

ETF STRATEGY 2027

PREFACE

STRATEGY 2027

Adopted by the ETF Governing Board on 14 June 2019

Ensuring access to quality education for all is a prerequisite for youth employability and long-lasting development. The EU and its Member States will support inclusive lifelong learning and equitable quality education, particularly during early childhood and primary years. They will also promote education at secondary and tertiary level, technical and vocational training, and work-based and adult learning, including in emergency and crisis situations. Special attention will be paid to education and training opportunities for girls and women. The EU and its Member States will intensify their efforts to ensure everyone has the knowledge, skills, capabilities and rights they need to enjoy a life in dignity, to be fully engaged in society as responsible and productive adults, and to contribute to the social, economic and environmental well-being of their communities.

(...)

The EU and its Member States will focus on concrete actions to meet the specific needs of youth, particularly young women and girls, by increasing quality employment and entrepreneurship opportunities, supported by effective policies in education, vocational training, skills development, and access to digital technologies and services.

(New European Consensus on Development)

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Executive Summary

'The objective of the Foundation shall be to contribute, in the context of the EU external relations policies, to improving human capital development' (article 1 of the ETF's founding regulationⁱ)

Over the last decade, trends in technology, digitalisation, climate change, migration and globalisation have emerged as drivers of change in our societies and economies. At the same time, a consensus has emerged about the need for a paradigm shift towards lifelong learning, including more flexible pathways combining formal and informal learning, hard and soft skills.

These changes require the ETF to broaden its expertise as the sector shifts attention from schooling towards wider learning pathways, and from isolated solutions towards comprehensive ones, and integrated actions across the education and training system.

The EU prioritises human capital in its assistance to third countries, as outlined in the Enlargement and Neighbourhood policies and relative instrumentsⁱⁱ, as well as in the New European Consensus on Developmentⁱⁱⁱ and in line with Sustainable Development Goals^{iv}. The proposals for external assistance under the new financial instruments confirm the growing trend towards investing in human capital development. It is estimated that the EU's overall investment in human capital development will grow by over €1 billion per year. In this context, aligning ETF's actions to external relations priorities, the ETF will aim to be:

- A global asset **for the EU** providing expertise on human capital development through a **diversified provision of clearly agreed services**;
- A reference **for partner countries^v** for **sector analysis and policy development**, stakeholders engagement and capacity development and peer learning with the EU and other countries;
- A **global knowledge hub** in the field of human capital development in transition and developing countries.
- An **important resource for programming** and preparing and monitoring EU investment in human capital development.
- A **partner to the EU to enhance the strategic impact of EU funds**.

A holistic but more targeted thematic approach

The ETF will continue providing support to partner countries ensuring a broader articulation of its thematic expertise to capture the increased complexity of education and training systems, and the diversification of users and actors involved in the sector. The ETF will aim at supporting inclusive skills development policies, access to lifelong learning opportunities and innovation targeting skills for the future.

The ETF will consolidate its expertise along:

- **Skills relevance and anticipation.** Equipping citizens with the skills they need for the future is a challenge for all countries. Transition and developing countries face particular challenges, ranging from economic competitiveness to social cohesion. Transparency of qualifications and labour mobility are other features that need to be taken into account. The demands facing education and training systems as they respond to the imperatives of employability, innovation and inclusiveness in a lifelong perspective, will be the focus of the ETF's work. The ETF will also work on innovation potential and smart specialisation in emerging economic sectors as well as in traditional ones.
- **Skills development and validation.** Vocational education and training is recognised as a key pillar of economic competitiveness and social inclusion policies. However, demand for skills and

the ways in which they are acquired has changed. There is more emphasis on learning via informal and non-formal pathways beyond the classroom, and key competences have become integral to professional development. This entails rethinking skills development and paying attention to excellence, key competences and learning pathways that make education and training systems effective. The ETF will focus on excellence of provision within and beyond formal schooling, and the validation of skills that people acquire in different contexts.

- **Performance and quality of education and training policies.** Effective public policies imply good governance. The performance and quality of education and training systems depends on their strong links with the economic and social context as well as coordinated and concerted action among all actors. The ETF will focus on the inclusion of non-traditional actors to further strengthen the effectiveness of policies, and will continue to support public-private partnerships and reinforcing cooperation mechanisms.

A centre of expertise for EU external action

As growing investments in the sector will characterize the next multi annual financial framework (2021-27) and there will be increased demand for ETF's services. The following pillars will represent the core of ETF operational modalities.

- **Policy advice and input to EU external action priorities in the area of education and training.** As a result of the increased investments in the HCD sector, the ETF will a greater role in the programming of EU assistance, and in the provision of policy advice to the EU and partner country stakeholders. Together with actions in countries, the ETF will further increase its involvement at international (regional and multi-country) level. The ETF will be an important actor in the delivery of EU external action priorities for regional and multi-country policy dialogue by continuing to support EU actions.
- **Diagnosis and assessment.** The ETF has developed a series of diagnostic and assessment methodologies that cover whole systems as well as specific policy and governance domains. ETF will continue its work of policy learning and innovation, including developing and piloting methodologies and producing knowledge products. These methodologies/tools will be applied/scaled up on request to support EU and third country decision making.
- **Knowledge hub.** The breadth and the quality of the ETF's expertise are a global reference for education and training. The ETF will accompany countries in the transformation of their education and training systems. It will produce guides, toolkits and other learning materials to target policy makers and technical experts. The ETF will make greater use of digital and online tools to engage with stakeholders, ensure wider access and distribution of knowledge, good practice and learning materials. It will continue to engage with international donors and stakeholders for knowledge exchange, expertise development and increased impact.

A differentiated approach

The ETF will **diversify its presence and services** in agreement with the EU and the Governing Board. As EU investment in human capital development is set to increase under the new multiannual financial framework, the demand for the ETF's services from the EU is expected to rise to support the design, delivery and effectiveness of investment in this area. Using its resources under the multiannual financial framework, the ETF will ensure the quality of its expertise, and the development of tools, diagnostic frameworks and methodologies, knowledge products, and country and thematic networks.

THE EUROPEAN TRAINING FOUNDATION - STRATEGY 2027

The ETF strategy 2027 aims at fulfilling the objective set out in Article 1 of the ETF's founding regulation *'The objective of the Foundation shall be to contribute, in the context of EU external relations policies, to improving human capital development'*.

This objective requires close alignment between the ETF's actions and the priorities of the EU's external assistance instruments. The strategy covers the period of the next EU multiannual financial framework 2021-27^{vi}. Considering EU priorities and the future demands of the human capital development sector, the ETF aims to become:

- A global asset **for the EU**, as a resource to be used in support to the EU investments in human capital development through **a diversified provision of clearly agreed services**;
- A reference **for partner countries** in the field of human capital development, **to support sector analysis and policy development**, stakeholders engagement and capacity development and peer learning with the EU and other countries;
- A **global knowledge hub** in the field of human capital development in partner countries, accessible through a diversified services provision to countries recipients of EU external assistance.
- An **important resource for programming** and preparing EU investment in human capital development and for monitoring and evaluating the resulting actions. This applies to both individual country assistance and centrally managed regional or thematic programmes;
- A **partner to the EU to enhance the strategic impact of EU funds**. On request, the ETF could upscale selected methodologies, intelligence, diagnosis or policy advice to a wider range of countries with the support of dedicated funds^{vii} in accordance with the ETF's mandate and the scope afforded by its financial regulation.

The ETF is an important asset at the service of the EU to support the delivery of its objectives and contribute to the achievement of the 2030 Sustainable Development Goals, and priorities set under the enlargement and neighbourhood policies, and pre-accession, neighbourhood, development and international cooperation instruments and the new Erasmus programme. Living up to this potential depends on the ETF working within a coherent and well-defined framework under the EU's external assistance instruments and being provided with adequate resources to fulfil its mandate.

A global commitment

The global commitment to achieving the Sustainable Development Goals is driven by pressing challenges linked to sustainability, population growth, youth unemployment, migration, inequalities and the need for inclusive growth. Human capital development policies play a central role in supporting their achievement. It is estimated, based on the overall proposed allocation under the new multiannual financial framework that overall EU investment in human capital development will grow by over €1 billion per year across the world.

According to OECD DAC statistics^{viii}, aid to developing countries linked to education and training has grown by 48% from 2005 to 2016. In the last 10 years, investment in vocational education and training has almost tripled from \$346 million to \$1.2 billion. This trend is likely to continue as countries need to address major challenges linked to employment and inclusion. The increased focus on human capital development will affect the ETF as an instrument of the EU's external assistance policies and

programmes. It is expected that the demand for the ETF's services and the use of its methodologies, expert advice and experience will grow to support the EU's commitment to achieving the 2030 goals.

What is human capital development?

Human capital development is defined, in the ETF's founding regulation, as *'work, which contributes to the lifelong development of individuals' skills and competences, through the improvement of vocational education and training systems'*.

Vocational education and training systems are changing. They are becoming more hybrid in terms of their scope and characteristics. Effective systems are learning-centred and focus on access and inclusiveness across society, age groups and employment status. This means a step change for the ETF in terms of a wider scope of action, a more holistic approach to education and training to include the diversity of beneficiaries as well as methods of provision and providers of education and training, from initial to adult learning, from traditional classroom based instruction, work based learning, online and digital learning. These changes require the ETF to broaden its expertise as the sector shifts attention from schooling towards wider learning pathways, but at the same time change focus from isolated solutions towards comprehensive ones, and integrated actions across the education and training system.

Meeting new challenges

Over the last decade, trends in technology, digitalisation, climate change, migration and globalisation have emerged as drivers of change in our societies and economies. At the same time, a consensus has emerged about the need for a paradigm shift towards lifelong learning, including more flexible pathways combining formal and informal learning, hard and soft skills. The opinion of the Advisory Committee on Vocational Training (ACVT) on the future of vocational education and training in Europe^{ix} points to 'Excellent, inclusive and lifelong VET' as a vision for vocational education and training. Yet progress is slow in implementing a new skills agenda in developed countries and even more so in emerging, transition and developing ones.

The economies and societies of today and tomorrow need permanent skills development more than ever. These developments involve all countries, create individual as well as collective challenges, and call for solutions that are both tailor-made and interconnected in terms of policy domains as well as international-national and territorial roles and responses.

A holistic but more targeted thematic scope

In the context of future needs and investment, the ETF will broaden its thematic scope to match the evolving demands of education and training systems, in particular supporting a holistic approach to skills development through lifelong learning. The ETF will aim at supporting inclusive skills development policies, access to lifelong learning opportunities and innovation targeting skills for the future.

The ETF will consolidate its expertise in three clusters:

1. **Skills relevance and anticipation.** Equipping citizens with the skills they need for the future is a challenge for all countries. Partner countries face particular challenges, ranging from economic competitiveness to social cohesion. Transparency of qualifications and labour mobility are other features that need to be taken into account. The complex demands facing education and training systems as they respond to the imperatives of employability, innovation and inclusiveness in a

lifelong perspective, will be the focus of the ETF's expertise work. The ETF will also work on innovation potential and smart specialisation in emerging economic sectors as well as in traditional ones. The ETF's work on skills anticipation, qualifications, transition and mobility will target inclusiveness and innovation as key drivers of its actions, and focus on increasing the use of big data and digital and online tools as means of amplifying its expertise and reach. The ETF will concentrate on working at system level particularly targeting support to inclusion and equity, quality, diversification of provision and innovation.

2. **Skills development and validation.** Vocational education and training is recognised as a key pillar of economic competitiveness and social inclusion policies. However, the demand for skills and the ways in which they are developed has changed. There is now more emphasis on learning through life via informal and non-formal routes beyond the classroom, and key competences have become integral to professional development. This entails rethinking skills development and paying attention to excellence, key competences and learning pathways that make education and training systems effective. The ETF will focus on excellence of provision within and beyond schooling and promoting policies targeting the development of key competences throughout education and training. To achieve this, the ETF will focus on policy level actions with systemic impact by leveraging partnerships and working with civil society, the private and public sectors.
3. **Performance and quality of education and training policies.** Effective public policies imply good governance. The performance and quality of education and training systems depends on their strong links with the economic and social context as well as coordinated and concerted action among all actors. The ETF will focus on the inclusion of non-traditional actors in the skills policy dialogue, and will continue to support public-private partnerships and reinforcing cooperation mechanisms. The quality of systems will remain a key feature of the ETF's work, bearing in mind their increasingly complex governance. The ETF will promote a policy coaching approach in countries ready to engage in meaningful transformative reform with strong ownership and an adequate evidence base supporting decision-making in the sector.

Together with these three thematic clusters, the ETF will use its **high-level expertise in EU methodologies and tools for external assistance to partner countries**, to provide continuing support to EU services for project and programme cycle management at both country and cross country (regional, multi-country) levels.

A centre of expertise for EU external action

The ETF will build on its expertise to deliver policy advice for the EU and partner countries, based on its consolidated knowledge of human capital development, assessment and analytical methodologies, with a focus on innovation inspired by global good practice.

Key assets

- **Broad expertise in human capital development and deep thematic knowledge.** The ETF has broad expertise covering skills and vocational education at system level as well as in-depth knowledge in thematic domains, which enable the agency to remain agile, mobilising its expertise and responding rapidly to requests from both partner countries and the EU.
- **Knowledge of EU policies.** The ETF acts as a bridge between the EU and partner countries. It helps to bring them closer together and stimulates the exchange of knowledge and practice. It uses its all-round and in-depth knowledge of EU policies to support the development of its partner countries.
- **Knowledge of country context.** The ETF's long-standing engagement with its partner countries, its familiarity with their issues and the needs of emerging, transition and developing countries in general, allow the agency to act promptly in such contexts. Furthermore, the ETF's enduring relations with national stakeholders are an asset in network building.
- **Methodologies for diagnosis and analysis.** Over the years, the ETF has developed clear criteria for sector analysis and thematic diagnosis, enabling the agency to act quickly in new contexts, capitalising on its consolidated knowledge and experience.
- **Methods and tools for EU assistance.** With growing demand for the ETF to support the EU in the formulation, design and monitoring of EU projects and programmes, including large sector support initiatives, the ETF has developed in-depth expertise in different stages of the project and programme cycle, giving it a unique combination of thematic expertise and technical methodological know-how.

Core services

The core services that the ETF will deliver under the 2027 strategy are:

- **Policy advice and policy coaching in the area of education and training.** The ETF's involvement in EU assistance programming and in providing policy advice to both the EU and the partner countries is set to grow as a result of increased investment in and focus on human capital development.
Together with country level actions where ETF will continue its operations on the basis of a diversified approach, the ETF will reprioritise its work at international (regional and multi-country) level clustering countries with similar thematic needs. The ETF will make use of both thematic expertise as well as knowledge and experience in project and programme cycle management, formulation, design, monitoring and evaluation, as well as support to EU policy dialogue in all thematic domains, to deliver added value for the EU in shaping and managing its investment in the sector, and in support to policy dialogue.

When EU actions coincide with areas of ETF expertise and experience, there is an added value in allocating specific resources for ad-hoc requests which could not otherwise be met by the agency.

- **Reliable monitoring and diagnostics.** The ETF has developed diagnostic and assessment methodologies that cover entire systems as well as specific policy and governance domains. The ETF will continue to develop and refine its methodologies, providing ad-hoc assessments and specific studies, continuing evidence collection in particular through reinforcing its network with statistical offices, including working closely with EUROSTAT and other international players. These methodologies will be applied to support EU decision-making, in accordance with EU priorities and based on the availability of ad-hoc resources.

- **Knowledge hub.** The ETF will act as global knowledge hub for lifelong learning policies and systems with a focus on transformation in partner countries, most of which share challenges of transition, developing or emerging economies. The ETF, in line with its mandate, will continue to promote the exchange of knowledge and good practice with the EU and EU Member States on issues of common interest. The ETF's scope in acting as a knowledge hub will be to create and support better connections and dialogue among actors in the sector, and to build on partnerships for knowledge management, ensuring close cooperation with the international community to leverage existing intelligence and products. The breadth and the quality of the ETF's expertise represent a unique asset for the education and training field. The ETF will deliver prioritised policy support services to countries, targeting transformation at system level. The ETF will make greater use of digital and online tools to engage with stakeholders ensure wider access and distribution of knowledge, good practice and learning materials. The availability of knowledge on a global scale and easier access to expertise, good practice and examples means a switch away from a model of technical assistance based on content delivery and puts more focus on a partnership model of cooperation, aimed at facilitating change and coordinated action, as outlined in the Paris Declaration^x. Furthermore, there is an increasing demand on the part of country stakeholders for international dialogue, practices and tools. The ETF will enhance its role as an expertise broker, bringing practitioners, policy makers and researchers together to share tools, methods, and good practice in human capital development.

Delivering in partnership

Networks of stakeholders are one of the ETF's key assets. The ETF will enhance its cooperation with EU services and EU Member States, EU agencies, international, bilateral donors as well as with international, regional and national stakeholders including governments, and public sector, social partner, civil society and academic and research organisations. The ETF will continue to improve the quality and relevance of the membership of its networks. The ETF will seek opportunities to target its knowledge and products more accurately in order to maximize the uptake of its expertise, share good practice and support the EU external actions under the EU Enlargement and Neighbourhood policies and the global agenda for achieving the 2030 Sustainable Development Goals.

The ETF will continue to engage with international donors and stakeholders active in the human capital development sector to exchange knowledge, develop expertise and coordinate actions in accordance with the Paris Declaration in countries where the ETF operates.

Cooperation with wider international actors investing in the area of human capital development globally (such as the European Investment Bank, the European Bank for Reconstruction and Development, the World Bank or the Asian Development Bank) and actors (multilateral and bilateral, as well as research organizations and civil society) driving thematic development and implementation will be a key feature to deliver on ETFs objectives. Joint work with other EU agencies, in particular Cedefop and Eurofound, will be strengthened in areas of shared interest to ensure mutual benefit and exchange of experience between the EU and partner countries.

The delivery of the ETF's strategy will be underpinned by strategic, innovative and user-centred communication ensuring a clear and coherent perception of the ETF, its relevance and added value among its different stakeholder groups. Communication is key to supporting open access to ETF products and outputs, evidence and thematic knowledge. Furthermore, as an EU agency, the ETF has a duty of transparency and accountability for its performance and use of public funds vis-à-vis the EU institutions and EU citizens. Special focus will be given to enhancing the organisation's reputation and profile as a global centre of expertise and knowledge hub in the area of human capital development.

A differentiated approach

The ETF will diversify its presence and services according to a clear definition of its role and priorities agreed with the EU and approved by its Governing Board. As EU investment in the human capital development sector is set to grow under the next multiannual financial framework, the ETF will be expected to leverage its expertise to deliver specific services in support of the effectiveness of EU external assistance policies and programmes.

The ETF will achieve this according to a clear cost benefit analysis aimed at identifying the scope and type of ETF support in a specific country/regional context. This approach will enable the ETF to better target its activities.

Making differentiation work

The ETF will:

- Develop clear criteria for diversifying the ETF's service provision in view of the higher investment in the human capital development sector in the EU's external assistance priorities;
- Develop clear criteria for prioritising partner country support based on the assessment of country needs and policy development;
- Ensure that stand-alone actions supporting innovation have a clear outcome and are presented for policy mainstreaming;
- Continue to deliver on the basis of key principles of country ownership and participation;
- Define and document methods of work in terms of policy advice, policy learning and policy coaching to reinforce decision-making on diversifying services and tracking added value;
- Increase the use of digital and online tools for engaging with stakeholders and delivering services.

To effectively operationalise the ETF Strategy 2027, the ETF will reinforce mechanisms for consulting the EU services and the Governing Board on the agency's multiannual programming, set clear priorities for the ETF's interventions, and increase synergies with EU and Member States actions.

The ETF mandate in brief

The ETF was set up following the decision of the 1989 Strasbourg European Council to support Central and Eastern European countries in their economic reforms, which, in particular called for ‘the setting up of a European Vocational Training Foundation’.

The ETF’s mandate was confirmed, expanded and updated in 2008^{xi}. The recast regulation confirmed that the ETF is an instrument of EU external relations and introduced two major changes:

- Human capital development became the main focus of the ETF’s mandate, defined as ‘work which contributes to the lifelong development of each individual’s skills and competences’.
- The regulation opened the possibility for the ETF to work with any country that is covered by a Community instrument or agreement that contains a component of human capital development, through the approval mechanism established within the ETF Governing Board rules.

The ETF is the only agency funded under the external relations chapter of the EU budget. The ETF’s mandate defines its areas of action as follows:

- facilitate adaptation to industrial changes, in particular through vocational education and training;
- improve initial and continuing vocational training to facilitate integration into the labour market;
- facilitate access to vocational education and encourage mobility of trainers and (young) trainees;
- stimulate cooperation on training between education and business;
- develop exchanges of experience about issues common to the training systems of the EU;
- increase the adaptability of workers, through increased participation in education and training in a lifelong learning perspective;
- design and implement reforms in VET systems to develop employability and labour market relevance.

The ETF’s tasks are to:

- support the delivery of EU assistance to partner countries in the field of human capital development;
- provide information, policy analyses and advice on human capital development in partner countries;
- promote analysis of skills needs in partner country labour markets;
- build stakeholder capacity in human capital development in partner countries;
- facilitate exchange of information among donors engaged in human capital development;
- disseminate information and encourage networking and the exchange of experience and good practice;
- contribute to the analysis of the overall effectiveness of training assistance.

ⁱ Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32008R1339>

ⁱⁱ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540392552799&uri=CELEX%3A52018PC0460>

ⁱⁱⁱ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2017:210:FULL&from=EN>

^{iv} https://ec.europa.eu/europeaid/policies/sustainable-development-goals_en

^v By partner countries it is meant the group of countries defined under ETF's Mandate Article 1 countries covered by the ETF. a) countries eligible for support under Regulation (EC) No 1085/2006 and subsequent legal acts; (b) the countries eligible for support under Regulation (EC) No 1638/2006 and subsequent legal acts; (C) other countries designated by decision of the Governing Board on the basis of a proposal supported by two-thirds of its members and a Commission opinion, and covered by a Community instrument or international agreement that includes an element of human capital development, and as far as available resources allow.

^{vi} <https://www.consilium.europa.eu/en/policies/eu-budgetary-system/multiannual-financial-framework/>

^{vii} This option envisaged under the ETF's mandate and the Financial Regulation

^{viii} <https://www2.compareyourcountry.org/aid-statistics?cr=oeed&lg=en#> last accessed on 20/2/2019

^{ix} <https://ec.europa.eu/social/main.jsp?langId=en&catId=1146&newsId=9263&furtherNews=yes>

^x <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

^{xi} [ETF Mandate REG \(EC\) NO 1339/2008](#)