Working together
Learning for life

FRAME: SKILLS FOR THE FUTURE

SUPPORTING A STRATEGIC VISION FOR HUMAN RESOURCES DEVELOPMENT

GUIDE FOR THE REVIEW OF INSTITUTIONAL ARRANGEMENTS

JULY 2014

This project is funded by
the European Union

This guide was elaborated by the ETF with the support of Susanne Møller Nielsen and Nazy Sedaghat. The ETF staff member responsible for the guide was Francesca Rosso, with major contributions from Marie Dorleans, Lizzi Feiler, Anastasia Fetsi and Manuela Prina.

GUIDE FOR THE REVIEW OF INSTITUTIONAL ARRANGEMENTS

A FRAME project publication, July 2014

PRE-NOTE

This guide was elaborated in 2013–14 by the European Training Foundation (ETF), with the support of external institutional assessments and financial experts, following discussions and debates involving national experts. The final guide takes into account comments and inputs received from ETF experts in education, capacity building, finance and statistics; special thanks are due to Lizzi Feiler, Anastasia Fetsi, Marie Dorleans, Manuela Prina, Lida Kita, Rosita Van Meel and Doriana Monteleone.

The guide has been developed in line with the timetable established at EU level for the adoption of new financial instruments for South Eastern Europe and Turkey. The guide is to be used to lead the review in enlargement countries, but is not intended to be a blueprint. Practical implementation should be tailored to country-specific conditions.

Francesca Rosso, ETF
July 2014

Contents

INTRODUCTION

Purpose

This guide for the review of institutional arrangements (hereafter 'the Guide') in the human resource development (HRD) sector has been developed by the European Training Foundation (ETF), in response to a request from the European Commission's Directorate-General for Enlargement, to support EU candidate and potential candidate countries to enhance their capacities in HRD.

The Guide will be used to carry out the review of institutional arrangements in the enlargement countries within the EU-funded FRAME initiative 'Supporting the Development of Comprehensive HRD Strategies in the Enlargement Countries', Component 2. The countries participating in FRAME are Albania, Bosnia and Herzegovina, Kosovo[1], the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey. The Guide is prepared as an internal guidance document to assist the country teams to carry out the reviews in the seven enlargement countries. The methodology has been conceived in line with and limited to the human and financial resources available within the FRAME project, and is therefore intended to satisfy the specific objectives of the project.

Nonetheless, the Guide can also be used by ETF partner countries as a tool for reviewing their institutional arrangements: institutional reviews for capacity development are to be conceived as on-going processes – as part of organisational/institutional change – and should therefore be carried out by institutions in order to identify continuous institutional capacity needs in policy making, delivery and monitoring. In this context, the Guide would also help national stakeholders in their unceasing efforts towards public administration reform. It also includes insights and lessons from the first countries in which it has so far been implemented.

The review aims to identify the necessary institutional arrangements for achieving a shared Skills Vision by 2020 and for implementing the related roadmap identified under FRAME Component 1 – Foresight. In particular, the review aims to provide preliminary information on the current position in relation to the Skills Vision and to gather suggestions for shared capacity-development plans. These shared ideas and plans can be used by relevant institutions to enable them to implement the roadmap attached to the vision.

The results of the review will also serve to inform EU services on the institutional arrangements in enlargement countries, with particular reference to the planning and programming of the Instrument for Pre-Accession Assistance (IPA) in the period 2014–20. The ETF is thus part of the drive that will support the preparations for IPA II, and in particular the sector approach, which requires coordinated strategic approaches.

The Guide is intended to be a practical document to be used in a flexible way by the ETF in cooperation with partner countries. This means that a 'one-size-fits-all' approach will be avoided and that a specific analysis of the national context will determine the specific steps for the intervention. It also means that the methodology will be treated not as a fixed text, but as a flexible and interactive document that participants use and to which they can contribute.

[1] 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, hereinafter 'Kosovo'.

The overall objective of FRAME is to promote sustainable economic development and social cohesion within a medium- to long-term perspective, with particular reference to the EUROPE 2020 Strategy and to the South East Europe 2020 Strategy. In particular, the FRAME project aims to:

- strengthen the capacities of national actors in enlargement countries to further develop and embed evidence-based policy making and policy implementation through the use of specific methodological instruments throughout the policy cycle; this mainly consists of the elaboration of skills foresight, review of institutional arrangements and monitoring of HRD;
- better align the education and training systems with the needs of the economy and the labour market;
- strengthen institutional capacities and interinstitutional cooperation to ensure comprehensive and consistent policy approaches across the government agencies concerned.

The FRAME initiative for South Eastern Europe and Turkey consists of four interrelated components.

- **Component 1** – **Foresight:** Develop a foresight methodology to build a vision for future skills towards 2020, as input for coherent national HRD strategies in EU enlargement countries, including priorities and roadmap/milestones for the vision.
- **Component 2** – **Review of institutional arrangements:** Carry out a review of institutional arrangements in the HRD sector in relation to the capacity to achieve the country Skills Vision 2020 (and related roadmap/milestones), and consequently develop capacity-development responses.
- **Component 3** – **Monitoring**: Develop a performance- and indicator-based system to monitor progress and strengthen accountability in implementing the sector approach in HRD in line with national strategic objectives and Europe 2020.
- **Component 4 – Regional:** Facilitate a mutual learning process among enlargement countries in the region and the organisation of a regional foresight exercise on skills scenarios for South Eastern Europe and Turkey.

The foresight component of the project aims to establish a vision for skills from the 2020 perspective, with a list of priorities and the roadmap/milestones for implementation. The key question for Component 1 is, what skills should the countries develop by 2020 and how can these be generated?

The goal is to reach a shared understanding among the relevant stakeholders for a vision for skills, priorities and implementation of the roadmap/milestones through a participatory approach. The results of the foresight process will be summarised in a Vision Paper for each country, which will be considered a working document for endorsement by the enlargement countries. The Vision Paper will also inform the European Commission’s services and the national authorities in relation to the drafting process of the Country Strategy Papers, which will in turn be used as the basis for future IPA II funding.

Components 2 and 3 will complement the foresight component, reviewing institutional arrangements in the HRD sector and setting up a monitoring and reporting system for measuring progress against the Skills Vision, the priorities and the roadmap/milestones. The key assessment question for Component 2 is, what are the capacity needs of institutions for achieving the Skills Vision 2020?

This includes the institutional capability to manage the policy cycle – including planning, implementation and monitoring – and the capability to use foresight as a forward-looking policy-making approach. The review will also include a section on budget planning and execution capacities linked to the capacity of institutions to work within a medium-term expenditure framework (MTEF) (and, more specifically, the effectiveness and efficiency of institutional arrangements to deliver and contribute to sound policies in the area of HRD).

Structure

The Guide is a tool to be used in the enlargement countries by ETF staff and external experts carrying out the review of institutional arrangements. It provides the rationale for the exercise, with a particular focus on the practical implementation of the review. Interview guidelines, the MTEF questionnaire, glossary of terms and a list of references are included at the end of the Guide.

The Guide has two main parts.

- Part 1 provides a general overview of conceptual frameworks and approaches of reviews of institutional arrangements, particularly in the HRD sector. It describes the context in which the review will be carried out and provides a rationale for the exercise.
- Part 2 provides more detailed information and guidelines on the concrete implementation of the methodology proposed within the FRAME project, including a specific description of the steps and participatory mechanisms to be put in place and the different templates for the tools to be used for the implementation of the review.

PART 1. REVIEW OF INSTITUTIONAL ARRANGEMENTS: CONCEPTUAL FRAMEWORK AND APPROACHES

1.1 Overview: context for the identification of policy reforms and measures in the HRD sector

Over the next decade, the EU will face multiple challenges in ensuring growth and jobs, as countries face the issues of high unemployment, increased poverty levels, reduced capital investment, increased public deficits and uneven growth. The Europe 2020 strategy constitutes a reference framework that takes into account these concerns and also represents an anchor for reforms in candidate and potential candidate countries. The adverse consequences of the financial crisis, which strongly affected South Eastern Europe (and to a much lesser extent Turkey), will be more easily surmounted in some countries, while other countries will experience an enduring impact of the crisis that will call for more extensive adjustments in order to rebuild competitiveness and that will, in some cases, require a difficult adjustment of priorities.

The FRAME project is intended to contribute to the identification of reforms and policy measures that can support growth and jobs in the medium term, e.g. the capacity of human resources and labour market institutions to develop and support the sector reforms. The financial support provided by the EU in the period 2014–20, IPA II, will be used to this end. Enlargement countries need to ensure a more coherent and evidence-based policy approach concerning HRD and improved institutional and interinstitutional cooperation. Strengthening the evidence and capacity for improved institutional performance will lead to a better alignment of the education and training system with the needs of the economy and the labour market.

The empirical and prospective analysis carried out for this study shows that many of the basic challenges and drivers of change in the labour market for EU member states are also valid for South Eastern Europe and Turkey: ageing, societal changes, globalisation, the shift to a knowledge-based society, management of natural resources and the necessity of tackling climate change and developing a low-carbon economy. The economic and financial crisis has highlighted fragilities and raised the spectre of persistent long-term unemployment in the EU, as well as in candidate and potential candidate countries, and has forced governments to accelerate reforms to diminish structural unemployment, and to reduce the risk of permanent exclusion from the labour market, as well as the risk of fewer opportunities for young people entering the labour market.

The assessment of employment and human resource prospects during the period up to 2020 takes account of the effects on the labour force, employment and unemployment of the downturn of 2008–09 and the growth strategy that followed the Lisbon Agenda. Consequently, employment policies will, over the medium term, face the particularly difficult challenge of reconciling longer-term objectives with immediate concerns about emerging from the crisis and its aftermath. The recovery of the economies and employment levels in the countries concerned may not follow the same pattern, but will be guided by effective EU-level solutions envisaged by the Europe 2020 strategy (and the forthcoming reform of structural instruments). A more strategic approach for developing a vision for HRD[2], with a specific focus on the skills needed in the period 2014–20, has been adopted and is being implemented. A

[2] In the enlargement context, HRD is an area that extends to a wide range of actors, including ministries in charge of education, labour and the economy, public employment services, regional authorities, social partners, non-governmental organisations (NGOs), research bodies, and international and national donors. However, because the conditions vary among and within the enlargement countries, there is no authoritative definition of the HRD sector.

move towards convergence, or, as a minimum, the goal of creating links between and across sectors, is being pursued[3]. A renewed coherent and strategic approach to pre-accession assistance will also need to be adopted, with interventions tailored to the specific needs of the countries and with the adoption of more results-oriented programmes that are linked to clear targets with performance indicators for measuring and monitoring achievements.

HRD has an important contribution to make to employment and to inclusive, sustainable growth efforts, addressing the skills depletion that is the result of high employment levels. This will be a response to emerging skills shortages or gaps in dynamic sectors, regions and enterprises. Better skills with more relevance to the current and future requirements are a prerequisite for employability. Key challenges include ensuring the use of a more coherent and evidence-based policy approach, achieving a better match between the education and training system and the needs of country-specific economies and labour markets, and strengthening institutional capacities and interinstitutional cooperation.

Various stakeholders have important roles and responsibilities in the governance of the HRD sector at different levels. The main policy-making challenges are to empower the different institutions, agencies and centres in the HRD sector and to promote wider and more effective involvement of the social partners. Another major challenge is to improve the policy accountability and the improvement of policy delivery, which could also include financial autonomy of the providers in the HRD sector. Education and training providers are becoming the frontline actors in observing developments in the labour market and the placement of students, and observing changes in learning and teaching requirements, methods and tools. In order to meet the complexity of society, the performance of the HRD sector and of individual providers is linked to a new environment of enhancing dialogue, networks, innovation and sustainability. These are all challenges for the education and training system in addressing the changing needs of modern economies.

The emerging perspective on multi-level governance emphasises the technical aspects of improving the efficiency and effectiveness of policies, reforms and institutional arrangements. It also identifies participation as a worthwhile goal in itself, through establishing joint ownership and implementation of policies. Multi-level governance is thus associated both with achieving policy objectives and with a broader vision of democratic participation.

In the HRD sector, adaptation and change seldom cease, and systems continue to develop and respond to the emerging needs of society and the economy. The capacity to deal with these continuous developments through system innovation, by responding to evolving needs in a strategic perspective, and by sustaining investments and tools, is the basis of efficient and effective HRD and education and training systems.

1.2 EU IPA support: the move towards a sector approach and relevance of national institutions

In response to the challenges mentioned above, during the period 2007–13 enlargement countries used IPA support to introduce EU-related reforms to support recovery and sustainable growth, for instance by implementing actions that allow for a better business environment. Greater efforts towards the strategic development of these countries' own human resources for promoting sustainable

[3] In particular, with reference to the EU policies, several important developments have been observed in this sense, such as the Recommendation under the Irish Presidency of the European Union (January–June 2013) to promote the 'convergence of Quality Assurance arrangements in VET and Higher Education' and the Draft Council Conclusions on quality assurance supporting education and training (7 May 2014), which insists on promoting 'transparency and complementarity between sectorial approaches to quality assurance […] with a view to enhancing permeability between education and training sectors'. A similar trend is observed in countries from the European Higher Education Area, e.g. the recommendations from the International Seminar on Quality Assurance, held in Biograd na Moru, Croatia, on 27 June 2013.

economic development and social cohesion will be needed in the foreseeable future, with particular reference to the leading principles of the Europe 2020 Strategy, and also taking into account developments at regional level (e.g. the South East Europe Strategy (SEE 2020)) and the possible paths for further evolution in the context of regional cooperation. Improved strategic planning of HRD for the period 2014–20 will also help beneficiaries to overcome the economic and financial crisis by jointly working on increasing their competitiveness while improving their human capital. Improving interinstitutional cooperation and coordination in policy planning and delivery remains one of the key challenges for countries in South Eastern Europe and Turkey: enhanced coordination could eventually lead to greater capacity on the part of institutions to implement national policies.

The 2007–13 IPA has proved to be effective in supporting candidate and potential candidate countries on the road to membership. However, numerous challenges in the HRD sector remain. Overall, country authorities have recognised the need for policy coherence and have outlined strategic development goals in education, employment and social inclusion in national and regional development plans, in sector policies and programmes and in related strategies.

The gradual move from a predominantly project-based approach towards a more comprehensive policy- or sector-based approach, launched in 2009, addressed the need to develop sector plans, linking sector approaches to EU integration objectives, improving country ownership, developing the governance of sector approaches and establishing a performance assessment framework to measure results. Sector-based approaches should facilitate cooperation among donors and beneficiaries, under the lead of the national authorities. This will increase the impact of combined efforts and reduce or avoid the risk of duplication. While focusing on results, sector approaches should allow for better identification of short- and medium-term priorities and the identification of a series of short- and medium-term actions to address needs for capacity building, technical assistance and investments. Finally, the approach should facilitate the alignment between sector policies, spending and results by unifying expenditure programming and management around the sector budgets, and should increase the cost-efficiency and cost-effectiveness of aid by minimising transaction costs associated with the provision of external financing.

The implementation of the sector approach within IPA II will require coherent strategies and the involvement of stronger institutions, equipped with sufficient planning, delivering and monitoring capacities. Enhancing ownership at the country level is one of the key objectives of IPA, and it is also one of the cornerstones of the sector-based approach. Correct identification of capacity-building needs in the beneficiary countries will facilitate the realisation of all the anticipated benefits of the sector approach. This represents a pressing priority and a pre-requisite for the implementation of the next IPA for the period 2014–20.

There is no single model or blueprint for the introduction of sector approaches, as the structure and the pace of progress are determined by the particular sector, the sector stakeholders, and the political, social and economic framework condition. However, the following components determine the readiness of a given sector for the introduction of a programme-based approach:

- a clear nationally owned sector policy and strategy;
- a medium-term expenditure programme that reflects the sector strategy;
- systematic arrangements for programming the resources that support the sector;
- a performance-monitoring system that measures progress and strengthens accountability;
- broad consultation mechanisms that involve all significant stakeholders;

- a formalised government-led process to aid coordination and dialogue at the sector level;
- an agreed process for moving towards harmonised systems for reporting, budgeting, financial management and procurement.

The evolution of sector approaches from aid-coordination mechanisms to instruments of socioeconomic development requires that wider reform issues are addressed. This translates into governments utilising sector approaches to support national strategic development, and, in particular, adjustments in government policy preparation, coordination and implementation. A strong national leadership (at the specific sector or ministry level) is fundamental to developing a broad consensus on the key objectives and funding issues for a particular sector. This includes defining sector priorities, arranging sector budgets and their medium-term perspective, adopting institutional capacity-building actions, introducing a performance-monitoring and accountability mechanism, and evaluating the impact on the public finance management system and the wider economy.

1.3 Definitions

Institutions

These are the actors that have a role in defining or governing the rules on which the vocational education and training (VET) sector functions.

Organisations

These actors have a role in the VET sector, but do not set the rules, though they do influence the input, process, results and use of the outcomes.

Stakeholders

This refers to the institutions and organisations involved in a specific thematic area and/or policy cycle phase within the VET sector.

Institutional arrangements

This is the organisation of policies, rules, norms and values that countries have in place to legislate, plan and manage the execution of development, the rule of law, the measurement of change, and other such functions of state. By its nature, the issue of institutional arrangements appears in every aspect of development and public sector management. Whether they are ministries of finance or planning, offices of disaster-risk reduction, or whole sectors such as education and health, the smooth functioning of institutions is crucial.

Human resources management, for example, is inextricably linked at all levels: individual, organisation/sector, the enabling system (e.g. through its centrality within civil services by-laws), etc. Capacity assessments frequently reveal that there is a great deal of inefficiency across government agencies because institutional arrangements are not set up in an optimum way. For example, intragovernment coordination mechanisms are not adequate; human resources arrangements are ad hoc; or different agencies use different monitoring and evaluation frameworks.

Capabilities (functional and technical)

These are the collective ability necessary for creating and managing policies, legislation, strategies and programmes across various levels of capacity (enabling environment, stakeholders – institutions and organisations, individual) and core issues (institutional arrangements, leadership, knowledge, accountability). They are crucial for 'getting things done' and are not associated with any one particular sector or theme. The following capabilities are considered key in the context of the delivery of policies.

Stakeholder participation

- **Engage stakeholders:** This refers to the capability of an institution/organisation to engage with multiple stakeholders and build consensus. It pertains to all relevant public and societal agents, as well as external partners. It includes the ability to identify, motivate and mobilise stakeholders; create partnerships and networks; promote engagement of civil society and the private sector; manage open dialogue with large interest groups; mediate divergent interests; and establish collaborative mechanisms.

Evidence-based policy making

- **Assess a situation and define a vision and mandate**: This is the ability to fully understand an operating environment and to develop and articulate a vision or goal informed by the objectives to be achieved. It includes the capacity to access, gather and disaggregate data and information; analyse and synthesise data and information; articulate capacity assets and needs; and translate information into a vision and/or a mandate.

Policy-cycle management

- **Formulate policies and strategies (policy-cycle management)**: This includes the capacity to explore different perspectives; set objectives; elaborate sectoral and cross-sectoral policies; and manage priority-setting mechanisms.
- **Budget, manage and implement (cost-effectiveness analysis and delivery)**: This includes the ability to formulate, plan and manage projects and programmes, including the capacity to prepare a budget and to estimate capacity-development costs; manage human and financial resources and procurement; and set indicators for monitoring and monitor progress.
- **Evaluate (policy learning)**: This relates to the evaluation of progress to ensure performance, learning and accountability. It includes the ability to measure results and collect feedback in order to adjust policies; highlight important lessons and promote learning; and ensure accountability to all relevant stakeholders.

Various technical capacities may also need to be assessed, depending on the situation. In this Guide, a combination of these dimensions will be referred to as a cross-section.

Capacity

This is the ability of people, organisations and society as a whole to manage their affairs successfully and is the moving target of a change process that involves individuals, organisations and societies. It should not be seen as a gap that can be bridged conclusively, but rather as a continuous matching of needs, contexts and purposes under the leadership of each person, institution or country.

Capacity development

This indicates the macro framework and long-term development perspective of a country or of a specific sector. In the context of the ETF's work, capacity development is defined by the set of factors that will allow a country to take care of its own development in the human capital sphere of work, in terms of anticipating and meeting needs, contexts and purposes in order to maximise the role of skills in the socioeconomic framework.

Capacity building

This is the process through which the knowledge, skills and competences of a country's stakeholders are supported in order to contribute to the development perspective. In the context of the ETF's work, capacity building refers to the support for knowledge, skills and competences in VET thematic areas in relation to policy-analysis and policy-making capabilities.

Stakeholders' capability

This represents the collective ability of VET stakeholders 'to do something either inside or outside the system. The collective skills involved may be technical, logistical, managerial or generative. In the context of the ETF's work, capability refers to the ability of stakeholders in the VET sector to productively engage in policy analysis and policy making.

Medium-term expenditure framework (MTEF)[4]

The MTEF is one of a number of budgeting tools (including, for instance, the Budget Law). Its specificity lies in the fact that it formulates the budget in a medium-term context (three years) on a rolling basis. This means that while the annual budgets are implemented each year, the horizon is rolled out by one year to retain the three-year framework for policy and planning purposes. The appropriation process continues on annual basis in line with the legal requirements of the Budget Law, and the annual budget remains the only legally binding budget.

There is no blueprint for where the MTEF should be started – at either the sector or the national economy level. But in practice, an MTEF is usually initiated in a number of pilot sectors, normally the higher-spending sectors (health, education and social protection). The sector MTEF work is then gradually reflected in the wider framework of the medium-term budget framework (MTBF), contributing to the formulation of the economy-wide framework.

The MTBF, in turn, aims to transform the budgetary systems of the central ministries of the government that are responsible for budgetary management, as well as those of the individual line ministries that are responsible for sector spending and service delivery. The MTBF, responsibility for which lies at the top of government, introduces a system of public expenditure management that supports the alignment of spending with national policy priorities and that defines expenditures in terms of budgetary outputs and outcomes.

Ideally, the MTEF consists of:

- a top-down resource envelope (budget circular with budget ceilings issued by the Ministry of Finance to line ministries and other spending agencies early on in the financial year);
- a bottom-up estimate of the current and medium-term costs of existing policies;
- the matching of these costs with available resources in the context of the annual budget process.

1.4 Why are reviews of institutional arrangements important, and how are they linked to capacity development?

The conceptual framework for dealing with reviews of institutional capacity and capacity-development issues, mainly in public sector areas, is not well documented or developed: the methodology for assessing organisations in general and related research remain at an early stage of development.

Capacity development has been defined as 'the process of developing competencies and capabilities in individuals, groups, institutions, sectors or countries which will lead to sustained and self-generating performance improvement'. Institutional capacity development is strongly assumed to be beneficial, although relatively little systematic analysis of institutional capacity and its growth subsequent to intervention has been conducted. Organisational capacity is a complex phenomenon involving multiple

[4] MTEF is sometimes interchangeably referred to as programme-based budgeting (PBB) and results-oriented budgeting (ROB), which are methods of budgeting that relate resources to planned and expected results, outputs and outcomes, instead of the conventional accrual-based budgeting, which places the emphasis on the inputs. Programme indicators are the measures used to track annual progress in meeting programme objectives. There are various types of programme indicators: inputs, outputs, efficiency measures and outcomes (or performance measures/results).

variables, but analysis of key variables of organisations can make a difference in terms of institutional functioning and performance. The organisation's underlying capacity either supports or impedes its performance; thus, an examination of the performance of specific organisations can be an indication of the weaknesses and strengths of the underlying capacity.

Most importantly, a review of institutional arrangements can explore the causes of current levels of performance and the constraints and drivers of capacity development. Through the analysis of these elements, improvements can be introduced into the system so that bottlenecks are eliminated (or reduced) and potentialities are maximised. Depending on the focus and the specific objective of each review, institutions can thus be equipped with better instruments, improved legislative arrangements can be proposed, enhanced human resources can be created, and streamlined procedures can be adopted, among other things.

From the beneficiary country's point of view, reviews of institutional arrangements can help to better understand the main elements that can be conductive to an enhanced institutional setting, and therefore the better functioning of the public function. In this context, such reviews can enhance the transparency of processes and results. This in turn may create commitment to subsequent change: stakeholders can refer to concrete recommendations for improving different critical aspects such as interministerial coordination mechanisms, implementation of strategic documents, and the prioritisation and sequencing of activities. Moreover, such reviews can underline the strengths of single institutions and also increase their credibility at national and international levels.

From the donors' point of view, reviews can help to increase the effectiveness of aid and the division of labour and responsibilities, avoiding overlapping and duplicated efforts. In this light, reviews can guide donors towards one or another modality of support, and can indicate whether a capacity-development process needs to be initiated, and if so, in what specific form. Moreover, reviews can offer a framework for dialogue and joint analyses of capacity issues between donors and government representatives, based on the recognition that capacity development is primarily a domestic affair in which the donors can only provide support to a country-owned process.

The European Commission – specifically the Directorate-General for Development and Cooperation (DG DEVCO) – and the United Nations Development Programme (UNDP) have developed similar approaches and a Capacity Assessment Framework. The institutional assessment frameworks are considered to be of particular use in the preparation of support to sector programmes and budget support exercises. More generally, the objective of the European Commission is to enable institutions to engage in dialogue with stakeholders and specialists about issues relating to institutional reviews and assessments and capacity development, as well as support to capacity development, in the design and implementation of sector or budget support operations. The European Commission Institutional Capacity Assessment Guidelines reflect recent debates about capacity issues and seek to translate them into more operational guidance[5]. The Directorate-General for Enlargement (DG ELARG) has no specific guidelines on how to deal with review of institutional arrangements and capacity.

Other conceptual tools have been developed at international level to analyse institutional arrangements, including the division of roles and responsibilities between different actors involved in the policy-making mechanisms of a specific sector. Specifically on VET, the ETF Analytical Framework for the Torino Process (2012) is of particular interest, as on the basis of a participatory process it leads

---

[5] The European Commission Institutional Capacity Assessment Guidelines supplement existing key guidance on Aid Delivery Methods produced by DG DEVCO as the Guidelines on EC support to Sector Programmes and Guide on Budget Support in Third Countries. In particular, it completes the sections on Institutional Assessment and provides additional references about capacity assessment and capacity development. It also complements the Project Cycle Management Guidelines, providing a conceptual framework that is particularly relevant for large projects in the public sector.

to an evidence-based analysis of VET policies at country level. The Torino Process is carried out in order to build consensus on the possible ways forward in VET policy and system development. This includes determining the state of the art and vision for VET in each country or, after a given period, an assessment of the progress that countries are making in achieving the desired results. Governance in VET is considered one of the main points of analysis within the Torino Process framework.

Again, specifically on VET, the ETF has developed a multi-level governance matrix that allows the capture of the different roles and responsibilities of stakeholders in the governance of modern VET systems and reforms, and also takes into account the different levels in the system. The ETF multi-level governance methodology represents a cross-cutting tool for analysing and then improving the governance of VET systems, based on a two-fold concept: how good governance can support the efficiency of systems and, consequently, how it can help to ensure the effectiveness of reforms.

The methodology conceived and presented in this Guide takes stock of the abovementioned different methodologies (functional review, self-assessment, joint assessment methods and ETF Torino Process Analytical Framework) in order to best fit the purpose of the FRAME project: proposing capacity-development actions so that institutions can effectively contribute to the delivery of the Skills Vision 2020. Part 2 of the Guide presents the approach that is held, by the team of experts, to be the one that is most appropriate for conducting a review of institutional arrangements within the FRAME project, based on a review of alternative approaches and methods conducted by the team.

Reviews of institutional arrangements will have an important role, specifically for the planning of IPA II, for a number of stakeholders. National institutions (managing authorities, in the case of candidate countries, line ministries and national IPA coordinators) will have an interest in the review. They will be judged by IPA programming absorption rates and, in the longer term, by the overall quality, impact and sustainability of the actions funded by IPA. Likewise, European Commission services and delegations will have an interest and should be involved, at least in a consultative or advisory role, since reviews and capacity-development actions will have a direct impact on the ability of beneficiaries to apply for and effectively utilise IPA funds. Moreover, it may be possible to utilise IPA funding to address capacity gaps that are identified through the review process. This highlights the need for the involvement of a key central body to ensure that the results of the review are acted upon.

1.5 Why is it important to link budget considerations (MTEF) to the review of institutional arrangements?

A review of institutional arrangements aims to ensure that the policies defined, specifically in the case of the Skills Vision 2020, are backed up by the appropriate capacities to make them realistic: this includes human resources and organisational arrangements, but also financial resources that will make possible their effective implementation. Therefore, it is crucial to complement the review of institutional arrangements with a review of financing aspects, including on what basis and using which tools – such as the MTEF – the budget is prepared, and how it is then translated into actual financial commitment, and monitored and adjusted regularly. This part of the review acts as a ‘reality-check’ for ensuring that institutional arrangements will be adequately supported.

What is the MTEF for? The ultimate purpose of an MTEF is to enhance predictability, transparency, accountability and sectoral management, by aligning mid-term priorities with the resources available.

Experience strongly suggests that reform programmes need to focus as much on institutional analysis and change-management disciplines as on financial management theory. This gradual approach towards public finance management in general captures a number of other cross-cutting issues beyond financial management (such as governance and public sector management) at sector and country level. These links are established through different steps/phases of developing and /or implementing MTEFs (i.e. identifying the sector policy objectives, priorities for budget planning and implementation, associated implementation activities, costing those activities, and performance monitoring and reporting). By enhancing policy-responsive planning and budgeting, improving accounting and reporting, and strengthening external scrutiny and audit, as well as internal audit at line-ministry level, the MTEF exercise directly relates to governance.

Together with performance indicators, the MTEF provides the baseline for monitoring the efficiency and effectiveness of budget planning and execution.

1.6 Key issues and guiding principles when dealing with reviews of institutional arrangements and capacity-development actions

There are a number of fundamental principles for dealing with reviews of institutional arrangements. Although the entry points can differ according to the specific context of each review, the following issues are cornerstones for any methodology, as they are pre-requisite for effective reviews. They have all been taken into serious consideration when drafting the specific methodology described in Part 2 of this Guide.

Ownership

Reviews of institutional arrangements and institutional-capacity assessments need to be owned and guided by national stakeholders, including central, regional and local authorities, non-governmental organisations (NGOs) and local citizens. It is expected that national institutions will initially play a prominent facilitating role in implementing the methodology and translating the results into follow-on actions for capacity development. The aim should be to develop and embed sustainable capacity methods in each country to carry out subsequent rounds of IPA II focused on HRD thematic areas, relying increasingly on national expertise and resources, with contributions from external support.

Purpose

The results of capacity assessment are intended to be used jointly by central, regional and local stakeholders in each country to:

- identify and prioritise capacity gaps;
- identify, design, implement and review appropriate capacity-response strategies;
- support capacity-development initiatives and budget requests by demonstrating a clear link between capacity-development project proposals and real, evidence-based needs that are well defined and documented.

Tailor-made approach

Reviews need to be adapted to the specific needs and context of each country. There is no typical ready-made review for engaging in the HRD sector approach in the context of enlargement, and even the one proposed in Part 2 of this Guide is intended only to guide the implementation of the review, while being subject to adjustments according to the specific needs of each country. The length of a review can depend on the issues it covers, and its purpose, scale and scope. In general, the more core issues and capacities are included, the longer is the review. The length of the process also increases with the amount of operational detail covered and the number of actors included. For example, collecting inputs from all departments in a ministry will require more time than collecting inputs from just one department, and in this case a functional review and stakeholder mapping could be necessary. The activities in each step aim to deepen the engagement of national partners and promote dialogue among key stakeholders around the review, which is conceived as a participative exercise.

Dimensions of capacity-development actions

Efforts to enhance organisational capacity may often be best served by addressing both internal and external factors, as well as both functional-rational and political dimensions of capacity. A one-dimensional approach will be unlikely to succeed. At the same time, if capacity-development efforts are to succeed they must be addressed strategically rather than in an ad hoc or short-term manner. The review should involve three main dimensions:

- the enabling environment in which capacity is needed; this refers primarily to the policy framework, laws and regulations, and the institutional arrangements in the specific sector;
- the organisations that are responsible for policy development, planning and project management; typically, government agencies are organised across administrative boundaries, reaching from national to provincial and local levels; organisations other than government bodies include international and national NGOs, the private sector and private–public partnerships;
- individuals, which implies that individuals are being identified and grouped into homogeneous professional categories.

Overall, the assessment of capacity needs embraces a whole range of different administrative and organisational levels, functions and geographical dimensions.

In capacity-development responses, the three dimensions are interlinked; individuals, organisations and the enabling environment are parts of a whole. Capacity development involves the enhancement of the knowledge of individuals, although the output of individuals relies heavily on the quality of the organisations in which they work. Furthermore, the effectiveness of organisations and of networks of organisations is influenced by the enabling environment. Likewise, the environment is affected by organisations and the relationships between them.

The capacity-development response is an integrated set of deliberate and sequenced actions that are embedded in the review of institutional arrangements. In turn, the review will help to identify the capacity assets and needs to be addressed. In a nutshell, a capacity-development response should:

- combine actions from more than one strategy;
- address more than one level of capacity (enabling environment, organisation and individual);
- combine short- and medium-term initiatives;
- be integrated into national budget structures to ensure continued funding;
- have indicators to monitor the progress of the capacity-development response.

The questions to be answered in the elaboration of a capacity-development strategy are fundamental, yet straightforward.

- Where are we now? Defining the present capacity (i.e. capacity of policies to deliver HRD) within the system.
- Where do we want to go? Looking ahead to the future desired state: the vision of what capacity is required in the future in order to do the job.
- How can we best get there? Comparing the present situation and future desired state; identifying the capacity gaps and strategies and actions designed to fill these gaps and achieve the desired goals; deciding on the priorities.

- What actions do we take? Fulfilling the strategies and undertaking the planned capacity-development activities in order to meet the defined objectives.
- How do we stay there? Monitoring and evaluation in order to feed back experiences into the planning phase.

The methodology described in Part 2 of this Guide foresees that capacity-development responses will be designed on the basis of the concrete findings of a review of institutional arrangements. It will therefore be important to pay close attention from the outset to the link between the results of the review and a potential capacity-development response.

1.7 Process for conducting reviews of institutional arrangements

Reviews of institutional arrangements follow a number of steps, and also make use of specific methodological tools, matrices and questionnaires. Part 2 of this Guide will describe how the FRAME project will adapt the following general steps to its specific purpose.

1. **Map stakeholders**: Before launching the review it is very important to identify key actors in the sector of interest in terms of their key functions in relation to the phases of the policy cycle. Especially in HRD, which is cross-sectoral by definition, all relevant key stakeholders need to be taken into consideration in order to obtain a full picture of the governance of the country. The review can then either focus specifically on some of the stakeholders or, if resources allow, adopt a fully-fledged approach. A methodology that foresees different phases can also be adopted (i.e. starting with some stakeholders and then, in a second phase, enlarging the review to other actors).
2. **Examine and analyse previous findings**: Reviews of institutional arrangements need to complement findings from previously conducted analyses and assessments and focus on gaps and grey areas. It is important that reviews start from what already exists so that they can inform stakeholders on further steps to be undertaken: an in-depth desk review is therefore necessary.
3. **Mobilise and design**: Engaged stakeholders and a clear design are key to a successful review of institutional arrangements. The design is driven by three guiding questions:
    - Capacity for what reason? (In the case of the FRAME project, sector support.)
    - Capacity for whom? (In the case of the FRAME project, HRD sector stakeholders.)
    - What capacity? (In the case of the FRAME project, improved capacity to design, implement and monitor sector-support approaches.)
4. **Conduct the review**: During the review, data and information on desired and existing capabilities are collected by a variety of means, including self-assessment, interviews, focus groups and workshops.
5. **Summarise and interpret results**: The comparison of desired against existing capacities determines the level of effort required to bridge the gap between the two, and informs the formulation of a capacity-development response. The interpretation of results can vary according to the final goal of the specific exercise. A workshop with relevant stakeholders can be organised if the dialogue dimension has specific importance for the objective of the review or, if that is not the case, a desk analysis by consultants can be carried out.

PART 2. PRACTICAL SUPPORT FOR THE REVIEW OF INSTITUTIONAL ARRANGEMENTS

2.1 Purpose of the review of institutional arrangements

With the institutional arrangements of the country in mind, the review aims to identifying bottlenecks and challenges at system level for HRD policy making and delivery, so as to identify capacity-development priorities that could potentially be funded by the future IPA II programme and that would contribute to the achievement of the Skills Vision 2020. HRD is considered to cover secondary education, higher education, VET and labour market training.

In particular, the following key question will be answered: **What are the capacity needs of institutions for achieving the Skills Vision 2020?** (This includes capacity review of policy planning, implementation and monitoring and the capacity to use foresight as a forward-looking policy-making approach.)

The review will also include a section on ‘planned budgeting capacities’, linked to the capacity of institutions to work on an MTEF. The review of institutional arrangements methodology will also build dialogue and relationships between the different actors in charge of HRD.

At the end of the review process, a prioritised capacity-development plan (milestones) for institutions in charge of HRD will be developed and shared among all relevant stakeholders.

Box 2.1 Capacity-development plan

The results of the review will be used to identify and prioritise appropriate capacity-development responses in cooperation with the stakeholders at the review workshop. The review will thus generate prioritised capacity-development responses that could include institutional adaptability to changing contexts and emerging needs, incentive mechanisms, codification of new procedures, the introduction of accountability mechanisms, etc.

In particular, the results of the review will provide direct inputs to the roadmap/milestones drafted under Component 1 of FRAME and consequently inform on the actions necessary in order to approach the Skills Vision. These responses will form the basis of future funding from IPA II and other international donors on institutional capacity building in the HRD sector. The results of the review in each of the enlargement countries will be documented in brief country reports.

It is envisaged that capacity-development responses will, as a minimum:

- engage multiple stakeholders, ensuring an integrated development and sector approach;
- address more than one level of capacity (e.g. both system level and institutional level);
- combine short- and medium-term initiatives.

The implementation of the capacity-development responses should be appropriately monitored and evaluated, so that policy makers can assess whether gaps remain and whether new challenges have emerged. By this logic, reviews of institutional arrangements are part of a continuous cycle and should be regularly conducted in order to assess the appropriateness of capacity-development measures. Component 3 of the FRAME Initiative will develop a performance-monitoring and indicator-based system to monitor the progress and impact of capacity-building responses.

The review is structured around the four main functional capacities corresponding to the policy cycle phases:

1. policy design;
2. planning and budgeting;
3. implementation;
4. monitoring and evaluation (including reporting and learning).

In addition, there is a specific focus on cross-cutting capacity in relation to stakeholders' involvement and interministerial coordination.

HRD is a horizontal domain that involves several actors from a broad spectrum. For the purposes of the FRAME Initiative, the HRD sector is defined to cover secondary education, higher education, VET and labour market training. The education and training system is seen within a lifelong context comprising initial and continuous VET and higher education. This also includes adult learning, company-based training, other forms of on-the-job training and labour market training, and the retraining of unemployed people.

The national stakeholders mobilised in relation to Component 1 and participating in the foresight workshops will also be among the institutions approached in relation to the review of institutional arrangements under Component 2. However, in relation to Component 2, additional institutions will be targeted, including selected pilot institutions representing education and training providers.

The Guide provides a general review framework for all countries, but the actual implementation of the review in the countries will need to be carefully adapted according to country needs and context, in order to ensure the development of tailor-made approaches.

The purpose of the review is to:

- identify strengths and weaknesses of policy planning and policy delivery in the HRD sector;
- identify drivers and constraints for implementing the Skills Vision 2020;
- provide input for future capacity-development responses.

The Guide focuses on:

- governance structure of institutions in charge of HRD, in relation to policy making and policy implementation;
- administrative infrastructure and resources for ensuring the smooth policy implementation of the Skills Vision 2020 and related roadmaps/milestones;
- budgetary practices and financial management capacity to put into practice MTEF and programme budgeting.

As described in Part 1 of this Guide, the sector approach introduced in IPA II constitutes the context in which the FRAME project takes place. The sector approach aims to strengthen the partner governments' ownership and leadership in policy and strategy development, implementation and decision-making processes, to improve coordination between all stakeholders and to enhance the alignment of external support with national systems. These principles form the basis for the analysis of the results of the review and for the formulation of conclusions.

By addressing the particular functions contained in the sector approach, the results of the review of institutional arrangements will identify strengths and weaknesses in the HRD sector governance structures.

2.2 Process and tools designed for the review

The main steps in the review of institutional arrangements are shown in Table 2.1.

Table 2.1 Steps for review of institutional arrangements

Step	Description
1	Mapping of key stakeholders in the HRD sector based on the results of the (adapted) ETF multi-level governance matrix, the results of the Torino Process and the HRD reviews, in terms of their roles and functions in the policy cycle (as preparation for both Components 1 and 2).
2	Analysing the previous institutional capacity assessments and MTEF reviews as the starting point of the review in order to build on existing knowledge.
3	If appropriate, mapping of perception of HRD governance capabilities using the ETF multi-level governance self-assessment questionnaire.
4	Implementing direct, structured, qualitative interviews with selected stakeholders using the interview guidelines and the specific MTEF questionnaire.
5	Rolling out a review workshop with stakeholders: validation of review results, and identification and prioritisation of gaps and capacity-development needs.
6	Providing input to roadmapping exercise in Foresight Workshop 3, based on the conclusions of the review workshop.
7	Drafting of short country report.

Based on the steps set out in Table 2.1, the following tools have been designed in order to carry out the review.

- **Multi-level governance mapping matrix**: This is used to identify key actors in the HRD sector in terms of their key functions in relation to the policy cycle phases (Annex 1).
- **Scanning questionnaire**: This is used to map the perception of HRD capabilities by a wider range of relevant national actors involved in HRD (Annex 1).

- **Interview guidelines**: These guidelines serve as a framework for conducting direct interviews with selected key actors involved in both policy making and policy delivery: four different interview guidelines have been developed, one for each target group (Annexes 2 and 3):
  - institutions in charge of policy making;
  - institutions/organisations in charge of policy delivery;
  - organisations involved in policy making;
  - ministries of finance and budgetary units within line ministries (MTEF questionnaire).

In particular, these tools will be used to review the capabilities of national institutions in terms of implementing the actions necessary to achieve the Skills Vision 2020 and to draft a plan for capacity-development responses agreed by the stakeholders in each country.

Lesson learnt: The inclusion in the review of the section on planned budgeting capacities, linked to the capacity of institutions to work on an MTEF, proved to be fundamental for fully understanding a number of important issues, particularly those relating to implementation gaps. Ministries of finance representatives were in some cases reluctant to engage in the exercise, and also showed a certain level of detachment from line ministries' activities and priorities.

Step 1: Mapping key stakeholders

Meaningful reviews of institutional arrangements and proposals for capacity-development plans need to be situated within the context of a particular country. The governance structure of the HRD sector will therefore be carefully reviewed and mapped, including the roles and functions of the different stakeholders involved and their interactions. The adapted ETF multi-level governance matrix[6] will be used to map institutions in the countries, including their functions and roles (Annex 1). The emphasis will be on multi-level governance, and a range of stakeholders will be taken into consideration, as actors at the national, regional and sectoral levels have a part to play in well-managed, efficient and effective HRD systems and reforms.

Using a table or spreadsheet, the team of experts will map current HRD governance practices and cultures. This step describes the current state of play of the institutional setting in HRD as clearly and objectively as possible, based on evidence. It also opens up questions regarding possible improvements to the system. The task is initially carried out by the ETF local experts, in conjunction with international experts and ETF staff, and then reviewed and revised following the next steps of the methodology, including comments and remarks of national policy makers and actors. The matrix is then validated during the review workshop.

Through this preliminary mapping, the strengths and weaknesses of the current governance arrangements are explored, along with possibilities for change and associated risks. Gap analysis, which is set against explicit success criteria, helps to clarify where challenges lie in terms of improving the effectiveness of governance, and to assess the feasibility of making improvements. The mapping therefore provides useful material that will help to support the development of a shared capacity-development plan for institutions. A self-assessment questionnaire is part of the matrix, and could be used as: (i) a tool for communication with national authorities (i.e. a tool that allows discussions to be opened in relation to the answers received by a certain group of respondents); or (ii) a tool for the final

[6] Originally conceived to map the VET system, the ETF multi-level governance matrix has been adapted specifically for the implementation of FRAME so as to cover the whole HRD sector.

review workshop, to help stakeholders to agree on specific strengths or weaknesses of the institutional system. The self-assessment questionnaire will be used only if this is deemed to be relevant in the specific country. The ETF country manager will decide with the FRAME team whether the questionnaire is to be used in the preliminary phase of the review.

Step 2: Analysing the previous ICA and MTEF reviews

The methodology in the Guide emphasises the need to contextualise the review of institutional arrangements. This includes an analysis of the causes of the current levels of performance, the constraints, and the drivers for improvement. In many countries these have been already assessed through other exercises.

The review of institutional arrangements should therefore not duplicate other efforts but should, whenever possible, incorporate results of other similar or related reviews (e.g. institutional capacity assessments, public expenditure framework assessments), and should focus on issues that have not been covered, in order to add value and knowledge in the countries concerned. For this reason a preparatory phase, which includes adaptation of the questionnaire, is also foreseen in the methodology.

The task is carried out by the ETF local and international experts, with the support of ETF country managers. If it is considered that previous or on-going exercises already provide the relevant information needed to build a shared capacity-development plan for actors involved in the HRD sector, the team, together with the national authorities, can decide to omit Step 3 (below). This means moving directly to organising the review workshop, based on existing findings. This should be duly justified on the basis of existing evidence and up-to-date, relevant documentation. The main output of the review remains the draft of a shared capacity-development plan, which will benefit relevant stakeholders in terms of their contribution to the achievement of the Skills Vision 2020.

Through regular dialogue with European Commission services, with EU delegations in the enlargement countries, and with national authorities, the division of labour with other donors or other on-going initiatives can also be decided, in order to maximise the results and the impact of interventions, and avoid duplication of efforts.

On the basis of this preliminary analysis, the review exercise is presented to the national stakeholders to inform them of the assessment method, to reassure them about the preliminary results, and to establish a collaborative framework. Synergies are sought with events organised under the foresight component of FRAME, as well as with events organised by national actors, other donors and international organisations (see Section 2.8 below).

The pilot implementation has shown that Steps 1 and 2 are fundamental for providing external experts with a full understanding of the institutional panorama of a given country. Moreover, as interviewees sometimes have only a partial vision of institutional set-ups and tasks (limited to their specific field of competence), the preliminary mapping of key stakeholders and an in-depth analysis of previous exercises are essential for providing a complete picture of the institutional capacities, and for identifying gaps.

Step 3: Mapping the perception of HRD governance

When considered relevant and feasible in light of the activities implemented in the country, the ETF multi-level governance self-assessment questionnaire will be circulated by email to relevant stakeholders. This will serve as a further source of information regarding the perception of HRD governance at national level.

The questionnaire could be used in different ways, to be established on an ad hoc basis.

- It could be completed by the stakeholders directly involved in the review prior to the review workshop. The results, classified according to perceptions of institutional capabilities, can be discussed at the workshop and used to generate a collective assessment and a set of actions for improvement.
- It could be completed on-line by stakeholders directly involved in the review and their management, thus increasing the number of respondents and strengthening the qualitative analysis. The results, which will be presented at the workshop, could be also analysed by the stakeholder group and by individual institutions. This could be the starting point for more in-depth institutional reviews focusing on weaker parts of the institutional capabilities.
- It could be used solely in the workshop, selecting some capability areas, or assigning them to groups of discussion. This will allow groups to work on assessment and the corresponding supporting evidence, and come up with actions that can then be proposed in the capacity-development plan.

The ETF country manager, together with the FRAME team, will be responsible for assessing whether the self-assessment questionnaire will be used within the FRAME project, and with which modality.

Step 4: Conducting direct, structured, qualitative interviews

The direct interviews will be conducted using the interview guidelines as described in Annexes 2 and 3.

The ETF country manager, in cooperation with the national HRD expert, is responsible for the selection of the specific ministries, pilot training providers and stakeholders to be included in the review, and will decide which specific departments and staff will receive interview request letters. Interviewees will be selected from experienced and knowledgeable staff of the institution(s) involved (possibly heads of key departments, together with other staff with more general responsibilities). Interviews will be conducted by the ETF national experts, who will have previously been trained by the international experts on how to manage the interviews. In some cases, interviews might be conducted jointly by the national expert and the ETF country manager, or together with the international experts.

The interview guidelines provide the general sequence and structure of the questions. However, the interviewer should be prepared for the possibility that some questions might be answered while asking other questions, and should thus leave room for flexibility in the use of the guiding questions. Sources of information will be requested where feasible, so that replies are as substantiated as possible.

The Guide provides four different sets of interview guidelines, one for each target group of stakeholders (see Section 2.5):

- institutions in charge of policy making;
- institutions/organisations engaged in policy delivery;
- organisations involved in policy making (e.g. public employment services);
- financial institutions leading MTEF or other budgeting exercises.

The explicit distinction between the various actors was chosen as a tool for conducting the review, but it does have some limitations. The institutional set-up in some ETF partner countries has shown that applying a layered structure to the administrative public system does not fully reflect reality, in which actors tend to have multiple functions, such as policy designer, implementer, evaluator. This could also be one of the reasons for the inadequate coordination between different agencies and ministries.

More attention could be devoted to analysing the collaborative relationships in public services, the notion of networks, the policy outputs and the policy outcomes.

In general, the four target groups will be interviewed under this methodology. However, the specific country context can allow for a selective approach to the interviews to be conducted. In so doing, some general points should be taken into account.

- The questions will need to be adapted on a case-by-case basis to reflect the specific context of each country, for example, the institutional setting and arrangements, previous assessments carried out in the country, etc. If necessary, supplementary questions may be added to take into account the specific context.
- The questionnaire uses a mixture of question types: open, categorical and dichotomous (i.e. Yes/No). Specific instructions for interviewers have been drafted, including how to conduct the interviews, the main messages, how to identify relevant evidence such as legislation, a data set, a government decree, an official publication (see Annex 3).
- The questionnaire respondents answer the questions as ‘individuals in their professional capacity’.
- A specific section on ‘evidence and source’ is included for each question in order to avoid subjective answers as far as possible.
- In general, interviews will be bilateral. Focus groups may take place if necessary and useful. A specific decision on the use of focus groups will be taken on a country-by-country basis.
- Each interview will last a maximum of two hours.

Lesson learnt: In both pilot countries the team decided to send the questionnaires to the interviewees well in advance to allow them to prepare answers and relevant documents. This proved to be very effective as the questions sometimes go beyond the specific field of competence of a single person. Coordination within ministries in advance can also help interviewers to conduct interviews more smoothly.

Preliminary analysis of the results of the interviews is conducted by the local consultants, together with the international experts. Findings are presented anonymously in a table.

As interviews are likely to generate a large quantity of information, experts will need to reconcile evidence relating to the different sub-sectors into a readable draft report. The main guiding principles for the reporting will be the following:

1. listing the main (binding) constraints that constitute bottlenecks for the performance of the skills-development strategy and for skills visioning;
2. presenting the results of the analysis against the capacity-assessment criteria of IPA II;
3. listing positive examples of institutional capacity and institutional-capacity improvement actions that could inspire other sub-sectors in the capacity-development plan.

Step 5: Rolling out the review workshop with stakeholders

The workshop brings all the major stakeholders together and can be structured as a one-day event. In terms of participation, it builds on the events organised under the foresight component of FRAME. Additional stakeholders can be invited if this is deemed relevant.

The goal of the workshop is to:

- validate the results of the review with the national stakeholders and complement them;
- jointly identify gaps and capacity-development needs of the institutions in charge of HRD;
- elaborate a shared and prioritised capacity-development plan for institutions.

The gaps identified will relate to the necessary framework conditions for the agreed Skills Vision: hence, the gaps are between what is and what needs to be in place in order to achieve the Skills Vision 2020. These gaps will be identified through the interviews with the four different categories of target groups for the review of institutional arrangements (institutions in charge of policy making, institutions/organisations in charge of policy delivery, organisations involved in the HRD policy cycle, and institutions leading budget planning and monitoring (MTEF)).

Box 2.2 Indicative outline of the workshop (1 day)

Opening

- Welcome participants
- Go around the table to introduce participants
- Explain the goals of the workshop and what is expected from the participants

Morning session

- Presentation of preliminary analysis of the interviews
- Presentation of draft capacity-development plan (compilation of proposals emerging from interviews)
- Discussion with participants and final joint validation of review conclusions

Afternoon session

- Discussion about draft capacity-development plan
- Discussion about priorities for capacity development
- Validation of shared capacity-development plan for institutions in charge of skills development

The workshop will require careful preparation to ensure that all the elements are in place to deliver the desired end result. These include:

- **Briefing materials**: These should be sent to participants in advance of the workshop. A short preliminary report of the review process should be included, listing all institutions interviewed and briefly describing the rationale for the selection of specific stakeholders. The preliminary draft analysis of the replies should also be sent. This should contain a draft list of capacity-development actions proposed by respondents, which will then be used during the workshop. These documents should ideally be provided at least a week before the workshop in order to allow participants to read the material and prepare for the event.

- **Venue and logistics**: The venue selected for the workshop should be in a location that is easy for participants to reach. It should have good natural lighting and, ideally, white walls for attaching sticky notes. The room should be set up in cabaret style, with five or six small, round tables around the outer edge of the room, leaving space in the middle for participants to gather. On each table the following items need to be available: paper, flipchart, large sticky notes in different colours, pens in different colours for the flipchart. Free seating may be allowed at the beginning of the event, or participants may be assigned a particular table to sit down in preparation for the parallel sessions. An appropriate mix of participants should be included on each table to allow for a balance in terms of disciplines, and of sectoral and organisational representation. An attendance sheet indicating name, organisation and email address should be used to record who is present.

- **Selection of participants**: Drawing on the participants present at the foresight events, the main concern is to ensure a balanced, broad mix and wide representation of the stakeholders who are active in the skills area. The role of the local expert is a key one in ensuring that all relevant stakeholders are represented. The involvement of policy makers and those in a position to influence them is important for ensuring buy-in and uptake of the recommended actions. Representatives from the delivery system might also be invited to the event, by agreement with the other main stakeholders involved in the exercise.

Step 6: Providing input to roadmapping exercise

The shared and prioritised capacity-development plan for institutions generated as the main output of the workshop will be fully integrated into the roadmap/milestones developed under the foresight component of the FRAME project. In particular, it will be considered as one of the main steps to be accomplished to achieve the identified Skills Vision 2020. For more specific links and synergies between Components 1 and 2 of the FRAME project, see Section 2.8.

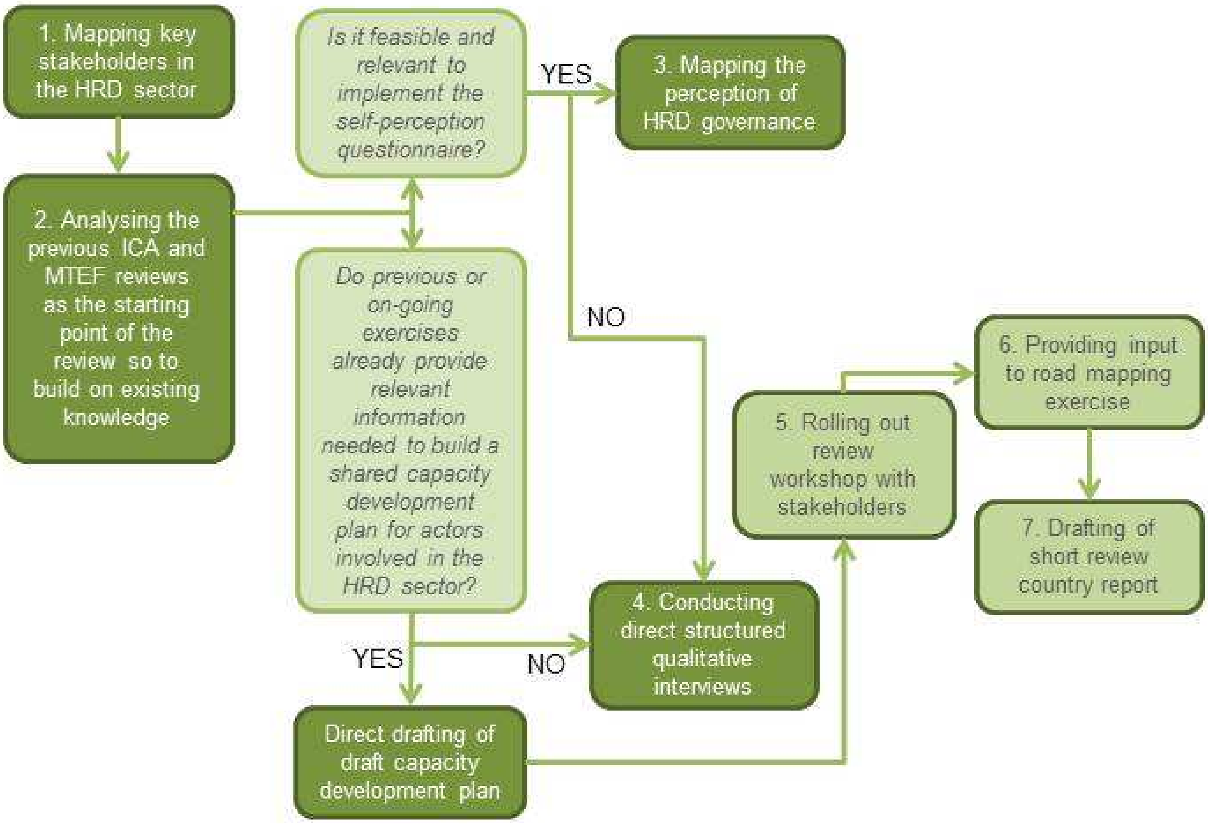
The review country report should consist of three main parts:

- a documentation of the whole review process;
- a description of the main findings and results of the review (including, for instance, binding constraints and positive examples);
- a capacity-development plan agreed and shared among stakeholders participating in the workshop and representing all key stakeholders involved in skills development.

The template of the review country report is in Annex 4.

Important note and lesson learnt: As reviews of institutional arrangements are highly intrusive in the internal life of national institutions, the exercise needs to be presented at an appropriate level from the very beginning. National authorities need to be fully convinced of the benefits of the review before embarking on the exercise. A specific link with the financing of IPA II and the implementation of the sector-wide approach needs to be demonstrated. In this context the support of DG ELARG and EU delegations is crucial. A national coordinator (or an institution) may also be nominated to act as a focal point for the exercise and to assume responsibility for ensuring that follow-up to the exercise takes place.

Figure 2.1 Review process: implementation and sequence of specific steps



2.3 Level of capacity addressed in the general review

In view of the resources available under the FRAME project, the Guide refrains from reviewing the technical capacities of institutions (sector-specific skills, knowledge, and institutional structures that are needed in order to fulfil a specific role in a given sector). Rather, it focuses on functional capacities.

The review of institutional arrangements will focus on both policy-planning and policy-delivery needs for implementing the Skills Vision 2020, and will thus cover the whole policy-making cycle.

The review of institutional capacities is carried out in the context of the sector approach introduced in the IPA II programming period. The approach can be summarised as:

- a process aimed at developing coherent sector policies and strategies;
- a practical approach to planning and management that strengthens linkages between the sector policy, budget, activities and results;
- a way for government, key stakeholders within a sector, and donors to work together.

The enabling environment (system level) covering the regulatory framework and policies, including budget regulations, is therefore relevant to this review exercise.

At this level the review will:

- address development challenges that relate to the HRD sector but transcend organisational boundaries;
- focus on development challenges that depend on participation and capacities of multiple organisations and stakeholders in the HRD sector.

The review will focus on the four main functional abilities corresponding to policy-cycle management:

1. policy design and strategy formulation (including situation analysis and foresight capacities);
2. planning and budgeting;
3. implementation;
4. monitoring and evaluation (including reporting and learning).

In addition, there is a specific focus on cross-cutting capabilities for stakeholder involvement and interministerial coordination, and evidence-based processes are undertaken.

Table 2.2 lists the review focus and main indicators for each of these phases. The functional capacities are those that are necessary for the HRD policy cycle to function. In the current review of institutional arrangements five functional capacities have been identified, and these constitute the framework of the analysis:

1. stakeholder engagement and coordination;

2. policy design, including analysis;

3. financial planning and budgeting;

4. policy delivery;

5. monitoring and evaluation, including reporting and learning.

The interview guidelines (Annex 3) and the corresponding review questions have been elaborated on the basis of this review framework.

Table 2.2 Capabilities: review focus and indicators

1. Interministerial coordination and stakeholder engagement	
Review focus	Ability to engage stakeholders in the policy cycle and to ensure interministerial coordination
Indicators	Existence of dialogue mechanisms for stakeholder involvement (formal/informal) Existence of interministerial coordination mechanisms (formal/informal, including networks) Quality (transparent, participatory, engaged and respectful) dialogue between authorities and stakeholders throughout the policy-making cycle Frequency of dialogue between authorities and stakeholders throughout the policy-making cycle
2. Policy design	
Review focus	Ability to manage and interpret comprehensive situational analyses of country's HRD situation Capacity to design coherent HRD policies and reform strategies as a response to skills needs Capacity to use foresight in the policy-making process
Indicators	Existence of tools for skills anticipation at national, regional and sector level Use of data on skills supply and demand in HRD policy planning Existence of long-term strategic policy options for the HRD sector Existence of coordinated business, employment and education strategies, including budgeted action plans Use of foresight methods in relation to vision building and policy design
3. Planning and budgeting	
Review focus	Ability to develop planning and budgeting frameworks and tools to support the policies defined
Indicators	Existence of, and compliance with, a legislative framework for results-oriented budgeting
4. Implementation	
Review focus	Ability to manage and implement appropriate policy responses to skills needs Ability to develop and deliver training according to labour market needs
Indicators	Existence of action plans relating to strategies Existence of execution arrangements Responsiveness of the education and training system to skills needs, captured by periodic data collection and surveys
5. Monitoring and evaluation (including reporting and learning)	
Review focus	Ability to monitor and evaluate Ability to report Ability to learn from previous initiatives and impact of policy initiatives
Indicators	Existence of feedback mechanisms on lessons learned for the use of new HRD policy design Systematic use of mechanisms to evaluate and monitor policy effects and results Existence and systematic use of monitoring guidelines and procedures Existence of public communication tools

2.4 Level of capacity addressed in MTEF review

In view of the significance of budget planning and finance in HRD, a parallel review is conducted with the relevant institutions, and specifically in the context of MTEF, where applicable. The steps and methodology for the preparation and implementation of the interviews, workshops and drafting of results are harmonised with the rest of the exercise, so that the same steps and phases described above will also apply to the MTEF section.

The review of MTEF capacities will be addressed from three distinct but interrelated angles. This will offer a more comprehensive sense of MTEF, which is essential for IPA II programming.

Table 2.3 Three principles for the review of MTEF capacities

Review principle	Sub-principles
1. Formulation	Participation of stakeholders in the process of defining sector policy objectives and budgets Existence of macroeconomic /fiscal framework, sector policy framework and programmes Costing of the sector budget within the ceiling determined by the budget circular, and identifying the resource gaps
2. Execution	Applying the planned expenditure budget and structure
3. Monitoring, reviewing and reporting	Keeping regular records of progress and performance for improved management of budget implementation Providing feedback for policy formulation and management of the budget implementation

Although the main stage of the policy cycle concerned is policy planning and budgeting, the interview guidelines include questions regarding execution, monitoring and reporting of the budgetary tools.

With regard to the assessment of the MTEF, the following review principles will be used.

Budget preparation

This focuses on policy makers' considerations of the impact of their budget planning on the following:

- support to macroeconomic and fiscal forecasting;
- medium-term budget frameworks and budget strategies;
- design and implementation of programme budgeting and output-oriented approaches;
- debt management and the implementation of debt strategies.

Budget execution

This relates to budget implementing and spending agencies with regard to the link between their expenditure modality and the following:

- operational public finance management support services to governments and aid agencies;
- institutional reform in ministries of finance and line ministries;

- design of new PFM legislation or improvements in the existing legislation;
- design and implementation of budget monitoring and evaluation systems;
- strengthening of audit and accountability systems;
- support for improved aid harmonisation and implementation.

Monitoring, reviews and reporting

This focuses on departments with cross-cutting responsibilities for procurement, implementation, monitoring, auditing and reporting.

The initial key question will be whether or not there is an MTEF in place (preferably in the HRD sector). If not, what other budget mechanisms are applied? If yes, the follow-up questions will be posed accordingly.

As most of the countries covered by this exercise have an MTEF set up in one form or the other, one of the main purposes of the review is to highlight the capacity for implementing it effectively, as well as identifying key constraints in doing so.

The findings of the review must be based on verifiable evidence. Such evidence could be in the form of official or semi-official documents, decrees, policy papers, and other verifiable data and information.

The desired situation will be firmly based on defined objectives set out in relation to national strategy documents, policy papers and sector development documents. The perspective should be for the medium term (i.e. policy objectives for the next three to five years), rather than a vague, long-term vision. Keeping clear, time-bound objectives is crucial for resource allocation and estimates of public expenditure to fulfil the well-defined desired objectives.

Indicators should be selected according to the areas related to HRD, policy priority objectives and annual targets within a three-year horizon to comply with standard MTEF methodology. The indicators should clearly relate to the area of responsibility of the agency in charge of fulfilling the targeted objectives.

It is strongly suggested that the following rules of thumb be used if an assessment exercise of this nature is to be practical:

- reduce the number of policy areas and indicators;
- ensure the technical clarity of the indicators.

Annex 4 contains a simple draft template that forms the basis for elaboration and adjustment within the phase (review of performance progress in terms of formulation or implementation, and the country context).

When implementing the review it is prudent to allow a certain degree of flexibility for adjustment to area and country specifications.

It is important to note that the purpose of this review exercise is not to address the development of a fully-fledged MTEF in HRD itself, which is the topic of an entirely different technical assistance intervention. Rather, it is to assess the capacity for developing and implementing an MTEF in the HRD sector.

2.5 Target groups

The review includes the following four target group categories:

1. institutions in charge of HRD policy making (i.e. decision makers);
2. institutions/organisations engaged in HRD policy delivery;
3. organisations engaged in the HRD policy cycle;
4. institutions (ministries of finance and budgetary units within line ministries) leading budget planning and monitoring, namely MTEF.

Before the implementation of the review in each country, a specific analysis will be carried out to identify the relevant stakeholders to be involved. International and local experts will propose a preliminary list of institutions/stakeholders, to be validated with the ETF country manager and the ETF FRAME team.

The list of key institutions in Table 2.4 is neither exhaustive nor mandatory for the review. Rather, it will need to be adapted according to the specific institutional setting of each country. Further institutions could be targeted according to the concrete institutional set-up and the national division of roles and functions. The Regional School for Public Administration (ReSPA) could also be consulted in the process of identifying relevant stakeholders for the exercise.

In total it is anticipated that on average up to 45 direct interviews will be carried out (15 days, three interviews per day).

In view of the resources available for Component 2, the policy-delivery system will be reviewed through direct interviews with a selection of approximately 12 pilot institutions representing different parts of the HRD sector (secondary education, higher education and adult education).

This sample will not be statically representative, and should not be treated as such. On the other hand, these interviews could provide information on overall tendencies in the education and training system in terms of its responsiveness to the demands of the labour market in general.

National institutions may request a more in-depth assessment for each stakeholder targeted by the review, as a follow-up to the results of the review carried out under FRAME. Civil society organisations and institutions involved in HRD at regional level will not be targeted within this project owing to resource constraints. They may be the object of a subsequent exercise.

Table 2.4 Examples of target institutions

Function	Key institutions to be addressed in review	Number of direct interviews
Institutions in charge of policy making	Line ministries, e.g. ■ Ministry of Education ■ Ministry of Labour ■ Ministry of Economy ■ Ministry of Finance The ministerial departments to be approached will be both technical departments covering secondary education, VET, higher education, and adult education, and policy-related departments.	14–18
Institutions/organisations engaged in policy delivery	Education and training institutions, e.g. Secondary education: ■ gymnasiums, VET schools and institutions according to occupational profiles, technical colleges and specialised secondary schools Higher education: ■ universities, university colleges, academies of professional higher education and private institutions ■ adult education (short-term labour market training, regular vocational education programmes and continuing vocational education and (re)-training) ■ VET schools for continuing adult education, centres for continuing adult education (e.g. regional training centres) and private training providers	12
Organisations involved in policy cycle	HRD stakeholders, e.g.: ■ chambers of commerce ■ trade unions ■ employers' organisations ■ relevant NGOs ■ national employment service	8
Institutions leading budget planning and monitoring, namely MTEF	Ministry of Finance: budget planning department/division, external financing and debt division, budget synthesis, international cooperation division, national economy finance, capital expenditure and public procurement division Ministry of Economy: planning, forecasting and monitoring departments/divisions Line (HRD) ministries: planning, budgeting and procurement departments, accounts and audit departments, monitoring units	5–8

2.6 Stakeholder involvement

Given the demanding nature of this type of exercise for the institutions involved, the full commitment of the national authorities and their genuine interest in the exercise are essential to the success of this review.

Beyond the formal review, the methodology will also pursue dialogue and relationship building, which is particularly important for a policy field such as HRD that is by definition cross-sectoral.

In this context, the review also aims to identify innovative mechanisms and good practices that have already been implemented by some stakeholders. These examples may be used as sources of inspiration and as catalysts, not only within the national framework but also by other countries in the region.

The review will make use of specific techniques to enhance the effective participation of stakeholders. Although the multi-level governance questionnaire and the interview guidelines are the basic tools for involving the participants, their use must be adapted to the specific contexts. In order to motivate the active participation of stakeholders, some context-specific incentives must be included in the exercise to enhance the sense of ownership, such as:

- clearly presenting and explaining the rationale of the methodology to national stakeholders, including the specific steps of the review;
- providing incentives for participation in the exercise, e.g. clarifying that IPA II funds can also be used to address capacity gaps that are identified through the review;
- communicating effectively with all stakeholders, ensuring that the review process is transparent and that no barriers exist to the stakeholders' participation in the exercise;
- conducting the review workshop where results of the review are discussed and where capacity-building responses are formulated and prioritised interactively.

Lesson learnt: In both pilot countries, stakeholders showed strong commitment to the exercise and worked together – both before and after the review of institutional arrangements workshop – to come up with a shared capacity-development plan for HRD institutions/actors. The exercise was seen to be particularly relevant as it was closely linked to the roadmap for skills development elaborated through the FRAME foresight process and, therefore, to the programming process for IPA II funds. Anchoring the elaboration of the capacity-development plan to other on-going national exercises was key for gaining the full support of national actors.

2.7 Practical realisation of the review

The assessment will be carried out by country teams assigned to Component 2 and will comprise:

- Component 2 team leader,
- ETF country manager,
- international expert – HRD,
- international expert – MTEF,

- national expert – HRD,
- national expert – interviewer.

Component 2 will last for four to five months in total.

Table 2.5 Number of person-days allocated for external experts' input for each country

Expert	Person-days
International expert – HRD	25
International expert – MTEF	15
National expert – HRD	16
National expert – interviewer	25
Total per country	**81**

The external experts should have advanced knowledge and experience of capacity development and institutional capacity assessment, HRD thematic expertise, and data collection and analysis (especially qualitative). The international experts should in addition have training and coaching expertise. For the implementation of the specific MTEF questionnaire, specific knowledge and experience in the field of public financial management, the public expenditure cycle and budgetary terms will be necessary. In order to ensure strong linkage between Components 1 and 2, where possible the same experts will be engaged in both components.

The review will be carried out according to the following steps and division of responsibilities within the country team described in Table 2.6. The sequence of activities is necessarily generalised, and an important task for each of the specific country teams is to refine and adapt the techniques to the particular country context. Country-specific implementation plans should be developed through cooperation between ETF, international and local experts.

Table 2.6 Practical realisation of the review: division of responsibilities

Phases, activities and outputs		Country team – division of responsibilities					
Phases and activities	Milestone/ Critical output	FRAME C2 team leader	Country manager	Int. expert – HRD	Int. expert – MTEF	Nat. expert – HRD	Nat. expert – interviewer
Management and coordination							
1. On-going coordination with C1 team leader with a view to ensuring coordination of activities and timing		R					
2. On-going coordination between members of the country team (country manager, international experts and national experts)		R					
Preparation							
1. Mapping of stakeholders, using Annex 1 (country manager will be responsible for final check)	Stakeholders mapped		V			R	
2. Continuous updating of mapping matrix			R				
3. Consulting previous institutional assessments/MTEF exercises (SIGMA, IPA Technical Assistance, HRD Operational Programmes, WB, etc.); focus on Institutional Capacity Assessments exercises targeting HRD and skills in the period 2008–13, which will constitute the starting point of the present methodology, building on existing knowledge			T			R	
4. Drafting the report with main findings and proposals for capitalising on previous reviews and capacity-development actions in the HRD sector	Short report on previous ICAs	V	V			R	
5. Deciding whether a further review of institutional arrangements is needed, or whether this has been sufficiently covered in recent assessment and reviews	Decision on implementation of review		R				
6. If the decision is not to conduct a further review, drafting the input for Workshop 3 as the basis for roadmapping			R			T	
7. Deciding whether the self-assessment questionnaire is to be implemented, and subsequently circulate it to selected stakeholders		T	R	T			
Preliminary review							
1. Tailoring the questions in the multi-level governance self-assessment questionnaire (Annex 2)	Tailored multi-level governance questionnaire		V			R	
2. Sending the multi-level governance self-assessment questionnaire to foresight workshop participants in advance of Workshop 1 Alternatively, the questionnaire can be presented to and filled out by participants in relation to Workshop 1			R			T	
3. Analysing results – drafting summary report	Short report	V	V			R	

Phases, activities and outputs		Country team – division of responsibilities					
Phases and activities	Milestone/ Critical output	FRAME C2 team leader	Country manager	Int. expert – HRD	Int. expert – MTEF	Nat. expert – HRD	Nat. expert – interviewer
Review – preparation and implementation							
1. Tailoring the questions in the interview guidelines (Annex 2) and the MTEF questions (Annex 3)	Tailored interview guide			R	R	T	
2. Training the interviewers (1 day)				R	R		
3. Selecting the target institutions and making appointments with institutions and staff to be interviewed			V	T		R	
4. Conducting four test interviews				R	R		T
5. Reporting the main findings	Test interview report						R
6. Adjusting the interview guidelines if necessary				R	R		
7. Conducting joint interviews in selected institutions based on country-specific criteria			T	T	T		R
8. Conducting the interviews (three per day); country manager to participate in interviews that are considered to be of the most strategic importance			T				R
9. Continuous reporting on findings, results and conclusions from interviews			V				R
10. Providing on-call support and advice during implementation of interviews				R	R		
11. Conducting telephone or video conferencing on the findings and the lessons learned Following completion of the first half of the interviews, adapting the interview guidelines if necessary		T	T	R	R	T	T
Analysis of results							
1. Analysing preliminary results and drafting summary report	Short report			R	R	T	T
2. Preparing one review workshop		T	R	R	T	T	T
3. Conducting workshop on review of institutional arrangements (1 day) Presenting key findings of the review Drawing joint conclusions among participants Holding joint discussion on key capacity-development responses and prioritisation	Workshop report	T	R	R	T	T	T
4. Providing input to Foresight Workshop 1 on roadmapping				R		T	
5. Drafting the final review report with conclusions and inputs to capacity-development responses (Annex 4)	Final review report	V	V	R	R	T	T

Legend: C1 – Component 1; C2 – Component 2; R – Responsible; T – Together with (contributes); V – Validates

2.8 Link between Component 1 and Component 2 of the FRAME project

The review of institutional arrangements will be carried out in close coordination with Component 1 and will be integrated as much as possible into the foresight process, with a particular focus on the development of the roadmap/milestones for achieving the Skills Vision 2020. It is anticipated that joint events and parallel activities between Components 1 and 2 will take place.

The country teams comprising ETF staff and external experts will carry on the activities under both Component 1 and Component 2, in close cooperation and coordination with the stakeholders. In order to provide an overview, Table 2.7 summarises the timing of the phases and key activities of Components 1 and 2. For the two pilot countries (Montenegro and Serbia), the sequencing between Components 1 and 2 will be different as activities started in December 2012 and were followed by the launch of the foresight workshops in February 2013 (Montenegro) and April 2013 (Serbia).

Table 2.7 Overview of activities and timing for Components 1 and 2

Main phases and activities	Project month						
	1	2	3	4	5	6	7
Component 1 – Foresight							
1. Preparatory activities	X	X					
2. Foresight Workshop 1 – Launch			X				
3. Foresight Workshop 2 – Visioning				X			
4. Foresight Workshop 3 – Prioritisation and roadmapping							X
5. Reporting							X
Component 2 – Review of institutional arrangements							
1. Mapping of stakeholders (Annex 1)	X						
2. Consulting the previous ICAs and MTEF reviews		X					
3. Multi-level governance self-assessment analysis (Annex 2)		X	X				
4. Implementing direct interviews (Annexes 2 and 3)				X	X		
5. Conducting review workshop with stakeholders						X	
6. Providing input to Foresight Workshop 3 (input to roadmap)						X	
7. Reporting (Annex 4)							X

Table 2.8 provides more detailed information on the phases and activities of Components 1 and 2.

Table 2.8 Detailed activities and timing for Components 1 and 2

Main phases and activities	Project month						
	1	2	3	4	5	6	7
Component 1 – Foresight							
Pre-foresight							
1. Preparatory work for in-country missions to ensure buy-in to FRAME	X	X					
2. Assessment of relevant HRD-related strategies	X						
3. Preparation of foresight workshops; country-specific tailoring		X					
Foresight proper							
1. Implementation of Workshop 1 (1 day) – Launch • presentation of FRAME • identification of challenges and issues • presentation of self-assessment questionnaire (Annex 2), or presentation of the results if the questionnaire was sent in advance of Workshop 1			X				
2. Coordination and preparation for Workshop 2			X				
3. Implementation of Workshop 2 (1.5 day) – Visioning • presentation of global trends and drivers • group work on scenarios and visioning • consensus building for joint Skills Vision 2020				X			
4. Coordination and preparation for Workshop 3					X		
5. Implementation of Workshop 3 (2 days) – Prioritisation and roadmapping • presentation of main conclusions from the review of institutional arrangements as input to roadmapping • group work on prioritisation • group work on roadmapping and capacity-development responses							X
6. Follow up and reporting							X
Component 2 – Review of institutional arrangements							
Preparation							
1. Mapping of stakeholders (Annex 1)	X						
2. Consultation of previous institutional assessments (SIGMA, IPA Technical Assistance, HRD Ops, WB, etc.)		X					
3. Decision on the need to carry out a further review (if there is no need, then the review ends and the report is drafted)		X					
Preliminary review							
1. Tailoring the multi-level governance self-perception questionnaire (Annex 2)		X					
2. Sending the multi-level governance self-perception questionnaire to foresight workshop participants in advance of Workshop 1 Alternatively, questionnaire presented and filled out by participants in relation to Workshop 1		X					

Main phases and activities	Project month						
	1	2	3	4	5	6	7
3. Analysing results – Draft short report			X				
4. Circulation of self-perception questionnaire and analysis of results (ad hoc basis)			X	X			
Review: preparation and implementation							
1. Updating of the Mapping Matrix (Annex 1)			X		X		
2. Tailoring interview guidelines (Annex 2) and MTEF questions (Annex 3)			X				
3. Training of interviewers			X				
4. Making appointments with institutions and staff to be interviewed			X				
5. Implementing the interviews (30–40 interviews; 3 interviews per day) Implement after Foresight Workshop 2 if vision is formulated If not, then implement after Foresight Workshop 3					X		
Analysis of results					X		
1. Analysing preliminary results – Draft report						X	
2. Workshop on review of institutional arrangements (1 day) • presentation of key findings of review • joint drawing of conclusions among participants • joint discussion on key capacity-development responses						X	
3. Drafting report with conclusions and inputs to capacity-development responses to be used in Foresight Workshop 3 as the basis for roadmap/milestones						X	
4. Drafting the final report (Annex 4)							X

The review will also be closely linked to the monitoring component of FRAME, as this component will establish indicators to be used for assessing progress in the implementation of the capacity-development plan.

ANNEXES

Annex 1. Governance matrix and survey for human resources development

Elaborated on the ETF governance methodology

Introduction

The methodology used in the matrices presented below was elaborated and tested by the ETF with six partner countries in 2012. The final methodology, focused on the VET sector, was adapted to cover the broader scope of the FRAME project, offering an initial tool for the discussion of governance, institutional assessment and review to identify the key areas for further policy discussion under the review of institutional arrangements component. The matrices will be compiled by the local expert and validated in the workshop discussions and the interviews. The results of the matrix will support the analysis of institutional arrangements, focusing in particular on their relevance, clarity and coverage of functions and roles, and interinstitutional cooperation.

In addition, a perception survey on institutional capabilities has been developed. The survey can be used in three different ways.

1. It could be completed by stakeholders that are directly involved in the foresight component as a preliminary step to Workshop 1. The results, classified in terms of perceptions of institutional capabilities, can be discussed at the workshop and used to generate a collective assessment and a list of actions for improvement.

2. It can be filled in on-line by stakeholders directly involved in the review of institutional arrangements component and their management, increasing the number of respondents and strengthening the qualitative analysis. The results, which will be presented at the workshop, could also be analysed by the stakeholders' group and by individual institutions. This could be the starting point for more in-depth institutional reviews focusing on weaker parts of the institutional capabilities.

3. The survey can be used solely in the workshop, selecting some capability areas, or assigning them to groups for discussion. This will allow groups to work on assessment and the evidence supporting it, and come up with actions that can then be proposed in the capacity-development plan.

Matrix mapping

In summary, the analysis will include the following:

1. identification of national, intermediate regional and local levels (which might be provincial and municipal, counties, etc.) and provider levels, as well as key sectoral/industrial actors in HRD/skills policy making;

2. definition of roles by stages of the policy cycle: agenda setting, planning, implementation and review;

3. institutional arrangements relating to a number of key aspects of skills policy.

For the task in hand it will be important to enumerate the stakeholders in the specific country context. This document contains a glossary, for reference. The writing frame begins with descriptive aspects of the governance system and reforms, before moving on to more analytical questions. To provide the interviewer with some guidance at the outset, Table A1.1 sets out in a generalised way some of the main components under consideration. The interviewer will need to amend this table to describe better the actual country situation.

Table A1.1 Main components of the governance survey

Levels	■ National ■ Sector/industry ■ Intermediate (for example, regional/local, provincial/municipal or counties) ■ Providers (including VET, higher education, continuing VET)
Stakeholders	1. Strategic decision makers 2. Officials • at different levels of management responsibility • in different ministries • in regional/local government 3. Social partners • employers and companies, their representative organisations and chambers • employee representative organisations and unions 4. Teachers and trainers • representative organisations and unions • leaders of different kinds of HRD provider institutions 5. Non-state or third-sector organisations 6. Civil society, including community and religious organisations 7. Stakeholders in the informal economy 8. Other stakeholders
Stakeholder roles and responsibilities	I Initiator D Decision maker or co-decision maker C Consultative role/consultee A Acts on instructions/implements decisions E Evaluator F Funder or co-funder P Partner – it is generic, but may be useful
Policy areas identified as priorities	1. Planning: policies for matching HRD/employment and social functions 2. Qualifications and curricula, including assessment and certification 3. Teachers and trainers 4. Management of HRD providers, including budgets, HR, programmes and equipment 5. All work-based learning: policies and provision 6. Quality assurance and monitoring 7. Finance
Policy cycle phase	1. Vision building 2. Policy conceptualisation 3. Policy implementation 4. Policy monitoring and evaluation

Guidelines for a desk review of institutional arrangements

Identifying levels and stakeholders

Please identify the levels of HRD governance that are found in the country and list the main types of stakeholder. It will be helpful if you also give examples to clarify who the main stakeholders are. (For HRD, the FRAME project focuses on skills, and it is therefore important to look at actors involved in both the demand and the supply side of skills, as well as in the matching of skills demand and supply.)

Key box A1.1 Classifying actors in HRD governance

1. Ministers, cabinets, national councils, etc.
2. Public sector offices (at different levels of management responsibility in different ministries and agencies in national/regional/local governments)
3. Social partners (employer representative organisations and trade unions)
4. Sectoral organisations and major companies
5. Representative organisations of teaching and training professions
6. Networks/associations of providers
7. Civil society (including community organisations and NGOs)
8. International agencies/donors
9. Learner/user associations (including parent associations)
10. Experts/researchers
11. Other private stakeholders (company owners/private providers)

Mapping the current HRD governance system

Please amend the matrix that follows so that the levels fit the existing system more accurately. Then, for each named policy area and level, please specify the stakeholders that are engaged, and indicate the role/responsibility that each one has.

The following short table describing roles can be used. Please indicate also whether the actor covers all HRD, or a particular area (such as VET, higher education, CVET).

Key box A1.2 The roles that institutions and/or actors may have in the HRD policy cycle

I	Initiator
STA	Strategic actor
D	Decision maker or co-decision maker
MS	Manages administration of systems
C	Consultative role/consultee/adviser
A	Acts on instructions/implements decisions
E	Evaluator or assessor
F	Funder or co-funder
SP	Officially recognised social partner
P	Partner (others) – it is generic, but may be useful (please specify type of partnership/role)

Governance matrix for HRD policy functions

Policy function	Legal basis Yes/No	Governance level (please adapt)			
		National	Intermediate (regional/local etc.)	Sectoral	Providers
Vision building/ agenda setting					
Strategy development					
Demand-side analysis					
Supply-side analysis					
Needs forecasting					
Quality assurance and monitoring					
Finance					
Evaluation					

If useful, duplicate the matrix to analyse VET, continuing VET and higher education separately.

Institutional arrangements of selected HRD policy areas

Please select at least three (but no more than five) of the broad policy-making functions:

- skills vision building and strategy development,
- identification of policies for skills agenda,
- skills demand analysis,
- skills supply analysis,
- skills matching analysis,

- skills forecasting,
- monitoring of policies,
- evaluation of policies.

Describe in each case how the interaction of actors mapped in the matrices above actually works; give examples of good practice, interesting developments and also bottlenecks and challenges. Please pay specific attention to the coordination mechanisms in place.

In the commentary, please pay attention to the following questions.

- Are the governance arrangements regulated (e.g. through legislation) or more informal, and are procedures open and transparent?
- Are actors well informed and do they have the capability and resources (funding/human) to carry out their roles effectively?
- Are their roles appropriate and their functions clear?
- Are the mechanisms to link stakeholders at different levels (national through to education and training providers) sufficient? Please be sure to cover the engagement of the intermediate levels and education and training providers.
- Are the mechanisms to link stakeholders at each level (e.g. public/private, formal/informal, government/social partners) sufficient?
- Do current governance arrangements seem to have an effective, or at least a positive, impact on the way the system performs (external and internal efficiency)?
- Please make specific reference to the engagement of social partners (employer/employee representatives).
- Make specific reference to the engagement of civil society organisations.

Key box A1.3 Examples of coordination mechanisms for HRD policy making

N	National legislation
LRg	Sub-national legislation
CA	Cooperation agreements/arrangements/memorandums of understanding
SD	Social dialogue arrangements
CB	Collective bargaining (agreements)
NATVET	National VET strategies
SR	Recommendations, (joint) opinions, declarations
SSCs	VET, sectoral and regional (skills) councils (and other advisory bodies)
STCs	Steering and/or joint committees or boards
IMCs	Interministerial cooperation groups
IRGs	Interregional cooperation groups
VET-net	School networks.
PPPs	Public–private partnerships
TAs	Tripartite agreements
BAs	Bipartite agreements
NQFs	National qualification frameworks
SkA	Skills needs assessments/analysis
OBS	Observatories (employment and training) and other monitoring tools

Please provide an overview of the institutional arrangements and trends for HRD in the country.

Strengths	**Weaknesses**
Opportunities	**Barriers**

Scanning tool – institutional arrangements

Please provide a preliminary assessment of the performance of the institutional arrangements and the associated capabilities of institutions' and organisations' systems, referring to the following principles and indicators.

Principles and indicators for HRD institutional arrangements

Following the ETF Torino Process Analytical Framework and the ETF Policy Learning Approach, as well as the work on multi-level governance being developed by the ETF and the EU's Committee of the Regions, it has been possible to identify some key principles that form the basis of a mature HRD policy framework. These principles cover the ability of the institutional arrangements of the HRD sector to support and deliver a relevant, sustainable, innovative and policy-learning-oriented system. Six provisional principles, four defining the elements of the policy framework and two the elements of institutional arrangement capabilities, are set out below. Here you are asked – in a preliminary way – how you think the country performs against each of indicators. The survey is a qualitative assessment and the final scores will be used to engage in a policy dialogue within the FRAME workshops that are focused on institutional capabilities and policy development in the HRD sector. The initial scores obtained through the survey will be debated at the workshops and validated through in-depth interviews and focus group discussions. The overall results will be then presented as the outcome of the review of institutional arrangements component of the FRAME project.

Note: Each indicator should be scored according to your professional assessment of the current overall situation.

1. **Ad hoc**/sporadic presence in a few/some policies relating to HRD
2. **Initial** consolidated presence in most/all policies relating to HRD
3. **Frequent** consolidated presence in all policies relating to HRD
4. **Consolidated** presence in all policies relating to HRD

Principles and indicators for HRD institutional arrangements

Principle	Indicators	Scoring			
Relevance The ability of HRD policies to meet the demands of the social and economic context, as well as the country's own economic and social objectives	Institutional arrangements support the economic role of HRD, e.g. by anticipating/matching skills needs and linking this to the overall economic development vision of the country	1	2	3	4
	Institutional arrangements support the social role of HRD, e.g. by opening up access to learning and contributing to social cohesion and inclusion	1	2	3	4
	Institutional arrangements respond to learner needs, e.g. by introducing more flexibility in access to education and training, linking formal and informal sectors, and developing more outcomes-based approaches	1	2	3	4
	Institutional arrangements respond to labour market needs, e.g. by introducing greater alignment with labour market needs, linking formal and informal training and recognition, and allowing more direct contributions to training on the part of labour market actors	1	2	3	4
	Institutional arrangements support the improvement of the professional standards and professional development of HRD actors across settings	1	2	3	4
	Overall, the national institutional arrangements support the relevance of HRD	1	2	3	4
Sustainability The ability of HRD policies to ensure relevance in both the present and the future, by providing equal opportunities for today's and tomorrow's citizens, including access, availability of resources, and opportunities that strive for efficiency and effectiveness	Institutional arrangements mobilise smart, efficient financing and funding mechanisms in HRD	1	2	3	4
	Institutional arrangements allow for resilience in times of crisis, ensuring effective management of resources against HRD goals	1	2	3	4
	Institutional arrangements respond to multi-annual planning requirements in order to anticipate current and future resource needs	1	2	3	4
	Goals are formulated in response to shared concerns and identified policy gaps, taking into account the availability of resources for implementation	1	2	3	4
	Overall, the national institutional arrangements support the sustainability of HRD	1	2	3	4
Innovation The ability of HRD policies to account for planning ahead, and to meet the evolutionary nature of learning and the development of competencies	Institutional arrangements support the innovative role of HRD policies, e.g. by introducing and mainstreaming innovation in the policy areas	1	2	3	4
	Institutional arrangements are conductive to innovation-oriented strategies	1	2	3	4
	Institutional arrangements support the contribution of research in HRD	1	2	3	4
	Overall, the national institutional arrangements support the innovation of HRD	1	2	3	4

Principle	Indicators	Scoring			
Policy learning The ability of the HRD system to learn from its own policies and practices as well as from international policies and practices; the ability to engage in a continuous learning process cycle to reflect on the impact of policies, allowing for continuous development	Institutional arrangements allow the HRD system to learn from policy implementation and evaluation	1	2	3	4
	Institutional arrangements allow the HRD system to learn from external policies and practices	1	2	3	4
	Institutional arrangements support the analysis of HRD sector performance	1	2	3	4
	Overall, national institutional arrangements lead to a sector learning and development process	1	2	3	4
Policy analysis Evidence-based policy analysis Ownership Holistic view Participation	The HRD system has in place a clear policy-analysis process	1	2	3	4
	The HRD system's strategies, priorities and policies are developed on the basis of evidence	1	2	3	4
	Evidence processes (creation, communication and use) are functionally distributed among actors in HRD	1	2	3	4
	Roles and functions in HRD policy analysis are clear	1	2	3	4
	Institutional arrangements for HRD take into account the contribution to policy analysis of all HRD stakeholders	1	2	3	4
	Institutional arrangements for HRD take into account the contribution to policy analysis based on context demands	1	2	3	4
	Institutional arrangements for HRD lead to a holistic analysis, taking into account the complexity of the domain of the sector	1	2	3	4
	There is a sector approach to HRD policy analysis	1	2	3	4
	HRD policy-agenda setting and formulation are open processes that engage the stakeholders identified	1	2	3	4
	Policy dialogue is coordinated and supported by relevant documentation, reports, guidelines, etc.	1	2	3	4
	Management information systems and other data meet the policy analysis requirements of HRD stakeholders	1	2	3	4
	Formal and informal mechanisms for sharing information operate, so that information is used regularly by HRD stakeholders	1	2	3	4
	Decision makers assess and respect the contributions and recommendations of the different HRD stakeholders	1	2	3	4
	The appropriate range of stakeholders is engaged collaboratively throughout the HRD policy analysis	1	2	3	4
	Different government agencies (i.e. ministries) and the different levels of government (i.e. national/regional/local) are actively engaged	1	2	3	4

Principle	Indicators	Scoring			
	Coordinated participation mechanisms (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points	1	2	3	4
Policy making Cost-effectiveness Policy-cycle management Communication – transparency Accountability Delivery	Institutional arrangements support the delivery of HRD objectives, particularly at the provider level	1	2	3	4
	Institutional arrangements support the achievement of national development goals and a range of broader policies, at national, intermediate and provider level	1	2	3	4
	Quality-assurance mechanisms operate or are developing, and these help to improve quality and apply fit-for-purpose standards	1	2	3	4
	Decisions are taken at the most appropriate level and/or at the lowest level to optimise policy implementation	1	2	3	4
	Roles and responsibilities of stakeholders do not conflict and do not leave gaps in the policy-making process	1	2	3	4
	Both hard regulation (laws, etc.) and soft regulation (recommendations, opinions, etc.) apply at each stage and level of the policy cycle	1	2	3	4
	Governance practices comply with standards, regulations and procedures and are agreed by different stakeholders	1	2	3	4
	Governance responsibilities, roles and functions are clearly defined and take into account the outcomes expected by users and stakeholders	1	2	3	4
	The appropriate range of stakeholders is engaged collaboratively throughout the policy cycle	1	2	3	4
	Different government agencies (e.g. ministries) and the different levels of government (e.g. national/regional/local) are actively engaged	1	2	3	4
	Coordinated participation mechanisms (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points	1	2	3	4
	Delivery of policies is regularly monitored and evaluated	1	2	3	4
	Policy performance is evaluated against agreed indicators, standards, objectives or benchmarks	1	2	3	4
	Policy performance is regularly communicated to stakeholders	1	2	3	4
	Quality improvement processes are in place and assured by the institutional arrangements	1	2	3	4

If the questionnaire is to be used in a group discussion, please add a column asking for evidence/facts/examples to support the assessment.

Further comments and conclusions

Please add any conclusions or reflections that you wish to make.

Annex 2. Interview guidelines: tips for national experts – interviewers

Preparation of interview

Selection of target institutions and request for interviews

The ETF country manager, in cooperation with the national HRD expert, is responsible for the selection of the specific ministries, pilot training providers and stakeholders to be included in the review, and will decide which specific departments and staff should receive interview request letters. The letters will include information on:

- the FRAME project,
- the purpose and process of the review of institutional arrangements,
- target institutions participating,
- structure of interview,
- results.

It is for the ETF country manager, in consultation with the national HRD expert, to decide whether questions should be sent in advance of the interviews.

The ETF country manager will send official requests for interview appointments and will coordinate the schedule with the interviewer.

Ensuring up-to-date information

The preparation of interviews will be coordinated between the interviewer and the ETF country manager. The interviewer is required to be up-to-date on the following:

- results and status of mapping of stakeholders;
- results of multi-level governance questionnaire;
- status and results achieved under Component 1 in relation to formulation of the Skills Vision 2020 and its related priorities;
- institution/organisation to be visited (by visiting the relevant homepage, gaining sufficient knowledge about most important/recent documents and strategies, previous institutional assessments and MTEF reviews, etc.);
- review of questions and tailoring of interviews if necessary (in cooperation with the ETF country manager).

Having more than one interviewer

In some cases it is envisaged that interviews will be conducted jointly by the national expert and ETF country manager, or together with the international experts. It will be important to agree on the division of roles during the interview (making the introductions, asking the main questions, asking additional/clarification questions, taking notes, etc.).

Interpreting

In cases where the ETF country manager or international experts participate, the need for interpreting should be checked well in advance in order to make the necessary arrangements with an interpreter.

Documents

The following documents should be brought along to the interview:

- FRAME information leaflet, for distribution;
- the right interview questions tailored for the target group (1. institutions in charge of policy making, 2. institutions engaged in policy delivery, or 3. stakeholder institutions involved in the policy cycle);
- results of mapping of stakeholders (latest version of Annex 1 – for reference only, not for distribution);
- results of multi-level governance questionnaire (latest version of Annex 2 – for reference only, not for distribution);
- sufficient note paper and pens.

Implementation of interview: registration, introduction and explanations

Starting the interview

Check the time before starting the interview: the interviewer should bear in mind that the interview is scheduled to last for a maximum of 2 hours (for institutions in charge of policy making) or a maximum of 1.5 hour (for institutions engaged in policy delivery and stakeholder institutions involved in the policy cycle).

Turn off mobile phones and ask the interviewees to do the same.

Interviewer should briefly and clearly introduce himself or herself and his or her role in the FRAME project.

Explanations to be provided by the interviewer to the interviewee

This should take a maximum of 10 minutes: information has already been provided to the interviewee in the information note that was sent with the request for an interview.

The interviewer can ask whether the interviewee has any questions on the Information Note, and whether everything is clear; if not, the interviewer should briefly provide the following information.

1. **Presentation of FRAME** – Provide a very brief introduction to the FRAME project (purpose, the four interlinked components, timing, results, link to IPA II programme and the sector approach). Provide information on the status of the Skills Vision (content formulation). The Skills Vision should be the reference point throughout the interview.
2. **Purpose of the interview** – Provide information on the general purpose of the exercise. With the institutional arrangements of the country in mind, try to identify bottlenecks and challenges at system level for HRD policy making and delivery, in order to identify capacity-development priorities that could potentially be funded by the future IPA II programme and that contribute to the achievement of the Skills Vision 2020. HRD is considered to cover secondary education, higher education, VET and labour market training.

3. **Target group** – Briefly inform the interviewee that the review is addressing four categories of target groups through approximately 45–50 direct interviews: institutions in charge of policy making, institutions engaged in policy delivery (selected pilot institutions representing secondary education, higher education and adult education), stakeholder institutions involved in the policy cycle, and ministries of finance and budgetary units within line ministries.
4. **Review of institutional arrangements methodology** – Explain briefly how the work has been organised in Component 2 for the review of institutional arrangements: mapping of governance (matrix + questionnaire) and the main conclusions of the mapping. Provide information on activities following the interview: analysis of results, review workshop, provision of input to the foresight process. Product will be a brief country report with main conclusions and list of identified capacity building priorities.
5. **Structure of interview** – Interviewer to explain that, after few preliminary general questions (30 minutes maximum), the interview will focus on four main capacities: interministerial coordination and stakeholder involvement; policy design; financial planning and budgeting; and policy delivery, monitoring, evaluation and learning (60 minutes maximum). NB For interviews with institutions in charge of policy making the interview will take up to two hours. It is important to emphasise that the interviews and answers will be treated anonymously. The interviewee is asked to answer the questions as an individual in his or her professional capacity. To the extent possible, the interviewee is asked to provide sources of evidence (laws, regulations, reports, etc.) to support their answers to the specific questions. The interview should start with a general validation of the matrix: the interviewer should quickly present the main findings of the matrix and double check them with the interviewee.

During the interview

The interviewer should follow the sequence and structure of the questions. However, the interviewer should be prepared for the possibility that some questions might be answered while asking other questions and should thus leave room for some flexibility in the use of the guiding questions.

The interviewer should ask for and encourage the interviewee to provide references (laws, regulations, reports) in relation to the questions where relevant. Such references can be sent by email directly to the ETF country manager and the interviewer within one week following the interview. (It is recommended that an @etf.europa.eu email address be set up for the interviewer.)

Ending the interview

The interviewer will end by asking whether the interviewee has comments or recommendations on the FRAME project and the review. (Institutions should include in the review any questions to be raised, synergies with other capacity-building projects, suggestions for additional activities for the ETF to implement, etc.)

Follow-up of interview

Drafting of interview notes and preliminary conclusions

It is advised that responses and conclusions from the interviews are summarised by the interviewer on the same day in a short interview report. The report should be sent directly to the ETF country manager for distribution among the rest of the review team.

Possible problems and issues encountered during the interview should be listed, and should be discussed with the ETF country manager and/or the rest of the review team. The interviewer can make use of the opportunities for internal consultation and coaching provided by the international experts via telephone or video conferencing. Any such sessions will be established at the request of the interviewer.

Processing of additional material

Sources of evidence and supporting material received after the interview should be reviewed by the interviewer and saved in a filing system agreed with the ETF country manager.

Annex 3. Interview guidelines: questionnaires

Questionnaire for institutions in charge of policy making

I. GENERAL QUESTIONS

We have conducted a mapping of institutional roles and responsibilities. Please answer the following questions.

1. What is the specific role and mandate of your ministry in relation to HRD policy?

1.1 Areas covered: education, social, employment, youth, health, other areas.

2. In what way does the ministry cover skills in relation to its role and mandate (national qualification framework, economic sectors, etc.)?

3. What are the specific tasks of your department/unit?

3.1 Please specify the area(s) covered:

- policy design/strategy development;
- statistical analysis and production of data,
- financial planning and budgeting,
- policy implementation,
- monitoring and evaluation,
- IPA coordination,
- other areas (please specify).

4. How would you evaluate the ministry's performance in relation to the policy cycle for different HRD phases? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

■ Role as stakeholder in relation to other ministries	1	2	3	4
■ Policy design	1	2	3	4
■ Financial planning and budgeting	1	2	3	4
■ Policy delivery	1	2	3	4
■ Monitoring, evaluation and learning	1	2	3	4

If performance is rated 1 or 2 in some phases, why is that?

Additional comments on the above:

5. How do you perceive the importance of the following factors for your ministry to be able to carry out its tasks? (1 = hardly relevant, 2 = some relevance, 3 = relevant, 4 = highly relevant)				
■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4
■ Other (please specify)	1	2	3	4
6. Do you consider these factors adequate at the present for the performance of the ministry in the policy cycle? Please evaluate their adequacy (1 = very poor, 2 = poor, 3 = good, 4 = very good)				
■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4
■ Other (please specify)	1	2	3	4

7. Please provide an overview of the institutional arrangements and trends for HRD policy in relation to:

- Strengths:
- Weaknesses:
- Opportunities:
- Barriers:

8. What do you consider to be the most important changes that would allow an improvement in your ministry's role and function in relation to HRD? Please name at least three (e.g. financial and legal resources, organisational settings, information tools, HR and training of staff).

II. QUESTIONS RELATING TO THE AGREED SKILLS VISION 2020

The following questions should be posed if the Skills Vision 2020 has been formulated by the time the interview takes place.

1. With reference to the Skills Vision 2020 [interviewer to refer to the agreed Vision formulation], in what way can your ministry contribute to the achievement of the Skills Vision?

1.1 In which of the identified priorities (and related measures) could your ministry have a particular involvement? [Interviewer to mention priorities identified in Skills Vision].

2. What do you see as the main challenges for the achievement of the Skills Vision? Please list up to three challenges.

3. What do you consider to be the immediate actions that need to be implemented for achievement of the Skills Vision?

4. What do you consider to be the medium-term actions that need to be implemented for achievement of the Skills Vision?

5. Based on previous experience, are there specific practices or innovative approaches you would recommend as being particularly useful for matching the supply of and demand for skills (e.g. previous IPA projects, projects funded by international donors, national practices)?

III. SPECIFIC QUESTIONS RELATING TO POLICY MAKING

III.1 Interministerial coordination and stakeholder engagement

Assessment focus: Cross-cutting issue on capacity to engage stakeholders and ensure interministerial coordination in policy making.

Please make reference to relevant sources where possible (laws, regulations, reports, etc.).

1. Is there a legal basis for interministerial coordination in the policy-making cycle? [Interviewer to make reference to the mapping matrix.]

1.1 If so, how does it work in practice? Please provide three recent examples, providing relevant details (who leads the process, how frequently meetings are held, how consensus is reached, etc.).

2. Are there more informal mechanisms that allow interministerial coordination?

3. How do you evaluate the formal interministerial coordination? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

3.1 If 1 or 2, please explain why.

4. Is there a legal basis for stakeholder involvement in the policy-making cycle?

4.1 If so, how does it work in practice? Please provide three recent examples (who leads the process, how frequently meetings are held, how stakeholders' opinions are used in policy design, etc.).

5. How do you evaluate the involvement of stakeholders? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

5.1 If 1 or 2, please explain why.

6. What mechanisms could be established to improve coordination with other institutions and improve involvement of stakeholders? Please mention up to five mechanisms.

Additional comments:

III.2 Policy design

Assessment focus: Capacity to manage and interpret comprehensive situation analyses of the country's HRD assets and needs, to design coherent HRD policies and reform strategies as a response to skills needs, and to apply foresight methods in HRD policy design.

1. What kind of data and information does your ministry use as basis for HRD policy design (e.g. quantitative, qualitative, process)?

1.1 Do you consider the information to be statistically reliable?

1.2 If not, why not?

2. What information does your ministry produce to assess skills needs and supply across sectors?

2.1 What information does your ministry use to assess skills needs and supply across sectors?

3. Are foresight methods (forward-looking methods, scenario planning, etc., in cooperation with other stakeholders) used in policy design?

3.1 If so, do you think that these methods are useful?

4. Are strategies based on a forward-looking vision?

4.1 If so, how is this vision formulated?

4.2 If so, which stakeholders are involved? Please provide three recent concrete examples.

5. What specific actions would you suggest in order to improve the institutional arrangements in relation to policy design? List up to five main priority actions (e.g. system for evidence-based policy making, coordination and communication systems).

Additional comments:

III.3 Financial planning and budgeting

Assessment focus: Capacity to integrate budget when developing policies.

1. Does the ministry use tools for linking planning, expected results and budgeting? If so, please mention up to five specific tools (e.g. MTEF, regular internal reporting, financial monitoring, results monitoring).

2. What specific actions would you suggest in order to improve/implement the institutional arrangements in relation to financial planning and budgeting?

2.1 Could any existing positive examples (e.g. IPA) be developed for other ministries and sectors?

2.2 If yes/no, why?

III.4 Policy delivery

Assessment focus: Capacity to manage and implement appropriate policy responses to skills needs.

1. What are the main mechanisms at ministerial level for ensuring the delivery of HRD policies?

1.1 Do you think that these could be improved?

1.2 If so, how?

2. What are the main issues that your ministry faces when implementing HRD-related policies (e.g. resources, decentralisation, outsourcing)? Please mention up to five issues.

3. Do implementation plans contain a division of roles and responsibilities for specific actions?

3.1 If so, do you consider an improvement possible? How could that be achieved?

4. To what extent are education and training providers able to tailor delivery to meet specific opportunities or skills needs in their regional environment or sector? (1 = never, 2 = rarely, 3 = most of the time, 4 = always)

5. Are you satisfied with the delivery of your policy objectives by the implementing agencies? (1 = never, 2 = rarely, 3 = most of the time, 4 = always)

5.1 If 1 or 2, why?

5.2 How could this be improved?

6. Are there tripartite councils in place?

Additional comments:

III.5 Monitoring, evaluation and learning

1. What are the mechanisms for measuring the effects/results of policy initiatives/strategies in your ministry?

2. Are there any administrative guidelines for monitoring and evaluation of performance?

2.1 Could any existing positive examples (e.g. IPA) be developed for other ministries and sectors?

2.2 If so, how?

2.3 If not, why not?

3. Are there any reporting arrangements in place? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

3.1 If so, what are the reporting arrangements (e.g. procedures for sharing of reports, feedback mechanisms)? Please describe briefly the process and the main actors.

4. To what extent is the information used to inform policy makers in your ministry? (1 = never, 2 = rarely , 3 = often, 4 = always)

4.1 If used, how is it used in relation to new policy design and strategy formulation (e.g. feedback mechanisms for adjustment of future policies)? Please mention up to five examples.

5. What specific actions would you suggest in order to improve the institutional arrangements in relation to monitoring and evaluation? Please prioritise those that you consider to be the three most important actions.

Additional comments:

IV. GENERAL COMMENTS

1. Do you have any comments or recommendations on the FRAME project and the review (e.g. institutions to be included in the review, questions to be raised, synergies with other capacity building projects, suggestions for additional activities for the ETF to implement)?

Summary of key points by the interviewer:

Questionnaire for institutions engaged in policy delivery

I. GENERAL QUESTIONS

1. What is the specific role and mandate of your institution in relation to HRD policy delivery?

2. In what way is the institution involved in terms of skills delivery?

3. What are the specific tasks of your department/unit?

4. Which institutions do you consider to be your institution's most important cooperation partners in the delivery of HRD services?

5. How would you evaluate the institution's performance in relation to policy delivery? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

5.1 If 1 or 2, why?

6. How do you perceive the relevance of the following factors for your institution to be able to influence policy making? (1 = hardly relevant, 2 = some relevance, 3 = relevant, 4 = highly relevant)

■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4
■ Other comments on the above:				

7. Do you consider these factors to be adequate at the present for the performance of the institution for its policy delivery? Please evaluate their adequacy (1 = very poor, 2 = poor, 3 = good, 4 = very good)

■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4

- Other comments on the above:

8. Please provide an overview of the institutional arrangements and trends for HRD policy in relation to:

- Strengths:
- Weaknesses:
- Opportunities:
- Barriers:

9. Please list what you consider the three most important changes that would allow an improvement of your institution's role and function in relation to HRD policy delivery.

II. QUESTIONS RELATING TO THE AGREED SKILLS VISION 2020

The following questions should be posed if the Skills Vision 2020 has been formulated by the time the interview takes place.

1. With reference to the Skills Vision 2020 [interviewer to refer to the agreed Vision formulation], in what way can your institution contribute to the achievement of the Skills Vision?

1.1 In which of the identified priorities (and related measures) could your ministry have a particular involvement? [Interviewer to mention priorities identified in the Skills Vision.]

2. What do you see as the main challenges for the achievement of the Skills Vision? Please mention up to three challenges.

3. What do you consider to be the immediate and medium-term actions that need to be implemented for achievement of the Skills Vision?

III. SPECIFIC QUESTIONS

III.1 Stakeholder engagement and coordination

Assessment focus: Cross-cutting issue on capacity to engage stakeholders.

Please make reference to relevant sources where possible (laws, regulations, reports, etc.).

1. Is your organisation involved in the national policy-making process? If so, in what specific way? Please provide three recent examples.

2. How do you assess the involvement of stakeholders in the policy-making process? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

2.1 If 1 or 2, please explain why.

3. What mechanisms could be established to improve the involvement of your institution and other stakeholders in the policy-making process? Please mention up to five mechanisms.

Additional comments:

III.2 Policy design

Assessment focus: HRD policies and reform strategies as a response to skills needs.

1. Does your institution produce data or information as a basis for national HRD policy making? If yes, what kind of data and information do you produce, and for whom?

2. Do you know how this information is used in relation to the design of policies and strategies?

3. Are there specific data that policy makers request but that you do not have the capacity to produce?

3.1 If so, why?

4. What specific capacity-development actions would you suggest in order to improve the institutional arrangements in relation to policy design (e.g. coordination mechanisms, resources for data collection and data processing)? Please list up to three main priority actions.

Additional comments:

III.3 Financial planning and budgeting

Assessment focus: Input for budgeting.

1. Is there a functional legislative framework for the timely disbursement of allocated funds, according to the planned and expected outputs?

1.1 If so, how do you assess the functioning of this framework? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

1.2 If 1 or 2, please explain why.

2. Are the allocated funds disbursed according to the objectives and schedule?

3. Can any existing positive examples (e.g. IPA) be developed for other ministries and sectors?

3.1 If yes/no, how/why?

4. What specific actions would you suggest in order to improve the institutional arrangements in relation to financial planning and budgeting? Please mention up to three actions.

III.4 Policy delivery

Assessment focus: Capacity to manage and implement appropriate policy responses to skills needs.

1. On what basis (mandate, regulation, annual strategy, etc.) are the services of your institution delivered? Do you think this could be improved and, if so, how?

2. How is quality defined (criteria) in your institution in relation to policy delivery (e.g. timely delivery, meeting of targets, cost-efficiency)?

3. What mechanisms ensure that your institution delivers the services according to the national HRD strategies (e.g. implementation plans, annual strategies)?

4. Is your institution able to tailor training delivery to meet specific opportunities of skills needs in your regional environment or sector? If so, please explain by providing three recent examples. If not, what are the main obstacles?

5. In what specific way are the strategies and annual implementation plans of your institution linked to labour market demand? Please explain how this works in practice.

6. What do you consider to be the strengths and weaknesses of your institution with regard to the following elements in relation to matching skills supply and skills demand?

- Curricula
- Textbooks and other learning materials and equipment
- Training and learning methods
- Teachers' skills and professional development
- Enrolment system
- Budget, including costs for students
- Management

7. What actions do you suggest in order to improve the matching of skills supply and skills demand? Please list up to three main priority actions to improve delivery (e.g. institutional arrangements, laws, financial issues, roles and responsibilities, technical competences).

Additional comments:

III.5 Monitoring, evaluation and learning (including MTEF)

1. How is performance of your institution measured in practice?

2. Are there any administrative guidelines for the monitoring and evaluation of performance?

2.1 If so, please assess their effectiveness in practice. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

2.2 If 1 or 2, please explain why.

3. Can any existing positive examples (e.g. IPA) be developed for institutions?

3.1 If yes/no, how/why?

4. What are the reporting arrangements (frequency, channels, feedback mechanism)?

5. How is performance information used in relation to new policy design and strategy formulation? Please provide three recent examples.

6. What specific actions would you suggest in order to improve the institutional arrangements in relation to monitoring and evaluation? Please prioritise what you consider to be the five most important actions.

Additional comments:

IV. GENERAL COMMENTS

1. Do you have any comments or recommendations on the FRAME project and the review (e.g. institutions to be included in the review, questions to be raised, synergies with other capacity building projects, suggestions for additional activities for the ETF to implement)?

Summary of key points by the interviewer:

Questionnaire for stakeholder institutions involved in policy making

I. GENERAL QUESTIONS

1. What is the role and mandate of your institution?

1.1 What is the specific role of your institution in relation to HRD?

2. In what way does the institution intervene in relation to skills?

3. In which phase of the policy cycle does your institution intervene? Please assess the relevance of its intervention in each of the phases. (1 = hardly relevant, 2 = some relevance, 3 = relevant, 4 = highly relevant)

■ Role as stakeholder in relation to other ministries	1	2	3	4
■ Policy design	1	2	3	4
■ Financial planning and budgeting	1	2	3	4
■ Policy delivery	1	2	3	4
■ Monitoring, evaluation and learning	1	2	3	4
■ Additional comments on the above:				

4. Which institutions do you consider to be your institution's most important cooperation partners in relation to HRD policy making?

5. How would you evaluate your institution's ability (performance) to intervene in relation the different policy cycle phases? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

■ Role as stakeholder in relation to other ministries	1	2	3	4
■ Policy design	1	2	3	4
■ Financial planning and budgeting	1	2	3	4
■ Policy delivery	1	2	3	4
■ Monitoring, evaluation and learning	1	2	3	4
■ Additional comments on the above:				

6. How relevant do you perceive the following factors to be for your institution's ability to influence policy making? (1 = hardly relevant, 2 = some relevance, 3 = relevant, 4 = highly relevant)

■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4
■ Other comments on the above:				

7. How do you assess the current adequacy of these factors for the performance of the institution in relation to its influence on policy making? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4
■ Other comments on the above:				

8. Please provide an overview of the institutional arrangements and trends for HRD policy in relation to:

- Strengths:
- Weaknesses:
- Opportunities:
- Barriers:

9. Please list the three most important changes that would allow an improvement of your institution's role and function in relation to its influence on HRD policy making.

II. QUESTIONS RELATING TO THE AGREED SKILLS VISION 2020

The following questions should be posed if the Skills Vision 2020 has been formulated by the time the interview takes place.

1. With reference to the Skills Vision 2020 [interviewer to refer to the agreed Vision formulation], in what way can your institution contribute to the achievement of the Skills Vision?

1.1 In which of the identified priorities (and related measures) could your organisation have a particular involvement? [Interviewer to mention priorities identified in the Skills Vision.]

2. What do you see as the main challenges for the achievement of the Skills Vision? List up to three challenges.

3. What do you consider to be the immediate actions that need to be implemented for achievement of the Skills Vision?

4. What do you consider to be the medium-term actions that need to be implemented for achievement of the Skills Vision?

III. SPECIFIC QUESTIONS

III.1 Stakeholder engagement and coordination

Assessment focus: Cross-cutting issue on capacity to engage stakeholders.

Please make reference to relevant sources where possible (laws, regulations, reports, etc.).

1. Is your institution involved in the national policy-making process (refer to Section I, question 3)? If so, in what specific way? Please provide three recent examples.

2. How effective is the involvement of your institution in the policy-making process? (1 = very poor, 2 = poor, 3 = good, 4 = very good)

2.1 If 1 or 2, please explain why.

3. What mechanisms could be established to improve the involvement of your institution in the policy-making process? Please mention up to three.

Additional comments:

III.2 Policy design

Assessment focus: HRD policies and reform strategies as a response to skills needs.

1. Does your institution produce data or information as a basis for national HRD policy making? If yes, what kind of data and information do you produce, and for whom?

2. Do you know how this information is used in relation to the design of policies and strategies?

3. What actions would you suggest for improving the matching between skills supply and skills demand? Please mention up to three actions.

4. What specific actions would you suggest for improving the institutional arrangements in relation to policy design? Please list up to three main priority actions.

Additional comments:

III.3 Financial planning and budgeting

Assessment focus: Input for budgeting.

1. What is the practice for arriving at a consensus on the budget?

2. At what point in the budget cycle are the consultations held?

3. Are the results openly debated?

4. What specific actions would you suggest in order to improve the institutional arrangements in relation to financial planning and budgetary decisions? Please mention up to three.

III.4 Policy delivery

Assessment focus: Management and implementation of policy responses appropriate to skills needs.

1. What do you suggest in order to improve the match between skills supply and skills demand?

2. What do you consider to be the strengths and weaknesses of the education and training system with regard to the following elements? Please specify what kind of training providers the answers relate to.

- Curricula
- Textbooks and other learning materials and equipment
- Training and learning methods
- Teachers' skills and professional development
- Enrolment system
- Budget, including costs for students
- Management
- Other (please specify)

3. How do you think the situation of could be improved? List three main priority actions for improving delivery (e.g. institutional arrangements, laws, financial issues, roles and responsibilities, technical competences).

Additional comments:

III.5 Monitoring, evaluation and learning

Assessment focus: Monitoring, evaluation and learning

1. Is your institution/organisation taking part in the monitoring and/or evaluation of HRD policies? (Make reference to reply in Section I, question 3.) If so, in what specific way?

2. What are the reporting arrangements?

2.1 Can any existing positive examples (e.g. IPA) be developed for other ministries and sectors? If yes/no, how/why?

3. How is performance information used in relation to new policy design and strategy formulation?

4. What specific actions would you suggest in order to improve the institutional arrangements in relation to monitoring and evaluation? Please prioritise what you consider to be the three most important actions.

4.1 Can any existing positive examples (e.g. IPA) be developed for other ministries and sectors? If yes/no, how/why?

Additional comments:

IV. GENERAL COMMENTS

1. Do you have any comments or recommendations for the FRAME project and the review (e.g. institutions to be included in the review, questions to be raised, synergies with other capacity-building projects, suggestions for additional activities for the ETF to implement)?

Summary of key points by the interviewer:

Questionnaire for institutions leading budget planning

I. GENERAL QUESTIONS

1. What is the role and mandate of your institution with regard to budget planning in HRD?

2. How do you perceive the relevance of the following conditions for your institution to be able to carry out its tasks regarding budget planning in HRD? (1 = hardly relevant, 2 = some relevance, 3 = relevant, 4 = highly relevant)

■ Number of staff	1	2	3	4
■ Qualifications of staff	1	2	3	4
■ Coordination with other institutions	1	2	3	4
■ Organisational setting	1	2	3	4
■ Legal basis	1	2	3	4
■ Financial resources	1	2	3	4

- Other comments on the above:

3. Please list up to three of the most important changes that would allow an improvement in your institution's role and function in relation to influence on budget planning of HRD policies.

II. QUESTIONS RELATING TO THE AGREED SKILLS VISION 2020

The following questions should be posed if the Skills Vision 2020 has been formulated by the time the interview takes place.

1. With reference to the Skills Vision 2020 [interviewer to refer to the agreed Vision formulation], in what way can your ministry contribute to the achievement of the Skills Vision?

1.1 In which of the identified priorities (and related measures) could your ministry have particular involvement? [Interviewer to mention priorities identified in the Skills Vision.]

2. What do you see as the main challenges for the achievement of the Skills Vision?

3. What do you consider to be the immediate actions that need to be implemented for achievement of the Skills Vision? Please mention up to three actions.

4. What do you consider to be the medium-term actions that need to be implemented for achievement of the Skills Vision? Please mention up to three actions.

III. SPECIFIC QUESTIONS

III.1 Stakeholder engagement and coordination

Assessment focus: Cross-cutting issue on capacity to engage stakeholders.

Please make reference to relevant sources where possible (laws, regulations, reports, etc.).

1. Please evaluate the process of consultation for budget formulation with government agencies and ministries. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

1.1 If 1 or 2, please explain why.

1.2 Please evaluate the process of consultation for budget formulation with civil society. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

1.3 If 1 or 2, please explain why.

2. Which institutions are involved in budget formulation?

3. How is the budget-planning process organised (who leads, what agencies participate, with what level of participation (policy makers, technical staff, budgeting and accounting, etc.))?

4. At what stage(s) of the budget-planning process are consultations organised? Please give details for consultations:

- with government agencies and ministries,
- with civil society.

5. What is the practice for reaching a consensus on the budget? Please give details for consensus:

- within government institutions (decrees, policy objective priorities, estimated costs, performance results by spending agencies, etc.),
- with civil society (mass media, open parliamentary debates, opinion polls, etc.).

Additional comments:

III.2 Financial planning and budget design

Assessment focus: Existence and relevance of structuring frameworks for the HRD policy-budgeting exercise.

1. What are the different frameworks that exist (macro-economic, fiscal, expenditure framework, MTEF, etc.)?

2. On what basis and against which criteria are budget allocations for HRD policies currently made? What are the parameters of the calculations (historical trends, policy objectives, annual targets, main benchmarks, HRD sector forecasts, etc.)?

3. Please evaluate the clarity of the objectives of existing HRD policies for costing purposes. Add an explanation if appropriate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

4. Are the expected outputs/results identified? Are they translated into annual targets? Please evaluate. Add an explanation if appropriate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

5. Are action plans to achieve the objectives, including detailed activities, elaborated? Please evaluate. Add an explanation if appropriate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

6. Which types of indicators are defined for budget formulation (e.g. outputs, outcomes, impacts)? Do any of them relate to budgeting or financing capacity?

7. Is the cost of these activities estimated to feed into annual and/or medium-term budgets? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

8. Please evaluate the consistency of HRD planning with the budget cycle for timely budget requests by the implementing agencies (compatible time frames). (1 = very poor, 2 = poor, 3 = good, 4 = very good)

8.1 If 1 or 2, please explain why.

9. Is the budget ceiling communicated in advance to HRD departments for realistic planning? Please evaluate. Add an explanation if possible. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

10. What are the main shortcomings in this budget-planning phase? Please name the three most important ones.

Additional comments:

III.3 Budget execution in relation to policy delivery

Assessment focus: Applying the planned expenditure budget and structure.

1. Is the budget implemented in a timely manner and according to the agreed budget lines in the HRD sector (according to the Budget Law)? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

2. Are resources allocated according to well-defined expected outputs? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

3. Are the allocated resources fully utilised (i.e. sufficient capacity to spend)? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

3.1 If 1 or 2, what are the impediments to budget execution?

4. Is the budget spent according to the planned objectives and priorities? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

5. Are under- or over-spending, transfer of resources between budget lines, budget amendments or exceptions regular features of HRD budget execution?

Additional comments:

III.4 Monitoring, evaluation, reporting and learning

Assessment focus: Monitoring and evaluation mechanisms related to budget execution in place.

1. What evaluation exercises that are based on international practices are in place (Public Expenditure Review (PER), Public Expenditure Financial Accountability (PEFA), Public Expenditure Tracking Survey (PETS), or other national review and evaluation processes)?

1.1 Who leads them on the national side?

1.2 When were they last implemented?

2. Can any existing positive examples for monitoring and reporting (e.g. IPA) be developed for other ministries and sectors?

If yes/no, how/why?

3. Do performance indicators exist? Give up to three examples.

3.1 How often are they measured/monitored, and by whom?

Additional comments:

Assessment focus: Management and implementation of appropriate policy responses to skills needs.

1. Is there a reporting mechanism in place for budget management (including planning, allocation and execution), and at what level?

2. How is the reporting exercise organised (are there specific tasks for compiling progress reports for budget execution, is there a two-way communication ensuring results dissemination, any other mechanisms)?

3. To what extent are the results of the financial evaluations used for improvement, and by whom? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

4. How is the budget performance information used in relation to new policy design and strategy formulation? Please evaluate. (1 = very poor, 2 = poor, 3 = good, 4 = very good)

5. What are the main shortcomings in terms of making budget monitoring and evaluation useful to further HRD policy planning? Please mention the three most important ones.

Additional comments:

IV. GENERAL COMMENTS

1. Do you have any comments or recommendations for the FRAME project and the review (e.g. institutions to be included in the review, questions to be raised, synergies with other capacity-building projects, suggestions for additional activities for the ETF to implement)?

Summary of key points by the interviewer:

Annex 4. Reporting template

Front cover

ETF FRAME PROJECT

Supporting the strengthening of comprehensive HRD strategies in the enlargement countries

Component 2: Review of institutional arrangements

Review of institutional arrangements

{Insert country name}

Structure

Table of contents

List of abbreviations

1. Introduction (max. 1 page), including:

- Information about the review process – time and experts involved
- Presentation of content of the report and annexes

2. Overview of the HRD governance system (max. 2 pages), including:

- Brief overview of the key actors involved policy making and policy delivery in the HRD sector
- Short version of multi-level governance matrix (annex)

3. Review of institutional arrangements: key findings (max. 7 pages), including:

- List of organisations interviewed
- Short summary of results of replies to the questionnaires
- Preliminary list of capacity-development actions proposed by respondents to the questionnaires

4. Review workshop: key conclusions (max. 4 pages), including:

- Key conclusions
- List of shared and prioritised capacity-development actions
- List of organisations participating (annex)
- Agenda (annex)

5. Conclusion and recommendations (max. 4 pages), including:

- Strengths and weaknesses of policy planning and policy delivery in the HRD sector
- Capacities to put into practice a medium-term expenditure framework (MTEF) and programme budgeting
- Drivers and constraints for implementing a Skills Vision
- Prioritised future capacity-development responses for each group of institutions (for each response, brief information on background, overall objective, measures and results)
- Recommendations and input to Component 1 – Foresight – Workshop 3 on roadmap/ milestones

Annexes

Glossary of terms

References

LIST OF ACRONYMS

ETF	European Training Foundation
EU	European Union
HRD	human resources development
IPA	Instrument for Pre-Accession Assistance
MTBF	medium-term budget framework
MTEF	medium-term expenditure framework
NGO	non-governmental organisation
UNDP	United Nations Development Programme
VET	vocational education and training

GLOSSARY OF TERMS

Adaptability	Ability to perform in future conditions and meet future needs.
Capacities (technical and functional)	According to the UNDP Capacity Assessment Framework, technical and functional capacities are together one of the three dimensions of the Assessment Framework. Functional capacities are necessary for the successful creation and management of policies, legislation, strategies and programmes such as situation analysis; policy design and strategy formulation; resources and budget allocation; implementation; and monitoring, evaluation and learning. These functional capacities are to be complemented with technical capacities relevant to that sector, e.g. education (curriculum development).
Capacity	The ability of people, organisations and society as a whole to manage their affairs successfully. More concretely, the ability to perform tasks and produce outputs, to define and solve problems and to make informed choices.
Capacity assessment	A capacity assessment determines capacity needs by comparing desired capacities against existing capacity assets. The three steps in the capacity-assessment process are: defining desired future capacities, defining levels of desired future capacities, and assessing existing capacity level. A capacity assessment serves as input to formulating capacity-development responses that address those areas in which capacities should be strengthen.
Capacity development	The process by which individuals, groups and organisations, institutions and countries develop, enhance and organise their systems, resources and knowledge; all reflected in their abilities, individually and collectively, to perform functions, solve problems and achieve objectives.
Capacity Assessment Framework	The UNDP Capacity Assessment Framework focuses on three dimensions for institutional capacity assessment: points of entry, core issues and capacities. An institutional analysis can use this framework to address any combination of this three-dimensional focus.
Copenhagen criteria	The Copenhagen criteria are the rules that define whether a country is eligible to join the EU. The criteria require that a state has the institutions to preserve democratic governance and human rights, has a functioning market economy, and accepts the obligations and intent of the EU. These membership criteria were laid down at the June 1993 European Council in Copenhagen, from which they take their name.
Core issues	According to the UNDP Capacity Assessment Framework, the core issues for an institutional capacity assessment are institutional arrangements, leadership, knowledge and accountability.
Enlargement countries	Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey and Iceland.

Entry point	According to the UNDP Capacity Assessment Framework, the three points of entry for an institutional capacity assessment are individual level, organisational level and enabling environment (system level).
Europe 2020	'Europe 2020 – A European Strategy for smart, sustainable and inclusive growth' (in short, 'Europe 2020') is the EU's strategy for sustainable growth and jobs. The new strategy replaces the Lisbon Agenda, which was adopted in 2000.
Foresight	Foresight is a systematic, participatory, future-intelligence-gathering and medium-to-long-term vision-building process aimed at enabling present-day decisions and mobilising joint actions.
Good governance	Principles of good governance are understood to ensure that public resources and problems are managed effectively, provide value for money and respond to critical needs of society and the economy, relying on openness, public participation, accountability, effectiveness and coherence.
Governance	Governance comprises rules, processes and behaviour relating to procedural, structural and instrumental aspects of objective setting, implementation and monitoring. In the governance context, capacity entails the ability of an institution of governance (the legislative, executive, judiciary, civil society or the private sector) to perform its constitutionally or politically mandated function or rules effectively or effectively.
HRD sector	The HRD sector covers education, higher education, vocational and VET and lifelong learning in a labour market perspective.
IPA HRD Component	The overall strategic objective of the IPA HRD Component is to foster the development of human resources, in particular by improving the quantity and quality of human capital, leading to more and better jobs, higher growth and development and increased national competitiveness at international level.
Medium-term expenditure framework	A medium-term expenditure framework (MTEF) plans the budget according to annual priorities, with a three-year horizon. Ideally, it consists of a top-down estimate of aggregate resources available for public expenditure consistent with macro-economic stability, bottom-up estimates of the cost of carrying out policies, both existing and new, and a framework that reconciles these costs with aggregate resources. It is called 'medium-term' because it provides data on a prospective basis, for the budget year and for the following years (n+1 and n+2). MTEF is a rolling process repeated every year; it aims to reduce the imbalance between what is affordable and what is demanded by line ministries.
Multi-level governance	Multi-level governance is a dynamic process referring to shared responsibilities and coordinated action by different actors in policy development, implementation, monitoring and evaluation.

Open systems approach	According to the open systems approach, in order to assess institutional capacity it is necessary to focus on organisations in their context. No organisation and no network of organisations function without constantly being influenced by the context, and at the same time influencing it. Like organisms, organisations are in a constant exchange with the environment. The strength of the open systems perspective is that it forces organisations to look both within and beyond organisational boundaries to assess capacity and identify sites of capacity constraints and potentials for improvement. The outputs of an organisation or a network of organisations are the direct products and services they provide, and the immediate effect of organisational performance. Assessment of outputs brings a focus on often relatively tangible results of performance. It thus fosters, from the very outset, a performance orientation focusing on results. Outputs are good proxies for capacity. Existing output levels will also reflect an initial capacity which most often develops incrementally and gradually, rather than in great leaps.
Proxy indicator	An indirect measure or sign that approximates or represents a change, in the absence of a direct measure or sign.
Rapid assessment of capacity development	The rapid assessment of capacity development (RAC) is a simplified application of the full methodology adopted by the European Commission for evaluating the capacity-development effects of technical capacity interventions. The RAC procedure refers to the standard steps and evaluation questions formulated in the full methodology. Its simplification consists of systematic use of existing documentation to acquire the preliminary information, adoption of participatory methods for data collection on outputs and outcomes, and validation of the related causality links.
Sector	A sector is a defined sub-set of public policies that addresses a set of challenges by using dedicated resources under the authority of a competent member of the government.
Sector approach	A sector approach is a method by which government, donors and other key stakeholders work together. It is a process aimed at broadening government and national ownership over public sector policy and resource allocation decisions within the sector, increasing the coherence between policy, spending and results, and reducing transaction costs.
Skills	Skills are the specific technical aspects of capabilities. Skills represent the technical and operational aspect of the immediate practical performance of work tasks. Skills can be defined as the ability and capacity acquired through deliberate, systematic and sustained efforts to perform complex activities or job functions involving ideas (cognitive skills), things (technical skills) and or people (interpersonal skills).
South Eastern Europe	Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Torino Process	The Torino Process was developed by the ETF as a policy learning assessment tool for policy analysis of VET systems that provides information on the progress of VET systems in the ETF partner countries. The assessment is used to evaluate the capacity of a VET system and its overall maturity. Four principles are defined as key to VET policy making: ownership of content and process, holistic vision and approach to VET, evidence base of policy making, and broad participation in the policy-making cycle. The capacity to respond, to activate and to sustain these four principles is a prerequisite for the development of a capable VET system.
Vision	A vision is an imagined representation or a shared picture of the desired future.

BIBLIOGRAPHY

EuropeAid, *Institutional Assessment and Capacity Development: Why, what and how?,* September 2005.

EuropeAid, *Guidelines on EC Support to Sector Programme – Covering the three financing modalities: Sector Budget Support, Pool Funding and EC project procedure*, 2007.

European Commission, *Evaluation Methodology and Baseline Study of European Commission Technical Cooperation Support*, Final Report, September 2012.

European Commission, DG ELARG, *Sector Approach in Pre-accession Assistance*, Ref. 2013/65573 – version 18 January, 2013.

European Training Foundation, *Good Multi-level Governance for Effective Vocational Education and Training (VET) Policies and Systems*, ETF Position Paper, ETF, Turin, 2012.

European Training Foundation, *The Torino Process*, ETF, Turin, 2012.

United Nations Development Programme, *Capacity Assessment Methodology: Users Guide*, UNDP, New York, 2007.

United Nations Development Programme, *Capacity Assessment: Practice Note*, UNDP, New York, 2008.

United Nations Development Programme, *Measuring Capacity*, UNDP, New York, July 2010.

www.facebook.com/etfeuropa

@etfeuropa