serv. Provid. | Total | Vacant positions | GRAND TOTAL |
|--|-----------|----------|----------|-----------|------------|---------------|------------|------------------|-------------|
| ETF Operations | | | | | | | | | |
| <i>OPS Core (Senior Manager, coordination and support staff)</i> | 1 | | | 6 | 7 | | 7 | | 7 |
| <i>Systems Policy/Country Analysis Unit</i> | 7 | | | 25 | 32 | | 32 | | 32 |
| <i>Thematic Policy Unit</i> | 7 | | | 25 | 32 | | 32 | | 32 |
| Sub-Total Operations Department | 15 | 0 | 0 | 56 | 71 | 0 | 71 | 0 | 71 |
| Administration Department | | | | | | | | | |
| <i>AD Core (Senior Manager, ICT and support staff)</i> | 4 | | 1 | 5.5 | 10.5 | 3 | 13.5 | | 13.5 |
| <i>Accounting</i> | | | | 2 | 2 | | 2 | | 2 |
| <i>Finance & Procurement Unit</i> | 8 | | | 4.5 | 12.5 | | 12.5 | | 12.5 |
| <i>Human Resources Unit</i> | 4 | | | 6 | 10 | | 10 | | 11 |
| Sub-Total Administration | 16 | 0 | 1 | 18 | 35 | 3 | 38 | 1 | 39 |
| ETF Directorate | 1 | | | 2 | 3 | | 3 | 1 | 4 |
| <i>Legal Advice</i> | | | | 1 | 1 | | 1 | | 1 |
| <i>Strategic Advisor</i> | | | | | 0 | | 0 | | 0 |
| COMM (Communication Department) | 5 | 0 | 1 | 6 | 12 | 0 | 12 | 0 | 12 |
| CPD (Corporate Performance Department) | 2 | 0 | 0 | 7 | 9 | 0 | 9 | 0 | 9 |
| Grand Total including vacant positions | 39 | 0 | 2 | 90 | 131 | 3 | 134 | 2 | 136 |
| <i>Vacant positions</i> | | | | 2 | 2 | | 2 | | 2 |
| Total including vacant positions | 39 | 0 | 2 | 92 | 133 | 3 | 136 | | 136 |

Annex XI ETF Key Performance Indicators 2017-20

This section presents the key indicators for measuring ETF business performance .It comprises all the indicators intended to measure ETF efficiency and effectiveness as well as compliance with performance standards for Decentralised Agencies²⁸.

| Categorisation | | KPI | Formula |
|-------------------------------------|----|---|---|
| Operational Indicators | 1 | Activities completion rate | Rate (%) of completion of the activities of the ETF Work Program |
| | 2 | Timely achievement of activities of the ETF Work Program | Rate (%) of activities of the ETF Work Program timely achieved |
| | 3 | Timely submission of corporate documents to the EC | Rate (%) of corporate documents timely submitted to the EC |
| | 4 | Administrative support and coordination / operational staff ratio | $\frac{\text{(Administrative support and coordination job type category)}}{\text{(Operational job type category + Neutral job type category)}}$ |
| | 5 | Level of satisfaction EC requests | Rate (%) of positive feedback from EC requests implemented in Year N |
| | 6 | Countries' policy development progress | Rate (%) of countries successfully progressed within stage or next stage of policy development |
| | 7 | Stakeholder engagement | Rate (%) of stakeholder diversification and participation in partner country activities |
| | 8 | Dissemination reach | Weighted sum of: no. of people reached through digital media, downloads and events in Year N |
| Human Resource & Finance Indicators | 9 | Average vacancy rate | % of authorized posts of the annual establishment plan which are vacant at the end of the year, including job offers sent before 31st December |
| | 10 | Staff engagement | Staff engagement rate (%) from engagement survey in the agency |
| | 11 | Commitment Appropriation Implementation | Rate (%) of implementation of Commitment Appropriations |
| | 12 | Payment Appropriations cancellation rate | Rate (%) of cancellation of Payment Appropriations |
| | 13 | Timely Payments | Rate (%) of payments executed within the legal/contractual deadlines |
| | 14 | Rate of outturn | Total payments in year N and carry-forwards to Year N+1, as a % of the total EU funding received in Year N |
| | 15 | Audit recommendation implementation | Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines |

²⁸ See also Commission Guidelines for Key Performance Indicators in EU Decentralised Agencies Staff Working Document 62 of 13 March 2015.