

EUROPEAN TRAINING FOUNDATION

EXTERNAL EVALUATION
OF
THE EXPERIENCE GAINED BY
THE EUROPEAN TRAINING
FOUNDATION

FINAL DRAFT REPORT



SOFRECO

09 May, 1997

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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

OBJECTIVES AND FRAMEWORK

The present external evaluation was provided for in article 17 of Council Regulation no. 1360/90 establishing the Foundation, amended by article 1/9 of the Council Regulation no. 2063/94.

The external evaluation of the European Training Foundation (ETF) has been conducted from the beginning of February till mid-April according to the methodology described in SOFRECO's tender in 10 stages according to 3 phases

- First phase in Turin and in the Commission in Brussels: evaluation of the structure (internal analysis) and ETF as viewed from the Commission
- Second phase: ETF in the field (external analysis), complemented with views from Brussels
- Third phase: Synthesis and recommendations

Although the proposal for the European Training Foundation dates back to the European Council meeting in January 1990, coinciding with the proposal for the Tempus programme, its legal establishment took place only in October 1993, when the European Council in Brussels decided to locate the Foundation in Turin. Originally conceived as a "clearing house" (for providing aid to Poland and Hungary in their transition to a market economy), and a centre of expertise designed for supporting Vocational Education and Training (VET) reforms in Central Europe, its missions evolved or were extended into those of an implementing agency for the programmes of the European Commission in Phare and Tacis (eventually Meda) countries in the field of VET. Besides, the decision has been taken to give ETF the task of providing technical assistance for Tempus, operating in the same countries in the field of higher education. This is a parallel function, which because of its technical assistance nature should, in the view of the Commission, remain separate from the others, though coordinated with them.

ACTIVITIES

Besides the Tempus programme, which is not the subject of the present evaluation, ETF developed its first activities mainly in the management of VET projects, which European Commission DG 1A had decided to transfer to the Foundation. Most transfers of Tacis projects have been delayed till the signature of the Framework Agreement, which establishes the rules and main procedures between the ETF and the Commission. The Framework Agreement should clarify the rules and avoid misunderstandings. But it should, above all, simplify and streamline day-to-day work for both institutions.

The Commission has entrusted the Foundation with responsibilities regarding the management of programmes. It is expected that ETF brings some **added value** to the programmes, and much of the discussion is on what this added value should be.

The mission has reached the conclusion that it mainly consist of 3 items : (i) ETF is more staffed than the Commission, at least at the level of task/programme managers as for the number of projects per task manager, and, as a result, its task managers are more **available** for support to field teams ; (ii) ETF has technical competence in VET and can thus bring **technical (content related) support** when needed, either in the management and orientation of projects when and if problems with technical dimension arise, or new unpredicted perspectives emerge, or to provide additional services, information, or networking ; (iii) ETF accumulates country experience, VET expertise, and develops cross-country knowledge about the transition through its learning process

In fact, in partner countries which have been visited, neither the pertinence of ETF's role in managing Tacis or Phare programmes/projects, nor its expertise is seriously questioned by the counterpart organisation or by the Delegation.

Besides implementing Phare/Tacis projects, the Foundation has developed other activities, mostly on its own budget, occasionally projects, which are still nearer to the original view of the ETF:

- **Observatories:** ETF has supported the establishment of National Observatories in most Phare and Tacis countries. The objective is to create a network which collects information on VET policies and performance in relation with the labour market in these countries. The original idea was relatively vague. The Foundation has developed the concept. It is probably too early to draw lessons from experience. However, what has been seen in the field is impressive, given the difficulty of establishing such structures. Moreover, the counterparts seem to appreciate the networking aspect of this activity
- **Staff development activities and thematic workshops and seminars.** This form of activity is very near to policy advice.

ETF has also developed a project in co-operation with several bi-lateral donors in North-West Russia. Although its implementation is only starting, it is by itself a significant achievement to design and put into practice a project with five bilateral partners. It shows strong capacities in managing the project cycle as well as recognition by partners.

As far as recognition is concerned, it is clear that institutions in the field do co-operate with ETF the competence of which is not questioned.

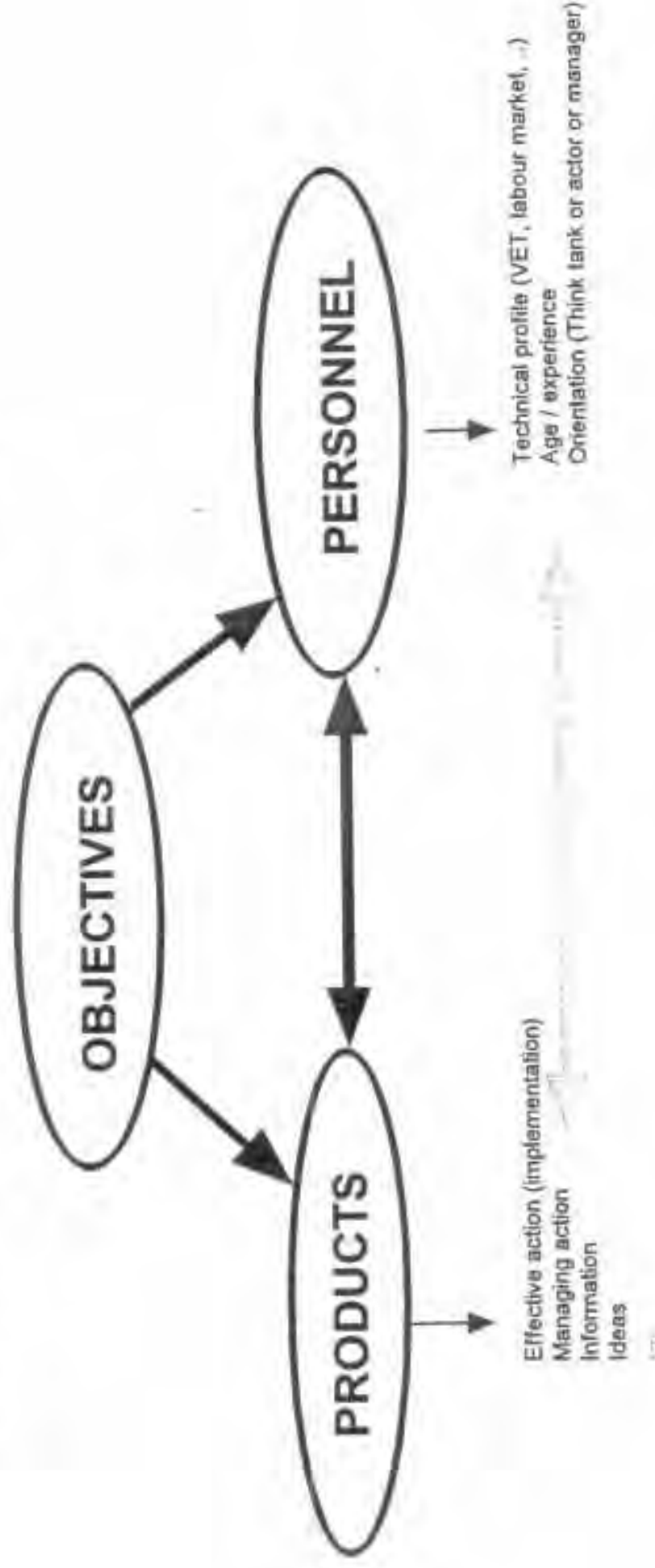
PERSONNEL AND ORGANISATION

In order to perform its duties (meet its objectives) and to have adapted "products", ETF must have an appropriate organisation and adequate personnel. The scheme on next pages shows that, according to the relative priority given to the each of the possible role and definition of the Foundation, the "products" will be different and the composition of personnel should be different.

Under this reservation, the organisational structure corresponds to the present structure of activities and is functional both vertically and horizontally, given the fact that Tempus department has a different character, and must therefore remain to some extent separate.

Insérer ici schéma triangulaire "Objectives - means output"

OBJECTIVE - MEANS - OUTPUT



THREE POINTS OF VIEW

CLEARING HOUSE	IMPLEMENTING AGENCY	CENTRE OF EXCELLENCE/EXPERTISE
Objectives Make the information available Allow for co-operation	Objectives Secure good implementation (technically & financially) of projects and programmes	Objectives Work out a view of what could be done in VET given the fact that there is no "acquis communautaire" A place where the ideas are available
Personnel Communication / Information Qualified in training policies Qualified in training	Personnel Project / programme managers Qualified in training policies	Personnel Qualified in training policies Qualified in training
Information / databases on: Training capabilities in the EU notably trainers, consultants, experiments available for co-operation Training issues in partner countries Training issues in the EU	Information / databases on: Management of projects	Information / databases on: Methodologies for training Training policies in EU & partner countries
Dissemination / outflows Networking, seminars, workshops on methodologies Information (observatory function)	Dissemination / outflows Publicising the results VET advocacy (notably for sustainability purposes)	Dissemination / outflows Ideas in the form of policy assessment Publications, minutes of workshops, of research, policy papers, information

An adequate combination of these would be an advantage...

However, given the role of "clearing house" and centre of expertise given to the foundation, this structure may be an obstacle (see below "Expertise"). It is thus necessary to maintain some "transversality".

For personnel, the question is the relative weight of competencies in (i) project management and in (ii) VET and VET policy.

Globally, the competency of personnel seems adequate, judging from the analysis in 3.2.2. As far as the VET department (Phare unit) is concerned, the proportion of people with sufficient experience and qualification in VET, about 50%, is perhaps insufficient. Even if one must take into consideration that in the longer term cross-fertilisation in the teams should produce the expected result, it seems necessary to increase that proportion in the short term: a proportion of 60 to 70% of staff with confirmed VET experience would be sufficient. However, the level of specific knowledge in that field does not need to reach the level of expertise, nor to cover all specific fields in VET.

Finally, the high proportion of multiple competence in the VET department is also an asset.

The question of the average age may also be discussed. In this field which implies high level contacts both with authorities and in the concerned professional sectors, it seems difficult to send very young people as task managers, although it has been done in many other fields in the past.

EXPERTISE

The consultants have reached the conclusion that the expertise of the Foundation cannot be defined as the expertise of its individual staff members.

Actually, the expertise of an institution is not obtained by an accumulation of experts. Expertise is the activity to bring to bear the necessary elements to be effective in a given area.

As many enterprises and organisations are finding, the most difficult is to make knowledge operational: what is necessary is not only individual technical expertise, but experience of local needs and reactions to situations as they develop.

ETF does have a substantial base for development of institutional expertise, given some internal readjustments and, perhaps, the acquisition of some new talents and/or of external expertise.

However, a number of factors are likely to impede its future development, unless they are dealt with.

The most important is a vertical organisation "by mode of delivery" (Tempus, VET projects, observatories, ...), which was originally encouraged and is reinforced by the direct relationship with separate units of the Commission.

Transversal communication and development of wider competencies are absolutely essential if that expertise (as it is defined above) is to be developed.

This should be done in a flexible and informal way, not by changing the structure into a matrix organisation. It would be too complicated. A good example of transversal communication is the "Country Working groups". Other similar activities are possible.

EFFECTIVE IMPACT IN PARTNER COUNTRIES

As far as Phare and (later) Tacis countries are concerned, it is obviously difficult to extract what impact can be attributed only to ETF, given the fact that projects had, in fact, been designed and, on some occasions, consultants had already been selected and contracted before the projects were transferred to the ETF.

However, from what has been seen in the field, most projects could be rated as bringing effective support to VET reforms and their implementation.

More important is the fact that ETF has brought significantly more effectiveness to projects which had often already started or were already designed.⁸ In the case of Romania for example, it is recognised that, in a difficult context, ETF has at least contributed to saving the project from failure.

PERTINENCE OF ORIENTATIONS IN THE CHOICE OF FIELD OF ACTIVITIES

Because of circumstances, the Foundation has began its activity essentially in the implementation of Tacis and Phare programmes. Even so, it has started, in close co-operation with the Commission, a number of other activities which it is managing with an intensive input and at relatively low costs: observatories, staff development programme, workshops, seminars, ... These activities are directly connected with VET and labour market policy building. This is a field where the internal expertise of ETF as well as its capacity to mobilise external VET expertise in the EU or in partner countries is extremely efficient. These orientations may thus be considered as internal priorities for the future.

OVERALL EVALUATION

The main overall conclusion which can be drawn is that, over a period of two years, the ETF has achieved important positive results. Cross-verifications of negative assertions by the team have most often resulted in the conclusion that things may have been as described, but that they have been adjusted in the meanwhile.

The cost of the structure may be rated as high, but (i) the cost for Tempus technical assistance is lower than before this task was transferred, (ii) observatories are inexpensive because of the orientation which was chosen from the beginning, (iii) also other activities are rather low in expenditures: the recurrent costs for the management of VET (Phare & Tacis) projects and of ETF's own projects are relatively modest both financially and technically (from the point of view of their content).

As far as the cost of managing VET is concerned, this activity is relatively new and rapidly growing. Fixed costs reported to activity should thus diminish, even if the number of personnel is increased in some places.

However, this is a global view and, until the end of 1996, the management information system did not allow for any significant cost analysis per activity. This must absolutely be adjusted as soon as possible.

PERSPECTIVES AND STRATEGIES

The evaluators believe that the core of ETF's *raison d'être* results from the presence and combination in the same institution of several very different functions, notably the implementation of programmes with an adequate content-related monitoring and support together with starting "clearing house" activities through workshops, dissemination of results, ... and with the observatory and strategy functions.

These activities with VET, ETF Observatory and the network of National Observatories form a **unique system of selection, elaboration, and dissemination of information** about education and labour market development in the partner countries. When fully developed, they will be able to provide the participating countries, ETF, and the Commission with information through a network that could have significant practical impact for the future of vocational education and training. Achieving sustainability and integration of these elements will be an important goal.

In addition, the following points will have to be taken into account:

The **Tempus** programme is preparing for adjustments, particularly for the Phare countries. It is important to utilise the opportunity of linking the staff working in Tempus Department more closely to the overall work of ETF, thus securing the retention of experienced personnel and offering the possibility of extending their field of experience.

Phare programme is in dynamic change, and this is the phase when ETF can influence its contents by promoting issues that it regards as important for accession. Large-scale programmes and possibility for regional focus presuppose the development of new networks.

As for **Tacis**, the focus should be defined clearly, because only then may ETF with its limited resources be able to give an impetus that would have maximum impact in the field.

For its own principle activities, like the Staff Development Programme, an effort should be made to reinforce its recognition among decision-makers in the partner countries and EU.

Finally the following tables provide an overview of findings, analysis and recommendations resulting from the present report.

FROM FINDINGS TO CONCLUSIONS AND RECOMMENDATIONS

FINDINGS	RATIONALE - ANALYSIS CONCLUSIONS	RECOMMENDATIONS
WHAT ETF IS OR SHOULD BE ? - For the Commission: - An implementing agency with technical expertise (central opinion). - A focus point for EU expertise available for transfer to the partner countries (other opinion). - An agency for implementation of EC programmes by itself (others). - From the regulation: A "clearing house" (1990), an implementing agency for programmes of the EC (1994). - In fact: An implementing agency building its technical and VET expertise from the expertise of its staff and from practical experience in the implementation of EC programmes and, occasionally, some others.	- Many people are disappointed by the Foundation, because it does not meet their own expectations, which are very diverse. - Some of these ideas are good, and could be implemented for the benefit of ETF and partner countries. - It is unreasonable to think that ETF could implement by itself, most or all of its activities: VET is a wide field consisting of many specialities which need not all be covered internally. It is more efficient to manage and federate expertise, including the internal one. - The external image of the ETF needs to be made clear.	- Clarify missions, priorities for the goals of ETF. - Prepare an explicit ETF mission statement through joint team work between the ETF and Commission. This task could be included in the process of the preparation of the work programme. - Continue programme implementation, but (i) carefully select projects with the Commission (maximise value added), and ... (ii) focus more energy on original missions of clearing houses and development of internal expertise in VET.
ACTIVITIES - Implementing EC programmes, mainly but not always VET programmes. - Observatories. - Other pilot projects. - Staff development. - Other workshops. - Advisory Forum (AF) follow-up activities.	- EC programmes delegated to the ETF are financially the most important ones. - But, technically the network of national observatories is very important. - These pilot projects, inc: staff development programmes, and AF sub-groups are addressing one of the core missions: policy advice in VET.	- Carefully select, with the Commission, projects / programmes to be implemented: maximum activity in project implementation should not be an objective. - Develop the network of observatories. Secure sustainability. - Develop policy advice activities, including workshops, conferences, staff development programmes.
RELATIONS WITH THE EC DG I - Difficulties in the allocation of programmes to the ETF. - Phare: Possible contradiction with "decentralised management". Opinions were radically different, from "ETF is helpful" to a strong desire to keep the management. - Taxis: "Disappointed": thought that ETF would do more by itself. Where is the added value? Doubt whether the structure of personnel is the right one (see below). - The establishment of observatories is considered as marginal if not non pertinent. - In Brussels it is considered that co-ordination with the Delegations is not sufficient. DG XXII There is at least some discussion on the degree of autonomy of ETF. FOR BOTH: A costly institution with lack of transparency.	- The images of ETF are not clear at all, neither (i) for what ETF should be (see above), nor (ii) for what ETF is in fact, and its capacities. - Rumours have been stronger than facts, and generalisation from very specific cases has caused great harm. - Since the ETF approach to the Commission has not respected some unwritten administrative standards, there has been some negative reactions: DG 1A is, in fact, the ETF budget / programme maker for 90% of the total financial resources it manages. It should deserve in the least a supplier to customer relationship. DG XXII is, at least, a technical « utile ». - There is a misunderstanding about the expertise available. Sortia managers in the EC assess ETF expertise on the basis of people who previously worked with them, and generalise from this.	- Market ETF capacities to the Commission: show that ETF has really a technical capacity in VET reform. Carefully select ETF contact persons to Brussels. - Justify clearly the use of consultants, by the multiplicity of fields. - Make it known that ETF personnel has the adequate capacity (with the support of the present report). - Report to the Commission in such a way as to make the added value visible. - Clarify the concept of observatory, using on-going experience. - Clarify the links between expenditure and activities/-results: the cost of each activity should be apparent (ETF's own budget).

FROM FINDINGS TO CONCLUSIONS AND RECOMMENDATIONS (continued)

FINDINGS	RATIONALE - ANALYSIS CONCLUSIONS	RECOMMENDATIONS
ETF SEEN FROM THE FIELD <u>By partner countries' institutions:</u> Estonia-Romania-Russia • The ETF is helpful. • The ETF task manager and his/her institution are competent, available, present in the field. • Observatories' staff and counterparts do appreciate this activity from the point of view of enlarged contacts with other countries in transition (networking), notably Russia with those of the Former Soviet Union. Apparently, from limited interviews and information in other countries, it can be assumed that in some other places, when the activity has started before, the need for ETF support is not so strongly felt nor expressed. <u>By the Delegations:</u> • The ETF is present, available • ETF provides adequate and sufficient information. • ETF provides additional information when requested. • Doubts have been <u>occasionally</u> expressed on the effectiveness or adequacy of some activities on the choice of some participants in workshops or seminars, on the efficiency and sustainability of observatories ("what will remain?") • The presence of a resident staff of ETF in Moscow was appreciated. It is now missing.	• The task manager function of ETF is crucial, notably as a problem solver. Both technical and managerial capacities are required. Technical capacity and experience are required in order to reduce risk in implementation. • The added value is essentially risk reduction. • The existence and presence of ETF in the field do <u>not</u> raise any questions from the field, except when it is too late. • Observatories are a valuable but difficult activity: (i) the content has to be defined, (ii) it takes much time to make operational, (iii) counterpart organisations are difficult to choose adequately and finally (iv) there is not much money input (in order to avoid long term dependence and to favour sustainability). • Staff development programmes are the best instrument to give policy advice	• Carefully choose task managers or make groups of two with different qualifications and experience, including one with VET qualification and experience. • Report to Brussels contacts with Delegations and co-ordinating units, including discussions on issues. • Build up on-going evaluation of observatories in order to secure adequate choice (or change) in counterparts and sufficient support. • For observatories, guarantee some form of support after the termination of the project in order to give time to establish sustainability. • Maintain sufficiently frequent missions and very frequent communication, particularly with starting Observatories.

FROM FINDINGS TO CONCLUSIONS AND RECOMMENDATIONS (continued)

FINDINGS	RATIONALE - ANALYSIS CONCLUSIONS	RECOMMENDATIONS
WHAT HAS BEEN SEEN IN THE FIELD • There is great instability in many partner countries. It is difficult to obtain accurate information. • The programmes progress according to plan and timetable, with some delays in the procurement of equipment. • In case of problems in programme management, ETF has taken active measures. • Educational professionals are over-represented in the programmes. The schools are often linked to 1-2 enterprises only. • The Observatories need very much support and communication with ETF and with each other. • As a result of pilot projects and Advisory Forum, work in VET policy is being developed. There is a demand for more advice. • ETF staff contacts the Delegation when in the country. The Delegation is informed of plans and progress. • ETF and Phare are sometimes not distinguished. Other ETF activities are less known. • The local partners expressed a high interest in networking and comparing with other Phare and Tacis countries.	• The conditions in which ETF and counterpart work requires much flexibility. • PMU's and Project Co-ordinating Units are run by very competent persons. • ETF is capable of recognising problems at an early stage, and has the competence to react. • Links between education and social partners are mostly not well developed. • Staff Development Programme and contribution to policy development bring concrete results. • ETF relations with visited Delegations are not a problem. • Identity of ETF is not always clear in the partner countries.	• The project manager should maintain a pro-active approach and deepen understanding of the country. • Frequent visits to the partner countries. Development of confidential relationship with the PMU's and close relations with authorities. • To monitor carefully the development of networks at all levels, and to motivate social partners to co-operation. • Maximum input by ETF in the initial stage. Encourage Observatories to give/ask support among each other. • To continue subject-related activities by organising workshops and experience sharing meeting. This includes policy advice. • To develop further VET expertise, particularly in ADD Dept. • Programme managers to systematically introduce ETF when they meet new people. • A handout to be prepared for this purpose. • To increase the focus on networking and country-comparative approach.

FROM FINDINGS TO CONCLUSIONS AND RECOMMENDATIONS

FINDINGS	RATIONALE - ANALYSIS CONCLUSIONS	RECOMMENDATIONS
ORGANISATION The organisation seems globally adequate. However, some doubts may subsist about the interest of having the Strategy Unit and the Observatory Unit in the same Department, since they are radically different units and since the Observatory Unit, being operational and dealing with VET, could be in the VET department. Country working groups have been created in order to develop a country approach. A substantial number of internal committees or groups provide adequate circulation of information.	• The Observatory Unit feeds the Strategy Unit with information. • VET is mainly working on projects and has a country approach similar to that of its client (DG1A) • Country working groups are an essential tool which should be co-ordinated. The result of their work could feed the transversal thematic approach.	• Maintain formal structure as it is. • Develop horizontal work between departments to enhance knowledge creation: per segment of VET, per issue, per geographic area (Country Working Groups)
PERSONNEL • The distribution of profiles in the personnel should combine general project management / monitoring capacities and technical VET experience and qualifications, in various proportions depending on the department or unit. • This distribution seems globally adequate. • There is inadequacy between the mission of the ADD department and the size of its staff.	• Specialists of training are mainly concentrated in ADD • The proportion of personnel with VET experience or qualification in the VET department is probably slightly too low. The high proportion of general project managers generates an image which is not adequate, moreover when they come from DG 1A (what is the "added value"?)	• Increase the proportion of personnel qualified in VET in the VET department • Develop team work and cross-fertilisation. • Develop training. • For ADD, address the inadequacy either by: - increasing the staff - diminishing its tasks - use possible available resources of other departments, or by a combination of these.
FINANCIAL PROCEDURES • Until now, financial organisation is in a perpetual process of adaptation. • Necessity to manage 3 different sets of procedures and rules • Evidence of difficulty in implementation of pilot projects under Foundation financial regulations • Monitoring and reporting systems for projects and budget execution are not sufficiently synthetic and decision-oriented. • Lack of activity-related cost measurement within ETF • Possibility exists that PHARE and TACIS funds may be formally included in ETF budget	• Re-organisation of Financial and Legal Department, and training programme in procurement skills for operational managers are needed to provide greater coherence and reduce errors. • ETF financial regulation, as it is now, has doubtful compatibility with execution of complex or innovative pilot projects, or even of normal projects. • ETF needs to produce more pertinent internal and external management information to inspire confidence and obtain more autonomy; <u>cost analysis per activity is absolutely necessary.</u>	• Proceed with implementation of current re-organisation and training initiatives, which seem well thought-out and appropriate. • Revise the internal financial rules governing the Foundation's own budget according to article 3/e of the founding regulation. Rules governing expenditures on projects should be adapted to be near to those governing Phare and Tacis projects or programmes. • Prepare and implement the architecture for basic reporting and costing approach, complete acquisition of planned 3-part financial information system

REPORT

I INTRODUCTION

1.1 BACKGROUND OF THE ETF

The Council regulation 1360/90 establishing the Foundation is notably based on the article 235 of the EEC Treaty: "si une action de la Communauté apparaît nécessaire pour réaliser, dans le fonctionnement du Marché commun, l'un des objets de la Communauté, sans que le présent traité ait prévu les pouvoirs d'action requis à cet effet, le Conseil, statuant à l'unanimité sur proposition de la Commission et après consultation du Parlement européen, prend les dispositions appropriées". In this case, the objective of the Community was economic support to Hungary and Poland, as defined in the first regulation regarding the Foundation (No 3906/89 of 18 Dec 1989). This was later extended into the present Phare and Tacis countries. The economic support includes also training (Council regulation 3906/89). Thus, the creation of the ETF appears to be an action necessary for the realisation of this objective.

From the statutes of the Community's agencies, it may be concluded that the ETF is an agency of the European Union with a legal personality. It shall be a non-profit organisation. Such agencies are relatively rare and are not covered by a precise and uniform legal statute. Thus e.g. the establishing statute of CEDEFOP, the European Centre for the Development of Vocational Training established in 1975, defines CEDEFOP as "a body independent of the departments of the Commission, but which must co-operate with them to the full" (Regulation (EEC) No 337/75 of the Council of 10 Feb 1975).

A report from the institutional commission of the European Parliament proposes the following general definition: a body ruled by communautary law, disposing of some autonomy and allowing the Commission to realise its executive missions in better conditions (delegation of powers). Such delegation of powers is admitted by the ECCJ (13.06.58, 9/58, MERONI, p. 11, GA T.1, no. 40 and advice 1/78, 26.04.77, rec. 77, p. 741). From these it seems that the delegation must be limited to management, not decision-making, and be realised under the control and the responsibility of the delegating authority. The Parliament commission also insisted that the decision on creation must specify the following: the agency's fields of activity, functions and modalities of action. These are only very widely defined in the two basic regulations.

The most recent formulations of the objectives and activities are included in the Framework Agreement signed between the Commission and the ETF 14 March 1997, with Annex N (Operational Guidelines for interface DG IA including Delegations and the ETF) being still under preparation. The Agreement is analysed under 2.2.5.

1.1.1 Context of the evaluation

The external evaluation takes place at a time when the Foundation has only been fully operational for less than a year. The organisational structure took its present form in spring 1996 and the staff recruitment was completed in the last months of 1996.

This evaluation project is a part of continuous monitoring and evaluation developed by the European Commission and the European Training Foundation in accordance with Article 17 of Council Regulation No 1360/90. During the last meeting (17 February 1997) of the Governing Board the document on Monitoring and Evaluation Procedure for the European Training Foundation was tabled. Its formulation is not yet finalized.

Monitoring is described in the document as a central management tool, aimed at providing information on the progress of the Foundation's activities, and offering data for the application of corrective measures when necessary, as well as for the dissemination of the Foundation's results. Monitoring is principally carried out by the Foundation on an ongoing basis. The Commission's role in monitoring is to advise and support the Foundation. The Commission also assists in verifying correct application of regulations.

An evaluation of the ETF activities will be carried out periodically, partially by the Foundation itself - especially the evaluation of the Observatory network - and partially by external agents. Its aim is to assess the concrete added value for the Commission and in regard to the partner countries, created by the impact and sustainability of the Foundation's work.

The ongoing monitoring and evaluation process aims at assisting the Foundation to keep track of the accuracy of its procedures and activities and, if used constructively, will build confidence in the ETF.

1.1.2 Terms of Reference

The present external evaluation was stipulated in the Council Regulation establishing the Foundation, amended by Council Regulation No 2063/94 of 27 July 1994. The Terms of Reference define as its purpose to evaluate the experience gained by the Foundation in its outputs at the end of the preparatory period in 1994 and of the activities carried out in Turn since 1 January 1995. The scope of the evaluation is to study

- achievements vs. the objectives expressed in the regulation establishing the Foundation
- organisational and operational measures.

In accordance with the Terms of Reference, an interim report was submitted to the Foundation and the Commission on 28 February. The final report shall be submitted to the Foundation at the latest ten days after the completion of the contract. The ultimate aim of the evaluation is to offer material for the Foundation

and the European Commission in assessing the impact of ETF and developing its future strategies. The results will be taken into consideration by the Commission in its report to be submitted to the European Parliament, the Council and the Economic and Social Committee before 30 June 1997.

1.1.3 Changes agreed to the Terms of Reference

At the request of the evaluation team a Steering Group was established in the Foundation. Its members are

Mr. Hans Konrad Koch, Head of ADD Department, principal liaison of the evaluation team

Ms. Elisabeth Bisland, Directorate

Mr. Bernhard Friess, European Commission DG XXII

Mr. Dominique Hubart, Head of the Finance and Legal Department

Ms. Marisol Marcos, European Commission DG IA

Mr. Jean Raymond Masson, Head of the VET Department

Mr. Olivier Ramsayer, Head of the Tempus Department

Ms. Gisela Schurings, Head of the Information and Publications Department

The Steering Group agreed in its meeting with the evaluation team 13 February on the following change to the Terms of Reference:

The Terms of Reference include in the tasks of evaluation "the study of at least one national observatory from amongst the first Observatories to be set up (Riga, Prague, Budapest)." Since national Observatories presently have started to function in all of the Phare countries, and because a separate mid-term evaluation of the Observatories is starting in February, it was agreed that the external evaluation team will study the observatories in Estonia, Romania and Russia (national Observatory in Moscow and regional in St. Petersburg) as a part of evaluating the Foundation's activities in these countries. This decision did not exclude the possibility to extend the study into one of the observatories of the first generation and indeed, the Observatory in Riga was visited by a team member as well. Some additional information was also obtained indirectly in Prague and Warsaw.

1.2 BRIEF DESCRIPTION OF THE EUROPEAN TRAINING FOUNDATION

The European Training Foundation (ETF) was established as an autonomous agency of the European Union by the Regulation No1360/90 of the European Commission, which came into force 1 Dec 1993 and was amended by Regulation No 2063/94. The convention by which the Italian government agreed to host the Foundation in Turin was signed 19 December 1994. This convention has been ratified by the Italian parliament in March 1997. Comprehensive technical, logistical and conceptual support was lent to the establishment of the Foundation by the European Commission (DG XXII).

The Foundation started with a budget of 5 MECU for 1994. The first meeting of the Governing Board took place on 11 March 1994 and the Director was then elected by the Governing Board from two candidates, pre-selected by the Commission from among 1400 candidates. He began his duties on 1 July 1994. By the end of 1994/beginning of 1995, 59 persons had been appointed as temporary agents in the ETF staff. The Advisory Forum had also been established and held its first

meeting in Brussels on 24 Oct 1994. After a 6-month preparatory period the European Training Foundation started its activities in Turin in January 1995.

The delay between the Foundation's initial creation and its effective application led those working in Central and Eastern Europe to find other solutions for implementation of VET assistance rather than waiting for the Foundation to be fully operational. Thus the first Phare interventions and programmes with VET components, which started in Hungary in 1990 and in the Czech Republic in 1991 and 1992, were carried out by the Commission. Before 1995 Phare VET projects had been started also in Bulgaria, Estonia, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

During its first year of existence the Foundation was structuring itself as an organisation and finding its appropriate working methods and procedures. The initial structure comprised the Tempus department, which was moved from Brussels in January 1995. The transfer meant for the Tempus technical assistance a net reduction of 22 posts without a respective decrease in the workload. The annual expenses were thus reduced for a period (by 25%), which was made possible by keeping a major part of the earlier Tempus staff, thus securing efficiency. Some posts were re-introduced during 1995.

A VET-department was created and expanded in 1995. After the detachment of the Observatory and Strategy functions from the VET Department, it was split in 1995 into separate units for Phare and Tacis, which have grown since to occupy a major position in the Foundations field of work. In 1996 the Observatory and a Strategy functions were combined into units within an Analysis and Development Department, and the Foundation attained its present structure.

The general budget of the Foundation has grown from 11 Mecu in the year 1995 (and 5 Mecu in 1994) to 15,4 Mecu in 1997. (For the implementation of the Tempus programme is reserved in 1997 a separate funding of 1,3 Mecu.) The same amount is presently projected also for the year 1998. The total financial structure comprises two parts: the share from the EU general budget for the Phare and Tacis programmes, which forms over 90% of the total finance (appr. 150 Mecu in 1996), and the ETF operational budget, which is less than 10%¹ of the total amount of finances managed. They are financially independent of each other.

From the beginning of 1996, the organisation represents approximately 130 posts (60 A, 46 B and 24 C) with various status and a reservation of approximately 15 auxiliary temporary assignments. At end-of-year, the number of employed reached 127, plus 4 national experts, 11 local agents and 5 auxiliary. Given the high level of turnover, more people had of course been employed.

The definition of the Foundation's tasks in the regulations is wide. In short, the two Council Regulations N° 1360/90 and 2063/94 define as key tasks to co-ordinate and support activities of the European Commission in the field of initial and continuing vocational education and training as a part of the economic and social restructuring of the CEEC countries, the Newly Independent States and Mongolia.

¹ This ratio is however not significant, since the Foundation's budget comprises both administrative costs and the financing of activities which meet the objectives of the Foundation and have the specificities of « projects ». They are thus quite similar to projects managed by the Foundation in the framework of Tacis and Phare programmes.

A central role is given to the management of vocational education and training (VET) programmes within EC's Phare and Tacis programmes. Management Training is also mentioned as a priority.

Thus, since its inception, ETF has undertaken to develop its own expertise in vocational education and training in line with its establishing regulation. The definition, refinement and application of VET expertise will undoubtedly be one of the crucial questions in its future development.

The role of The Tempus Department, which is still the largest among ETF departments, is limited to technical assistance to the Commission.

1.3 METHODOLOGY OF EVALUATION

As prescribed in the Terms of Reference, the evaluation has :

- * compared the achievements to the objectives given in the regulation establishing the Foundation
- * studied organisational and operational measures.

Bearing this in mind, the team has been looking for answers to the following questions:

- * What progress has the Foundation made in meeting its objectives, particularly in regard to the partner countries? (article 1)
- * To what extent do the Foundation's activities cover its scope of work (article 2)
- * To what extent does the Foundation fulfil its assigned functions? (article 3)

Regarding organisational and operational measures for example:

- * Does the Foundation have the necessary skills, in particular the relevant specific skills, through an analysis of staff qualifications and experience; what is the balance between the administrative skills necessary for programme management and the expertise necessary in the Foundation's field of competence;
- * Rating of the Foundations structure and organisation (3.1.1.);
- * Its operating systems and management methods : administrative and financial procedures (3.1.2., 3.3.3. and 3.4.)
- * Its monitoring systems (3.4.);
- * The preparation of work programmes (3.1.1.);
- * The organisation of technical assistance in implementing Tempus.

Further analysis of information and outcomes as well as opinions were collected on

- framework and structure
- how ETF operates, its processes
- its outputs
- relations with other organisations and networks
- policy and strategy
- effectiveness and efficiency

through :

- interviews with staff members, authorities and staff engaged in the ETF activities in the partner countries, representatives of networks (see annex)
- analysis of competences (qualification and experience)
- visits to partner countries
- observation through participation in workshops and seminars
- study of documentation (see annex).

1.4 STRUCTURE OF THE REPORT

The report is divided into 4 chapters and a summary of conclusions and recommendations. The first chapter gives a short description of the Foundation and the context in which the evaluation was carried out. The second chapter analyses the changes which have happened in the Foundation's objectives and priorities, its consequent strategies and methodologies since it was started. The third chapter is based on the formal analysis of the organisation and resources, both human and financial, while the fourth studies the efficiency of ETF through the examples of the partner countries Estonia, Romania and Russia, surveyed during the evaluation, and through viewing activities in Turin. The findings are introduced in a separate executive summary at the beginning of the report.

2 ETF: ITS OBJECTIVES

2.1 RATIONALE AND CONTEXT OF ETF AT ITS INCEPTION

The ETF was created in two steps, and in a certain manner there exist two Foundations. The first, coming from the initial regulation of 1990, is the project of an agency devoted to the development of vocational training in the countries of Eastern Europe. The spirit of this agency was that it would be an independent body acting as a clearing-house between the EU and non-EU European states as far as vocational education and training is concerned, and financed only partially by the Community budget. The second Foundation comes from the regulation of 1994, giving to the ETF a new function: to implement vocational training programmes agreed on by the Commission. Two other changes transformed the Foundation's context during this period: the extension of the geographic scope from the Phare countries to Tacis, and the role given to the ETF as the technical assistance office for Tempus activities.

It appears that the ambiguity of ETF missions - independent agency vs. operational subsidiary of the Commission - is related to the existence of two supervising Departments: DG XXII and DG IA, even if DG XXII has a double role being, with the consent of DG IA, in charge of the global monitoring of the Foundation, in addition to technical assistance to the Tempus programme.

2.2. CHANGES

2.2.1. Changes in objectives and strategy

This original ambiguity is combined with a certain drift in the interpretation of the ETF objectives defined in the establishing Council Regulation from 1990. Strictly defined as a contribution to the development of vocational training in the first instance, the objectives appear as "human resources development" in the Framework Agreement signed in March 1997. The objectives of this document however appear to be mainly operational: to simplify and to stabilise work procedures, applying only to the management of the Phare and Tacis programmes on behalf of DG IA. It does not cover the Foundation's other objectives laid down in the establishing Regulation.

ETF's activities in 1995 and 1996 testify to a deep change in its role in regard to the 1990 project. Almost all the resources are tied to the performance of delegated activities from the Commission, and only a small part of the budget is devoted to projects specific to the Foundation; these concern notably the implementation of certain pilot projects and the elaboration of the basic Observatory concept and procedures.

The role of a technical assistance office played for DG XXII, which was not included in the original Foundation project, absorbs a considerable part of the Foundation's resources; at the same time, a fixed amount of personnel and finance is pinpointed to this Tempus activity. In fact it seems to be, after a period of adjustment, more clearly established and working more smoothly than the VET part of the ETF portfolio. To summarise, both the Foundation and DG XXII express the feeling that they co-operate well in spite of the difficulties caused by the distance.

The VET activities on behalf of DG IA appear more difficult to handle. The strategy of ETF on its "own" budget has emerged only recently. The start up year was a time of search for an operational structure. Apart from the Tempus department, the Foundation had rapidly to prove its justification to the Commission as well as in the partner countries. Its position between the "host" and the "client" seems to have lead it to stretch out and show its elan in the field of education without concentrating strictly to its original sector. Partly, this was due to the system of projects delegation by the Commission with the suspected undertone - as referred to by ETF staff members - that the Foundation be available without restrictions. Consequently, strategies were developed only during the second year, and since 1996 consistency in this regard is becoming more visible with the guidance of the Strategy Group, a sub-committee of the ETF Management Team.²

² The strategy Group, which meets to discuss content-related issues, includes the director, the 2 deputy directors, the heads of VET, ADD and Tempus departments, a member of the strategy unit, and a secretary.

2.2.2. Changes in procedures and methodology

The main procedure issues are linked with (i) financial management and (ii) with the process of transferring the management of VET projects to the Foundation. Procurement issues are discussed in 2.2.3. and other financial issues are dealt with in 3.3.3. below.

As far as the transfer of the management of VET projects is concerned, it used to be settled by a specific agreement signed for each transferred project.

This legal and administrative approach worked well in the context of Phare programmes. However, a need of simplification and of systematisation appeared when the process was about to be extended to Tacis.

This process resulted in the preparation, negotiation and signing of a Framework Agreement. This document and its annexes describe the relative roles of the Commission (DG1A) and of the Foundation in the VET project cycle.

Since it provides juridical security to the process of transferring the management of VET projects/programmes to the Foundation, it paves the way for increased efficiency of the Foundation.

A detailed description of the Framework Agreement is given below in 2.2.5.

Besides, the Foundation has established most of its internal procedures, often described in short and clear booklets.

The establishment of these procedures and methodologies in such a short time and without much delay in its current work is an important achievement of the ETF.

2.2.3. Changes in procurement

When discussing procurement procedures at ETF, it is necessary to distinguish between procedures used in the expenditure of its own core budget and those used for the expenditure of Phare and Tacis budget funds that the Foundation manages for the account of the Commission.

In the case of the former, changes have come from two different sources: internal improvements based on observations and control visits from DG XXII, DG XX and the Cour des Comptes, and changes (most notably establishment of an internal *Commission Consultative des Achats et Marchés*) adopted to conform more closely to the spirit of the Financial Regulations as promulgated for ETF and the other decentralised agencies in October 1996.

A reorganisation of Financial Department's activities from programme-oriented (i.e. Tempus, VET, ...) to function-oriented (procurement, financial reporting, cash management, ...) is motivated in part by a desire to be more responsive to the information needs of programme managers in the management of their projects, particularly for questions of procurement procedure.

When it comes to Phare and Tacis budget funds, the ETF has made no changes on its own initiative, simply following changes introduced by DG1A and DG XXII in the procurement procedures for their respective programmes. The measures mentioned above, however, particularly as they concern efforts to better support and inform operational managers dealing with different sets of procurement

procedures, are intended to respond to cases of procedural errors that have been noted in the treatment of some tenders.

2.2.4. Summarising present activities

2.2.4.1 Phare and Tacis programmes

The very core of activities consists presently of the management of Phare and Tacis programmes in the partner countries. These programmes may focus on one country or they can be multi-country programmes. They are given to ETF by the Commission for management on the basis of individual conventions, and in many cases the ETF has not been involved in their preparation. After the convention is signed, however, there is some space for adjustments.

In the discussions with the ETF staff, it was often stressed that the explicit strategy of the ETF in relation to the partner countries is demand-driven co-operation instead of co-ordination of activities imposed on beneficiaries. As examples in the present circumstances of programme management serve the workshops and seminars, with which ETF has complemented the implementation of programmes on behalf of the Commission. In comparison with the Commission Departments ETF is more adequately staffed, and since it has (see 3.2 below for confirmation) the technical capacity (in the field of VET), it is in a position to be nearer to its counterparts in the partner country. The use of the word « partner », instead of « beneficiary » is self explaining.

The Tempus Department (Phare & Tacis) differs from the other departments in two respects. It had already existed as a functioning office when it was moved from Brussels to Turin, and it offers technical assistance to the Commission in the management of the programmes. Its role and procedures are well established and clear. It is possible that in the circumstances under which the ETF started its activities, one of the reasons for the transfer might have been to provide ETF with a fully functioning core activity from the very start. Now that the Foundation is finding its role, it may have some difficulty in absorbing VET and management training, under Phare and Tacis together with Tempus into the same organic structure. An attempt in this direction is the establishment of **country working groups**, which have recently been created for discussions between the staff of all units about issues covering a particular country or area.

2.2.4.2 National Observatories

In developing its own profile, the Foundation stresses the importance of its continuing presence in the partner countries, which offers a direct channel into information and contacts. For this purpose, the Observatory function is crucial. The idea of observatories came from the Commission, and their establishment was delegated to the ETF which developed the concrete concept, partly with the aid of the pilot project. The network of National Observatories constitutes the principal VET information and contact network in and among the Phare countries, which the network already covers with the exception of FYROM, and Bosnia and Herzegovina. In the Tacis countries the first observatories have started their work, and for the others the location and staff have been identified. As **centres for collecting, analysing and disseminating information**, the observatories serve

both the interests of the Commission, the donor community and the partner countries, and offer the ETF a close-up view of the changing situations in these countries. How firm their position in the countries will be when the support from Phare/Tacis funds ends after the first two years, depends on the weight given to VET policies by the local authorities, and probably in some cases on the possibility to create alternative sources for further financial support. ETF regards this network to be of great importance, and lays much emphasis to ensuring its sustainability. Finally, this activity has also been an opportunity to train counterparts on information collection, analysis and policy issues³.

2.2.4.3 Activities from the ETF operational budget

Within the limits of its operational budget, the ETF organises workshops and seminars, targeted e.g. for the authorities and personnel engaged in the Foundation's activities in the partner countries. While providing the opportunity to build their knowledge about the VET policies and practices in the member states, they are also a medium to develop the Foundation's expertise in the subject matter of vocational education and training. A special form of this are the Staff Development Programmes - started as a Phare multi-country programme which has now come to an end - which presently form a sequence of training for a selected group of high decision makers of the Tacis countries in a specific set of VET-related issues.

ETF has shown interest to start its own small pilot projects from its operational budget. These have mostly taken the form of a feasibility study. A more extensive effort is the North-West Russia pilot project, which is financed by the participating member states Austria, Finland, the Flemish region of Belgium, Germany, and the Netherlands. This type of co-operation is a possibility to extend donor co-operation outside the EU budget. So far, however, experience from this particular project indicates that the organisational structure becomes heavy and the procedures complicated to manage.

In countries like Bosnia and Herzegovina and FYROM, which live in a period of consolidating the society's basic structures, the Foundation has made its first attempts to establish a network of contacts. The time may not be due for investing into concrete programmes yet, but the Foundation's presence is important as a first step.

2.2.4.4 Integration of member states and partner countries

The **Advisory Forum** was established already in 1994. It comprises experts of the VET sector from the member states, the partner countries and international organisations, as well as social partners from European level. It is the only ETF body that includes representatives of the Phare and Tacis countries. Even for this reason it has a special position among the bodies of ETF. One of its stipulated tasks is to advise and give its opinions on the ETF work programme. The Forum consists of appr. 100 members who meet once a year. In this form it is not able to influence the ETF activities at a short notice. Its four sub-groups are establishing

³ This last point is not central - it is a side effect. Observatories have basic one function: collection and analysis of information on VET issues in relation with the labour market.

themselves as a discussion forum for education policies and strategies in the EU and partner countries. Their work is valued by the interviewed participants from partner countries. Regarding the high costs of the Advisory Forum, the possibilities of integrating its work more directly with other ETF activities is to be considered. Discussion on alternative work forms is going on in the Foundation.

The member countries are also present through the activity of the **Governing Board**, into which each country appoints its representative and may appoint an alternate member. The main tasks of the Governing Board are to approve the Foundation's work programme and its draft budget. Both are prepared by the ETF staff in close co-operation with the Commission.

Judging from comments by some Governing Board members, there is interest in the Board to participate more actively in the discussion of ETF's strategies and policy decisions. This possibility could be given rather by offering time for discussions based on clear content-related documents than by increasing the amount of papers distributed to the Members for comments by written procedure.

2.2.4.5 Information and communication

The **Information and Publication department** occupies a staff of 10 people, and is widely engaged in all ETF publication activity. For translations it uses exclusively the services of the EU translation centre in Luxembourg, as prescribed for the EU-agencies. Apparently, this system is not working in a satisfactory way, neither for quality, nor for delays.

Formal **Progress Reports** are written on a monthly basis in the VET and Tempus departments. A more significant contribution to the knowledge about Phare and Tacis countries are the country reports and country facts sheets; of the former, versions exist for public as well as internal use.

At the request of the Commission, ETF has also produced a series of assessment papers regarding the state of VET policy and level of vocational education and training, which reflect the efficiency of their contacts in the respective country and their expert knowledge.

In addition to supporting and further training the ETF staff in Turin, the **Computer Systems department** invests a considerable effort in the development and support of IT equipment and skills in the 24 satellite offices. A course in IT skills for the Tacis Observatory staff proved the necessity of this activity.

2.2.4.6 Monitoring and evaluation

As referred earlier in 1.1.1, monitoring, assessment and evaluation form an integral part of all ETF activities and focus as well on the work carried out in Turin as in the partner countries. Self-assessment has been carried out once and will be a regular exercise. Performance evaluations are made for all staff at regular intervals. However, given the number of monitoring, evaluation, assessment, auditing... activities which have been and are being implemented, in many cases at the same time, questions should at least be raised on the number and efficiency of such activities. It appears that as far as internal ETF processes are concerned, the Foundation is capable of using self-assessment and monitoring as a basic tool.

More precisely, is it taking excessive form in comparison with the new information it can produce ? Has it perverse effects on the efficiency of the Foundation ?

2.2.5 The Framework Agreement

This Framework Agreement has been discussed and prepared between the Commission and the ETF. It aims at clarifying the relationship between them and their respective responsibilities in the field of the management of projects by the ETF on behalf of the Commission. It is also to accelerate the initiation of programmes, which in some cases have been delayed because of one-by-one negotiation of conventions.

Article 8 stipulates:

« The Commission entrusts to the Foundation a certain number of Tacis projects or Phare Programmes for it to manage directly on its behalf and in accordance with its rules and regulations. »

Article 6 states: *« The Foundation does not represent the Commission or speak in its name, it cannot commit the Commission in any way. ... ».*

Article 7.2.1. states: *« ... the Foundation will be able to prepare TORs and short lists, and issue tenders and contracts without any further reference to the Commission,*

In all public announcements during the tender process, and in the subsequent contracts, the ETF shall indicate that it is acting « on behalf of the European Commission ». »

Although there are some **apparent contradictions** in the texts above, it is clear that the ETF is to act on behalf of the Commission after the transfer of responsibility has been decided. Before this transfer, the ETF cannot intervene, except when and if requested to do so, and anyway then *« it cannot commit the Commission ».*

In fact this means that the ETF must not substitute itself to the Commission in the identification and programming process.

The following table summarises the proposed distribution of responsibilities.

However, it is clear that it is not a sharing of responsibilities: in fact, it is a standardisation in the process of delegating responsibilities of the Commission to the ETF.

Actually, of course the ETF shall represent the Commission and act "on its behalf" when the responsibility is effectively transferred, but it cannot decide to do so on matters which have not been delegated by the EC to the ETF.

**STATUS OF EACH ACTIVITY
IN THE PROJECT CYCLE
UNDER
THE FRAMEWORK AGREEMENT**
« A move from an ex-ante to an ex-post control system. »

ACTION	PHARE	TACIS	Article nr
Strategies as in IP and MIP	by the Commission, with inputs from the Foundation at the request of the Commission.	by the Commission, with inputs from the Foundation at the request of the Commission.	7.1.1
Identification	by the Commission, with <u>possible</u> inputs from the Foundation	by the Commission, with <u>possible</u> inputs from the Foundation	8
Preparation of programming (AP, COP, SOP)	The Foundation <u>will</u> assist the Commission	The Foundation <u>will</u> assist the Commission	7.1.2
Programming	by the Commission + Phare Committee (with ETF participation)	by the Commission + Tacis Committee (with ETF participation)	7
Selection for management by the Foundation	by the Commission	by the Commission	7
Preparing of ToR and short lists, issuing tenders and contracts, in accordance with commonly agreed procedures	by the Foundation, « without any further reference to » (without referring to) the Commission. Phare Manual for Contract and Procurement Rules. <u>Ex-post auditing by the Commission.</u>	by the Foundation, « without any further reference to » (without referring to) the Commission. Annexes G and H for Tacis. <u>Ex-post auditing by the Commission.</u>	7.2.1, 7.2.1, 7.2.1.

2.3 RELEVANCE OF ETF IN RELATION TO PARTNER COUNTRY PRIORITIES

All transition countries live in a phase of very strong dynamics. Education is mostly among the expressed reform priorities, but in many instances general basic education and higher education draw a longer straw than VET. Sometimes, like in the case of Tadjikistan, instability is so deep that it is difficult to speak about development priorities.

Awareness of the importance of creating a VET policy, reforming the system of vocational education and training, and linking education with the labour market is growing rapidly. The dynamics are in two directions: on one hand the countries are conscious of their needs to get information and policy advice, on the other the active promotion of this information increases the demand. In this respect the ETF objectives are streamlined with those of the partner countries.

2.3.1. Priorities at ETF/EC level

Supporting the preparation of countries for EU accession is a transversal element in the EC and all ETF activities in Phare countries. It is also the first priority regarding the Foundation's strategies, implemented on all levels of collaboration since the Essen summit in 1995, where the decision was taken of possible inclusion of the first CEEC countries in the Union. Prior to this, the overall objective had been to support the transition to a market economy. Both aims are parallel, and as far as ETF activities are concerned, the change of emphasis has not discernibly affected their content.

Presently a further shift in the policy is being introduced by the Commission for Phare. Since in this context VET is not an expressed priority, additional promotion of its importance will be necessary in order to stress that vocational education and training cannot be excluded from priorities. VET is not an objective by itself but a mean of supporting the conversion of economy and social adaptation to the principles of the Union.

Education and training are not among the sectors, in which the EU aims at a unified system; instead of unity, the objective can be described to be transparency. The common objectives are expressed in policy guidelines and regulations. Some legal basis does exist, mainly the EU Treaty, Article 127 (Vocational training), Article 126 (Education) and Articles 123-125, establishing the Social Funds.

Yet this narrow interpretation does not meet the basic nature of *acquis communautaire*. It is possible to define a wider concept, which includes not only the legislation, but equally a set of norms, standards and policies by which the European Union strives towards balanced promotion of the economic and social progress. Using this definition, it is possible to argue that for example VET reform, development of common standards and transparent qualifications contribute to the free mobility of people.

For the Tacis countries, the policy also aims at compatibility of norms and standards, but the pace of transition will be slower. The present ETF strategy of

strong input in the network of Observatories goes along with the need to create a system for the flow of relevant and more reliable information feeding, among other things, the design of VET-related pilot projects that can give an impetus for a reform. As a method of training, distance education is in the Russian conditions an alternative that deserves special attention. Support to the transformation of the Tacis countries is included among the three priorities of ETF activity fields.

Among the expressed ETF priorities is mentioned also support to the development of former Yugoslavia and Albania. Since these countries undergo a very different process in strengthening their internal cohesion, the possible input by ETF varies from country to country. Slovenia is an example of fast and relatively easygoing progress, arising from the efficiency of internal structures and individual enterprise. Much more effort will be needed in countries where internal outburst or national conflicts still are still felt painfully. ETF has felt the importance to maintain discussion with Bosnia and Herzegovina and the other parts of former Yugoslavia, in which concrete pilot projects in this sector have not been started, being thus prepared to assist them to extend their participation whenever that would be possible.

From the point of view of the partner countries a central issue is the building of new networks and re-establishing old ones that have been disrupted in the collapse of socialism. Among the first, the engagement of social partners in the formulation and reform of vocational education and training is a primary target; among the second, support in finding partners from other Phare and Tacis countries. It was particularly appreciated in Russia that through ETF activities different parts of the previous Soviet Union start to co-operate again. The links to EU member states are certainly important, but less often mentioned as an asset by the Phare and Tacis partners.

2.3.2 Relevance of programmes

Viewing the impact of programmes managed or designed and implemented by ETF from the point of development needs of the partner countries, the different types of programmes can be grouped as follows:

- *Staff development programmes
- *The Observatories
- *VET Reform programmes
- *Other training programmes (management training, higher education, etc.)

The first group has an overall impact in assisting a country to create the conceptual framework and legislation for vocational education and training. The programme cycle is run for high-ranking state authorities and their social partners, separately for the Phare and Tacis countries. In both cases the list of proposed participants has been discussed with ETF, but the final choice was made by the education and labour authorities of the partner countries. In some cases the nominations have not been optimal. By means of Staff Development Programmes, ETF has however been increasingly able to give an impulse to the reform of VET systems. The training takes place in the form of workshops in which ETF uses both its own and external experts as trainers, and it has links to the work of the subgroups of the Advisory Forum. Based on this training, for instance Estonia is presently preparing

a law of VET. In the visited countries a frequent wish was that ETF would organise more workshops and conferences to offer a forum for discussion on different and concrete aspects of the VET policies.

The Observatories represent a unique network of creation, analysis and dissemination of data related to the educational and labour market situation of the Phare and Tacis countries. When the network is fully functional, it will be able to contribute importantly to the assessment of educational needs and strategies. For the Foundation, it offers a valuable source of information in preparing in-depth studies and other material for its own use, for the Commission, and for wider public use.

The VET Reform programmes are pilots to develop examples of "best practice". They focus on developing a new approach to vocational education and training, taking better into consideration the changing structure of the society. The programmes contain elements of reform of curricula, teaching methods and learning material as well as teacher training. The central expertise of ETF lies in this area, as well as managers of programmes as in knowledge of the VET field. Again the gain is mutual, since also the Foundation's experience grows by doing.

There is discussion whether part of higher education really should be included in ETF activities. A reasonable limit has been put to post-secondary education, since it in some partner countries is included in the secondary level, in others in higher education. There is expertise in ETF to deal with this level, in which staff from the Tempus department can also show their specific knowhow.

For management training there have not been many opportunities so far. The sector is very relevant in most of the partner countries. It may be questioned whether management training, like the others, should directly form a part of the VET activities, in which case a few persons would focus in developing their expertise in this sector. Yet rather than rejecting the matrix structure, the potential of the whole personnel should be exploited in applying their expertise in this and other types of programmes, disregarding their placement in the ETF organisation chart.

3. ETF: ITS MEANS

3.1. PRESENT ORGANISATION

ETF is structured in a Directorate and three operational departments, representing Vocational Education and Training, Analysis and Development, and technical assistance to Tempus. The Directorate consists of the posts of the Director and two Deputy Directors, as well as supporting personnel. Management training takes place in a matrix organisation, using the staff of operational departments. The structure is supported by departments for financial and legal matters, administration and personnel, information and publications, and a computer systems department. The organisational chart is presented on the previous page.

The role of the Director is central in the organisation. He prepares and organizes the work of the Governing Board, being particularly responsible for the ETF work programme and statement of revenue and expenditure as well as execution of the budget. He is the chairman of the Advisory Forum. He is the legal representative of the Foundation, and maintains relations with the Commission as well as member and partner country authorities. His contacts with authorities and contribution to preparation of cooperation was valued in the visited partner countries, particularly in Russia. Vis à vis EU authorities the received comments varied; in some cases where the cultures of state administration and the more straightforward business approach met, appeared to be friction.

The two Deputy Directors assist the Director in day-by-day decision making, and have each their particular area of internal responsibility: one for the VET and ADD departments, the other for management training. The relations with external networks are divided between the Deputy Directors. With reservations regarding the delayed start up of management training programmes, this division of tasks appears to be compatible with the needs of the Foundation.

Although the ETF as an institution is quite recent, it has already undergone a major organisational change in late 1995 - early 1996.

Obviously, it must be considered that the Tempus department, although financially and numerically important, is not the important part of the Foundation, considering from the point of view of evaluating its capacity to fulfil its main missions. The present report will therefore focus its attention on the other parts of the Foundation, although the Tempus department will not be ignored.

The analysis of the present organisation has been performed from 3 points of view: A classical functional analysis (who does what), and an analysis of procedures; then an analysis of relations with other institutions, with a special focus on the relations with the European Commission.

3.1.1. Functional analysis

The analysis was done on operational departments. In each department main functions have been identified with related tasks and sub-tasks. The aim was to locate critical points for value added, internal organisation, external organisation and gray areas. This phase also constitutes an opportunity to validate our understanding of the ETF and to clarify diverging interpretations. Finally, it should result in clear definition of the departments' mission and constitute a base for recommendations.

The VET Department

The analysis was conducted only for Phare activities. Till now, Tacis activities have been limited awaiting signature of the Framework Agreement. They seem to differ only on several tasks of the project management function.

The mission is: to promote and to implement VET reforms in Phare and Tacis countries.

The three functions identified are:

- contributions to policy development,
- project management,
- conferences and meetings.

Contribution to policy development consists of the following tasks:

- Towards the EC: provision of inputs for the indicative programme (needs and priorities of the partner country), contribution to the preparation of programming (COP, SOP, advice for new programmes)
- Toward partners countries: policy advice and support to the design of policy measures (designing curricula, training methodologies, ...)

This function of policy development is critical in various aspects:

- It is dependant on the interpretation of the ETF's objectives. Toward the partner country, the role of advocacy for VET is not controversial, but beyond that point it seems to be a matter of interpretation. Toward the EC, inputs may be provided, but only as requested. Before the signing of the Framework Agreement, there was no particular framework, and provision of advice has been decided and organised on a case by case basis, depending on relations with counterparts at the EC.
- ETF's contributions to policy development are fairly recent due the fact that time was needed for building expertise and to the length of the project cycle. This function constitutes a recognition of ETF's expertise by the EC and by the partner countries, in particular for papers on accession needs.

- Policy advice is also a function of the Observatory unit and National observatories. Preparation for accession is a common responsibility of ETF, which in the case of elaboration of the accession papers was manifested by the VET and ADD departments. The ADD Department's work implies a strong degree of co-operation and therefore has not been parcelled out to any particular unit or department.

This finally implies enhanced co-operation between departments and units, both by country (see Country Working Groups) and through a thematic approach.

The project management function is clearly defined by the conventions between the ETF and the EC (and now by the Framework Agreement).

- The monitoring and support task corresponds to a classical task of an EC task manager. **Strong involvement into the substance of projects** is expected due to the specialisation of ETF. The task of intermediary reporting to the EC and to the implementation authority is not a critical one. The value added of ETF does not depend on it: reports are usually reprocessed from the PMU outputs.
- Evaluation, final reports and dissemination raise several points. Final reports include a contribution to policy development and are critical points since they mobilise VET expertise and networks. ETF has demonstrated its ability to disseminate the results through seminars: to disseminate documents but also to encourage partners to present their results to other partner countries. This is also a point for know-how capitalisation inside the ETF. This task is in direct relation with national authorities and has a great impact. ETF is an EU agency with sectoral expertise and wide ranging institutional contacts both in the partner countries and in the member states. Finally, dissemination goes beyond the life-spans of programmes, and the results are used for ETF's own activities.

Conferences and meetings is a function also existing in Analysis and Development Department. It is a critical point for capitalisation of know-how inside the ETF, which according to several interviewed persons needs to be developed. This function again brings the question of the margin of the ETF in its relation with its counterparts. These activities are well developed, namely with PMU meetings and other workshops in the Tacis area, including support to policy development. Main tasks are: design, organisation or implementation, and evaluation and dissemination of the results.

Tempus Department

As far as functions and tasks are concerned, it does not seem interesting to separate Phare and Tacis activities. Definitions of tasks are very similar, the activities mainly differ in approaches.

The mission is clear: to provide technical assistance for the implementation of the Tempus programme.

For this, four functions have been identified: selection process, monitoring of projects, post-evaluation and exploitation of the results, promotion and publication. The mandate of the department is clearly defined and there seems to be no activity developed outside of conventions with the EC.

Skills developed are country contact, management and administration. The department may be considered a centre of systematisation, but also of constant modification of systematised process. There is a high degree of flexibility. Thus it could be a source of internal recruitment for project management. The

development of procedures and schemes could also permit the design of a quality system for project management.

The Analysis and Development Department (ADD).

Functions of the Strategy unit are different from functions of the Observatory unit. Thus two separate analyses were conducted.

The Observatory Unit

The mission of this unit consists of monitoring and supporting the National Observatories and to secure ETF's country expertise.

The unit has several functions:

- to monitor and support the observatories,
- to conduct the country working groups (CWG)
- responsibility for the Advisory Forum, glossary work, and donor cooperation.

Remark: It is clear that the Observatory unit is responsible for the co-ordination, but is not the only beneficiary of the CWG. The resources of the CWG are provided by ETF as a whole.

The observatory function mainly consists of designing and processing information, designing the reporting system and organising regional and national workshops. More generally, it provides a support to local management of the observatory function, which differs between Phare and Tacis countries: direct management of the Observatories's project in some Phare countries versus co-ordination of a consortium responsible for setting up the Observatories in Tacis countries. ETF's support in training, liaison and management and content-related advice is appreciated by local management. Nonetheless, there seems to be room for more involvement on the side of ETF. Further direct engagement would improve ETF's expertise, network and understanding of decision making process. In the same way it has been felt that an increased presence of ETF on the field would be welcomed.

The task of designing the reporting system seems to make the unit responsible for country reporting. One of the most problematic issues in this respect is to identify the Commission's needs and expectations. This crucial task seems to be attached to the unit *de facto*. A clearer allocation of tasks together with the necessary allocation of time would better secure the necessary co-ordination with other units.

The co-ordination of Country Working Groups is presently in a pilot phase and should be formally organised by the end of the year.

This function includes the following tasks: to organise meetings and to co-ordinate country related activities, to co-ordinate or implement the collection and analysis of information, to co-ordinate or implement the country reporting. It is not clear whether it is the unit's responsibility that ETF expresses one coherent point of view and speaks with one voice.

Anyway this function can be analysed as cross-department and cross-tasks. Thus, the Country Working Groups may not reach their objectives without applying an approach of management by project. It implies a substantial work of co-ordination and cannot be properly implemented without setting up detailed procedures. It

would then require to allocate time to this purpose in each involved department and to appoint a facilitator.

Finally, the strategic unit is not represented in the country working groups and it does not seem to allow the confrontation of thematic expertise to country expertise.

The Strategy Unit

The mission of the strategy unit is to feed the ETF strategy and to secure thematic expertise.

The functions are the following: performing of cross-ETF services and development of thematic expertise. Both imply the conception and organisation of workshops and conferences.

The development of a thematic expertise includes the identification and selection of topics, the support to other departments and to partner countries, including in the development of project and the co-operation with the advisory forum.

The unit attempts to capitalise ETF's experience and familiarity with the process of VET reform to establish the underlying factors for success from one country to another, and develop its capacities in advising and in supporting implementation. The expertise is developed inside the unit, but also in other units. The linkage with the VET department should be strengthened, and it could be useful to associate several project managers to the thematic work, on a permanent basis. The unit can focus only on a few areas and most of the studies are performed by outside contractors.

The performing of cross-ETF services includes three tasks: preparation of the ETF work programme, facilitation of the work of the Strategy Group and monitoring and evaluation.

The preparation of the work-programme takes much of the unit's time. This function also requires active co-ordination with other units.

All functions seem to be critical points for added value and efficiency of the ETF.

It is clear that if the function of accumulating experience in VET reform and transfer of knowledge is common to VET and ADD departments, it is the duty of the strategy unit to systemise this experience and build up strategies from it, or at least to organise this process.

Out of the studied functions, we may conclude that the strategy unit aims at organising the accumulation of knowledge and experience in the Foundation.

From the list of tasks which have been identified, it seems that this unit is understaffed or should benefit from other units' resources. This remark also applies to the Observatory Unit.

In conclusion, there is an inadequacy between the missions of the ADD department and the size of its human resources. This could be solved in four alternative ways or their combination:

- to increase the staff,
- to diminish the tasks (but this would affect the added value of ETF),
- to use possible available resources in other departments,
- to simplify and streamline its procedures.

In any case, it is necessary to reduce the administrative workload and/or to transfer part of it to functional departments or to the administrative staff.

The Management Training Programme

The mission of the Management Training programme is to co-ordinate and support management training project implemented or managed by other units. This is conducted in a matrix structure with almost no permanent resources, which allows great flexibility to adapt to the needs. In this respect, it seems to be appropriate for the time being. In July and October 1996 the first contracts were signed: for NIS (an evaluation project) and for Bulgaria (management training centres). Yet management training is a major issue in the transition process. Several explanations for the delay can be given:

- it is not obvious that management training is a part of VET
- management training is a component of many Phare and Tacis projects, but seldom the object of one project. When this is the case, projects consist of providing training more than in supporting institutional reform
- the dominant position in the Commission seems to be that management training for adults must be linked with consulting.

Conclusion

As a result of the matrix structure, management training projects are implemented under the control of the VET or Tempus departments. This is not contradictory with the accumulation of competencies in the field.

Besides, the evaluator's visit on the field gave no evidence of contribution to policy advice, networking or building of a cross-country approach in the field of management training. In fact, although a project development activity is conducted in Torino, the department is not visible in the visited countries. In Romania, the main actor in management training, FIMAN, has had no contact with the department, except at the creation of ETF, when they were invited to discuss the Foundation's strategy. The information was however received in Turin, that two leading business schools in Romania have participated in 1996 in the pilot phase of "Strategic Audit" project by ETF.

Since the time management training was given as an objective for the ETF, it has not found a way to become a credible actor in this field.

However, the activity of the Foundation in this field could be enhanced by :

- participating in existing or future network in management training,
- developing comparisons between countries.

Finally, considering the other bodies of expertise in this field, the Foundation cannot be a leader or a centre of expertise, but can support institutional development.

3.1.2. Main procedures

With the exception of financial procedures, including procurement procedures and the making of the Budget, and relations with the EC, there are no formal linear procedures inside the ETF. This practice is compatible with the principle of decentralized responsibility, and is appropriate for the Foundation's work. It is balanced by the fact that ETF has clear rules for the flow of horizontal and vertical information within the agency.

The ETF works out its products through small teams inside each department, rather informally in the VET department, more formally in the ADD department. Procedures for decision making have been defined.

Co-ordination and information flows between operational units and departments are organised through a system of working groups (notably the Country Working Groups), and precise guidelines for dissemination of documents and meeting minutes as well as Action Points memos.

These are described in a set of short papers of the Computer Systems Department.

3.1.3. Relations with other donors

The Foundation has established good working relations with international institutions interested in the field of VET or more generally in education.

Effective co-operation has been established on specific activities namely with the World Bank (notably in Romania), with the OECD (confirmed by two members of its staff) and with bilaterals on the North-West Russia pilot project (see 4.2.3. below). There is regular cooperation with CEDEFOP; most recently in the form of common presentation of the two organisations to the European Parliament.

OECD has mobilised ETF's expertise to participate in its missions and surveys in Russia.

The ETF has also contributed to the programming process of the World Bank and has participated in a joint project in Bosnia. This co-operation is expected to continue.

3.1.4. Relations with the European Commission

The ETF has tried to prove its existence and capability to the Commission, by proving its capacity to do what the Commission had been doing before the management of some projects had been transferred from the EC to the ETF. Some people in the Commission think this is not an issue.

This has started with the transfer of the technical assistance of the Tempus programme. It is the same with the transfer of VET projects. These projects are managed by the VET department. The difference with the previous system should consist of two main points:

- The task/programme managers are, should be or should become specialists⁴ in VET: thus they have or should have the ability to manage this type of project with both the financial-administrative and the technical capacities in the same person or the same team, which was obviously not the case for the staff of DG IA, although there have been some exceptions. Otherwise DG IA had to request support.
- The task/programme managers in the ETF have more time to dedicate to this activity; they are specialised in this type of projects.

Relations with the EC are, normally, three-fold:

- Relations with **DG 1A**: it is a relation with the **budget-programme maker** at the level of VET projects management;
- Relations with **DG XXII**: It is a relation with the technical « tutelle »: the DG XXII is responsible for the Foundation and has the capacity to analyse its technical performance;
- Relations with EC Delegations. They are apparently considered insufficient seen from the Commission in Brussels. They should be established: (i) in order to secure the unity of approach of the partner country by the European Institutions, (ii) to secure a coherent programming approach. In fact, what has been seen in the three countries which have been visited is adequate level of co-operation with Delegations. They did express their satisfaction with their relations with the ETF: they get all the information they need, they have regular and good (productive) contacts and persons from the ETF on mission in these countries do visit the Delegations there. The Delegation in Russia appeared to regret the absence of a resident staff of the ETF in Moscow. He left in January 1997.

Difficulties have been met, specifically in relations with DG IA. They appear to result from several facts:

- The effective activity of the Foundation is not formally what had been foreseen in the original texts.
- The procedures had not been established and, in the meanwhile, the financial procedures of Phare and Tacis programmes were changing.
- The Foundation is mainly managing projects, and no texts had ever defined the relative roles of the EC and ETF in the project cycle before the Framework Agreement was made.

The Framework Agreement (see above) is meant to settle the matter for most if not all activities in the project cycle. It is now clear that, once a project has been transferred to the ETF, it shall be managed by the ETF "without any further reference" to the Commission. Projects should be transferred to the ETF by the Commission just after a decision has been made to implement it. Normally, the project is then broadly defined, which leaves a large place for further technical

⁴ Specialist, not experts.

adjustments. This is what the ETF has the capacity to do and this is what it is meant to do.

However:

- the decision to transfer a project is in the hands of the Commission,
- any participation of the ETF to the identification, appraisal/assessment (if any) and programming activities at least must remain under the control of the Commission or must be requested by the Commission: the Commission is definitely in charge of all programming activities,
- like any delegation⁵ of powers or transfer from a budgeting authority, this supposes reports and ex-post controls.

An important comment must be made here: It is the widespread position of the Commission that **the ETF must not intervene in the process of identification and programming except under the authority and control of the Commission**. This obviously prevents the ETF from marketing itself in the partner countries.

In practice however, it is difficult to draw a line between good management of projects and development of policy components. The Foundation is supposed to deliver policy advice on VET reform as well as support the implementation of these reforms. This normally leads to the preparation of further activities⁶, some of them being projects which could be financed by Tacis or Phare programmes.

In order to ensure a coordinated manner of proceeding, the Commission does not want ETF to suggest the authorities of partner countries that they request the financing of specific projects from the Commission, without preliminary clearing from the Commission.

3.2 HUMAN RESOURCES

3.2.1 Summary statistical analysis

Global analysis

A few words about methodology: The CV's of ETF staff with A and B grades were requested. A total of 87 have been collected and seem to be representative of the whole population, except for the Information and Publication department which could not be analysed. The aim of the analysis is to classify the profiles according to relevant types of skills, acquired before entering the ETF. Due to differences between functional and operational departments and within operational departments, various classifications have been developed.

The classification according to previous employer shows a dominant share of European Union (EU) origins. Out of the 87 collected CV's, 45 professional profiles have background in EU organisations or programmes. Among them the Tempus programme dominates with 20 persons, followed by DG I.A with 9 persons.

Six have been members of the European Commission's Task Force Human Resources, out of which 1 is Head of Unit and 1 is in the Foundation's Management Team.

⁵ The word "delegation" is not mentioned in the Framework Agreement.

⁶ This is also the case.

10% of the staff falls under the category "others". This category indicates that the profile do not correspond to identified skills. In most cases, they are young university graduates, with short or no professional background.

Analysis of functional departments

The Information and Publication department could not be included in the study, since too few CV's were received in time.

Each department is marked by a specialisation linked to its function:

In the Computer department 100% of the profiles are computer specialists

In the Finance and Legal department 90% of the profiles are experts of finance management or legal specialists.

In the Personnel department 67% of the profiles have background in the field of personnel and administration.

Apart from the Personnel department, the most important previous employer is the EU or EU programmes.

In the Computer department out of 7 profiles, 3 come from the EC Tempus office, including the head of department.

In the Financial and Legal department out of 10, 4 come from EC Tempus office, including the head of department. Four persons come from other directions or programmes of the EC. In total, 80% of them have EU work experience.

Analysis of the VET Department

This is the main department of the Foundation with regard to its principal objectives. Out of the 23 CV's collected, 17 have a profile of project managers. 71% of them have a strong project management background acquired in the EC (9) mainly at DG IA or at ILO (3).

10 programme managers out of 17 (53%) are also experienced in VET and training issues. They show the ability to implement technical monitoring and to get involved in the substance of projects. 3 profiles have not been classified as technical experts, but are highly familiar with VET, since they have already managed VET programmes or have spent part of their career in VET institutions.

The department includes also 2 profiles with strong skills in financial monitoring, both highly familiar with Phare and Tacis procedures. 2 profiles can be classified as legal specialists.

3 profiles are classified both as programme managers and technical experts and labour market specialists.

10 profiles have been professionally involved in Phare or Tacis countries and show a specific knowledge of the area. 6 of them speak Russian having various levels, others (to varying degrees) have knowledge of Estonian, Polish, Czech and Azeri.

Globally, 16 persons out of 23 have generally strong technical capacities in technical fields related to VET and/or the labour market.

The management team (head of department and heads of units) comprises a strong involvement in VET issues with proven management skills and a good knowledge of the Phare and Tacis area. Their professional career has developed

in diverse spheres : training institutions, ministries of education, EC, consulting companies and international aid institutions.

In conclusion, the analysis shows

- a significant capacity of effective involvement in the substance of projects (technical expertise)
- strong project management skills
- the existence of highly specialised skills in the team
- high proportion of multi-disciplinary profiles
- good knowledge of the geographical area.

Analysis of the Tempus Department

Out of the 23 CV's collected, 80% have previous experience in the EC or EC programmes. Of them 11 are from the EC Tempus office and 7 from DG IA or DG XXII, Erasmus technical assistance office, and others.

83% have management and administration skills, mainly acquired in providing technical assistance for the Tempus programme.

52% are familiar or highly familiar with the Phare and Tacis procedures through professional involvement.

The majority have good command of foreign languages (2 or more).

Academic expertise is subcontracted externally. Nonetheless, 3 persons are training experts and 4 worked in the field of higher education.

The management team has a long experience in managing Tempus units:

Analysis of the ADD Department

The management team has strong expertise in VET and strong knowledge of the area (2 out of 3). All come from national administrations and are familiar with both EU and the member states. All have had responsibility for policy definition and strategy design.

The Observatory unit and the Strategy unit have different functions. Thus, it has been decided to conduct the analysis separately.

The Observatory Unit

3 to 4 persons out of 7 (needs clarification) have a sound knowledge of VET, including the head of unit. Of these, 2 are highly familiar with both EU and partner countries' VET systems.

2 profiles have specific skills related to design, implementation and maintenance of database and computer networks.

3 profiles have skills in management/monitoring/co-ordination, including the head of unit.

The level of multi-disciplinarity is diverse: high for half of them and low for the other half.

3 profiles show a knowledge of the geographical area.

Additional skills can be found in the team: labour market, relation between schools and enterprises, statistics and evaluation of survey.

The Strategy Unit

5 of the 6 collected CV's show background in national administrations, mainly in the ministries of education or labour, and expertise of VET, training issues and training policy. Among these, one is a researcher.

Very diverse and specific skills can be found in the team: regional development / enterprise support and policy / curricula development and standards / social affairs, industrial relations and labour law / in-house training / higher education / private law.

5 out of 6 can be classified as managers or co-ordinators, since they were high level civil servants at strategy levels.

5 out of 6 present a high level of multi-disciplinarity.

3.2.2 Adequacy of skills

The analysis of the missions and the choices which have been made are broadly consistent. Competences are those needed, especially in the most crucial (from the point of view of the essential missions of the ETF) departments: VET and ADD.

The graph on the following page, using the same classification of profiles for the 3 operational departments, shows the general characteristics of their personnel.

Remark: As a majority of the staff in the VET and ADD departments has several fields of competence, this is a graph on the distribution of competence, not of people.

What is necessary is obviously **an adequate combination of:**

- programme management capacities (mainly for the VET and Tempus departments),
- knowledge of VET policy and labour market related issues,
- knowledge of VET training methodologies,
- knowledge of issues and methodologies related to curricula development
- practical experience of the geographical area (and languages).

With a few exceptions, people do not need to be high level specialist of each of the specific fields of VET and labour market: it is obviously very difficult to meet all these criteria in the same person. Depending on their specific post, each one needs a combination of these.

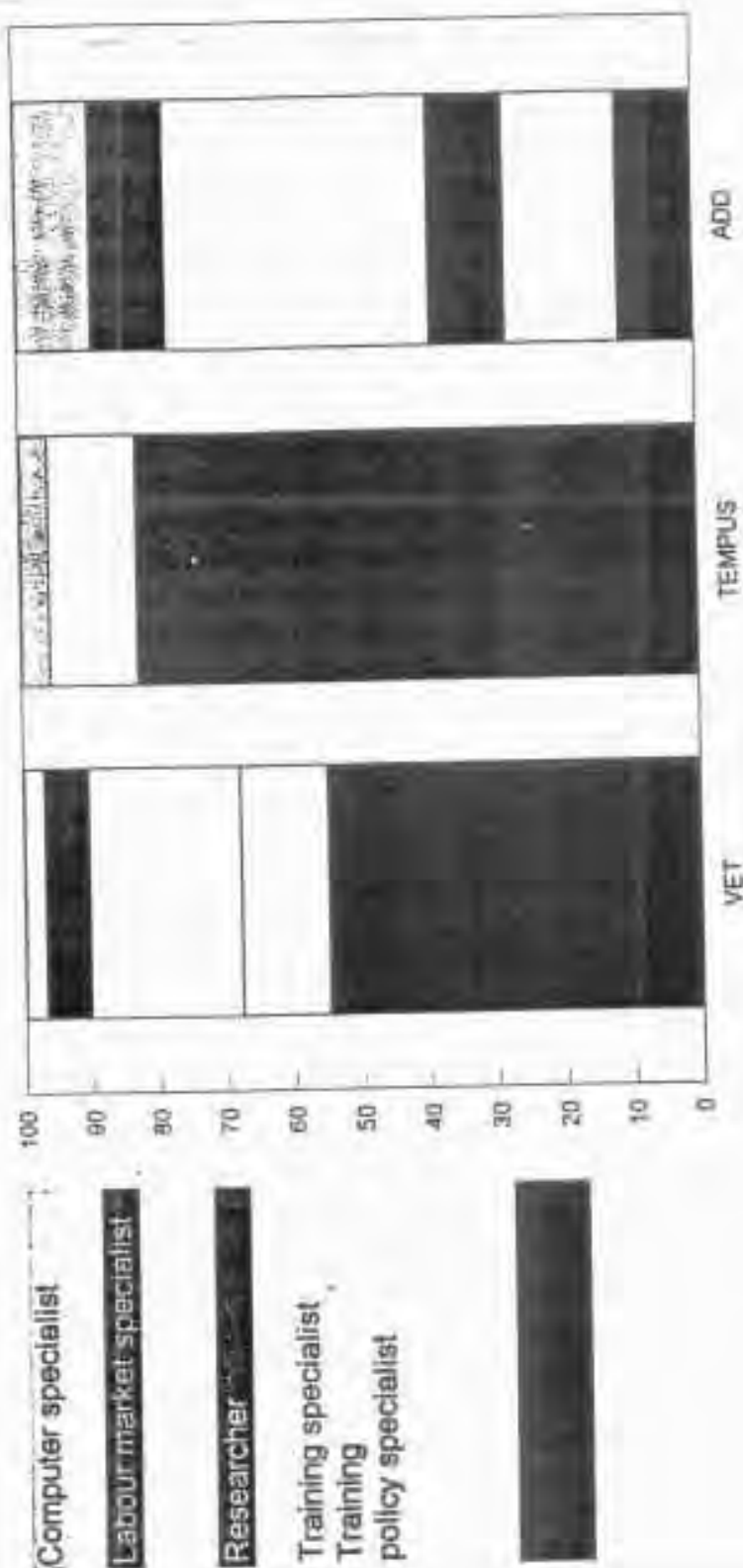
Obviously, these needs are met, with a few reservations.

In the field of training, some interviewed people think that there are apparently more capacities in the field of conception than for implementation. The analysis of CVs does not fully confirm this view, although it is true that only a minority have effective and significant (in time) experience in VET and that a fair proportion of the staff of the VET department are in their early thirties. This last point is obviously a problem when discussing the (technical) content of projects with high level civil servants in partner countries.

DISTRIBUTION OF PERSONNEL BY PROFESSIONAL EXPERIENCE

	Project managers	Training policy specialist	Researcher	Training specialist	Labour market spec	Computer spec	Rate of multiple competency
VET	73,9%	17,4%		30,4%	8,7%	4,3%	57,0%
TEMPUS	82,6%			13,0%		4,3%	13,0%
ADD	16,7%	25,0%	16,7%	58,3%	16,7%	16,7%	67,0%

Remark: Some people have 2 specialties or even more. These are in fact percentages of specialties



Some of these people used to be (junior ?) task managers in the Commission before. There lies the major difference. When in Brussels, they were not meant to discuss the content or, when needed, normally with the support of experts. Now, they are supposed to represent an expert institution, with a substantial background and experience. This is obviously a problem of external credibility.

This is why the idea of building teams where **cross-fertilisation** could and should take place, is crucial.

On the other hand an institution and its personnel should not be assessed through the recruitment of a few individuals: the proportion of each category of profile can be questioned, but it **would not be adequate to have only VET and labour market specialists in the Foundation or to have only very experienced people.**

3.2.3 Training the personnel

Selection of priorities

The training budgets in 1995, 1996 and 1997 have been too small (less than 1% of the global budget for 1997) to meet individual requests. Training programmes have thus been decided according to ETF's needs as an organisation. It has been decided to focus on top priorities. For this purpose training has been mainly oriented towards operational departments.

The analysis of training needs is conducted with a very short term horizon because of the overall lack of perspective on the future.

Needs are analysed and expressed by the departments and then discussed by the management team. The budget is decided by the EC. Needs are evaluated yearly on the basis of the previous year's experience.

The lack of visibility into the future hampers the definition of a training plan based on medium/long term needs analysis.

Another possible reason for a low budget for training might be the fact that personnel is recruited on the basis of short to medium term contracts.

However, from the point of view of continuity and development of expertise, it is obvious that a substantial part of the personnel should remain in the ETF more than 3 years. Besides, if ETF is supposed to become a « centre of expertise », able to transfer its knowledge and experience, it must accumulate as an institution, but mainly through its personnel and its network of experts. Its « value-added » is highly dependant on the capacities of its personnel which in turn do depend upon their experience (which means field visits) and training.

On the other hand, trying to build the Foundation on a renewable stock of experienced people from the outside would be costly and inefficient. From what has been seen, it is probably true that part of the difficulties in the establishment of the Foundation vis-à-vis its partners, including the Commission, comes from the fact that some newly recruited people, including those at the higher level, do not share the same administrative culture as their partners.

Keeping the same core personnel in the longer term is thus a way to by-pass avoidable costs. The counterpart is training and by any standards present training budgeted costs should be rated as rather low for a young institution.

Finally, the possible extension of ETF's activities to MEDA should be prepared before it takes place.

3.3. FINANCIAL RESOURCES

3.3.1. Sources of funds

Core funding of the ETF comes in the form of a subvention from the general budget of the European Union. The actual budget allocated to the Foundation is based on a draft budget, which is submitted by the Director to the Governing Board in February of the year preceding the execution. This draft budget, after adoption and amendment (if necessary) is submitted to the Commission for evaluation and subsequent inclusion in the preliminary draft of the general budget of the European Union. The final budget, with its detailed allocations, is then approved by the Governing Board at its February meeting in the year of execution. This process is parallel with the preparation and adoption of a work programme, the first year of which is detailed.

The core funding of the Foundation covers personnel costs (Title 1), infrastructure costs, including recurrent costs (Title 2), and the execution of initiatives funded from the Foundation's own resources (Title 3). At the Foundation's current manning and activity levels, Title 1 expenses represent 9.4 Mecu, Title 2 represent 2.5 Mecu, and Title 3 represent 3.5 Mecu.

Until now, Title 3 budget allocations have been organised according to types or natures of activity common to all projects (*studies, publications, special actions, ...*). Starting in 1998, the Title 3 budget allocations will employ a different organisation of chapters, reflecting discrete activities or "clusters" rather than types of expenditure. It is thought that this will render the budget of the Foundation both more informative and more effective as a tool for orienting the mix of activities pursued.

In practical terms, this is likely to have some effect on the Foundation's flexibility in adjusting budgets, depending on how the individual elements of the 1998 Work Programme are broken down by chapter and article. It is currently possible in some cases to transfer appropriations between projects without reference to the Financial Control. This will no longer be the case in 1998, as individual projects will fall within one of the two chapters. It is also likely that there will be less need, for these same reasons (each project falling in only one article), to effect large numbers of transfers at the end of the year.

At the present time, the Foundation's core budget represents less than 10% of the funds that are actually spent on behalf of the Commission by the Foundation each year.

The remaining 90% (which are included in the Work Programme but not are not integrated into the Foundation's budget) represent essentially Phare and Tacis funds which are appropriated directly from the Commission's budget for the execution of individual projects. The Foundation manages these projects as a service provider under the terms of separate conventions established for each project with the Commission Directorates General responsible for their execution. The Foundation receives no reimbursements for expenses incurred in managing these projects: these costs are covered by the ETF's own budget. However, some costs directly linked to project execution (expert fees, audit fees, publication costs) may be taken from project funds, provided it is mentioned in the Convention.

3.3.2. Organisation

The organisation of the ETF's financial function has been in a state of virtually constant evolution since the beginning of 1995. The initial organisation was dictated largely by practical imperatives related to the extremely rapid transfer of the TEMPUS Programme's entire technical assistance function, followed shortly thereafter by the assumption of major project management responsibilities for the PHARE Programme.

The reorganisation of the financial function within the Phare and Tacis organisations at approximately the same time, and the absence of a definitive financial regulation for the decentralised agencies until September 1996 have contributed to this situation. There has been a tendency to adopt temporary solutions in anticipation of a more stable environment in which solutions of a permanent nature would be possible.

In its initial configuration, the financial function was organised to provide support separately to its major programmes. Each of these then developed the detailed procedures and systems that permitted the Foundation's financial activities to proceed under conditions of relative security and rapidity.

The disadvantage of this approach is that it has created largely independent sets of accounting procedures, adequate for their areas, but not necessarily fully compatible one with another. These systems necessitate extra work to provide reports for programme managers, and render the Foundation's financial systems and procedures difficult to understand for those not directly involved in their operation.

In this regard, a reorganisation of the Finance Department is currently underway, whose principal aim is to make the function more uniform, more transparent to its "clients", both internal (programme managers) and external (administrative units of the Commission) and better able to deal with an increased volume and variety of activity. Its content has been clearly set out in documents prepared by the Financial Department. The new organisation will be a functional one, and will profit from the adoption of a new budgetary accounting software package this year to establish separate Budget and Accounting and Treasury teams. Within this new organisation, the financial management of different programmes will be treated as variants of a unified set of financial and accounting procedures.

3.3.3. Procedures and rules

Procedures

The Foundation is in the somewhat unusual position of being subject to at least three separate sets of procedures and rules in the performance of its activities. PHARE and TACIS funds are aid grants, and as such are fundamentally different from the Foundation's own budget. In addition, PHARE and TACIS procedures, which differ significantly from each other, are set by administrative units over which the Foundation has no control.

Three major differences mark the difference between the expenditure of aid funds (PHARE and TACIS) and the Foundation budget:

- thresholds for application of differing procurement measures (42 000 ECU for Foundation budget, 200 000 ECU for PHARE for roughly equivalent tender requirements),
- negotiation with suppliers before the final close of the adjudication process is forbidden in the basic regulation, and permitted in some circumstances for PHARE and TACIS,
- as a general rule, PHARE and TACIS funds do not have to be spent in the year of appropriation⁷, which leaves room for a normal project cycle to be completed.

This organisational transparency with regard to the expenditure of PHARE and TACIS funds, which resembles that of a legally mandated trustee in some respects, has been the source of some difficulty for the ETF in its start up period. Operational managers, confronted in some cases with budget, procurement and expenditure procedures that differed according to which "universe" they happened to be working in at the moment, have taken some time to adapt and acquire the necessary reflexes.

The Foundation's basic financial rules (which apply only to its own core budget) is based on a standard set of rules which is now applicable to the new the newly decentralised agencies. This set of rules is very similar to that of the Commission itself, and thus represents only minor changes for the ETF, which was already operating on a Commission-based set of rules.

⁷ It can be argued that it is the same with the Foundation's own Budget. In fact, it is true that the ETF can pay expenses during the following year, provided that it has been committed during the Budget year. Payment is the consequence of expenditure: it is not expenditure. However, this is far from the necessary flexibility.

Thus, the Foundation has the same requirement for ex ante control of expenditures by a Financial Controller, and the definition of incompatible functions clearly applies to the activities of Accounting Officer, Authorising Officer and Financial Controller.

Because of the non-inclusion in the Foundation's core budget of the Commission budgets for which the Foundation acts as "manager", the ETF Financial Rules do not apply to the Foundation's handling of these funds. ETF is thus in the position of having strict ex ante controls applied to its own budget, but (from its own point of view) no ex ante control whatever applied to expenditure of about 90% of the funds it manages.

It can be argued that the Foundation's role in the management of these funds is restricted to the point of being no more than that of a simple "conduit" between the Commission and the beneficiary country. This may be true to the degree that conventions between the Commission and the Foundation are extremely detailed and restrictive. But this argument is somewhat less persuasive when one considers that an ETF VET Task Manager exercises the same degree of judgement and performs essentially the same execution functions as a Task Manager working directly for the Commission.

The situation is therefore the following:

- 1/ For Phare and Tacis projects: In operational terms, this situation is probably an advantage when it comes to mobilising resources for the execution of (Tacis & Phare) projects in difficult circumstances.
- 2/ For projects financed from the ETF's core Budget: A good case can be made that application of very strict rules to pilot project implemented in difficult conditions where maximum flexibility is required, is not efficient and may even introduce an unnecessary element of risk in project execution.
- 3/ Practically: the side by side co-existence of two⁸ such different regulatory environments does appear to create some uneasiness and confusion among the staff of the ETF.
- 4/ Recent control visits from DG XX and the Court of Audit have pointed out this issue of separate budgets.

Regardless of the legal merits of the debate, a number of very practical matters and indisputable facts should not be lost sight of, if the effectiveness and efficiency of the Foundation are not to be compromised:

- 1/ When the Foundation is working as an agency, there is obviously no need for specific rules and only small adaptations should be considered.

⁸ In fact 3, but Phare and Tacis rules are, in fact, the same family, if not exactly the same.

- 2/ When the Foundation is managing or implementing projects in the framework of its missions, the situation is the same as for any project whatever the financing source: the need for flexibility is at least as important, if not more, since they are pilot projects

Thus, if the article 3/e of the ETF founding regulation is still valid, which is apparently the case, it is suggested that the Foundation prepare a revision of its own financial rules and present it to its Governing Board for adoption. These financial rules should provide for two sets of rules:

- one set of rules for recurrent and investment expenditures linked with the current functioning of the ETF, strict rules which could be the present ones, with only minor adjustments,
- **an other set, specific to project implementation**, would apply to a specific part of the budget, due to finance activities or projects related with the objectives of the Foundation.

The first one could be the present one, while the second could be near to Phare or Tacs.

It is also suggested that this last part of the ETF's Budget should include both identified projects and a provision for additional activities: these are effectively highly appreciated by partner countries and **flexibility in this field is obviously what is aimed at in the regulation which created the Foundation.**

Performance in implementing procedures

While it is evident from auditors' reports that some errors subsist in the observance of procedures and the processing of information, nothing in these reports suggests a lack of competence or control in the financial function. The evidence of frequent contacts with the Commission's financial services, and the initiatives that have been undertaken in the last two years suggest a high degree of self-awareness and reactivity on the part of ETF's financial management.

Nonetheless, while not individually serious, errors have persisted and have proved particularly awkward in the case of projects run under the ETF's core budget procedures. **The procedures are strict and several tenders have been nullified, causing delays in some components for pilot projects.** As described above, measures are currently being undertaken to improve the knowledge of operational managers, and the quality and availability of assistance given to them in preparing and adjudicating tenders.

It seems likely that these measures will go some way to resolving the difficulties that have been encountered, but it is possible that a more fundamental problem is at the base of some of the difficulty. When the Foundation uses its own core budget resources to finance a pilot project, it is in effect attempting to implement the same type of activity as PHARE and TACIS projects, but with a very restrictive set of budget and procurement procedures. These procedures are not really compatible with the requirements of complex aid projects in constantly evolving environments, **which is why aid funds and public investment identified by projects are generally given special treatment, whatever the financing source.** While ETF's performance in execution may improve, it is more than possible that the Foundation's current financial rules may prove to be an enduring obstacle to the performance of such projects. Finally, this rigidity is completely

contradictory with the flexibility required in the regulation which creates the Foundation.

3.4. MANAGEMENT

3.4.1. Organisation

The present organisational structure reflects more the constraints on ETF activities than a field orientation. If one thinks that a geographical organisation would appear as a logical evolution, it has to be stressed that the role of ETF is fundamentally different in the Tempus and VET sectors. Thus the possible evolution of structure must be examined bearing in mind that:

- the activity in which a specific contribution is expected is VET
- higher education competence linked with Tempus must be taken into account even if the department continues to be managed separately.

3.4.2 Management control systems

3.4.2.1. Operational reporting and monitoring

ETF has yet to develop specific management control systems which would provide management with the means to supervise the advancement of different programmes and projects. The factors described earlier in the start-up of the financial function's activities (programme orientation, emphasis on maintaining the rhythm of programme execution, ...) limited the possibilities for what might be described as management reporting: infra-annual summaries of budget and programme execution presented in such a way as to facilitate internal decision making by persons other than top management. In the case of the Foundation, another party interested in such information is DG XXII, acting in its role as "tutelle" or Commission unit responsible for monitoring of the Foundation's activities.

In the last few months, however, financial discussions with DG XXII have led to the establishment of some basic financial indicators. It is hoped that this work will continue, as the Foundation needs to increase the visibility of budget execution for the outside, and provide its operational managers with tools to monitor the progress of their projects. The acquisition of the software tools described below will be important in making progress in this area.

3.4.2.2. Cost control and analysis

Generally speaking, the cost structure of the ETF is not a complicated one, resembling a normal service activity such as an engineering or consulting firm. However, ETF's institutional environment is a complicated one, and its various "clients" use several sources other than ETF for the execution of their projects and programmes. As a result, there is an understandable desire to have at least the rudiments of comparison as to quality and cost of services provided.

The situation of ETF is further complicated in this regard by the fact that its basic operating budget is fixed by a process that estimates needs far in advance of actual performance of services. This system has its merits in operational terms, as it provides a certain institutional stability in a rapidly evolving environment. Unfortunately, it also has the effect of making ETF appear to its "clients" as just another layer of bureaucracy, and not a cost effective service provider. We have seen that this is not the case during our evaluation, but we feel that the absence of some framework for cost analysis that could be used to better communicate with ETF's outside clients may be responsible for perpetuating this notion.

At the present time, there is a presumption that the manning level of ETF is "about right". Given the context of a very recent and change-filled start-up, this is probably all that can be reasonably expected at the present time. However, as the missions and organisation of ETF become better defined, this will no longer be sufficient. Some form of quantitative measure of costs by activity will be necessary if ETF hopes to increase its autonomy and convince outside bodies of its capacity to provide deliverables and measure costs.

3.4.3. Management information systems

The computer architecture at ETF is built on Local Area Network, which supports all office automation, database applications and electronic communications. Each employee has a personal workstation. In addition, some employees have laptop convertibles, particularly if they must travel a great deal.

The network is currently supported by seven servers, and has access to the Internet. ETF has its own WWW-Server managed by an Internet working group. E-mail is widely used both for internal and external communications.

Access to Internet is secured by using "Firewall" software. The security of the Foundation's systems is audited by an independent software security company.

There are ten different database management systems based on Oracle 7 technology, ranging in scope from a global "Corporate Database" system with information on ETF contracts, contractors and projects, to a suite of systems dedicated for providing technical assistance for the Tempus programme.

Two systems are being used for document management, a document tracking system for controlling the flow of paper-based mail, and a set of Lotus Notes databases for internal documents and memos. These can be automatically searched both internally or through WEB access.

Financial information systems

The Foundation currently uses EXCEL (a non-specialised spreadsheet) for budgetary accounting and CUBIC (an MS-DOS general accounting package) for treasury and general and auxiliary accounting.

EXCEL is highly flexible and malleable, but suffers from a lack of simplicity of use for permanent accounting applications, is cumbersome to programme, and requires some vigilance to protect it from accidental erasures. SI2, a software package developed by the European Commission is currently being tested by the Foundation. Preliminary results are favourable, and it appears that the system may be operational as early as April.

Behind the SI2 system, the Foundation hopes to find a modern, but relatively simple software package to take care of general accounting applications. It is thought that such a package can be found on the market without any great difficulty.

In order to improve the ETF's internal management reporting, it is also proposed that the Foundation purchase an off-the-shelf product that will permit managers to create their own reports based on information contained in the financial and accounting data base.

3.5. MANAGEMENT AT LOCAL LEVEL

3.5.1. Overall view

Generally speaking, the basic activities of ETF in the partner countries (implementation of VET reform projects, National Observatories, Tempus monitoring) are co-ordinated by some form of local structure. Such structures tend to be more developed in Phare than in Tacis countries, in part because of the difference between the two programmes and in part because ETF's role in Tacis projects has been somewhat limited until now.

3.5.2. VET Project Management Units

The most important structures are the PMU's (Project Management Units) that are charged with the implementation of VET projects in the Phare Programme countries. These units are generally located in proximity to a sectoral ministry with whom they are expected to co-operate closely during the life of the project. In the case of VET projects, this ministry is most often the Ministry of Education.

Because the nature of VET Programmes requires the creation and nurturing of extensive networks beyond ministries of education to be really effective, there is a strong tendency to dilute the direct control of these ministries by giving the PMU's some degree of institutional autonomy. In the case of the two Phare countries visited during the course of the evaluation, one VET PMU was run by a non-profit foundation and located on the premises of a technical high school. Another, though located on the premises of the Ministry of Education, was legally attached to a professional association of teachers.

Because the sums of money available to these projects are quite substantial when compared to the budgets of the Education Ministries with which they are associated, the nature of this relationship tends to be a delicate one. The Work Programmes of the PMU are prepared with Ministry approval and, most often, the

head of the PMU is someone from the Ministry, or approved by them. The role can be a difficult one, and the choice of persons to head these units is generally made with care.

The effectiveness of the PMU, beyond the quality of the person chosen to run it and the quality of conception of the project for which he is responsible, is strongly related to the quality of support provided to the PMU. This support takes several forms. The most obvious one is technical support, and this is provided essentially by consultants whose role is to assist in project implementation. Equally important, though, is what might be called institutional or political support, and this is provided by the Commission (or ETF) in the form of a Task Manager and by the E.U. Delegation, which maintains contact with government at all levels.

The two structures visited were essentially similar in their purely administrative organisation, though differences in their respective projects tended to produce some differences in emphasis. The Romanian project has a very large budget, and most of the procurement has been subcontracted to a specialised firm, relieving the Unit of some of the more technical concerns that preoccupy managers of the Estonian Unit. The Estonian Unit's location in a technical school has permitted some improvements to the office environment that the Romanian Unit's presence in the Ministry of Education seems to render more difficult.

Tests of accounting records, and tracing of transactions from Turin indicated satisfactory understanding by local personnel of the requirements of the financial system and satisfactory control of expenditures, subcontracts, and cash balances. Conversations with local administrative and financial managers revealed a certain frustration with the rather complicated procurement procedures that are necessary. In this regard, there was considerable appreciation of the role of ETF in explaining procedural matters, and being available to answer questions as they arose.

In one case, the transfer of a business education project from the Commission to ETF made it possible for one of the local administrators to comment on the difference that was perceived between the two. Essentially, it was felt that ETF was more available to respond to questions as they arose, and that increased contact and relation were useful, particularly in the start-up phase, when it was difficult to distinguish small problems from big ones. Local personnel had the feeling direct contact with Brussels was difficult because they "had so much to do".

3.5.3. The National Tempus Offices

Not surprisingly, the Tempus offices in the countries we visited were somewhat at the margin when it comes to awareness of ETF's functions in areas other than the provision of technical assistance with regard to Tempus. The structures are located in rather diverse settings, but often in the proximity or on the grounds of a university. Unlike the management structure required for a VET Programme, these offices tend to be relatively modest, depending to some degree on the importance of the programme.

The decentralised and partner-oriented nature of the Tempus programme ensures a certain simplicity of operation when it comes to the role of the local Tempus

office. There are many things to do, and many applications and problems to resolve, but when it comes to matters of content and results, complicated and intensive monitoring is not a requirement. "Trouble shooting" and facilitation of contact between local and foreign partners are perhaps the activities that take up the most time in the implementation phase, as far as the Tempus offices are concerned.

For the three programmes we visited, the local representatives seemed satisfied with their contact with ETF (though the Estonians felt a little isolated from the rest), and our contacts within the country indicated that the programmes were seen as being successful and functioning smoothly.

3.5.4. The National Observatories

The team was able to visit a total of four National Observatories (Estonia, Latvia, Romania, and the Russian Federation), and the Regional Observatory in St. Petersburg. Its members were thus able to obtain firsthand impressions from a wide variety of environments and situations. The Latvian Observatory was one of the original pilot observatories, and provided a good idea of a relatively mature operation. The Observatories of Estonia and Romania were essentially in their start-up phase, and had only been in existence for about two months each. The Russian Observatory in Moscow provided an example of a relatively new Tacis-funded operation.

Generally the choice of "welcoming structures" is an important one in the case of the National Observatories. It must be said that the rather solid image evoked by the term "National Observatory" is somewhat at odds with the reality. They are not separate "institutes" created for the occasion, but more like "virtual networks", represented by part time employees and a modest investment in equipment which supplements the capacity of some existing institution. The approach is absolutely essential if there is to be any hope of sustainability, and the people we met seemed to understand what is behind the concept. All were quite pleased with the conferences that had been organised on the subject in Turin.

Because the National Observatories could more accurately be described as a contractual supplementary activity, similar to a research grant, some of the same prudence will need to be exercised to ensure that the deliverables are not lost at some point in the other activities of the structure that has been chosen to welcome the activity. Of the structures we visited, this risk seems relatively low in Estonia and Latvia, and somewhat higher in Romania and Russia. The ongoing evaluation of the Observatory network should be a good opportunity to fix detailed criteria for evaluating performance, and strategies for improving sustainability.

Financial control is not a major problem with this programme, in that the sums are relatively small and the targets easy to identify. Control of outputs, however, will be a significant challenge in our opinion.

3.5.5. ETF's added value in project support

Aside from the evaluators' personal experience of the functioning of similar project structures in other contexts, it is difficult to compare the support role as played by ETF with the same role when played directly by the Commission. Several things do stand out, however. The personal qualities of the task/programme manager, no matter what the institutional source, are the most critical factor. Beyond that, knowledge of the subject matter is useful, but not an absolute necessity, as is shown by the number of projects in many fields that are successfully carried out by task managers having relatively little technical background.

In the case of ETF, the question is often posed as to just what are the advantages of having task/programme managers with professional background and institutional support in the field of the projects they supervise. Our visits and in-depth review of the history of VET projects in the two countries visited (Estonia and Romania) provide some tentative answers to this question, we believe.

The histories of the two projects we reviewed could be said to represent two distinct cases.

The Estonian project arguably represents a case of "take-off", a situation where the impetus provided by the project has provided the catalyst for a remarkable transformation of the VET sector.

The Romanian project, operating in a much less favourable environment, could be said to represent an example of "crisis resolution", a case where a very shaky start was successfully turned around. The role of technically knowledgeable persons in these two cases seems to have been significant.

Two project histories

In the Estonian case, first hand experience on the part of the programme manager of the institutional requirements for a successful VET programme seems to have contributed to the absence of any "neglected partners". In the opinion of those interviewed, the ability of the task manager to respond rapidly and without hesitation at critical decision points helped to avoid delays and false steps, and inspired confidence. Beyond the task manager, the ability of ETF to identify sources of support and respond rapidly to practical questions related to procurement and accounting was also appreciated, as the time necessary to resolve problems of this sort was seen as subtracting from the more important operational aspects.

In the Romanian case, where the replacement of both the PMU head and the Technical Assistance were required, and where political repercussions were substantial, credit for the turnaround cannot be given to one person. Nonetheless, the programme manager is generally given credit for her role by those involved. Beyond personal qualities that helped in dealing with such a situation, it seems that professional background in the field of training was useful in avoiding compromises that might have seemed acceptable to any generalist under pressure, but would have endangered the success of the project. Also, the deficiency of the Technical Assistance meant that there was no credible support from this quarter during the time of the crisis.

Perhaps more important than the resolution of the crisis itself has been the process of recovery. In this phase it appears that the task manager and ETF have both played an essential rôle. The time lost in some key areas has required a major rethinking of project approaches and an adjustment that would not have been possible without the direct presence of some technical expertise. The organisation of workshops and special events necessitated by the changes and not foreseen by project budgets have been provided by ETF, as well as its network of contacts and sources of support. These have been appreciated by those directly concerned and by the European Delegation.

3.5.6. Tentative conclusions

These two examples could be said to support at least some general conclusions about the advantages of implementation by a more specialised agency as opposed to reliance on consultants or on generalist support. The lack of technical experience or expertise on the part of a task manager can only be said to introduce **a factor of risk** in the execution of a project: risk that opportunities for exceeding project objectives will be missed, or risk that a crisis will cripple a project irreparably.

In the first case, if the environment is ripe for progress that goes beyond what the project's designers thought possible, it would at least be difficult for someone lacking experience to seize the opportunity, and the tendency to pay attention to other problem projects would be inevitable. Consultants can certainly call attention to such opportunities, but their opinions on such matters are often considered self-serving.

In the second case, if the environment is relatively stable, the project well-conceived, and the technical assistance competent, the risk is probably low of a seriously impaired project. Where an unexpected crisis does occur, the personality and general experience of the task manager are probably the most important factors in achieving a successful resolution.

However, the real risk of low expertise probably lies more in the corrective measures that are taken after the crisis. It is in this situation that professional experience going beyond the current project can be precious. Knowing which components can be reduced or which should be reinforced to achieve an acceptable result requires experience. Such experience can often be provided by consultants, but in a crisis situation their credibility is often impaired, either because of the crisis itself, or because of a suspicion that they may prefer to "paper over" or too quickly use the crisis to justify lower (and less risky) objectives.

4. EFFICIENCY OF ETF

4.1 PROGRESS OF ETF COMPARED TO PLANS

By the end of 1994 the Foundation's infrastructure had been established, and it was able to launch its activities from the beginning of 1995.

The **main tasks** were defined:

- *to establish an observatory function that would have the task of following and analyzing the development of VET in the partner countries, and stimulating co-operation between the partner countries and with member countries;
- *implement Phare and Tacis programmes in the name of the Commission;
- *implement activities of horizontal nature, and of management training;
- *give technical assistance in the implementation of the Tempus programme.

The staffing process continued through 1995-96. At the start of the operational phase, beginning of 1995, the number of staff was 60, most of them in the Tempus department. The number increased by the end of 1995 into 95, and by the end of 1996 into the present 127, excluding detached national experts and short-term temporary contracts. Including the latter, the number varies between approximately 135-150.

Considering the fact that 1995 was a year of dynamic internal structuration and staff recruitment, the **observatory function** found its form very fast, and in the surprisingly short period of two years, the Observatory unit in Turin has, in addition to its own functioning, created a network of National Observatories in the Phare countries, as well as it has advanced so far in the Tacis countries that the location and Observatory staff in all the respective countries have been identified. This achievement indicates great efficiency in the unit.

However, since in some particular Tacis countries, the circumstances for the functioning of an observatory are difficult, less speed in the launching of activities within this group of countries, may be valuable for their future sustainability.

In several countries, the National Observatories are only starting, and their efficiency cannot yet be assessed. Besides, in the cases of *"first generation observatories"*, some are obviously working better than others. Though the principle of minimal financial aid⁹ is recommendable as such, the budget ought to be big enough to guarantee a proper start, particularly since the expectations regarding future outputs are extensive. A strategy for their long-term developments will have to be prescribed soon. It is however important to develop parallelly other networks in the partner countries, e.g. networks of expert groups for specific fields. Otherwise there may be the risk of loading the Observatories with too many different functions.

⁹ The ETF provides only minimum financial aid to observatories in order not to make them dependent on foreign aid. It is assumed that thus sustainability will be given better chances.

VET activities

The implementation of Phare and Tacis programmes became possible after the first conventions were signed from March 1995 onwards. The programmes in 1995-96 were part of Phare. VET Reform programmes were managed in Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. An Estonian programme is focused on business development, and ETF was engaged in the final phase of a management training programme in Bulgaria. The beneficiaries and the counterparts in the Commission have expressed their satisfaction for the ETF contribution in these programmes. The management skills are said to be good, and the programme managers have maintained communication with all parties concerned. Corrective measures have been taken. The level of VET expertise varies among the individual programme managers, but is generally adequate and in some cases very good. For the few who lack background and experience in education, training opportunities could be offered also through participation in ETF workshops and seminars dealing with different aspects of VET reform.

The most demanding among the multi-country programmes is the **Staff Development Programme**, intended for the decision makers in education and labour market, and their social partners. The interviewed persons participating in the programme assessed it as very valuable for themselves. The outcome of the programme is the preparation of new VET legislation in several of the participating countries with the support and assistance of ETF's ADD Department.

Further multi-country programmes deal with distance education, higher education (post-secondary level), and with Leonardo preparatory measures. There have been also some smaller projects financed by WB and ETF. In the multi-country programmes general advancement is less visible in the individual countries, due to the nature of the programme. To take the example of the Leonardo Preparatory Measures, activities in a partner country are planned in the manner and time-table wished by the country. Thus a national preparation conference was organised in the Czech Republic in February 1996. A major conference was given in Berlin in November 1996, in cooperation with the German Ministry of Education and BIBB. The conference was targeted to government officials, Leonardo coordinators and VET professionals.

Besides the Tacis Observatory programme, the first Tacis projects were given for implementation in March 1997. The VET/Tacis unit has therefore been able to demonstrate its capability only through activities financed from its operational budget. The most challenging among these is the North-West Russia VET Reform pilot project in which, after the procedures were clearly agreed, the staff has shown good skill to manage an exceptionally complicated programme.

When delays have occurred in the implementation of programmes, their causes can be traced to operational problems in the partner country or, in the case of North-West Russian pilot project, e.g. from discrepancies between the expectations of a local partner and the planned contribution of a member country partner, or sometimes feeble commitment of a partner. ETF has played an important role in the solution of these problems.

Interviewed persons in the visited countries appreciated the capacity of ETF to finance conferences at the margin of ongoing projects, as a way of giving them an extra impetus. A more open budget allocation would in this respect be more productive, since it would allow ETF to react to opportunities or circumstances that develop between budget cycles.

Criticism has been expressed for the fact that the activities assigned in Work Programmes have not always been realised in the planned timetable. The fault may also be attributed to the method of writing the Work Programme. As an EU agency and collaborator in the Phare and Tacis countries, ETF's concrete actions and schedules are highly influenced by external decisions and circumstances. An activity cannot be started before the necessary conventions have been signed. **Poor visibility into the future appears to hamper planning and demands a great deal of reactivity and flexibility, in which ETF has become a master.** From the point of view of balanced progress, all elements that calm down its environment will contribute to its effectiveness and efficiency.

The role of the **Strategy Unit** is to take care of cross-Foundation tasks, and concentrate on the key themes that go across individual country lines.

One of its most important tasks is the preparation of the Work Programme. So far, these Programmes have differed every year, as the Foundation has attempted to define its orientations. The Programme for 1998 is less rigid, intending to give an idea of the objectives sought for each country and the measures that are adopted to achieve them.

The unit works also on a number of **demand-led themes**, like drafting of VET laws in the partner countries. So far, Bulgaria and Slovakia have asked for assistance. The assistance is certainly helpful for the countries concerned, as a counterpart for pilot VET programmes in the field.

Future views of Phare

When the new Phare policies are approved, the role of ETF in the accession countries will probably have to be re-thought. Institution building will have a much more important role, and this will mean support in programmes related with VET administration in the future. It is also expected that DG's that until now have been concerned with intra-EU matters will be asked to play a more important rôle for Phare countries. A challenge for ETF is the adoption of an approach that resembles the concept of Structural Funds, where the aspect of Social Funds would include the transversal conception of vocational education and training, complemented with an increased emphasis on more regional approaches. Since the volumes of programmes will grow, ETF initiatives may find themselves as components of large sectoral, regional, or thematic programmes. The ability of ETF to perform or pilot skills demand analysis on the labour market will also have more importance.

Publications

The information and publication activity consumes a lot of resources. This situation is given e.g. by the fact that much of the documentation, and most publications, are published in several languages.

For the visibility of ETF in the outside world, publications play a major role. Until now, ETF is not standing out among the numerous other institutions promoting their public image. If ETF is able to develop an identifiable product of its own, it will help the Foundation to establish its identity.

Governing Board

The Governing Board lacks presently a clear profile. With representatives of member states, the Board is a valuable tool for taking up and contributing to new ideas regarding the work programme and budget in particular. If there is interest in a stronger impact, its activities could be developed by offering time for more informal discussions, and perhaps by contact networks between the relatively infrequent Board meetings. This would possibly also help the integration of members in the group and thus offset the relative instability of membership.

Advisory Forum

Eventually against the expectations of some who refer to the large size of the Advisory Forum, it has been able to demonstrate its impact in its two first years of existence. This may be explained on one hand by successful division of the Forum into subgroups that are felt to be relevant, on the other by genuine commitment of its members. The groups have modified their themes focusing on more concrete subjects. Reports have been valued by most interviewed persons positively. There was however a remark about too strong emphasis to the VET issues in the western world in comparison to the partner countries. More cost effective forms of activity are to be considered.

4.2. PROGRESS IN THE IMPLEMENTATION OF EC PROGRAMMES

See country reports in annex 2, 3 and 4 for details.

4.2.1 Estonia

The Phare VET PMU coordinates four pilot programmes: The VET Reform programme, the Business Education Reform programme, the Higher Education Reform Programme, and the Language Training programme. The three last mentioned form together the Phare Institutional and Human Resource Development Programme for Estonia. In addition the PMU is managing the National Observatory project. It cooperates closely with the EU-delegation. For example in the Estonian "training fair" TEVIIT'97 both shared a common stand.

The National Observatory is in practice divided between three bodies: the VET Reform PMU, the Observatory manager and the staff member operating from Tarto. The PMU is responsible for its management, and the two contracted persons for the contents. The manager took up her post two months before the

visit, and the Observatory was only starting its activity. From the outset it co-operates closely with the more advanced observatories in Latvia and Lithuania.

Conclusions

ETF has a very good image in Estonia, centrally through the activities of the ETF VET contact person and the local PMU manager. Global visibility into the Foundation is not equally clear.

The ETF may play a strong role by offering many-sided information on the educational policies, structures and practices in different countries, and teaching a critical attitude not only to the existing own practice but also to what is offered from abroad.

Like in Romania, ETF is mainly perceived through Phare programmes. There is however need for policy advice with the perspective of accession into the EU, started through the staff development workshops. Information of the role of ETF in policy development, and more explicit presentation of its whole image could be channelled more efficiently.

The staff development programme for the policy makers in the form of two workshops (in Tallinn and in Turin) has been very useful, and is bringing concrete results by building links between the authorities and social partners, and improving knowledge in VET issues. The draft VET law may be counted among its outcomes.

The comments on the support and co-operation of the ETF liaisons were very positive, even praising by all the interviewed persons: education and labour authorities, PMU staff, OMAS and Archimedes people.

Presently the VET Reform pilot projects lack transparency of information, and are run in one school/field only. The visited pilot school did not give a convincing example of a thoroughly elaborated new approach. The results need to be disseminated and the created good practice applied in other schools.

The ETF should explicitly keep in mind the need to influence the position of the non-Estonian speaking population in all activities in Estonia.

4.2.2 Romania

The European Union is supporting the VET reform with an extensive programme amounting to 25 MECU. The programme was started in March 1995 and will probably continue after the end of its first phase end of 1997. This programme is linked to a large WB financed Reform of Education Programme (50 mill. USD), which began by the same time. The VET reform programme consists of the elements of curriculum development, development of teaching and learning material, teacher training, procurement of equipment, particularly to enhance the computerisation of schools, and improvement of school management.

The total of 25 pilot schools and 50 demonstration schools participate in the programme.

The programme has survived several serious problems connected with changes in staffing, including change of the PMU director, improving co-operation between the PMU and foreign technical assistance, improving the involvement of the foreign technical assistance, solving problems of procurement. Nevertheless, some elements arising from its past are still being felt, hampering more rapid progress. Measures are being taken to solve them.

In spite of skillful and efficient management there are still difficult issues that need to be tackled.

The active involvement of labour market authorities and other social partners in the implementation of the programme is a problem on all levels. The separation is inherent in the society, but at least on the regional and local level much effort must be put into building the administrative and steering bodies on a wider basis. A second difficult question concerns the links between schools and enterprises: part of the schools are obviously too much dependable on one enterprise. These links must be extended to a wider environment, also the smaller companies. From this will benefit the schools, enterprises and students equally.

The National Observatory

The Observatory has very close links with the VET Reform PMU, though both are independent of each other. Cooperation exists with the labour authorities, but it appears to be rather on the principal than practical level.

However, the concept of the Observatory seems clear in spite of certain lack of concreteness in the plans. Since the activity had only started in January 1997, it is too early to speak about any outputs. Maintenance of close contacts and follow up will be crucial factors for its evolvement into a functional unit.

Conclusions

The role of ETF is much appreciated in Romania. The cooperation between the PMU and the ETF task management works very well, which was valued highly by all interviewed parties. The ETF counterpart monitors and follows the programme carefully and with a great skill.

The activities of ETF were also assessed positively by the EU-delegation as far as the management of programmes and contacting is concerned. It was however pointed out that ETF should not be asked to implement any kinds of programmes (training for the reform of the banking sector in Romania was mentioned as an example).

There is less appreciation of the observatory project and also of the staff development programme, in which the selection of participants is not very good.

There is the risk that mistakes made (by the first PMU) in the choice of VET pilot and demonstration schools will affect the sustainability of the programme. Only a limited number of schools are related to services and "future" professions, including for instance different types of installment and maintenance. Some are strongly linked to one big company, several of which are undergoing restructurization and radically limiting their labour, or even running the risk of being closed.

The genuine links between the VET Reform programme and the labour market/social partners are still weak on all levels. Much effort will be needed from ETF to press the PMU, the educational authorities and the schools to realise the primary importance of many-sided mutual involvement and in-depth cooperation.

4.2.3 Russia

In Russia, besides the involvement of ETF task managers, an important role was played by the ETF resident staff present in Russia until the end of January 97. He has contributed much to building a positive image of the ETF. For most actors in Moscow, he was the key person, and he was said to have a good level of expertise, interpersonal skills and efficiency.

The North-West Russia VET Reform pilot project

The North-West pilot project is the first multinational VET reform project in Russia. It has no precedent in two aspects: a) a multisectoral and multiregional approach in training and b) an attempt to combine the effort of different authorities: education, employment, regional policy, business community.

The project consists of VET reform in pilot schools in St. Petersburg City, Leningrad Region, Novgorod Region, and the Republic of Karelia. The reform takes place in four sectors:

- Telecommunication: pilot schools in St. Petersburg and Novgorod; supporting institution: Education and Methodology Centre, St. Petersburg
- Tourism: pilot schools in St. Petersburg, Novgorod and Leningrad Region; supporting institution: Institute of Tourism, St. Petersburg
- Transport: pilot schools in St. Petersburg and Karelia
- Wood production and processing: pilot schools in Karelia

From the EU member states participate Austria, Finland, the Flemish Community in Belgium, Germany and the Netherlands.

The results of the pilot project so far have been:

- schools to develop network inside Russia and also abroad;
- several institutions to estimate changes in the labour market and equip educational authorities and schools with data on which curricula development can be based;
- participants to learn how a project including technical assistance of the western Europe is developed and implemented;
- to encourage further projects;
- to create links between schools and enterprises.

In the North-West Russia pilot project the vertical structure works relatively well. There is however room for developing the horizontal structures as well between the various training sectors and between the member country partners. There is an attempt to improve the internal procedures by strengthening the role of the steering committee. Surprisingly, the most difficult part of the project has been to agree on the roles and cooperation rules between the West-European partners. In this sense, the project is a good learning experience to them and ETF as well.

The Observatories

Both the National and the Regional Observatory are only taking their initial steps. The National Observatory Tacis project in Moscow was formally started in October 1996 with a preparatory period for November-December. Its regular work began at the end of February 1997. The Observatory is one of the network of Tacis National Observatories, which are divided in three "regions":

- Moldavia, Uzbekistan, Armenia;
- Russia, Ukraine, Belorussia, Moldova;
- Kazakstan, Kyrgystan.

The whole project is contracted to a consortium led by the National Board of Education in Finland. Each of the consortium members is responsible for developing the observatory activities in one of the "regions"

Also in this project communication is a major problem. The project structure is complicated and responsibilities of each participant seem not to be clear. Within ETF, both the VET Tacis unit and the Observatory unit are engaged, and decisions are taken slowly, since the delegation of powers is too complex or unclear. In spite of these difficulties the concept of a national observatory covering all Russia was regarded to be correct, "since Russia is still a centralised state".

The ETF Tacis project Regional Observatory in north-west Russia has been contracted to a consortium led by the Finnish National Board of Education. It would bring together the Educational Methodological Centre and the Centre of Strategic Analysis in St. Petersburg, being located in the former and including team contribution from both. The Observatory involves five regions: St. Petersburg City, Leningrad Region, Murmansk Region, Novgorod Region, and the Republic of Karelia.

At the time of the mission the agreement establishing the Regional Observatory in St. Petersburg was to be signed. There was still much need for information of the objectives and role of the Observatory, and even hesitation from the part of the Centre for Strategic Analysis whether to participate in the project at all. The draft agreement, prepared by the Finnish National Board of Education, reached the counterparts only two days before it was to be signed, after having delayed with other local authorities for several weeks. According to later information it was indeed signed in the meeting. According to experience during the site visits and discussions with people connected to the observatory projects, it is obvious that in spite of the consortia which are responsible for the establishment, the observatory projects particularly need an emphatic effort from the part of ETF to monitor and support their initial phase.

Conclusions

The Russian partners are very interested to develop a country comparative network and to join the ETF networks. This was expressed by policy makers, who are eager to discuss and compare VET reforms with other transition countries and to approximate EU countries.

The North-West Russia VET Reform pilot project is felt to be very interesting, regarding both content and structure. It is obvious that in spite of numerous difficulties connected to the role of member state partners, contents and internal structures, the project runs well and brings results. Its strength is to concentrate in the reform of content-related issues (curricula, teacher training) with a minimum input into material equipment.

Of the projects with which the evaluators were acquainted, the North-West Russia pilot project seems to have a good possibility to bring sustainable results at least in some training sectors.

Since the observatory projects are still at a very initial stage, it is too early to estimate their prospects of sustainability. Regarding their importance, a maximum effort of ETF to commit the Russian partners will be needed to guarantee the future of the observatory network.

In the field, most contacts have a clear vision of what ETF does and who are the persons responsible for their contacts. The interviewed persons felt that ETF is speaking with one voice. It is perceived generally as an efficient and useful organisation.

The policy makers consider that ETF is offering great support. It was particularly appreciated that ETF has been able to network again the different parts of the former Soviet Union, since the contacts were disrupted with the collapse of the USSR.

The Foundation's success in Russia relies on its specialisation and expert knowledge, but also on the commitment of its staff. It was the general opinion that ETF has a good understanding of Russia, though this is not always the case in understanding the decision making processes. It was also said the ETF lies too far to be able to comprehend the situation in Russia: the staff that works with the country should travel there more often and stay there longer.

The establishment of the whole spectrum of Tacis observatories as one project with a strict common deadline for the whole Tacis group has been a challenging enterprise. From the point of sustainability it is obvious that some of the Tacis countries will need more time to build a firm basis for their activity than others. It will be necessary to prepare additional forms of support for them in the form of very close follow up of the process and, if possible, funding to guarantee a qualified output from the staff and experts.

4.2.4. General summary view of Tempus programme

The provision of technical assistance with the implementation of the Tempus programme is almost identical to the same activity that was performed in Brussels by the non-profit entity whose personnel were recruited and formed core of ETF at its very beginning in early 1995. Though some persons did not follow the activity's move to Turin, the majority did so, and the management was largely intact on arrival.

The location of this activity at the ETF was largely a matter of expediency, providing as it did a sort of organisational "jump start" for the Foundation with an activity that was already functional, and had proved its managerial capacities. There was no appreciable benefit to the activity itself by moving to Turin, and the nature of the activity, though it concerned training and the countries of the CIS and Eastern Europe, was at the margin of ETF's mandate.

All evidence does seem to indicate, however, that the activity did not suffer from the move to Turin. In fact, the same volume was maintained with less personnel than before. There is also some evidence, though it is hard to quantify, that the rather lean and non-bureaucratic "culture" of the core Tempus activity was transferred to the Foundation as a whole.

4.2.4.1. Activities

For Tempus programmes, Phare is much bigger than Tacis.

There are 3 categories of projects:

- The biggest ones: **The Joint European Projects (JEP)**. They account for 80 to 90% of the total. They average 400 000 ECUs over 3 years. They are actions in partnership between a University of Partner countries and 2 or 3 partners of EU countries including at least one University. Topics range from curricula development (less and less) to institutional development (more and more).
- **The "Compact" projects**: Small projects over 1, occasionally 2, years. Topics are University management, dissemination of project results, national policy making.
- **Individual mobility**: Staff mobility, including administrators.

4.2.4.2. How it works:

- 1/ Guidelines for application are issued (on Internet and as paper copies).
- 2/ Interested Universities then apply.
- 3/ The ETF makes a classification of applications. Academics are used for technical advice and assessment.
- 4/ The result is sent to the Commission.
- 5/ The Commission selects/chooses the projects to be implemented. This is made during a meeting chaired by DG XXII
- 6/ The Commission transfers the responsibility to the ETF
- 7/ The ETF manages :
 - Monitoring
 - Assessment of reports (progress reports and final reports) at both financial and technical (content) levels (when needed with the support of academics from partner and/or member countries).

4.2.4.3 The Tempus Department

The Tempus department of the Foundation employs 31 persons of grade A and B, plus some support staff, on a full-time basis to implement essentially the entire programme. Involvement of the various Tempus personnel starts with the rules of the programme and the priorities as they are fixed for each year (Phare and Tacis have important differences and constitute two separate Units), publication of grant procedures and submission dates, preparation of selection of proposals, advice and guidance to ongoing projects, financial transfers and monitoring, and end-of-project evaluation.

The design of the Programme, the negotiation with the partner countries, and actual policy inputs to the strategy of higher education in the partner countries are in practice specifically excluded from the activities of the Foundation.

4.2.5. Observatories

The National Observatories have the distinction of being an activity about which there is relatively little controversy over whether it corresponds to the Foundation's mandate or is appropriate for the Foundation to perform. It corresponds rather closely to one aspect of the "clearing house" function that is generally agreed to be one of the things for which the ETF was originally intended.

4.2.5.1. Genesis of the National Observatories

While the concept seems uncontroversial expressed in the abstract, its implementation has involved much more than simply applying a set formula to a familiar set of circumstances. Apart from the idea, the practical substance of what exactly such an organisation should do has in fact been developed and refined as the individual observatories have been established.

Most of this process of definition was associated with the pilot programme, launched in 1995 in Hungary, Latvia and Albania. Financed from the Foundation's own budget, these first three observatories served as an experimental testing ground for the concept, and local partners have been instrumental in attempting to apply the conceptual frameworks to existing data bases in their countries and giving the first ideas of what it was feasible to accomplish and in what time frame.

The concept was enlarged rapidly based on results from the pilot project, and financing was provided under both the Phare and Tacis programmes for extending it as quickly as possible to all the countries of Central and Eastern Europe and the former Soviet Union. These two multi-country programmes are now in operation, the Phare programme directly under the supervision of the ETF, and the Tacis programme with ETF in the role of co-ordinator of a consortium made up of four different consulting firms.

4.2.5.2 The role of the National Observatories

There are a number of important functions associated with the creation of a network of national observatories. The most important of these in practical terms is to serve as the focus for a network in each partner country of sustained relationships in the field of VET reform, within which circulates information about conditions, people, institutions, and initiatives. The second of these, and scarcely less important for those countries facing the challenge of accession, is the creation of a common language for the production of reliable data, thus facilitating exchanges with multi-lateral organisations, the EU and its member states, and between partner countries.

How best to organise National Observatories to fulfil these roles in each country remains to some extent an open question. There is an obvious trade-off between efficiency and sustainability in developing an idea (the free and organised circulation of information) that was essentially unheard of until recently. Efficiency could be rapidly developed with a high degree of material and technical assistance investment, and the attraction of qualified people with supplemented salaries. Unfortunately, such approaches tend to become self-perpetuating, and can actually reduce the long term impact when they create a "bubble" that is not connected to the day-to-day work of policy making bodies.

Sustainability is obviously encouraged by providing modest support and placing such activities within or close to current structures whose effectiveness can thus be enhanced. But this strategy can run the risk of association with structures whose capacity to evolve from the "old way" of doing things is severely limited.

The Foundation's strategy has been to try and find a middle ground between the extremes. Generally, with the help of preliminary studies carried out by consultants, institutions have been identified which are not directly connected with ministries, and which exercise a function similar to the one that is sought. Such structures are given the means to perform their current task better and to take on the wider role expected of a National Observatory. In all cases, the location of the National Observatories is formally agreed with partner country governments.

The performance and suitability of the structures selected in each country is likely to be quite variable, as the first choice in some cases may not always be the right one. At the moment, an evaluation of the Observatory Programme is being carried out by an independent team, and one of their briefs is to evaluate this question.

4.2.5.3 Observatory outputs

When it comes to outputs, there is an important distinction between what is expected in the short term from observatories in the Phare programme countries and in Tacis countries. Accession, and its attendant requirements for great amounts of reliable information on conditions at regional and local levels, is imposing a faster pace and a more demanding schedule for those countries in the

Phare programme, and the observatories of Phare countries will have a role in feeding information about the progress regarding VET and labour market.

The Phare observatories were requested at the end of 1995 to provide inputs to a questionnaire on the first country reports delivered to the Commission. While at a very early stage of their establishment in most cases, the observatories contributed their inputs to ETF, which supplemented them in some cases from information available from other sources. The results of this exercise were appreciated by the Commission, apparently, as they proved useful as an input to some major questions on accession policy.

Unfortunately, from individual comments on some of these reports made by Commission staff, it appears that the effort to produce early may have given the impression that the reports were the end product of the National Observatories rather than their first product.

In the opinion of staff of the Observatory Department, the production of these reports was something that would have normally come later in the establishment process rather than at the very beginning. While they were thus rather descriptive in nature and of uneven quality, it is thought that the exercise was nonetheless a valuable one as it conveyed the message to the observatories that they were there to perform an important function.

In future, ETF intends to produce a series of analytical country reports for distribution to the donor community, and incorporating information from the National Observatories. For their part, National Observatories will prepare separate yearly reports, for which ETF will provide advice, but no direct editing. Within ETF, one of the functions of the Country Working Groups will be to review these reports and provide suggestions and criticism to the producing units.

Latvia provides an interesting example of what sorts of outputs are likely in addition to the minimum reporting described above. Since their establishment in the pilot programme, the Latvian Observatory has produced a number of project reports describing the structure of employment and VET related data systems in Latvia, and the composition of the network of contacts that has been established around the Observatory.

Aside from participation in the exercise mentioned above, they also were able to provide critical comments and corrections to a report filed by a private consultant in 1994, permitting the a better use of the document for planning assistance to Latvia. A recent product, and new for Latvia, was the recent production of a report on unemployed VET graduates from the previous year by region, obviously a policy-input document of some importance.

ANNEXES

Annex 1 : Terms of Reference

Annex 2 : Country paper : Estonia

Annex 3 : Country paper : Romania

Annex 4 : Country paper : Russia

Annex 5 : Itineraries

Annex 6 : List of interviewed persons

Annex 7 : List of documents studied by the evaluation mission

ANNEX 1

TERMS OF REFERENCE



European Training Foundation

TERMS OF REFERENCE

I. INTRODUCTION – BACKGROUND

1. History

The European Training Foundation was established by Council Regulation No. 1360/90 of 7 May, 1990. However, this regulation only came into force on 1 December 1993, after the European Council meeting in Brussels, adopted Turin as the base of the Foundation. The European Council at that time also requested that the mandate of the Foundation to provide aid – which covered Central and Eastern European countries – be extended to the Newly Independent States of the former Soviet Union and to Mongolia. (This came into force with the adoption of Council Regulation No. 2063/1994 in July 1994). The Foundation began work in Turin in early 1995, after a preparatory period of six months.

At the same time, the Commission decided that the Foundation should take over the training activities of the Phare and Tacis programmes. In addition to vocational training, the Foundation also ensures the provision of technical assistance to the Commission in implementation of the Tempus programme.

2. Objectives (Article 1)

The Foundation's objective is to contribute to the development of vocational training systems in Central and Eastern European countries as well as the Newly Independent States of the former Soviet Union and Mongolia ("Partner States") as part of the social and economic reforms which are currently in progress.

In particular, the Foundation aims at promoting effective co-operation between the European Union and the Partner States, and at contributing to the co-ordination of assistance.

3. Scope (Article 2)

The Foundation works in the field of training, which covers initial and continuing vocational training as well as retraining young people and adults, including in particular management training.

4. Functions (Article 3)

For the purpose of achieving these objectives in the Partner States, the Regulation envisages that the Foundation shall:

- On the one hand,
 - Provide assistance in the definition of training needs and priorities (Article 3, para (a) of the Regulation);
 - Act as a clearing house to provide the Community, its Member States and interested third parties and countries with information on current initiatives and future needs (Article 3, para (b));
 - Examine the possibility of setting up joint training ventures, including pilot projects (Article 3, para (c));
 - Mobilise public and/or private bodies with a proven training record (Article 3, para (d));
 - Assist in the monitoring and evaluation of the overall effectiveness of training assistance given to the eligible countries (Article 3, para (f));
 - Disseminate information and encourage exchanges of experience (Article 3, para (g)), and
- On the other hand, implement the vocational training programmes agreed upon between the Commission and the eligible beneficiary countries (Article 3, paras (a), (c), sub-para three).

In addition, pursuant to Article 3, para (g), the Foundation provides technical assistance to the Commission for implementation of the Tempus programme under the terms of a contract drawn up between DG LA and the Foundation. It should be noted in this context, that on the one hand responsibility for managing this programme lays with the Commission, specifically DG XXII, and that, on the other hand, evaluation of the Tempus programme has recently taken place and thus is not part of this call for tender except where it is specifically related to the implementation of technical assistance.

3. Structure of the Foundation

Governing Board (Article 5)

The Governing Board consists of one representative from each Member State and two representatives of the Commission, one of whom acts as chairman. The Governing Board establishes the broad guidelines according to which the Foundation carries out its mandate and is in particular responsible for adopting the draft annual budget and the draft annual Work Programme of the Foundation.

The director of the Foundation is accountable to the Governing Board for his activities and attends its meetings.

Advisory Forum (Article 6)

In accordance with the Regulation, the purpose of the Advisory Forum is to deliver opinions concerning the Foundation's Work programme. It is made up of experts from the Member States, the Partner States, the international organisations involved and social partners at the European level. The Advisory Forum is the Foundation's only formal structure in which the Partner States are represented.

In order to contribute more actively to the Foundation's work, the Forum has also decided to set up four sub-groups who are responsible for studying a certain number of key issues regarding the development of vocational training in the Partner States and for preparing guideline documents for these issues.

The director (Article 7)

The director of the Foundation is appointed by the Governing Board, on the proposal of the Commission, for a term of office of five years. This term of office is renewable. The director is responsible:

- for preparing and organising the work of the Governing Board and, in particular, for preparing the annual Work Programme of the Foundation;
- for the day-to-day administration of the Foundation;
- for preparing the statement of revenue and expenditure and for the execution of the Foundation's budget;
- for all staff matters.

The director is also the legal representative of the Foundation.

6. The Foundation's work

The 1995 and 1996 Work programmes are based on a staff level which grew from 60 to 130 people, and on Community finance amounting to ECU 5 million in 1994 (start-up phase), ECU 11 million in 1995 and ECU 16.5 million in 1996. The major elements of the programme are as follows:

- establishment of an Observatory whose task is to gather, analyse and disseminate information concerning training needs and developments in the beneficiary countries;
- establishment of National Observatories in a number of Partner States;
- implementation of co-operation programmes in the field of vocation training as part of the Phare and Tacis programmes;
- support for management training activities;
- technical assistance in implementing the Tempus scheme.

Tenderers' attention is drawn to the following reference documents, which are attached hereto:

- ⇒ 1994-1996 Work programme.
- ⇒ 1996-1998 Work programme.
- ⇒ 1997-1999 draft Work programme.
- ⇒ 1994 Annual report.
- ⇒ 1995 Draft Annual report.

II. PURPOSE OF CONTRACT

This call for tender concerns an external evaluation of the experience gained by the Foundation in its outputs at the end of the preparatory period in 1994 and of the activities carried out in Turin since 1 January 1995.

Evaluation should be carried on:

- achievements vs. the objectives set out in the regulation establishing the Foundation;
- organisational and operational measures.

The results of this evaluation will be taken into consideration by the Commission in the report which the latter will submit to the European Parliament, the Council and the Economic and Social Committee before 30 June 1997 (Article 17).

In view of the above, the evaluation shall consider the following questions:

1. Achievements in the light of objectives

- a) What progress has the Foundation made in meeting its objectives (Article 1)?
In particular, to what extent does the Foundation meet the needs of the Partner States (preamble and Article 1)?
- b) To what extent do the Foundation's activities cover its scope of work (Article 2)?
- c) To what extent does the Foundation fulfil its assigned functions (Article 3)?

2. Organisational and operational measures (examples)

As regards the functions and needs listed above, how would you rate:

- d) Staff members and staff qualifications?
In particular, does the Foundation have the necessary skills?
- e) the Foundation's structure and organisation,
- f) its operating systems and management methods,
- g) administrative and financial procedures,
- h) follow-up and general monitoring procedures,
- i) the mechanisms designed to facilitate co-ordination of assistance,
- j) preparation of work programmes.

Particular attention must be given to the following aspects:

- k) specific available skills,
- l) balance between administrative tasks, deriving principally from programme management, and the expertise available in the Foundation's field of competence,
- m) organisation of technical assistance in implementing Tempus.

In the evaluation, the successful bidder shall consider:

- on the one hand, the priorities identified by the Governing Board for the various work programmes; and
- and on the other, the financial resources extended to the Foundation in the form of grants under Budget line B7-501 from the general budget of the European Union, financing from other sources such as those indicated in Article 9 of the Foundation's Regulation, as well as the necessary funding for implementation of the Phare and Tacis programmes under Budget lines B7-500 and B7-520 respectively of the general budget of the European Union.

In submitting their financial proposal, tenderers should bear in mind that they must, *inter alia*,

- study the Foundation's internal documents, including the statutes of the Governing Board and Advisory Forum;
- study the Foundation's role in implementing bi- and multilateral vocational training programmes in two Phare programme beneficiary countries and in one Tacis programme beneficiary country;
- study at least one national observatory from amongst the first Observatories to be set up (Riga, Prague, Budapest).

The contract will come into effect on the date of signature, by both parties and be valid for three months. Services provided under this contract shall begin on 1 February 1997.

3. Reports and documents to be submitted

The services provided by the successful bidder in execution of the contract shall be detailed in the following reports in six copies to be submitted to the Foundation in German, English or French.

Interim report

The report shall describe the services completed and the results obtained during the first month. In particular, it shall specify:

- eventual repercussions of the results obtained on all the services covered by the contract;
- the programme of services envisaged in the subsequent period.

The interim report shall be submitted to the Foundation and to the Commission one month after services begin.

Final report

The final report shall cover the whole of the services carried out. In addition, it shall summarise the major results achieved and, where applicable, recommendations for improving the system under evaluation.

The draft report shall be submitted to the Foundation at the latest ten days after completion of the contract. The Foundation will then advise the contractor of its acceptance or of any comments it may have.

The contractor shall submit a final report within fifteen days of receipt of the Foundation's comments, either taking on board those comments or putting forward another point of view.

Should the Foundation make no objections within fifteen days from receipt of the draft report, the contractor may obtain acceptance in writing.

The final report is to be regarded as accepted by the Foundation if the latter has not explicitly informed the contractor of its objections within one month of the date the report is received.

4. Conditions of payment

Conditions of payment are as follows:

- a first instalment equal to 30% of the total amount due within 60 days from date of signature by both parties;
- a second instalment equal to 40% of the total amount due within 60 days of approval of the interim report by the Foundation;
- the balance will be paid within 60 days following approval by the Foundation of the final report.

5. The tender shall be prepared in accordance with the terms of the standard contract enclosed herewith (see Annex 1).

6. The tenderer must include the following information in the bid:

- All requisite information and documentation so as to enable the Foundation to analyse tenders on the basis of the selection criteria outlined in paragraph IX and on the basis of the award criteria outlined in paragraph X;
- Cost as per paragraph VII.

7. Tenderers' attention is drawn to the following in regard to prices:

- the tender shall be costed in ECU at the exchange rate published in the *Official Journal of the European Communities*, series C, on the date of publication of the call for tender;
- the amount will be a lump sum expressed in ECU;
- the tender shall quote estimated travelling expenses and per diem separately.

This estimate shall be based on Annex I/II to this Specification, and shall include any travel required in order to meet with the Foundation and the Commission, and will in any event, represent the maximum travel and per diem costs which can be paid for the whole of the services provided. (Travel expenses and per diem will not be taken into account in awarding the tender).

Under the terms of Articles 3 and 4 of the protocol governing privileges and immunities, the European Communities are exempt from all taxes and duties, including value-added tax, and should not be included in the offer price; the amount of VAT shall be indicated separately.

- B. Tenders submitted by a consortium of companies or by a group of service companies (entrepreneurs or suppliers) shall specify the role, qualifications and experience of each of them.

9. Selection criteria

The tenderers give proof of:

- a) Sufficient financial and economic resources to carry out the tasks described in these Terms of Reference. Proof of said resources may be provided by one or several references hereinafter:
- * bank statements;
 - * accounts or excerpts therefrom;
 - * declaration concerning overall turnover of the services (supplies or work) carried out over the last three years.

Where the tenderer is an individual, the following information shall also be supplied:

- * certificate of registration in a social security scheme;
 - * VAT number or, where applicable, certificate of exemption from VAT.
- b) Professional and technical capabilities, demonstrating the following in particular:
- * experience in evaluating organisations and programmes;
 - * ability to undertake the necessary work with a multilingual team having the said experience.
- c) Ability to set up a team which is familiar with professional training and educational systems in the European Union and Partner States.

Tenderers who omit any or all of these proofs shall be excluded.

Documentation submitted by participants in the tender competition shall also include:

- * if a single company represents a partnership, a list of partners taking part in carrying out the work in the whole of the Member States, to comply with the conditions set out in this specification;
- * an organization chart for the group as well as the curricula vitae of all staff members who will be responsible for the envisaged evaluation and of any associates, specifying their professional experience, specific contributions and, in particular, the skills and linguistic abilities of each.

10. Award criteria

The contract will be awarded to the tenderer who submits the lowest bid on the basis of:

- the relevance and quality of the methodology;
- the quality of the Work programme and the associated timetable;
- the clarity and completeness of the budget and its consistency with the Work programme;
- the type of resources dedicated to the task to be performed;
- the best quality-to-price ratio.

Documentation submitted by tenderer shall include:

- a detailed description of the proposed methodology;
- the work programme, plan and timetable for carrying out the various tasks involved;
- a detailed budget covering the entire duration of the contract;
- the attached financial tables.

11. Submission of a bid infers acceptance of the provisions of our "General Conditions" as well as all provisions detailed in the tender specification or call for bids and in any complementary documents as applicable.
12. An *ad hoc* committee will be set up for bid opening, which will check compliance with tendering procedures. This committee will open sealed bids at 2 o'clock on 25 November 1996 in the Foundation's conference room BQ/21.
Tenderers shall advise the Foundation of the name and function of their representative whom they wish to attend the opening.
13. This current call is open to tenderers from the Member States of the European Union, members of the European Economic Area and GATT signatory countries in accordance with the principle of reciprocity.
14. The tender shall be prepared in one of the official languages of the European Union.
15. Tenderers will be advised of the outcome thereof.

ANNEX 2

COUNTRY PAPER: ESTONIA

Site visit to Estonia

Date of visit: 4-7 March 1997

Sites visited: Tallinn, Tartu

General view

Estonia is politically and economically a more stable society than the two other countries visited. In spite of shifts in the political power on the parliamentary level, the administrative structures are established and work well. Estonia is also a small country, with 1,5 million inhabitants, which may add to the easiness of communication. Approximately one third of the population constitutes a non-Estonian speaking language minority having mainly Russian as their mother tongue. The minority does not share the political and social rights of the Estonian-speakers, which is one of the main concerns of the European Community in regard to the country's possible accession into the EU.

Situation in education

Education is undergoing a heavy reform, as well from the point of curricula and management as administration. The present legislation is inadequate for defining a general framework. There is a very liberal law on educational institutions but presently no law on the educational system. A draft law on vocational education and training is however being prepared by a member of the ETF Advisory Forum.

Most of the established education takes place in state schools. There is a decentralisation process going on, whereby the state schools on primary and secondary level will be municipalized. The process is slow and there is opposition to it, particularly among the teaching staff and school directors for obvious reasons:

- Municipally owned schools will be followed and monitored more closely than state owned schools.
- When the schools will share the financial resources alongside with other municipal institutions, it is feared that the funds will be distributed unevenly and become perhaps even more scarce than they are now. Even presently the school buildings need desperately repair and the schools new and better equipment.

Vocational education and training has not been very popular, especially among the Estonian-speaking young people. Over 70% of the population still selects university-oriented study. There have existed in practice two parallel systems of VET, one for the non-Estonian- (Russian) speaking population administered centrally from Moscow, and the Estonian-speaking schools administered from Tallinn. A slightly higher proportion of the Russian-speakers has chosen the VET branches. At present, there is shortage of students in several vocational schools, which will lead to reduction of the number of schools. The number of teaching staff is being reduced, and this causes a social problem. The teachers in the schools are often close to retirement age, and because the salaries are very low young people choose rather to go to the private sector which pays 2-3 times more.

There is very little further training, and the methodology and teaching materials have changed only little in the last 15 years.

The low family income and lack of public support mechanisms cause problems also for the accomplishment of training. It was said in the polytechnic that 20-25% of the students interrupt their studies because their families are not able to support them. Another 25-30% drops out because of inadequate performance. There is selection upon entrance so that only 30-40% of the applicants are enrolled.

Private schools exist on all levels, and their role is at the moment important in complementing the educational reform. Their quality is however variable, and there is no guarantee of the value of the school certificate, or even of the continuation of the courses until a certificate. This seems to be particularly a problem on the higher secondary and post-secondary level, where a number of business, law, language schools and others spring up and disappear at a fast tempo. An accreditation process has been started, through which a school may apply for acknowledgement for a certain individual course or training, but it is only in the very beginning, and does not yet concern vocational education and training. For VET has started standards development, which is also taking only its first steps.

The Russian-speaking population lives in a disadvantaged position. There is a Phare programme starting, which aims at teaching the Estonian language to the non-Estonian speakers (and thereby giving them the possibility to apply for full civil rights), but the share of Russian-speaking schools in the reform programmes is minimal. There are also voices which propagate that some central subject like history and natural sciences should be taught in Estonian also in the Russian-speaking schools, or which claim that the number of Russian-speaking vocational schools should be radically diminished. If this trend continues, it will hamper the social position of the non-Estonian speakers further.

The political decisions regarding educational policies and strategy are missing. The measures reflect rather a first reaction to immediate needs than any holistic view or perspective. Like in Romania, the links between education and labour market are not established, and exist only in few instances. The statistics, particularly on the private sector, are inadequate and unreliable. There is no clear definition of educational priorities, and the VET sector competes of the existing financial resources with higher education.

The presence of long-term external experts is still strong in various sectors and levels. The attitude to foreign input is to some extent uncritical. Training programmes have been imported without much adaption to the local environment, including teaching materials, which may be a direct translation from the material used by a foreign partner school.

The described features are not exceptional for the education field in a transition country. They may however serve as an example of the work that is facing actors in education and their counterparts in the EU-countries.

The Phare VET Reform programme

The Phare VET PMU coordinates four pilot programmes: The VET Reform programme, the Business Education Reform programme, the Higher Education Reform Programme, and the Language Training programme. The three last mentioned form together the Phare Institutional and Human Resource Development Programme for Estonia. In addition the PMU is managing the National Observatory project.

The VET Reform PMU is located in the Vocational Education and Training Foundation, which has grown into a umbrella organisation for the VET-related projects in Estonia. The PMU is also responsible for the management of the observatory: premises, staff, financial accountability, monthly and financial reports. It cooperates closely with the EU-delegation. For example in the Estonian "training fair" TEVIT'97 both shared a common stand.

The VET Reform programme (3 Mecu) includes 13 pilot institutions involved in the development of occupational profiles, standards and curricula in 13 vocational areas. The pilot schools started to implement the first new curricula in September 1996. Other included areas are teacher training, production of learning materials and equipment.

The programme includes the planning of six training modules in three years. The strategic planning takes place in schools, and there are two local experts to assist the schools in this. The total quality management aspect is to bring more prestige to VET in the country. By the time the programme started no one in Estonia was trained in VET issues, and much help was needed from ETF. ETF has trained the staff in quarterly meetings and by assisting in other concrete tasks like drafting ToR.

The programme includes the principle of a supporting partner school from an EU member country for each of the pilot schools. This cooperation element will contribute to its sustainability.

The Phare Business Education Reform programme (1 Mecu) started already in 1993 as a bilateral project with Denmark. Also the Phare financing from 1995 was granted to the same Danish consultancy. Certain problems were experienced by the programme evaluation in 1996, and the programme was split into two contracts, one with the Danish consultancy, the other with the Estonian counterpart at the same time as ETF was appointed to centrally manage it. This was said to have brought a wider view in the project. Until ETF involvement the approach of the Estonian partner has been uncritical to the introduced contents and procedures; and a large part of the allocated funds was used rather to benefit the foreign counterpart than the beneficiary. The Estonian programme manager appreciated the commitment of ETF in helping to understand her own position in the programme.

The project introduces the first 4-year business training programme in Estonia, of which the third-year course is running, and the 4th year is being prepared. After the pilot course is run once, the full responsibility for the respective stage is transferred to the local authorities. The pilot includes planning of curricula, teacher training and preparation of learning materials. The concept is now well structured and works, though the scope of the programme has had to be radically reduced from its original objective. The level of training is highly appreciated by the educational authorities and other commercial schools in Estonia.

Higher Education and Science Reform programme (0.5 Mecu)

The objective of the programme is to reach a qualitative change in the higher education and science system by integrating higher education and research institutions, and by raising the level of their services. The concrete aim is to establish Centres of Strategic Competence in the Technical Universities of Tartu and Tallinn. The first explicit contribution of ETF was to trace through cooperation with its Tempus task manager a risk of double-funding in the programme and to redefine its scope respectively. The two related programmes are harmonized in other respects as well. The implementation is only beginning. In order to avoid the risk of misallocation of funded equipment ETF is following the programme very carefully.

The objective of the Language Training programme (0.2 Mecu) is to design and implement a national Estonian language training strategy for non-Estonian speakers. For this purpose a Language Strategy Centre has been established with an allocation from Phare funding, and an analysis of language learning needs and training provisions has been completed. The work on a strategy plan has started. Since specific language training is really not an obvious part of VET, there has been some consideration whether to include this in the ETF managed programmes. As a part of the wider context of IHRD it seems in this case however fully natural.

The National Observatory Project

The National Observatory is in practice divided between three bodies: the VET Reform PMU, the Observatory manager and the staff member operating from Tartu. The PMU is responsible for its management, and the two contracted persons for the contents. The manager took up her post two months before the visit, and the Observatory was only starting its activity. From the outset it cooperates closely with the more advanced observatories in Latvia and Lithuania. The support has accelerated the initial stage, and observations about a month after the visit show that the concept and objectives of the project had become very clear, and the work process started successfully.

CFCU

The EU Commission received in 1996 a request from Estonia regarding the management of the ETF-run programmes. This is connected with the establishment of a new Estonian body CFCU (contracting and financing unit), which is to manage centrally all the EU-programmes in the country. The Estonians cooperating with ETF proposed that the programmes managed presently by ETF would remain outside CFCU, and there has been no clarity in the Commission why and how this initiative was taken. The evaluators were repeatedly told that this Estonian initiative aimed at guaranteeing the smooth implementation of the started programmes, written at the request of the Minister of Education. The Ministry prefers to work with ETF because it allows to implement the programme as a decentralised process.

The Ministry of Finance has now rejected the request, and all programmes will be taken over by CFCU. The plan is to abolish all PMU's and place only 1-2 programme managers in the respective ministry. The transfer should happen from

the beginning of 1998. In the discussion with the ETF programme manager the opinion was given by a Commission representative that the running two ETF programmes should also in the future be managed by ETF.

According to information from the Commission, the shift will not however change the role of ETF as far as the management and content-related issues are concerned. The allocation of finances will be made to CFCU from the beginning of 1998.

Tempus

The Tempus office is run by two persons, who have coordinated the programmes since the beginning of Tempus in Estonia. In the first years the work was "more enthusiastic" and consisted mainly of building contacts with West-European universities. The scope has become wider since then, and paper work increased. The staff has more responsibility, e.g. in monitoring and report assessment. In principle it was seen as a good trend to be engaged in the contents of projects, but the office is presently understaffed. The move of Tempus from Brussels to Turin was said to have caused much harassment, but now cooperation is working well.

At the moment 14 JEP's are running, most of them coordinated by the Estonian partner, since 1997 also the contractor may be Estonian. Postgraduate courses are one of the priorities. There is also one project for university management. The view was that in general the quality of projects is going down. Judging from information from other sources it may be feasible to shift the focus towards university management training.

The Tempus office has appreciation of the ETF counterparts as far as management of the projects, the provision of equipment and staff training is concerned. The programme manager was said to know well the circumstances in Estonia. There was also some criticism regarding the functioning of software (NTO) provided by ETF, and the fact that there is not enough cooperation between the people working with different Tempus projects. This may result e.g. in a situation when they get from different persons simultaneous requests for reporting with very short deadlines, which they are not able to keep. The Tempus Department for its part does not stick to deadlines given to it. Immediate availability of the ETF staff is not always a fact: "There seems to be lots of meetings".

Advisory Forum

The Estonian Advisory Forum members are in subgroups A (setting up of targets for VET Reform) and in subgroup B (role of social partners).

The member in subgroup A found the body very large, but its work is very useful. The last workshop has allowed the finalization of the Green Paper of VET reform in Estonia. The work has brought many useful contacts and information about the VET systems.

Conclusions and recommendations

ETF has a very good image in Estonia, centrally through the activities of the ETF VET contact person and the local PMU manager. Global visibility into the Foundation is not equally clear.

The ETF may play a strong role by offering many-sided information on the educational policies, structures and practices in different countries, and teaching a critical attitude not only to the existing own practice but also to what is offered from abroad. Training in the form of seminars and workshops will be welcomed on all levels, from the political decision-makers to school directors and teachers. No confusion was discovered regarding the counterparts within ETF.

Like in Romania, ETF is mainly perceived through Phare programmes. There is however need for policy advice with the perspective of accession into the EU, started through the staff development workshops. Information of the role of ETF in policy development, and more explicit presentation of its whole image could be channelled more efficiently. The information that ETF also organises workshops and seminars on VET-related issues had not reached all authorities that cooperate closely with the PMU.

The staff development programme for the policy makers in the form of two workshops (in Tallinn and in Turin) has been very useful, and is bringing concrete results by building links between the authorities and social partners, and improving knowledge in VET issues. The draft VET law may be counted among its outcomes.

The comments on the support and cooperation of the ETF liaisons were very positive, even praising by all the interviewed persons: education and labour authorities, PMU staff, OMAS and Archimedes people. The main ETF contact person for Estonia is said to take a lot of responsibility, to be available, to know very well the management and procurement of projects and to have expertise in the VET issues. It was specifically mentioned that the programme managers receive "spontaneous and qualified feedback" from ETF about their reports. ETF is also responsive and "teaches to find right policy decisions". The wish was expressed to receive face-to-face training in the Phare procedures which are experienced to be complicated. It was noted that the coordination of different programmes within ETF is not streamlined.

The EU-delegation in Tallinn is very small and has no particular person specialised in education. It is following educational trends mainly from the point of the non-Estonian speaking minority. When asked about ETF, the representatives said they receive enough information from ETF of what is going on or being planned. If they have wanted more they have always got it.

The inclusion of ETF managed programmes in CFCU may not be an asset to the programmes. Since the total number of CFCU-coordinated programmes will probably become large, it may be expected that the contracting processes will take a longer time and procedures become more complicated. The present PMU is well managed and has expertise in the current programme fields. It is difficult to see that replacing it with CFCU and a Phare programme manager in the ministry would be a more efficient solution.

Presently the VET Reform pilot projects lack transparency of information, and are run in one school/field only. The visited pilot school did not give a convincing example of a thoroughly elaborated new approach. The results need to be disseminated and the created good practice applied in other schools.

The ETF should explicitly keep in mind the need to influence the position of the non-Estonian speaking population in all activities in Estonia.

The local contacts said that there is not enough expertise in VET issues in Estonia. ETF will be able to increase the level of knowledge by an efficient input in the training of authorities.

The general level of furnishing and equipment in the visited schools was very poor. In some cases private sponsorship is needed for the basic maintenance of the school building. It is true that a lot of "outdated" equipment will continue to be used also outside schools for a number of years, but the students need to have access to modern technology as well. Thus well focused investment in equipment from EU-generated funds can be recommended.

ANNEX 3

COUNTRY PAPER: ROMANIA

Site visit to Romania

Date of visit: 10-15 March, 1997
Places visited: Bucarest, Timisoara, Pitesti, Craiova

General view

At the time of the visit the present government had been working for four months. There was an atmosphere of covered impatience and of optimistic expectation for the economy to turn to a more rapid rise, bringing a push to the general living standard. According to World Bank figures, approximately 22% of the population lives under the poverty line.

Educational reform has until now moved at a slow tempo. The reform of legislation is only beginning, and the country is lacking an overall national policy framework. The main objectives have however been defined, and they include the principle of democratization and decentralization of the decision making and management processes, and establishing a network of links between vocational schools and enterprises. A serious problem is the fact that a large percentage of young people leave the school early and without a leaving certificate. The unemployment rate is officially below 10, but little concern is given by companies to securing a job for the young people particularly.

Changes are presently being implemented on the structural level to speed up a more flexible school. Many expectations were invested in the present minister, and the secretary of state responsible for vocational education and training whose background is in the trade union of teachers. Changes were anticipated particularly in the school directorates, which are presently rigid and do not favour deep reforms. It was also expected that a part of the school directors will be replaced.

The strategy for VET development is stated jointly by the Ministry of Education and the Ministry of Labour and Social Protection. The links between the ministries and social partners exist but are not developed. Development trends in education and labour market are difficult to assess, since the availability of data is limited.

Vocational training and education is among the expressed priorities, alongside with a number of transversal priorities. Its importance is confirmed in the appreciation of the ongoing Phare VET Reform programme.

Phare VET Reform Programme

The European Union is supporting the VET reform with an extensive programme amounting to 25 Mecu. The programme was started in March 1995 and will probably continue after the end of its first phase end of 1997.

This programme is linked to a large WB financed Reform of Education Programme (50 mill. USD), which began by the same time.

One of the central problems of VET in Romania (though not exceptional for a country in economic transition) is to offer a large number of training programmes for very narrow specialisations, traditionally often for the exertion of one specific job in the enterprise linked with the school. The wider objective of the present programme is therefore to support the building of training programmes that would prepare the students with the necessary core skills and a wider vocational qualification, enabling them to adjust to the rapidly changing labour market needs.

The programme consists of the elements of

- curriculum development
- development of teaching and learning material
- teacher training
- procurement of equipment, particularly to enhance the computerization of schools;
- improvement of school management.

The total of 25 pilot schools and 50 demonstration schools are grouped into 6 regional clusters.

The programme has overlied several serious problems connected with changes in staffing, including change of the PMU director, improving cooperation between the PMU and foreign technical assistance, improving the involvement of the foreign technical assistance, solving problems of procurement. Nevertheless, some elements arising from its past are still being felt, hampering more rapid progress. Measures are being taken to solve them:

- There is a plan to decentralize the PMU into the regions and closer to the schools; this will imply partial changes in the PMU staff;
- A part of the schools do not represent fields, in which there is future in the region for the type of training they offer. The problem threatens seriously the employment perspectives of the school graduates;
- The impact of the foreign technical assistance is being discussed; it is felt not to fulfil all expectations;
- There are discussions to adjust the position of certain schools in the programme with the objective of changing the positions of a pilot and a respective demonstration school;
- Special attention is paid to the output from persons participating in the staff development programme.

The active involvement of labour market authorities and other social partners in the implementation of the programme is a problem on all levels. The separation is inherent in the society, but at least on the regional and local level much effort must be put into building the administrative and steering bodies on a wider basis.

A part of the schools is obviously too much dependable on one enterprise. These links must be extended to several enterprises, also the small ones.

The curriculum reforms are being tested for the first year of training since September 1996. Judging from visits to five pilot and demonstration schools there is genuine involvement in the development of curricula and teaching but also big differences in the preparedness of schools to adopt the new approach. The provision of equipment has become a burden to the programme in the sense that the schools place a lot of stress to the acquisition of computers, and less to reform of the training contents or the provision of teaching aids.

The National Observatory

The Observatory is located in the Institute of Educational Sciences, which is an organisation managing a number of contracts with the World Bank and other international donors. It has very close links with the VET Reform PMU, though both are independent of each other. The Observatory employs two persons besides the director: a VET specialist and an ADP specialist. Cooperation exists with the labour authorities, but it appears to be rather on the principal than practical level.

However, the concept of the Observatory seemed clear in spite of certain lack of concreteness in the plans. Since the activity had only started in January 1997, it is too early to speak about any outputs. Judging from the background and experience of the director, there is no reason to suspect that he would not be capable of managing the network once its partners have become actively involved.

Conclusions and recommendations

The role of ETF is much appreciated in Romania. The cooperation between the PMU and the ETF task management works very well, which was valued highly by all interviewed parties. The ETF counterpart monitors and follows the programme carefully and with a great skill.

The activities of ETF were also assessed positively by the EU-delegation as far as the management of programmes and contacting is concerned. It was however pointed out that ETF should not be asked to implement any kinds of programmes (training for the reform of the banking sector in Romania was mentioned as an example).

There is less appreciation of the observatory project, and also of the staff development programme, in which the selection of participants by Romanian authorities is not very good.

The representative of Delegation specializing in education would welcome even closer involvement in the ETF activities: participation in quarterly PMU meetings for instance.

There is the risk that mistakes made (by the first PMU) in the choice of VET pilot and demonstration schools will affect the sustainability of the programme. The present PMU is trying to correct this by replacement of

certain schools. Yet only a limited number of schools are related to services and "future" professions, including for instance different types of installment and maintenance. Some are strongly linked to one big company, several of which are undergoing restructurization and radically limiting their labour, or even running the risk of being closed.

The programme manager is to follow closely the development of employment channels for the vocations included in the programme.

The genuine links between the VET Reform programme and the labour market/social partners are still weak on all levels. Much effort will be needed from ETF to press the PMU, the educational authorities and the schools to realise the primary importance of many-sided mutual involvement and in-depth cooperation.

The provision of equipment - particularly computers - to the schools has been delayed because of procurement problems. Once the equipment arrives, it is necessary to pay attention to the targets and purpose for which they are used in training. The approach to ADP was very theoretical in the visited schools; teaching should take a grass-root approach arising from the daily needs of application at the working place.

The continuation of the VET Reform programme after 1997 is a precondition for an enduring positive impact. Due to delays in the schedule, the work on curricula is only advancing to the second year of training, and being implemented in the first year. Much remains to be done in the change of attitudes to the reform, and the "internalization" of its conceptual framework. The networks between education, labour and social partners need to be developed. The dissemination of results (once they are more visible) must be designed and implemented. The programme has a sound content and may give an impulse to several parts of the VET system, when it is allowed more time.

There are obvious problems in the harmonization of the ETF-managed VET Reform programme and the World Bank programme. The difference of timing and procedures have had the effect of putting the two projects out of pace in some areas. The Phare programme has been left without some of the major building blocks, which were scheduled to be performed by the World Bank, development of professional qualifications as an example.

FIMAN who is engaged in a programme of employment active measures, is interested to join the National Observatory network, since it is close to local labour market and concrete needs. ETF would benefit from renewing the contact with FIMAN. This contact may be useful also in trying to initiate discussion on management training, in which FIMAN has a firm international basis.

ANNEX 4

COUNTRY PAPER: RUSSIA

Site visit to Russia

Dates of visit: 17 - 28 March 1997

Sites visited: St. Petersburg, Novgorod, Moscow

General view

The Russian society is living at a stage of strong internal dynamics, which causes instability in the structures and hampers the planning of activities and policy decisions. At the time of the visit the Federal Government was being partly reorganised. It was not certain, which ministers and deputy ministers would continue in their function, and general uncertainty about tomorrow was reflected also in the discussions the evaluators had with authorities. Economically the situation in the visited places is difficult. This is reflected clearly e.g. in the schools, which are not even able to pay salaries to the staff in all cases.

The two ministries involved in education have recently merged into a Ministry of Education and Vocational Training, and some uneasiness was still felt about the new structure. The changes in government caused expectations regarding restructurations on other posts as well.

Communication between educational and labour authorities appears to be good at the federal level and in the Novgorod region, but more problematic in St. Petersburg. The schools engaged in the North-West Russia VET Reform pilot project are dynamic and eager to widen their network, especially within Russia but also into other countries. The curriculum reform and teacher training have started. Initiatives have been taken to source private funding, to expand the range of contacts with enterprises and to support the students in finding jobs.

VET is not an expressed priority in the education policy. The main concern is basic education and transversal issues like awareness of the living environment and social responsibility. The authorities in vocational training and education are however struggling to get funds for reforming the VET system. The focus points include the SME's, energy, transport, etc., which comprise components of VET, particularly of higher secondary level. There is a WB financed VET project starting.

The educational system is not flexible enough to react to the changes of the labour market. A new sphere has been introduced: professional training for the labour market. The labour authorities regarded this to be a very interesting element. The Ministry of Labour has developed its own network of vocational adult education, including 72 centres for mainly the unemployed. The opinion was expressed that "the education authorities should remain in

the universities, the labour administration will supervise vocational adult education”.

The Tacis Coordinating Unit has discussed several VET issues with the EC authorities in Brussels, but until the present mission none of them had been approved. Whether this was connected to the unexistence of the Framework Agreement between the Commission and ETF was not clear, but the staff were feeling resistance in trying to introduce programmes. Both the representatives of the EU-delegation and the Tacis Coordinating Unit felt confident that the signing will bring improvement. Presently the Tacis projects implemented by ETF are the National and Regional Observatory projects, and a project for the dissemination of teaching materials of management training through distance education.

Besides the involvements of ETF task managers, two persons have played an important role: Marc Jessel, who was the ETF representative in Russia until the end of January 97, and Peter de Rooij, director of ETF.

All interviewed people regretted Marc Jessel's absence. He has contributed much to building a positive image of the ETF. For most actors in Moscow he was the key person, and he was said to have a good level of expertise, interpersonal skills and efficiency.

Mr. de Rooij was also positively mentioned by several key persons. He was personally involved in the elaboration and launching of the North-West Russia VET Reform pilot project. His participation in general discussions on policy matters, training needs, trends and concrete projects was much appreciated, as was his support in transforming ideas into concrete projects.

The North-West Russia VET Reform pilot project

The North-West pilot project is the first multinational VET reform project in Russia. It has no precedent in two aspects: a) a multisectoral and multiregional approach in training and b) an attempt to combine the effort of different authorities: education, employment, regional policy, business community.

The project consists of VET reform in pilot schools in St. Petersburg City, Leningrad Region, Novgorod Region, and the Republic of Karelia. The reform takes place in four sectors:

- Telecommunication: pilot schools in St. Petersburg and Novgorod; supporting institution: Education and Methodology Centre, St. Petersburg
- Tourism: pilot schools in St. Petersburg, Novgorod and Leningrad Region; supporting institution: Institute of Tourism, St. Petersburg
- Transport: pilot schools in St. Petersburg and Karelia
- Wood production and processing: pilot schools in Karelia

From the EU member states participate Austria, Finland, the Flemish Community in Belgium, Germany and the Netherlands. Two partner countries share responsibility for each individual sector. Besides this "vertical" activity, which includes curriculum development, teacher training, production of teaching materials, etc. there are "horizontal" activities aiming at networking

the sectors with each other. Basically the project does not include the provision of material equipment for schools, except for the telecommunication sector. The project is financed jointly by the member states and ETF from its operational budget. The project period is two years (June 1996-September 1998).

The project was developed as a follow-up action of the conference of Ministers of Education of the EU member states and the Russian Federation in September 1994. The concrete initiative took form during the visit of Mr. Melikian, Federal Minister of Labour, and Mr. Tkachenko, Federal Minister of Education, in the ETF in June 1995. According to most persons interviewed by the evaluation team, the project could not have been realised without ETF. The opinion of the contacts in Russia was unanimously that ETF is managing the project well and has even "saved" it. ETF implements partly the horizontal activities, which take the form of workshops and conferences. The horizontal workshop on Labour Market Assessment in June 1996 was assessed by the interviewed persons as being of high quality and well designed. The next workshop on new learning concepts will be in April 1997.

The results of the pilot project so far have been:

- schools to develop network inside Russia and also abroad;
- several institutions to estimate changes in the labour market and equip educational authorities and schools with data on which curricula development can be based;
- participants to learn how a project including technical assistance of the western Europe is developed and implemented;
- to encourage further projects;
- to create links between schools and enterprises.

Complaints of the schools regarded mainly the lack of funds for equipment. The beneficiaries said it is not coherent to transform curricula and train teachers without upgrading the equipment. This view is particularly understandable in the case of Novgorod electro-mechanical college, which is starting to train staff for the installment of a digital telecommunication net in Novgorod Region, and in this case some of the equipment will indeed come from Germany. Yet it may be asked if the training equipment should come as a donation through the German partner, or could it be provided by the local Telekom company as a part of their investment in the new network to be purchased from Slovenia.

In the North-West Russia pilot project the vertical structure works relatively well. There is however room for developing the horizontal structures as well between the various training sectors and between the member country partners. There is an attempt to improve the internal procedures by strengthening the role of the steering committee. Surprisingly, the most difficult part of the project has been to agree on the roles and cooperation rules between the West-European partners. In this sense, the project is a good learning experience to them and ETF as well.

The Observatories

Both the National and the Regional Observatory are only taking their initial steps. The National Observatory Tacis project in Moscow was formally started in October 1996 with a preparatory period for November-December. Its regular work began at the end of February 1997. The Observatory is one of the network of Tacis National Observatories, which are divided in three "regions":

- Moldavia, Uzbekistan, Armenia;
- Russia, Ukraine, Belorussia, Moldova;
- Kazakhstan, Kyrgystan.

The whole project is contracted to a consortium led by the National Board of Education in Finland. Each of the consortium members is responsible for developing the observatory activities in one of the "regions".

It soon became clear that the environment of the National Observatory was too unstable, and it had to be moved in January 1997 from the Institute for the Development of Vocational Education into the Ministry of Education. Even the present location is not optimal because also the political climate is still unpredictable, and changes in the political structure and posts may impede the development of the Observatory. In Russia personal relations play a major role, and for the present the working environment of the Observatory seems to be secured.

Also in this project communication is a major problem. The project structure is complicated and responsibilities of each participant seem not to be clear. Within ETF, both the VET Tacis unit and the Observatory unit are engaged, and decisions are taken slowly, since the delegation of powers is too complex or unclear. In spite of these difficulties the concept of a national observatory covering all Russia was regarded to be correct, "since Russia is still a centralised state".

The ETF Tacis project **Regional Observatory in north-west Russia** has been contracted to a consortium led by the Finnish National Board of Education. It would bring together the Educational Methodological Centre and the Centre of Strategic Analysis in St. Petersburg, being located in the former and including team contribution from both. The Observatory involves five regions: St. Petersburg City, Leningrad Region, Murmansk Region, Novgorod Region, and the Republic of Karelia.

At the time of the mission the agreement establishing the Regional Observatory in St. Petersburg was to be signed. There was still much need for information of the objectives and role of the Observatory, and even hesitation from the part of the Centre for Strategic Analysis whether to participate in the project at all. The draft agreement prepared by the Finnish National Board of Education arrived only two days before it was to be signed. According to later information it was indeed signed in the meeting. According to experience during the site visits and discussions with people connected to the observatory projects, it is obvious that in spite of the consortia which are responsible for the establishment, the observatory projects particularly need

an emphatic effort from the part of ETF to monitor and support their initial phase.

Distance Education Project

A distance education project has particular weight in Russia in the present conditions. Mobility of people has been reduced because of their difficult economic situation. There are areas with high unemployment. Large numbers of people are released e.g. from the army; and they often live in remote places. Other large target groups are invalids and other handicapped people. Even the social impact of distance studies in activating people and elevating optimism is very valuable.

In 1995 an evaluation was carried out of eight Tacis pilot projects in the field of distance education for management training. Its conclusion was that distance education is an effective method to teach modern management to large numbers of students in Russia. Russia also has 70 years experience of teaching by correspondence. Given the situation in Russia, it is recommendable to include distance education as a method among the priorities of educational development.

Based on the cited experiences, ETF has been working on a pilot project focusing on the dissemination of results of earlier projects on management training and using them for distance education. Coordinating institutions in Russia have been identified, a detailed project proposal elaborated and submitted to the Commission and the Tacis Coordinating Unit. The Russian coordinator is prepared and strongly motivated, and there is material that can be used for the project. If included in the 1997 action programme the project will be able to start immediately.

Tempus

The Tempus office in Moscow coordinates presently 54 programmes of higher education. It is run by one person. In the discussions with Russian authorities Tempus was called "a strong point" and "a standard". It is highly appreciated by the Russian partner. The Russian project manager sees it important to maintain contact with the observatories and to follow other ETF activities.

The Advisory Forum

The member in sub-group C on education standards described the Advisory Forum as a very efficient tool. They work on Eurostandards 2000 with the aim to permit mobility on the basis of equivalent qualifications. One of the main aims is to correlate the different systems with each other. In this, the group has benefitted from the experience of Phare countries. In Russia the law on educational standards is currently being prepared. ETF is said to have provided efficient support to elaborate priorities, and to discuss and formulate the projects. It has a high level of commitment. It is flexible and available to listen and follow the discussions.

The member in subgroup A focusing on the setting up of targets for the VET reform also appreciates the work of the Advisory Forum. The subgroups produce annually four reports of their work on a specific theme. He criticized however the fact that the reports are prepared by West-European experts. The opinions of CEEC experts have not been adequately taken into consideration. The last report was not even on European issues. He would also like to see the VET issues of Phare and Tacis countries to get more scope in comparison with the western countries in the presentations and discussions. The experts seem to lack experience on Russia. It was also proposed that the reports would be prepared on basis of national reports, and the experts should be paid for their work.

Conclusions and recommendations

The Russian partners are very interested to develop a country comparative network and to join the ETF networks. This was expressed by policy makers, who are eager to discuss and compare VET reforms with other transition countries and to approximate EU countries.

The North-West Russia VET Reform pilot project is felt to be very interesting, regarding both content and structure. It is obvious that in spite of numerous difficulties connected to the role of member state partners, contents and internal structures, the project runs well and brings results. Its strength is to concentrate in the reform of content-related issues (curricula, teacher training) with a minimum input into material equipment. The project structure is however very heavy, and cannot be taken as a model that will be applicable as such for other projects. Now that the division of tasks and responsibilities among the participating institutions has been made clear, the project seems to be able to give a push to reforming certain training programmes in the region. When the internal structure and regulations are clear from the outset, the model may bring a more harmonized result than the coordination of several individual sector projects.

Of the projects with which the evaluators were acquainted, the North-West Russia pilot project seems to have a good possibility to bring sustainable results at least in some training sectors. Especially the training for tourism combined with the construction and maintenance of hotels and tourist resorts has already raised the interest of some other schools, which are adapting its principles. Also the results of the horizontal workshops are applicable for a wide range of everyday activity.

The Distance Education project lies on a sound basis. It has good prospects of bringing sustainable results and continuing in some form even after the Tacis phase.

Since the observatory projects are still at a very initial stage, it is too early to estimate their prospects of sustainability. Regarding their importance, a maximum effort of ETF to commit the Russian partners will be needed to guarantee the future of the observatory network.

The permanent presence of an ETF contact person in Russia is very helpful. Without continual presence it is impossible to attain enough reliable information, keep a close track to the changes and be able to interpret events. If there is a possibility to attach a Russian person to the ETF network, this would bring some assets:

- inherent knowledge of the country, mother tongue environment, familiarity with the background of evolving developments, better capacity to see into the core of things;

- less financial constraints in the case of a local resident.

As far as the implementation of tasks in the present circumstances requires a degree of diplomatic protection, the selected person will however have to be the citizen of the EU member country.

The scarcity of funds for the observatories limits the full utilization of their potential, because the staff will have to take up second (and further) employment to secure their personal subsistence. There is also need for much information before the concept of the scope and networks of the Observatory becomes completely clear to the participants. The possibility of creating income through observatory activities should be discussed at an early stage.

There were regrets that horizontal activities within Tacis programmes are not favoured. Also within Tempus horizontal activities between programmes have not been possible. From the viewpoint of sustainability e.g. the networking of results from earlier reforms or the horizontal development of a new form of activity is seen as recommendable.

Conceptions of the ETF

In the field, most contacts have a clear vision of what ETF does and who are the persons responsible for their contacts. The interviewed persons felt that ETF is speaking with one voice. It is perceived generally as an efficient and useful organisation.

The policy makers consider that ETF is offering great support. ETF is experienced to be a problem solver, a factor for dynamism, a network facilitator and a daily support or a "hot line" for questions and advice regarding management and finance, and the VET issues. They were said to monitor their projects carefully. For the solution of specific problems they were said to be able to formulate a general conceptual framework. They try to maintain the good quality of experts and involve Russian partners.

ETF's expertise in VET was assessed between "being familiar" to "high quality" expertise. ETF was said to have provided an efficient support to elaborate priorities, to discuss and support the formulation of projects.

It was particularly appreciated that ETF has been able to network again the different parts of the former Soviet Union, since the contacts were disrupted with the collapse of the USSR.

ETF was said to have developed a comparative approach and a global understanding of the transition of VET into conditions of a market economy.

Russia may thus benefit from the experience of other countries through ETF. The Foundation has encountered same type of problems in various countries and has developed a common approach.

Two contacts also noted that ETF is not always fully aware of the decision making processes in Russia.

It was hoped that ETF would bring new ideas of pilot character, like the observatories, and projects that would contribute to integration.

There is some uncertainty regarding the roles of ETF vs. the Commission. A reference was made for instance to a project that had not been approved, and the interviewed persons did not know whether to contact Brussels or Tunn.

The Foundation's success in Russia relies on its specialisation and expert knowledge, but also on the commitment of its staff. It was the general opinion that ETF has a good understanding of Russia, though this is not always the case in understanding the decision making processes. It was also said the ETF lies too far to be able to comprehend the situation in Russia: the staff that works with the country should travel there more often and stay there longer.

The establishment of the whole spectrum of Tacis observatories as one project with a strict common deadline for the whole Tacis group has been a challenging enterprise. From the point of sustainability it is obvious that some of the Tacis countries will need more time to build a firm basis for their activity than others. It will be necessary to prepare additional forms of support for them in the form of very close follow up of the process and, if possible, funding to guarantee a qualified output from the staff and experts.

It is worth considering alternatives for the use of a Western consortium in observatory projects. It may be possible to find a less heavy structure e.g. by networking one of the existing Phare observatories with a Tacis observatory while increasing the input from the ETF.

ANNEX 5

ITINERARIES

ITINERARIES IN PARTNER COUNTRIES

Members of the external evaluation team who participated in the field mission: Tarja SVARD-YLILEHTO, Gregory MURPHY and Emmanuelle RIVIER.

All three visited Estonia and Romania, M.MURPHY also Latvia, but was not with the team in Russia. The mission started on the 3rd of March and ended on the 28th of March.

ESTONIA

Dates: From 03 to 07 March 97. **Cities visited:** Tallinn and Tartu.

LATVIA

Dates: 06 March 97. **Cities visited:** Riga.

ROMANIA

Dates: From 10 to 14 March 97 for the whole team, extended until 19 March for M. Murphy.

Cities visited: Bucharest (all three), Pitesti (Svård-Ylilehto), Craiova (Svård-Ylilehto) and Timisoara (Rivier).

RUSSIA

Dates: From 17 to 22 March 97.

Cities visited: Saint-Petersburg (Svård-Ylilehto and Rivier), and Novgorod (Svård-Ylilehto).

Dates: From 22 to 28 March 97.

Cities visited: Moscow (Svård-Ylilehto and Rivier).

Interviews were also conducted by HEC correspondents in Poland (M. KOZEC) and in the Czech Republic (Mrs KOPICOVA).

ANNEX 6

LIST OF INTERVIEWED PERSONS

Interviews in the field

ESTONIA

Tallinn

DELEGATION

Mr A. PALOSUO

Mr N. LEONARD

MINISTRY OF EDUCATION

Mr M. KASK (Head of the VET department)

Ms R. NEUDORF

Ms E. LINDEMANN

Ms A. KOMMER

Ms K. SOMER

Ms T. RAUDMA (adviser to the Minister for EU integration issues)

Ms T. ANNUS (observatory)

VET PMU

Ms L. ORRO (Director)

Ms T. TOMINGAS

Mr T. ARVISTO

Mr M. DODD

OTHERS

Estonian Business Education programme

Ms A.M. MATHIASSEN

Ms A. KOIV

Tempus office

Ms K. KADAKAS

Ms M. TAMTIK

Ms L. LENDAVERE (OMAS, Regional monitoring officer)

Tartu

Archimedes; Phare Higher Education and Science Reform

Mr R. MANDMETS

Mr R. TONNISSON

Tempus

Mr I. STONE

Ms S. ÜPRUS

LATVIA

Mr A. RAUHVARGERS, Head of the National Observatory

ROMANIA

Bucharest

DELEGATION

Ms K. FOGG

Mr. RASHBASH

Ms C. GHEORGHE

PMU

Ms M. SERBAN

Mr CECERE

Mr BRINCK

Mr BADA

Local experts of the PMU staff.

OTHERS

Ministry of Education:

Mr F. DIACONECSU, Secretary of State, Ministry of Education

Mr A. MIHAILESCU

Mr R. POP, Former Secretary of State for Ministry of Education

FIMAN

Mr L. GAITA, Programme of employment active measures, PEAM

Ms C. TESLIUC, Monitoring of impact of PEAM

Mr G. MATAUAN, Executive director

Others

Mr C. ALECU, Ministry of Labour and Social Protection

Mr. N. IDU, Department of European Integration

Mr J. SHEKHDAR, Agmin Procurement Implementation Unit

Mrs I. DUMITRIU, Chamber of Commerce and Industry, Head of the training department

M. BOBOV, Consultant to the PMU, responsible for the study on the relevance of the reform programme to the labour market

Mr D. GRIGORESCU, Tempus

Mr C. BIRZEA, Head of National Observatory, Institute of Educational Sciences

Ms A.M. SANDI, World Bank

Craiova

Mr. F. GOAGA, school director, « Electroputere », Craiova

Mr M. GHEORGHE, school director, Commercial Scholar group

G. CHITU, school director, Craiova

Mr M.J. MARINESCU, Director, Craiova prefecture

Pitesti

School director, Engineering School cluster DS

Timisoara (VET Reform zonal committee)

Mr BODA

Mr BADA

Mr BARZAC

RUSSIA

Saint-Petersburg

EDUCATION COMMITTEE

Mrs G. BORISOVA, Project manager for the VET pilot project

Mr V. KRILITCHEVSKI

Mr V. GAVRILOV

Mr O. LEBEDEV (former Head)

EMPLOYMENT COMMITTEE

Mr D. CHERNEIKO

Mr I. TSYGANOV

Mr A. SUKHOV

OTHERS

Centre for strategic analysis (Regional Observatory)

Mr. V PEREKREST

Mr. V. PUNINSKI

Education Methodological Centre (Regional Observatory, VET pilot project)

Mr V. SHAPKIN

Mr D. LIOUBITCH

Petrovsky Collage:

Mr Y. IVANOV

Mrs E. VASINA

Novgorod

Education committee:

Ms G. TSADINA

Mr AVERDIN

Ms T. ALEXEIEVA

Mr ANDREYEV

Mr ZIDOROV, school director, electro-mechanical college

Mr YAKSHIN, school director, Ms V. TSAITSIKOVA, construction college

Moscow

Delegation:
Mr A. KOLETOS

Tacis co-ordinating unit:
Ms T. MARCHENKO
Ms D. MACELLI

Tempus:
Ms SKRIPNICHENKO

Ministry of Common and Professional Education:
Mr V. BOLOTOV
Mr MESKOV
M. BUTKO

Ministry of Labour and Social Development:
Mr M. BUBNOV, Training department

Moscow State University of Economics, Statistics and Informatics, Institute of distance education:
Mr S. VYACHESLAV

State Committee for Higher Education, Division for international cooperation:
Mr O. SHEVJAKOV
Mrs K. VERSHININA

Institute for the Development of Vocational Education:
Mr I. SMIRNOV
Mr A. GLAZUNOV
Mr TKACHENKO

National Observatory
Ms O. OLEINIKOVA

Others

Mr W. VAN DEN BERGHE, TILKON consultancy
Ms A. LUCK, National Observatory, Poland
Mrs O. ILYINA, National Observatory, Czech Republic
Representatives of National Observatories participating in workshops for Phare and Tacis Observatories in Turin.

POLAND
Mr Kozec

CZECH REPUBLIC
Ms Kopíková, National Training Fund

PERSONS INTERVIEWED IN THE EUROPEAN TRAINING FOUNDATION

Directorate:

Mr. P. de Rooij
Ms. E. Bisland
Mr. U. Hillenkamp
Mr. L. Pesca

ADD Department

Mr. H.K. Koch
Mr. T. Farla
Mr. B. Baumgartl
Mr. P. Greenwood
Ms. L. Jackson
Mr. H. Fragoulis
Mr. P. Engelkamp
Mr. B. Buck

Tempus Department

Mr. O. Ramsayer
Mr. P. Bedewell
Ms. S. Stefani
Mr. A. Wilkens

VET Department

Mr. J-R Masson
Mr. A. Gribben
Ms. E. Viertel
Ms. M. Corradini
Mr. M. Junkkari
Mr. A. Vos
Mr. T. Kuusela

Computer Systems Department

Mr. D.J. Harris
Mr. R. Anstey

Financial and Legal Department

Mr. D. Hubart
Ms. V. Frutsaert
Ms. S. Polkamp

Information & Publications Department

Ms. G. Schürings

Personnel & Administration Department

Mr. F. Panzica

LIST OF INTERVIEWED PERSONS IN VARIOUS INSTITUTIONS

FROM THE EUROPEAN COMMISSION:

DG XXII:

Ms. P. Contino
Mr. B. Friess
Ms. J. Kalinauckas
Mr. G. Massangioli
Mr. L. Meredith
Mr. M. Lefranc
Mr. J.P. Prove
Mr. C. Rasmussen

DG I/A:

Ms C. Leffler-Roth
Ms S. Seaman
Mr. M. Franco
Mr. P. Kirsch
Mr. J. Kjaer
Mr. B. Sordet
Mr. J. Trestour
Mr B. de Largentaye
Mr S. Kjellström
Mr van der Mosten
Mr Castrinakis
Mr Nieto

FROM THE ETF GOVERNING BOARD:

Mr. K.G. Lidstrom
Mr. Ramsbye
Mr. D. Purcell
Mr. G. Pursglove

FROM THE OECD

Mr Whitman
Mr Alexander

ANNEX 7

LIST OF DOCUMENTS STUDIED BY THE EVALUATION MISSION

List of main studied documents

Documents issued by the Commission of the European Communities

1. Council regulation (EEC) No. 1360/90
establishing a European Training Foundation
2. Convention between the Commission of the European Communities
and the European Training Foundation
providing for technical assistance with regard to implementation
of the Tempus II programme financed by the EU Phare programme
in Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland,
Romania, the Slovak Republic and Slovenia
3. Tempus II programme financed by the EU Phare programme
in Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland,
Romania, the Slovak Republic and Slovenia
Annual technical report to the Commission
4. Convention between the Commission of the European Communities
and the European Training Foundation
providing for technical assistance with regard to implementation
of the Tempus II programme financed by the EU Phare programme
in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the
Russian Federation, Tajikistan, Turkmenistan, the Ukraine, Uzbekistan and
Mongolia
5. Framework Agreement between the European Commission Tacis/Phare
programmes
DGIA Directorates B and C and the European Training Foundation (draft)
- Draft
- Signed agreement
6. Evaluation of Tempus achievements to date and views on partner countries'
remaining needs
Brussels 08.05.98
7. Convention between the Commission of the European Communities and the
European Training Foundation providing for cooperation within the framework of the
programme for Vocational Education and Training Reform (RO-94.05) financed by the
EU Phare programme in the Republic of Romania (in package 34/Romania)

Documentation issued by the European Training Foundation:

8. Financial regulation applicable to the European Training Foundation

9. Budget - estimate of revenue

10. 1997 Budget - estimate of revenue (draft)

11. Work Programme 1994-96

12. Work Programme 1996-98

13. Work Programme 1997-99, Final draft

14. Rapport Annual 1994

15. Annual Report 1995

16. Rules of Procedure of the Governing Board of the European Training Foundation

17. Draft Minutes of the sixth meeting of the Governing Board Torino, 12 February 1996

18. Draft Minutes of the 7th meeting of the Governing Board Turin, 14 October 1996

19. Rules of Procedure of the Advisory Forum of the European Training Foundation

20. Third Advisory Forum meeting Turin, 10-12 June 1996

- Summary of conclusions
- Subgroup A: Financing Vocational Education and Training
- Subgroup B: The Role of the Social Partners in the development of training in market economy
- Subgroup C: Standards in Vocational Training
- Subgroup D: The Roles and Responsibilities of Key Players within continuing training (including management training)

21. Separate file "Legal aspects" including the documents

- Regulation 1360/90 establishing the European Training Foundation
- Regulation 2063/94 amending regulation 1360/90
- Internal rules of the Governing Board of the European Training Foundation
- Financial regulation of the European Training Foundation
- Draft rules for implementing the Financial regulation of the European Training Foundation
- Draft decision of the Governing Board for establishing an Advisory Committee on Procurement and Contracts
- EU staff rules and regulations
- Decision of the Governing Board establishing the Staff Committee
- Decision of the Governing Board on local agents
- Standard convention for VET programme

- Draft framework agreement
- Standard convention for Tempus programme

22. Separate file "Financial aspects" including the documents

- Finance and legal department - Current organisation chart
- Finance and legal department - New organisation chart
- Finance and legal department - proposed re-organisation
- Description of financial monitoring policy
- Description of budgetary arrangements
- Main financial procedures - ETF general budget
- Handbooks
- 1997 ETF general budget
- Draft 1998 ETF general budget
- Example of reporting: ETF general budget
- Example of reporting: Tempus Phare budget
- Example of reporting: VET Phare budget

23. Progress Report January - June 1996

24. Proposed Terms of Référence for the setting up of National Observatories in the Phare countries

25. Phare Monthly progress reports - December 1996

26. Phare Training sector paper (9. draft/10 December 1996)

27. Phare Programme Management Units' Meeting Final report. Dublin, Ireland. Nov 24-28, 1996

28. Vocational Education and Training Reform in Albania

29. Vocational Education and Training Reform in Bulgaria

30. Package including:

- Vocational Education and Training Reform in Estonia, Working document December 1996
- Estonia - An overview
- Commission decision establishing a third Country Operational Programme for the Republic of Estonia
- Estonia - Assessment of readiness for accession with regard to VET
- Workshop for VET policy advisors from the Baltic countries 16-21 Feb 1997
- Sector assessment form for beneficiary institutions under the Phare programme in Estonia
- Bi-annual progress report no.1 on the Phare VET Reform programme for Estonia

31. Annex to Vocational Education and Training Reform in Hungary (draft)

32. - Assessment of readiness for accession with regard to VET

33. - Assessment of readiness for accession with regard to vocational education and training
34. Package of material on the VET Reform programme in Romania
35. 1st bi-annual progress report on the Romania VET Reform programme RO 9405
36. 2nd bi-annual progress report on the Romania VET Reform programme
37. 3rd bi-annual progress report on the Romania VET Reform programme
38. The Tacis programme annual report 1995
39. 1996-99 Indicative programme Russian Federation (draft)
40. Education and training in the Russian Federation : A contribution to Tacis programming 1996-99
41. Six-monthly progress report on Setting up of a network of National Observatories. Tacis.
42. Terms of Reference
Management of a pilot project in the north west region of the Russian Federation (Western European project manager)
43. Project Proposal for Distance Education in Russia
44. Invitational seminar on Distance Education in Russia
Moscow 22 and 23 April, 1996. Seminar papers
45. Invitational seminar on Distance Education in Russia
Moscow 22 and 23 April, 1996. Seminar proceedings
46. Terms of Reference
"Horizontal" Workshops supporting a pilot project on "VET reforms in North-West Russia"
47. Tempus at Work
48. Tempus - Guide de candidat. Pre-projets et Projets compacts.
Année académique 1996/97. Tacis.
49. Tempus - Guide for applicants. Academic year 1997/98. Phare.
50. Compendium. Academic year 1995-96. Tacis.
51. Tempus Tacis Compendium 96, Part 1 (draft 12/2/97)
52. Package: World Bank/European Training Foundation-Joint project
Report on Vocational education and training in Bosnia-Herzegovina

53. Towards Closer Coöperation
Workshop on Donor Coordination in Vocational Education and Training
Turin, 6-7 June 1996
Workshop resume
54. Promoting Cooperation in the Field of the Vocational Education and Training
in the Balkan Region. Proceedings
International conference held 10-11 May 1996 in Sofia
55. Baltic conference on Vocational Education and Training -
The Importance of European Coöperation
Tallinn, Estonia. 22-23 April 1996
56. File ETF96AD019 - 0.2.1.5 Estonia
National Observatory file "Estonia"
Foundation for Vocational Education and Training Reform
57. File ETF96AD.0017 - 0.2.1.10 Romania
National Observatory File "Romania"
Institute for Educational Sciences
58. ETF File Estonia VET Reform Programme IV
59. ETF file Recognition
60. Set of ETF (original) material on higher education including e.g.
- Multi-country cooperation in higher education in 11 countries of CEE
Work programme 1 Sept. 96 - 28 Feb 97
61. ETF file "Quality assurance" on inter-country policy in higher education
63. European Training Foundation
Work programme 1997 (English and French final versions)
64. Vocational Education and Training Reform in Estonia
(Country report) Working document Dec 96
65. Vocational Education and Training Reform in Romania
(Country report) Working document Dec 96
66. Terms of Reference
A mid-term assessment of the national observatory network 1996/97
67. Mid-term Assessment of the national conservatory network 1996/7
Tilkon Consultancy (BE)
68. Pro memoria
Governing Board meeting 17 Feb 1997
1996 budget

69. 1996 budget

State of commitments and payments as at 31 Dec 1996

Appropriations for the current financial year

70. Governing Board meeting 17 Feb 1997

Finance/1996 budget

Revenue and expenditure account and balance sheet relating to the transactions of the 1996 budget

The Court of Auditors report

Foundation's replies to the above report

71. Statut

Règlements et réglementations applicables aux fonctionnaires et autres agents des Communautés européennes

72. Staff regulations

Regulations and rules applicable to officials and other servants of the European Communities

73. ETF regulations on personnel

- Staff committee regulation

- Regolamentazione delle condizioni di lavoro degli agenti locali in servizio a Roma e a Milano

- Special leave for training

- Regulation on the Mediator

- How to organise meetings

- How to conclude a contract

- Guide to performance evaluation report

74. Terms of Reference

ZZ-95.20 Phare multi-country programme in higher education

Project: Quality assurance in higher education

75. Tempus

Joint European project Management Handbook

Phare

76. Tempus Output Promotion

Information package on TOP activities

77. Tempus Phare

Compendium

including Joint European Projects

Compact Measures, Academic year 1996/97

I, II and III

78. Réglementation financière applicable à la Fondation Européenne pour la Formation

79. Report of Controle Financier 27/12/95
80. Report of Controle Financier 9/11/96
81. Initial Draft Report of development of the interfaces between DGIA and the ETF
82. Financial documents from Mr. Hubart:
 - problem of financial and administrative handling of Phare and Tacis funds by ETF
 - the reports following the 3 visits of DGXX to ETF
83. The report following the conference on EU agencies 1996
84. Hungary:
 - contract on Observatory
 - Letter of Intent re. Observatory
 - Agreement between ETF and National Institute of Vocational Education on provision of services
85. Tempus Tacis evaluation
86. ETF Computer Systems Department:
 - task descriptions and organigramme
87. Computer user policy
88. Information and Publication Department:
 - overview of tasks
 - task descriptions
 - publications production plan for Tempus 97
 - example of a work plan for a publication
89. Establishment of National Observatory: Agreement with Romania
90. Package of information about VET projects in the Russian Federation
91. Work programme of the management training sector 1996/98
92. Rapport de contrôle de la DG du contrôle financier (Nov. 95)
93. Rapport de contrôle de la DG du contrôle financier (Mars 95)
94. Report on Financial Control's mission to the European Training Foundation (Dec 95)
96. CV's of the ETF staff
97. The pre-accession reports of 10 Phare countries

In addition, various files have been scrutinized during the interviews in different departments.

98. Phare Training Sector Paper, 13 March 1997

99. Self-assessment survey of the Phare National Observatories Synthesis of Findings, Tilkon, April 1997.

100. A sample of National Observatories reports : Czech Republic, Lithuania, Slovenia

101. Conceptual Framework for the preparation of reports on « the VET System in the Partner Countries : Recent Changes , Challenges and Reform Needs » (Phare and Tacis), 17/02/97.

Further documents on education, labour market, and the VET-related projects were collected and analysed in Estonia, Romania and Russia.