Final Report (Vol. I)

External evaluation of the European Training Foundation

Contract no. 2001 – 3355/001-001

November 2002

Submitted by

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Final Report for the External evaluation of the European Training Foundation Contract no. 2001 – 3355/001-001

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Acknowledgements

This report draws on the results of a series of visits to ETF in Turin, Commissions services and the European Parliament in Brussels, and to Lithuania, Russia and Algeria. During the evaluation we have interviewed a large range of stakeholders, all of whom have been willing and helpful contributors.

The evaluation team would like to thank DG EAC (and in particular, our task manager Olivia Dorricott) and the Evaluation Steering Committee for their patience, support and guidance in steering the evaluation towards its conclusion.

The evaluation team would also like to thank the staff of ETF for their open and constructive approach to the questions and challenges we have posed to them, and for the practical assistance they have provided to us in arranging interviews, accessing documents and undertaking country visits. This assistance has been invaluable. In particular, we would like to thank Peter Greenwood and Sylvia Molteni of the Planning, Monitoring and Evaluation Unit for their unstinting efforts.

In Lithuania, we would like to thank the following who were very helpul with the organisation of the visit as well as giving valuable advice and practical support: Giedre Beleckie, Vincentas Dienys, Natalija Zimina, and Lina Vaikute.

In Moscow, similar helpful support and valued insights were given by Olga Oleynikova.

In Algeria, we would like to thank Osmane Meslouh and Belkacem Djoudad for their practical assistance and kind hospitality, which made our visit there both illuminating and enjoyable. During our visit, we were fortunate to spend time with Jean-Marc Casteljon, Algeria Country Manager, and Gerard Mayen, Teamleader for Observatory function development in the Meda region. Their comments and insights were a valuable contribution to our findings and conclusions about ETF effectiveness in Algeria and the Meda region.

List of abbreviations and terms used

ABB	Activity Based Budgeting
AF	Advisory Forum
AIDCO	EuropeAid Cooperation Office
CARDS	Community Assistance for Reconstruction, Development and Stability
C&TS	Computer and Technical Services Unit within ETF
CC	Candidate Countries
CEDEFOP	European Centre for the Development of Vocational Training
CMT	Change Management Team
CVT	Continuing Vocational Training
DG EAC	Directorate General for Education and Culture
DG ELARG	Directorate General for Enlargement
DG EMPL	Directorate General for Employment and Social Affairs
DG RELEX	Directorate General for External Relations
ESF	European Social Fund
ETF	European Training Foundation
EURYDICE	Information network on education in Europe
GB	Governing Board
ICT	Information and Communications Technology
I&CU	Information and Communications Unit within ETF
ILO	International Labour Organisation
JAP	Joint Assessment Paper
LLL	Lifelong Learning
LM	Labour Market
MB	Management Board
MEDA	The programme financed by the European Communities to support the Euro-Mediterranean Partnership
MEP	Member European Parliament
MTP	Management Training Programme
NIS	New Independent States
NOb	National Observatory
OECD	Organisation for Economic Cooperation and Development
Phare	One of the three pre-accession instruments financed by the European Communities to assist the applicant countries of central Europe in their preparations for joining the European Union
PMEU	Planning, Monitoring and Evaluation Unit

SME	Small and Medium Scale Enterprises
SMT	Senior Management Team
Tacis	EU programme for provision of assistance to partner states in Eastern Europe & Central Asia
TOR	Terms of reference
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational Education and Training
WP	Work Programme

Executive Summary: Analysis, Findings, Conclusions and Recommendations

1. Background

E1. This draft final report has been prepared in compliance with the requirements of Contract 2001–3355/001-001, between ITAD Ltd and the European Commission's Directorate General for Education and Culture (DG EAC), for the purpose of conducting an external evaluation of the European Training Foundation (ETF). The terms of reference (TOR) can be found in Annex 1.

E2. The purpose of the evaluation is to assess the efficiency and effectiveness of the Foundation compared to its statutory obligations and tasks. It is aimed at providing useful lessons and recommendations for the 2003 programming phase and future activities, in particular the Foundation's ability to meet the challenge of developing as a centre of expertise.

E3. The Foundation was established by Council Regulation No. 1360/90 of 7 May 1990, amended in 1994, 1998 and 2000. Its mission is to contribute to the process of vocational education and training reform that is currently taking place within its partner countries and territories. It also provides technical assistance to the Tempus Programme.

2. Stakeholder analysis

E4. The Foundation's partner countries and territories are those that are eligible to participate in the European Union's Phare, CARDS, Tacis and MEDA Programmes. ETF's main stakeholders are:

- **DG Education & Culture**, ETF's *DG de tutelle,* responsible for development of EU VET and LLL policy framework, and for management of Tempus Programme.
- **DG External Relations**, including Delegations, to whom ETF provides expertise to assist in the programming and monitoring of the VET reform process.
- **EuropeAid** (AidCo), to whom ETF provides expertise to assist in project identification & appraisal, project monitoring, and dissemination of best practice.
- **DG Enlargement**, to whom ETF provides expertise to assist in preparing candidate countries for membership of the EU & compliance with the acquis.
- **DG Employment and Social Affairs**, to whom ETF provides expertise to assist in preparing candidate countries for the European Social Fund.
- **Member States through the Governing Board**, which has oversight of the discharge and operations of ETF, with responsibility for adopting ETF's work programme & budget.
- **The European Parliament** through its committees on Budget and Employment & Social Affairs, which have an oversight on how ETF's subvention is utilised.
- **Partner country ministries and national VET institutions/associations** to which ETF provides a range of services such as monitoring of the VET reform process, information dissemination, and policy advice.
- **National Observatories** to which ETF provides *inter alia,* expert support, staff development & financial support; and which provide to ETF factual reports and analysis, assistance in setting up missions, access to ministries and stakeholders and other such support.
- **National Tempus Offices, Tempus Information Points, and National Contact Points** to which ETF provides information and technical advice on the Tempus Programme.
- **CEDEFOP**, a Community Agency with a different mandate but a common interest in VET, which cooperates with ETF in particular with regard to the development of projects involving Member States & candidate countries (CCs), and with whom ETF cooperates in familiarising the CCs with Community policy developments.
- **The Advisory Forum**, the partner countries' only statutory link to ETF, which meets annually and comments on the content of the Foundation's work programmes.
- Various **international organisations** involved in VET, Member State development organisations, and individual VET experts, who have a more general interest in information dissemination, joint initiatives and networking links with ETF.

E5. During the period from 1997 to 2002, the European Training Foundation (ETF) has undergone several important changes in both its approach and the activities it undertakes. The most significant changes to ETF's role and mandate occurred in 2000, when the Commission and the Governing Board of the Foundation initiated a strategic reflection (known as the 'structured dialogue') on the future development of the Foundation.

E6. The purpose of the structured dialogue was to arrive at a clear agreement on a revised framework within which the Foundation should operate in the medium term. Taking into account changes in the Commission's external relations policy framework, it signalled a major shift in role, away from the management of programmes to the further development of the Foundation as a centre of expertise. It resulted in agreement on medium term perspectives for 2002-04 that set out the financial and human resource levels, including inflation-only increases to the Foundation's budget, and a reduction in staffing from 126 to 99 full-time posts.

3. Evaluation methodology

E7. The main evaluation tool is the evaluation matrix, which sets out the questions specified in the terms of reference, elaborates them into detailed questions, and relates each question to the specific tools to be used, and the stakeholder groups to be consulted. The evaluation matrix can be found in Annex 2.

E8. The evaluation was conducted in three phases: an **Inception phase** – during which preliminary interviews were conducted with key informants in ETF and the Commission; the **Main study phase** – during which additional interviews were conducted, case study visits were undertaken, and a web-based survey was conducted; and the **Synthesis phase** – during which the findings from earlier phases were integrated into this final report.

E9. Three visits were made to Turin – in January, February and April – during which 37 staff were interviewed. Wrap-up sessions were conducted with those interviewed, to validate the evaluation team's findings. Two visits were made to Brussels, during which 29 Commission staff with direct knowledge of ETF were interviewed. Additional face-to-face and telephone interviews were conducted with members of the Governing Board, the European Parliament, and staff of CEDEFOP. The full list of stakeholders interviewed can be found in Annex 3.

E10. Two web-based surveys were launched in May 2002:

- The 'ETF staff survey', seeking the views and perceptions of all ETF staff on the efficiency and internal operations of the Foundation
- The 'stakeholder survey', seeking the views and perceptions of ETF stakeholders concerning their access to, use of and satisfaction with the services provided by ETF

E11. The common purpose of the surveys was to underpin the more qualitative analysis generated by key informant interviews. With regard to the ETF staff survey, of the 130 staff contacted, 79 responded giving a 60% response rate. Results for the stakeholder survey were disappointing. Additional surveys were subsequently established for priority stakeholder groups – the Governing Board, CEDEFOP staff, and Social Partners. Of the 30 Governing Board members contacted, 7 more responded to give a total of 8 responses; while responses were received from all of the 9 CEDEFOP staff contacted. Only a further 2 responses were received from Social Partners. Thus of the total 1500 stakeholders contacted, only 6% responded.

E12. The terms of reference required case studies of 'three typical projects in the areas of policy advice, information provision and project implementation'. In fact, after consultation with DG EAC and the operational departments of ETF, the Evaluation Steering Committee agreed to the selection of four case studies. Case studies are considered to be representative of the different regions, types of activity, thematic areas of work, and period of implementation. The following were selected:

- **National Observatories**, which represent good examples of capacity building in partner countries and the development of products and services in close collaboration with local experts. A visit was undertaken to Lithuania between 7th and 19th May where the focus was on the National Observatory, but where the full range of ETF activities were also examined.

- **The Delphi project** in the Russian Federation, which represents a good example of ETF's project management role. A visit was undertaken to Moscow between 19th and 25th May to look in particular at the Delphi project, but also at the National Observatory.
- **Algeria** providing an example of the new 'centre of expertise' relationship between ETF and the Commission in a new geographical area. A visit was undertaken to Algeria between 2nd and 7th June looking at all ETF activities there
- **Social Partners** where ETF is helping to enhance social dialogue on VET strategies at national and international level with a wide range of stakeholders. This was treated as a desk study with no requirement for country visits.

E13. The detailed case study reports are presented in Volume III: Case Study Annexes.

4. Main findings

4.1 Effectiveness

Achievement of objectives

E14. ETF's statutory objectives are to contribute to the development of the vocational training systems of partner countries in the framework of the Community's external aid policy. The partner countries covered are those covered by the Phare and Cards programmes in Central and Eastern Europe; the Tacis programme in the New Independent States of the former Soviet Union and Mongolia; and the Meda programme in Mediterranean non-member countries and territories. These objectives are to be achieved through the following functions[1]:

- Provide assistance in the definition of training needs and priorities
- Act as a clearing house to provide information on current initiatives and future needs in the training field
- Examine the scope for joint ventures of training assistance including pilot projects, and fund the design and the preparation of such projects
- Implement vocational training programmes agreed on by the Commission and one or more of the eligible countries as part of the Community policy of assistance to these countries
- For activities and projects which are funded by the Foundation, to arrange for the appropriate bodies to design, prepare, implement and/or manage projects

E15. Through the National Observatories in particular, ETF has not only assisted in the definition of training needs and acted as a clearing house, it has also built increased capacity within partner countries to carry out these functions.

E16. Through its Title 3 budget, ETF has shown itself capable of successfully designing and implementing innovative projects that act as catalysts to the VET reform process, and build expertise within their own organisation. The case study visit to Algeria showed that with careful planning, the limited funding available for such ventures can generate a significant cumulative impact within the national VET reform context. Similarly, the Social Partners programme has illustrated ETF's catalyst role, triggering a wide range of follow-up activities by the partner country participants.

E17. Using the Delphi project as an example of ETF's pre-2000 project management role, it is evident that ETF provided sound management services, steering a complex project to what is acknowledged as a successful conclusion.

Perceptions of ETF achievements and added value

E18. Overall, ETF is an effective organisation, delivering good quality outputs. However, it has been inefficient in the way it has engaged with its customers and clients, and in the way it has responded to changes in its operating environment.

[1] Summarised from Council Regulation No 1370/90, as amended by No 2063/94 and No 1572/98.

E19. Perceptions of ETF's effectiveness differ quite markedly across Commission services, reflecting differences in the nature and regularity of contact initiated by ETF staff, and perceptions of the quality of expertise and advice provided by ETF. Some Commission units and individuals are in regular and systematic contact with ETF departments, providing them with a clear impression of ETF's corporate strengths; while others experience a more ad hoc contact with individual staff members, leaving them with only a very partial view of ETF's strengths and characteristics.

E20. Nonetheless, a consistent theme from this evaluation is that ETF's main strengths are perceived by their stakeholders to lie in a package of expertise that includes networking and facilitation; continuity of expertise; local knowledge; and good administration skills. It is for these strengths that ETF are most valued, more than for their purely technical VET expertise. This package has been of particular value during a period when the Commission has undergone dramatic organisational change within the context of an evolving external relations policy.

E21. The Foundation is seen as having provided a valuable service to the Commission. Criticisms relate more to the way in which the Foundation has operated pre-2000 and the structured dialogue (behaving in too autonomous a fashion, and making claims beyond its real capacity to deliver) and to the unsystematic way in which it maintains contact with its customers.

E22. These perceptions are echoed by the members of the European Parliament, and by Member States as expressed through the Governing Board. The MEPs interviewed perceive ETF as playing a positive role and fulfilling its mandate, but they see the need for more systematic contact, and for improved reporting on issues of particular concern to Parliament. Governing Board members appreciate ETF's networking and capacity-building role, and its qualified personnel, while perceived weaknesses focus on ETF's communication skills.

E23. Since the structured dialogue, ETF has shown itself to be increasingly responsive to customer and client needs. Its comparative advantages are complementary to the needs and capacity of Commission services and should be capitalised on more by ETF. This requires a clearly defined strategy to promote them effectively, taking into account the fact that ETF faces a sometimes-sceptical main customer – Commission services – whose perception of its strengths often does not match the Foundation's self-perception.

E24. The views of partner country stakeholders, as reflected in stakeholder survey, and those met during case study visits, are largely positive. 70% of the 23 Advisory Forum members who participated in the stakeholder survey agreed that ETF has made a significant contribution to labour market and VET reform in partner countries, and 78% agreed that the Foundation acts as an effective catalyst in the development of policies and methodologies.

R1. ETF should research and document what comprises its expertise package as seen by key customers and clients, and market this as part of the Foundation's new strategy. This strategy should focus in particular on how ETF can best play its role as a catalyst and policy adviser in the partner countries, including how the Advisory Forum can better be used as a channel for engaging directly with senior policy makers. This will draw in particular on the successes and experiences of the Meda Department.

The National Observatory network

E25. The National Observatory is regarded as a key management tool for ETF. Since 1996 ETF have set up 25 National Observatories in 24 partner countries in the Tacis, Phare and Cards regions. Their purpose is to identify priorities and advise on policies for the further development of vocational training through relevant Phare, Tacis and Cards programmes. Their functions are to: collect and analyse data on VET and labour market reform in each country; disseminate information and good practice from EU members states and other partner countries; and develop co-operation with international networks and organisations from EU Member States.

E26. A different model is being developed in the Meda region, where the observatory *functions* are to be undertaken by a co-ordinated network rather than primarily by a dedicated institution. Consequently, there has been a greater focus right from the beginning on ensuring that the observatory function will serve directly the needs of partner country VET reform and labour market development.

E27. The ETF evaluation of Phare National Observatories, conducted in 2000, found that the services provided by the National Observatories were well regarded by key stakeholders and users, although it also found a limited awareness by the Observatories as to the specific needs of their users – partner country Ministries, VET institutions, Commission services, etc. ETF's 2001 evaluation of Tacis National Observatories found that while the overall functioning of the network was very relevant to the VET reform process in the different national systems, dissemination of information was rather passive and the National Observatories' contribution to national policy making and implementation was largely confined to mediation between local authorities and international donors, and providing information support to strategic decisions.

E28. Sustainability is a key issue. With recent changes in funding from ETF, the National Observatories will have to become more financially independent in the medium term, and the sustainability of their functions will need to be addressed. This can be addressed in a number of ways – through opportunities for the marketing of National Observatory services and products; re-siting of the National Observatory within a 'guarantor' host institution; or dispersal of the functions of the National Observatory into the VET institutional landscape. Candidate countries National Observatories face the additional opportunity of incorporation into CEDEFOP's reference expertise network, whose functions are however different.

R2. ETF should develop a cross-country sustainability strategy for National Observatories in the NIS and CARDS, which accelerates their greater independence from ETF. The strategy should explore possibilities for cost recovery through sale of NObs products, the implications of siting NObs in government or non-government institutions, and the feasibility of re-siting Observatory functions (rather than the institutions themselves) within the VET institutional landscape of each partner country. Within Phare countries, the focus should be on maximising the chances that NObs will be incorporated into CEDEFOP's reference expertise network.

Cooperation with DG Relex and EuropeAid

E29. ETF has clearly made considerable efforts to promote itself among Commission services, and this reflects a change in approach from the past when the Foundation was seen as operating in too autonomous a fashion. Commission staff acknowledge that while ETF did not engage as well as it might have done in the past, this was as much the fault of the Commission as of the Foundation.

E30. The Foundation has been seen over time as reactive rather than proactive, and has not engaged fully with some of its client DGs. This is closely linked to the findings presented earlier concerning ETF's approach to information, communication and publication. Commission staff would like to see more of a creative approach, and a greater engagement with Commission services to develop new ideas jointly.

E31. ETF does appear to have been particularly successful in building a good relationship with Commission services from the EuropeAid Meda Unit, despite starting from an initially shaky footing. During the period 1998 and 1999, it was difficult for ETF to engage fully with Commission services, but through patience and perseverance ETF's Meda department did succeed in establishing a relationship of trust, based on the building of its credibility in a small number of defined areas. This process appears to have allowed both the Commission and ETF to develop a better mutual understanding of the Commission's needs, and how the Meda Department can best provide this support – even to the extent of recruiting new staff to provide regional knowledge expertise that was otherwise lacking in the Foundation. This approach may provide a model that could be applied more widely within the Foundation.

R3. ETF management should convince Commission services of its capacities across all partner regions before the Commission considers any expansion to its technical or geographical mandate. The focus should be on ensuring that its reputation with all Commission services matches its capacity to deliver. This will require ETF to present its expertise package clearly, and to improve its external communications [see recommendation 10.] At the same time it will require the Commission to consider carefully how to maximise the benefits to be gained from using ETF expertise.

R4. Through its rolling framework agreements with Tacis, Cards and Meda Commission services, ETF should clarify with Commission services what constitutes the appropriate level of activity for the medium term in partner countries where VET and labour market reform are not currently a priority for EU external relations policy.

Cooperation with CEDEFOP

E32. CEDEFOP was established by Council Regulation 337/75 in 1975 to assist the Commission in promoting the development of vocational education and training at the European level on issues of common concern to the Member States.

E33. ETF and CEDEFOP are both Community Agencies but have different technical and geographical mandates, and different skills and strengths. In particular, CEDEFOP focuses primarily on analysis and dissemination of comparative knowledge, and on understanding trends and developments in VET in Member States and at the European level. In contrast, ETF is more operationally oriented to specific national needs in partner countries, reflecting its focus on internal VET reforms. The staff of both organisations see a clear differentiation in roles, while the apparent perception among some MEPs of overlap between ETF and CEDEFOP stems more from a lack of understanding within Parliament of their differing roles, rather than from any well-grounded concern.

E34. In an attempt to consolidate and build cooperation between the two agencies, a Framework for Co-operation was agreed in 2001. This built on the obvious need to coordinate activities in the candidate countries, but also on their broader common interests and complementary expertise in vocational education and training. The aims of the framework are to prepare the candidate countries for full participation in CEDEFOP at the time of accession, and to facilitate the full participation and involvement of candidate countries in the policy development of the European Union in the period before accession.

E35. The Framework established a Working Group with responsibility for proposing cooperation activities and reporting on progress; and required both organisations to agree an annex to their respective work programmes setting out joint actions and projects to be undertaken. The two agencies present to their respective Governing/Management Boards, a six-monthly report detailing progress in joint activities and projects, and will include a joint section in their respective annual reports.

E36. The Framework has helped in providing a clearer basis for cooperation. Practical cooperation is increasing, as evidenced by the joint activities undertaken and the progress reports. The Working Group is operating well, although with the reservations that their meetings cover too much material, and that the mix of experts attending from both organisations is not always appropriate to the issues in hand. The common focus on joint projects has resulted in improved coordination at the level of project managers. CEDEFOP staff agree that they have been adequately involved in ETF activities in candidate countries, and that ETF has provided valuable support to candidate countries for their participation in CEDEFOP projects and initiatives. However, at a more senior level communication remains a problem.

E37. The two organisations do share information and resources, and are building of a common approach where appropriate. But ETF should do more to draw on CEDEFOP's expertise, recognising where this is stronger than their own – particularly in relation to policy and best practice in EU Member States.

E38. Cooperation is improving, and it has enabled the two organisations to avoid duplication or overlap. But this improvement has been more in terms of actions undertaken as individual contributions to a larger product, rather than as truly joint products. Furthermore, the ETF-CEDEFOP annex to their work programmes does not provide a basis to assess country-by-country what initiatives are required for the full integration of each country into CEDEFOP.

E39. There is uncertainty about whether the Candidate Country National Observatories will selected to become nodes in CEDEFOP's Reference Expertise Network (REFER). Although the National Observatories have different functions to those required by the REFER network, ETF nonetheless feel strongly that they provide good potential for this role. CEDEFOP will be conducting its own assessments of potential candidates for REFER this year, and no decision has yet been made. The National Observatories represent a considerable investment and a valuable resource, and while they may yet be incorporated into REFER there is little time for the 2004 accession countries to pave the ground for this. The opportunity remains in Bulgaria, Romania and Turkey to prepare a longer-term strategy that will maximise the chances that the National Observatories or their functions will be fully incorporated into REFER.

R5. ETF and CEDEFOP should develop a strategy for all pre-accession countries. For the 2004 accession countries, the focus should be on detailing objectives and priorities

country-by-country and for cross-country issues, thus providing the opportunity for defining in more detail what responsibilities ETF and CEDEFOP should have, and how they should therefore cooperate in practical terms. For Romania, Bulgaria and Turkey, country specific objectives should also be developed, but with a particular focus on preparing National Observatories for future incorporation into the REFER network.

R6. A two-tier system should be introduced for the ETF-CEDEFOP Working Group. A smaller group led by the two Directors should focus on the institutional aspects of cooperation, mapping out priority themes for joint action and playing an oversight role. A series of more ad hoc groups should be established to deal with thematic issues as they arise. This should link in with ETF's Thematic Working Groups.

[See also recommendation 2, concerning National Observatories in candidate countries.]

Cooperation with DG Enlargement

E40. DG Enlargement is one of ETF's paymasters, and has a direct interest in ETF's activities in the Candidate Countries and with regard to the Phare programme. During the period until 2000, ETF's role was more concerned with project management and administration; since then, the Foundation has shifted to its centre of expertise role, and the focus for its activities in Candidate Countries is reorientated towards institution-building and social and economic cohesion and to preparing CCs for the European Social Fund and for participation in CEDEFOP activities. Taking account of the focus on accession, Candidate Countries now have observer status on ETF's Governing Board.

E41. DG Enlargement perceptions of ETF are broadly similar to those of DGs Relex and EuropeAid. Thus ETF's main strengths are seen as its networking and facilitation skills; continuity of expertise; local knowledge; and good administration skills. Also in common with other DGs, DG Enlargement staff see ETF's expertise as being individually based rather than corporate, which is a reflection of ETF's inadequate external communications strategy (see para 51). While ETF is seen as having made a sound contribution in Candidate Countries in support to the Commission (see also sections dealing with DG Employment and Social Affairs, and DG Education and Culture), DG Enlargement would like to see improved client orientation, and a clearer strategy that anticipates ETF's exit from operations in Candidate Countries, and the Candidate Countries entry into CEDEFOP.

Cooperation with DG Employment and Social Affairs

E42. ETF was commissioned by DG Employment and Social Affairs in 2000 to prepare a series of country monographs as in-depth studies on vocational training and employment services in the candidate countries. The purpose is to assist the EC in monitoring of the implementation of priorities in the Joint Assessment Papers on Employment Policy (JAP) as part of the accession process.

E43. ETF's direct contacts with candidate countries during preparation of the monographs have been useful in sensitising DG Employment to the candidate country perspectives, labour market systems and needs. The monographs themselves were regarded as providing a useful synthesis of data from different sources, but the early versions were seen as being more descriptive than analytical. ETF has shown itself to be responsive to this criticism, and DG Employment and Social Affairs have expressed a high degree of satisfaction with the subsequent monographs. This has led to DG Employment requesting ETF's involvement in a survey of human resource needs in candidate countries, and conference at the end of the year on human capital and economic development.

Cooperation with DG Education and Culture

E44. During 2000 and 2001, DG EAC undertook a consultative process on the Memorandum on Lifelong Learning issued in October 2000. DG EAC proposed the consultative process to candidate countries as an optional exercise, and ETF were asked to assist in the collation and analysis of feedback on the Memorandum. ETF presented DG EAC with a cross-country report with all the findings from the consultations, which was well received as a 'good and useful document' that was based on a sound consultation process.

E45. Although this process was more of a ‘one-off’ exercise, it does exemplify the type of networking and expertise services that ETF can provide to DG EAC. The implementation of the Council Resolution on the promotion of enhanced cooperation in VET ('the Bruges initiative') aimed at addressing the issues of transparency, recognition and quality and the follow up to the Lifelong Learning Communication through the Objectives process now provides the framework within which ETF can provide assistance to DG EAC, in particular as regards the candidate countries.

E46. As ETF’s *DG de tutelle,* DG EAC have a particular stake in ETF’s expertise and networks in general, and in the candidate countries in particular. They also have a direct interest in ensuring that ETF fully exploits the resources and products of other agencies and programmes, such as the Leonardo da Vinci programme. Combined with the key principles that Candidate Countries should actively participate in EU VET policy, and that partner countries should benefit from EU VET policy and Member States best practice, ETF’s working relationship with DG EAC in the field of VET and Lifelong Learning should be placed on a clearer basis.

R7. DG EAC and ETF should agree on a framework for provision of ETF services to support the implementation of the Council resolution on the promotion of enhanced cooperation in VET, the Lifelong Learning Communication through the Objectives process and other policy priorities. With regard to the candidate countries, and given that accession for the majority is planned for 2004, this would require swift action by both parties. The framework could follow the process and format of the existing rolling regional frameworks that ETF has established with DG Relex and EuropeAid, although recognising the different nature of the assistance that ETF provides to DG EAC.

Co-operation with other bodies

E47. The main international bodies with which ETF cooperates and undertakes a variety of joint activities for the purpose of developing human resource policies and programmes include OECD, World Bank, ILO and UNESCO.

E48. Given their comparative advantages, ETF perceive that they are considered by partner countries as a useful and trusted partner in developing jointly-funded initiatives and in promoting coherence between the programmes funded by different donors. This is borne out from case study consultations. However, it is important that the role of ETF is not blurred with that of the Commission. The latter naturally takes the lead in the ‘political’ aspects of programme preparation and as part of its co-ordination as an international body with other multilateral organisations in relation to a country or sectoral initiatives, both in Brussels and in the Delegations.

E49. The evaluation did not succeed in gaining the views of key informants from OECD, World Bank, ILO or UNESCO. But the fact that ETF is asked to provide team members, for example, in peer reviews with OECD, can reasonably be construed as recognition of the experience that ETF has accumulated over the years, especially in the candidate countries.

E50. Such collaborations also offer ETF staff the opportunity for professional development and replenishment of the quality and relevance of their expertise. Such opportunities should be actively pursued as an integral part of the strategy to promote ETF as a centre of expertise to other bodies.

R8. ETF should actively pursue opportunities for cooperation with international bodies as an integral part of the strategy to promote ETF as a centre of expertise to other bodies, and as a means of building the expertise of its staff and the organisation as a whole. Care should be taken to ensure that the Commission is aware of all such cooperation, and that a clear dividing line is maintained between ETF’s ‘centre of expertise’ role, and the Commission’s lead role in negotiating areas for donor cooperation.

Information communication and publication strategy and activities

E51. The Foundation is currently in the process of developing a new overall information, publications and dissemination strategy linked to institutional goals, which it has lacked in the past. Until the introduction of this new strategy, senior management and staff more generally had not considered external communication as a crucial and intrinsic part of ETF's functioning. Rather its approach focused more on the administrative rather than strategic aspects of communication and dissemination, leading to a failure by ETF to present itself clearly and coherently to its clients and customers.

E52. Clearly ETF and its senior management have now fully taken on board the need for an improved information, communications and publication strategy. However, it remains to be seen whether the required philosophy and approach proposed in the report permeates the wider organisation and the way in which all staff interact with their clients and customers – in other words, whether ETF makes serious attempts to embed communication as an essential component of organisational culture. We would characterise such an approach as that of an 'influencing organisation'.

E53. An influencing organisation develops an all-staff approach to the effective delivery of relevant messages to appropriate stakeholders. As part of this strategy it needs to consider who delivers these messages, and to whom. Traditional communication techniques will clearly be part of this strategy, but all members of staff should be considered as potential 'influencers' and need to be equipped to fulfil this role.

R9. ETF should reduce the quantity, increase the analytical quality, and better target the information products of ETF. These products should more closely be linked to corporate strategy, and be embedded in a dissemination strategy that involves target audiences in the design and development of information products.

R10. ETF should expand the remit of its current work in developing an external communications strategy. This expansion should address the challenge of enabling all staff to deliver relevant messages clearly to appropriate stakeholders. Such a strategy should consider the following elements:

- **Contact management – the maintenance and monitoring of regular contact with key stakeholders in the Commission, European Parliament, CEDEFOP and other stakeholder bodies. This may require the appointment of a staff member dedicated to coordinating this function on behalf of all ETF departments.**
- **Consideration of secondment (of ETF staff to the Commission, or vice versa) as a means of networking, and improving mutual understanding of corporate culture**
- **Periodic benchmarking of external and internal perspectives of what ETF is good at, building on current plans to track Commission satisfaction with ETF support**
- **The development of a marketing and promotion approach (and related materials) that is customer oriented and provides the basis for delivery of a common message by all ETF staff. (It is hoped that the external communications consultancy will address this issue.)**

Tempus technical assistance to DG EAC

E54. There are broadly two types of skills and competencies required for ETF to provide technical assistance effectively to the Tempus programme:

- Project cycle management skills, with a particular focus on contract management, to support DG EAC's administration of the application process, and on project implementation
- Content-related skills to undertake technical assessments of applications and project reports, and to contribute more generally to the technical steering of the programme

E55. Both DG EAC and ETF feel that the Foundation has had and continues to have the necessary skills to undertake its tasks. ETF staff also feel strongly that they have developed skills that are complementary to other areas of ETF activity, although this hoped-for synergy (through sharing of skills, expertise and information) has not materialised, representing a lost opportunity for the Foundation.

E56. Nonetheless, the Foundation does feel that Tempus has been efficiently managed, following a client-oriented approach and providing value-for-money to the Commission. But DG EAC has expressed serious reservations about the quality of technical assistance provided. Evidence from correspondence between certain Tempus contractors and DG EAC does indeed point to weaknesses in ETF's administration and to poor relationships with some contractors.

E57. The organisational context (staff changes within DG EAC, organisational arrangements within ETF, and the procedures set or agreed upon) has undermined the effectiveness with which ETF's Tempus-related skills have been used, and has meant that the acknowledged potential for synergy with other areas of ETF operation has not been realised. This situation has been exacerbated by communication problems.

E58. These problems have been recognised during the course of this evaluation, and are in process of being addressed through the development of a clear joint approach to regulate ETF performance in its technical assistance to the Tempus programme. The recommendations below are intended to build on this process.

R11. ETF and DG EAC should finalise the new joint approach for the conduct by ETF of Tempus tasks, the monitoring of ETF performance, and a systematic cycle of contacts and meetings where progress can be reviewed and issues of concern raised before problems arise.

R12. ETF should develop and agree with DG EAC practical strategies to develop synergies during Tempus III between the Tempus Department and the other operational departments, especially within the context of Lifelong Learning.

4.2 Efficiency

Work programme preparation and quality

E59. Work Programme objectives are often poorly specified. In particular, corporate objectives within each of the main areas of ETF activity are not explicitly stated, nor are country objectives. As only one contributor to developments in VET and Labour Market reform, the issue of attributing results on the ground to ETF involvement will always be difficult, but by considering more carefully what the Foundation is seeking to achieve in each country and thematic area, it is likely that ETF projects and the support it provides to the Commission can be more closely related to the corporate objectives of ETF as a centre of expertise. The three-year regional rolling frameworks, which ETF has agreed with Commission services for the Meda, Tacis and CARDS programmes, provide a useful basis for developing more results-oriented objectives, and explicit linkage to EU country strategies.

E60. There are a number of presentational problems with Annual Reports and Work Programmes:

- Annual Reports tend to duplicate the budgets of the Work Programmes, whereas it would be expected that the Work Programme should give the indicative figures, while the Annual Report should show actual expenditure.
- The structure and format of the Annual Reports and Work Programmes changes a great deal from year to year, as does the consistency in the order of data between the reports. This makes it more difficult to undertake 'like for like' comparisons between the years. Although this reflects the changes in the organisation and its operating environment over this period, there are few links made to previous documents or attempts to explain how each document builds upon or is related to the past.
- To the non-ETF or non-EC staff reader, the complexities of the budgets (titles, chapters, etc) and the groupings of activities are not clearly explained in non-technical language.

R13. Planning and presentation of Work Programmes should be reappraised in order to support better accountability of its activities and resources, and provide a clearer framework for monitoring and evaluation. This could include:

- **Thematic and country programme objectives that link projects within a coherent country and/or thematic strategy and demonstrate linkage to EC country strategy papers.**
- **Greater efforts to present programmes and budgets in a more user-friendly way (e.g. through the inclusion of photographs, case study illustrations, summaries of evaluation findings, and a glossary of terms), and to allow for comparative and time series analysis.**

Monitoring and evaluation

E61. The Planning, Monitoring and Evaluation Unit (PMEU) has only been in existence since 1999, and was created on the basis of a recommendation contained in the 1997 evaluation report[2].

E62. Reporting on project progress to the Commission was previously done independently by ETF task managers as part of their project implementation responsibilities, and these reports were supplemented by the Commission's own monitoring system.

E63. Current plans for monitoring and assessment are undergoing substantial change. At the suggestion of the Governing Board, a new system is under development for tracking Commission satisfaction with the support and the quality of experts provided by ETF. Whilst a necessary part of an overall M&E strategy, this covers only one part of ETF's activities (albeit a substantial part).

E64. Particular gaps in M&E arrangements are the lack of a systematic attempt to monitor across the full range of ETF activities, and the absence of arrangements to monitor and evaluate ETF's corporate performance – i.e. how ETF performs as an organisation as opposed to how its individual activities are progressing.

E65. A total of seven evaluations have been conducted by ETF during the period of this external evaluation. The format and presentation of these differs from report to report, reflecting the fact that the PMEU did not exist prior to 1999 and is still forming its policy and approach. Nonetheless, it is clear that the variable presentation and quality reflects a somewhat ad hoc or case-by-case approach that does not readily support a corporate compilation of evaluation findings and lessons.

R14. Develop a detailed strategy for monitoring and evaluation that seeks to measure corporate as well as project performance, and includes a country and thematic approach.

R15. Consult with the EuropeAid Evaluation Unit, and develop standard guidelines for evaluation based on the European Commission external relations Project Cycle Management approach[3]. This will ensure a more systematic and standardised approach, and greater coherence with EuropeAid's evaluation strategy.

Internal decision-making, management and resource allocation

E66. ETF clearly has a range of good quality management and information support systems. Examples include the legal services database, which is comprehensive and well developed, and the financial management system (which is used to apply Activity Based Budgeting) and events management system, which are operating effectively. This is borne out by the comments of the European Parliament in a report[4] on their recent visit to Turin, which noted *"the solid financial probity of the Foundation, and its progress in developing its administrative capacity in accordance with standards of good governance".*

E67. From early 2001, the PME unit has produced quarterly budget and activity reports, which integrate budgetary and activity analysis in one document. They indicate in detail and commitments, disbursement rates for each of the three titles of the budget and specific items and projects. Such reporting is a useful management tool for senior management to monitor the progress of the annual work programmes in relation to project execution and commitments and disbursements, as well as show changes on the previous quarter. It provides a means to assist in the reallocation of funds and budgetary amendments where necessary.

E68. In terms of financial reporting, ETF produces a detailed revenue and expenditure account and balance sheet as exemplified by that for 2001, which relates to the operations under the annual budget and the management of funds for the EC. The report follows the accounting principles and formats as laid down in the Financial Regulation of the Foundation adopted in October 1996 by the Governing Board and in February 1998 the Regulation implementing the

2 *External Evaluation of the European Training Foundation*, Sofreco, 1997

3 The EuropeAid Evaluation Unit is currently revising its evaluation guidelines.

4 Working Document: *Exchange of views with the Director of the European Training Foundation*, Committee on Employment and Social Affairs, rapporteur Thomas Mann, May 2002

financial Regulation was adopted. This is based on the model drawn up by the EC for the newly created EU agencies. This level of financial reporting is an instrument for senior management and the Governing Board to approve allocation of annual resources, as well as in terms of providing accountability for the expenditure of funds according to the requirements of the EC.

E69. ETF staff appreciate the transparency of current procedures, with 58% agreeing that work programmes and budgets are prepared in a transparent manner.

E70. The structured dialogue and the associated staff cuts led to a period of difficult internal relationships, deriving from a strong perception among many of the staff interviewed that there has been insufficient consultation and a lack of transparency in how decisions have been reached by senior management. This situation is clearly improving, but communication and consultation remain key themes as evidenced by the staff survey, which points to improvements in the consultation process, but with still some way to go to bring staff fully behind the decisions made on internal management issues.

E71. Senior management can point to successful attempts to engage staff in a constructive process concerning staff cuts, but a more transparent and consultative approach by senior management to the process of reorganisation and decision-making would have ensured that all staff saw this process as an opportunity and a challenge rather than a threat. Senior management is clearly making great efforts in this and other directions. Such efforts should continue as part of an overall process of changing the culture of the organisation to one of greater openness and trust.

R16. The Directorate should exhibit greater vision and leadership, building on the improved management style already apparent within the organisation. The Directorate should communicate their vision more effectively to staff in order to build their understanding and gain their support. This is essential if the new institutional strategy is to be successful.

R17. DG EAC to engage more actively with the Directorate to encourage this approach. Where DG EAC has concerns about the style or effectiveness of ETF management, it should adopt a more frank approach and provide more direct guidance.

Staff development and organisational structure

E72. During the period from 1997 to 2002, the European Training Foundation has undergone several important changes in its organisational structure. Of particular note was the reorganisation of the Administration and Central Services in 2001. This was meant to concentrate related tasks of previously separate departments (finance and legal, information and communications, personnel and computer and technical services) under one central management function to provide a more effective service and use of human resources. This has worked well.

E73. A Human Resources Plan was formulated in 2001 to support the strategy of ETF becoming a centre of expertise. The approach appears more an exercise in management of the reduced staffing imposed by the Structured Dialogue than matching human resource needs to meeting requirements of the new strategy. Based on that there should have been an assessment of whether ETF had the staff with the capacity and competencies to fulfil the strategy. This should have been the basis for decisions on recruitment, retraining and termination of contracts, rather than the more administrative approach that seems to have been applied previously.

E74. The Personnel Unit has undergone a significant change in approach, moving from an administrative function to more of a human resource development. Staff feel that this change in role is symptomatic of a wider positive change within the organisation, with senior management involving their staff much more directly in the formulation and implementation of strategy. This change in style has come after decisions were made on staff cuts.

E75. ETF staff are confident that they are now clear on the services and content required by the Commission, and they have instigated a competency assessment to map existing skills against these requirements. Training for staff to meet future needs has been recognised and prioritised within the budget set aside for internal training. This is one of the key areas addressed by the change management process.

E76. ETF initiated a change management project in 2001 to support its consolidation as a Centre of Expertise. This involved consultancy inputs by Ramboll Plc, and the formation of a Change

Management Team (CMT) comprising representatives of the different services and administrative elements of ETF to act as an interface between the Foundation and the Consultants. Staff are in agreement on the goals of the current change management process, and feel that they have been fully mobilised in the development of the Foundation as a centre of expertise.

R18. Senior management should ensure that the recently completed competency assessment is used in a transparent way to demonstrate how the Foundation will meet the staffing and human resource development needs of the new centre of expertise strategy. This should be addressed also in ETF's external communication strategy, to demonstrate to external stakeholders how ETF is responding to their needs.

Co-ordination & communication with the Governing Board

E77. ETF staff see the Governing Board as an effective decision-making body with respect to its statutory role, making timely and appropriate decisions. The Board did at one time act as a 'champion' for the Foundation in the structured dialogue, but it tends to remain within the confines of its statutory functions, and is seen more as an approver of decisions already formulated. Governing Board members feel that they have been provided with all the necessary information they require to fulfil their statutory role, but that they have not received sufficient feedback on the ongoing process to consolidate ETF's role as a centre of expertise.

E78. Notwithstanding fulfilment of its statutory role, the Governing Board does operate in a passive way. Members attend meetings and clearly participate in discussions, but they are generally reactive rather than proactive in their approach, and do not appear fully engaged. During the course of this evaluation, and despite repeated contacts by the evaluation team, only eight members responded to the stakeholder survey. One reason for this may be that while the Commission's direct interest in ETF's services is clear, that of the Member States is less so.

E79. The original Council Regulation for ETF (No 1360/90) established as an objective that ETF should coordinate Member State assistance for the development of vocational training systems in partner countries. In fact, Member States subsequently interpreted this objective more broadly as encouraging cooperation, which has been a focus for ETF activities. Nonetheless, the structured dialogue and the resultant changes in the Foundation's role were seen by some members as subordinating ETF to support the needs of the Commission at the expense of Member State interests.

E80. The composition of the Governing Board does not fully reflect the interests of the Commission. EuropeAid is now a major ETF client, and yet they have observer status only at Governing board meetings.

R19. DG EAC to propose EuropeAid's inclusion as a full Governing Board member.

R20. DG EAC and ETF to restructure the Governing Board meeting arrangements to allow for increased time to be devoted to the work programmes and broad strategic issues in order to guide ETF and its management.

R21. DG EAC to consider forming sub-groups within the Governing Board (DG EAC, Member states, Relex, EuropeAid, etc.) in order to better consider and reflect on the issues concerning each group, and to generate more of a dynamic within the Board.

Co-ordination & communication with the Advisory Forum

E81. The main role of the Forum is to provide advice to ETF and its Governing Board on the preparation of the annual Work Programme. It also serves as an exchange network enabling good practices on vocational training policies and reform to be shared between and with countries in transition. It comprises over 100 VET specialists from the partner countries, EU Member States, social partners and other international organisations.

E82. A substantial majority of the Advisory Forum members who responded to the stakeholder survey (23 out of about 120 contacted) feel that ETF communicates effectively with them, and that they are well-served by ETF with information to enable them to analyse work programmes. Members feel that their concerns are reflected in ETF's work programmes. The Advisory Forum Review 1995-99 [ETF, June 2000] substantiates these findings. Ten of the 23 members who responded to the survey were from the Meda region. They expressed overwhelming confidence that ETF had tailored its approach to their specific needs.

E83. Interestingly, the ETF staff survey indicates a contrasting viewpoint. Only 40% of ETF staff who expressed a view see the Advisory Forum as an effective mechanism for communication of regional and country priorities, and similarly only 38% feel that it has contributed effectively to the development of work programmes.

E84. The Advisory Forum is seen by its members as an effective mechanism for communicating regional and country priorities. The annual regional group meetings are seen as useful for networking, and there is more limited networking with Member States via ETF. In the NIS and Algeria, there is a desire for more interaction with the other regional groupings, to share common problems as well as provide insights into new means.

E85. The performance of the forum is variable, reflecting the varying degree of engagement and level of expertise of its membership. Where members are motivated and have the necessary expertise, they have played an important role in guiding and supporting ETF initiatives, and in providing access to senior policy makers. However, a proportion of the membership cannot really be considered experts in their field. Similar concerns were raised internally by ETF in 2000, and in part led to the current sequencing of meetings as part of the changes made to the functioning of the Forum from 2001-03.

R22. Review procedures for selection of Advisory Forum members to determine whether and how the membership can better serve as an active channel for providing ETF with access to senior policy makers. Although ETF does not select members, it should invest time and effort in identifying and lobbying for its preferred candidates.

R23. Consider initiating a regular annual thematic event for Advisory Forum members on a key issue that fits within the ETF areas of expertise, but which is selected by the Advisory Forum and which allows for cross-fertilisation of ideas and experiences between regions.

1. Introduction

1.1 Background to the evaluation

1. This draft final report has been prepared in compliance with the requirements of Contract 2001–3355/001-001, between ITAD Ltd and the European Commission's Directorate General for Education and Culture (DG EAC), for the purpose of conducting an external evaluation of the European Training Foundation (ETF). The terms of reference (TOR) can be found in Annex 1.
2. The purpose of this final report is to present the findings, conclusions and recommendations of the evaluation. The format of the report was discussed and agreed with the steering committee, and presented in the Inception Report.
3. The report is presented in the following sections:
    - Executive Summary – presenting a summary of the main findings, conclusions and recommendations
    - Section 1: Introduction – describing the background, purpose and scope of the evaluation
    - Section 2: Stakeholder analysis – identifying the key stakeholders of ETF, and their relationship with the Foundation
    - Section 3: Methodology – describing the evaluation approach, and the specific tools used
    - Section 4: Main findings – presenting the findings of the evaluation against the main questions contained in the terms of reference, and the detailed questions contained in the evaluation matrix
    - Section 5: Recommendations – presenting a listing of the recommendations
    - Annexes – including *inter alia* the terms of reference, the evaluation matrix, the list of people interviewed, the documents consulted, the full case study reports, and other various supporting documents.
4. This evaluation has been conducted by James Houston and Dane Rogers of ITAD Ltd, with the assistance of Frances Hunt and Chris Barnett also of ITAD Ltd.

1.2 Purpose and scope of the evaluation

5. The purpose of the evaluation is twofold:
    - To assess the efficiency and effectiveness of the Foundation compared to its statutory obligations and tasks
    - To provide useful lessons and recommendations for the 2002 – 2004 programming phase.
6. It is important to note that the role and mandate of the Foundation have changed during the period to be evaluated, which has major implications for the conduct of evaluation. In November 2000, ETF's Governing Board approved a change in role for the Foundation, requiring it to consolidate its expertise function by becoming a 'centre of expertise' for labour market and VET reform issues in partner countries. While it continues to undertake 'obligatory activities' which require more of a management and administration function, the Foundation is undergoing a fundamental shift in the balance of services it provides. The evaluation period covers ETF's current and previously mandated roles, and must consequently address both. The evaluation can therefore be characterised as follows:
    - **Summative**: Evaluating the 'quality' of ETF services and outputs provided in 1997-2002
    - **Formative**: Assessing ETF's success in adapting to its new role as a centre of expertise.

1.3 An introduction to the European Training Foundation

7. The European Training Foundation is one of the European Union's agencies, and supports the European Union in the development of a shared area of economic prosperity, stability and democracy within Europe and beyond. The Foundation's mission is to contribute to the process of vocational education and training reform that is currently taking place within its partner countries and territories. It also provides technical assistance to the Tempus Programme.

8. The Foundation was established by Council Regulation No. 1360/90 of 7 May 1990 and Council Regulation No. 2063/94 (which amends the original). In July 1998 the Council amended the regulation (Council Regulation No. 1572/98) in order to extend the geographical scope of the Foundation's work to the countries eligible for support from the MEDA programme.

9. The Foundation's partner countries and territories are those that are eligible to participate in the European Union's Phare, CARDS, Tacis and MEDA Programmes. It works in partnership with EU institutions, Member States and major development agencies. Primarily, it aims to:

   - Support the process of vocational education and training reform that is taking place within the partner countries and territories;
   - Harness, mobilise, develop and disseminate European expertise and good practice in the field of vocational education and training;
   - Promote effective cooperation in vocational education and training between the European Union and the partner countries and territories.

2. Stakeholder analysis

10. Based on an analysis of documentation and ETF's contact database, the following list of key stakeholders were identified. It is from these stakeholder groups that interviewees, survey respondents and case studies were selected. It is important to note that a number of the listed institutions have undergone significant organisational change (particularly DG Relex), and some did not even exist prior to 2000 (EuropeAid). Furthermore, the interests of many have changed over the period of the evaluation.

Figure 1: Stakeholder analysis

KEY STAKEHOLDERS		RELATIONSHIP WITH ETF
EUROPEAN COMMISSION	**DG Education & Culture**	• ETF's DG de tutelle (unit B1), relating inter alia to budgetary frameworks, development of strategy and medium-term perspectives, administrative arrangements, coordination of Governing Board including with other Commission members • DG EAC is responsible for development of EU VET and LLL policy framework. ETF uses this as a basis in order to inform and develop its expertise in human resources development and thus its activities in all partner countries under the external relations framework (see below). For example, this is the framework for the ETF's facilitation of the consultation process on the Memorandum on Lifelong Learning in the Candidate Countries, for cooperation with Cedefop and Eurydice, for assisting the CCs' preparation to join the Leonardo da Vinci programme and for the dissemination of good practice from Community programmes in other partner countries. • Management of Tempus Programme (unit A5)
	DG External Relations, including Delegations	Support to the Commission by providing ETF expertise as contribution to: • Programming • Preparation, monitoring & evaluation of vocational education strategies & methodologies • Monitoring of the process of reform of the vocational education & training systems • (1997-2001) Project management on behalf of former DG1A
	EuropeAid (Aidco)	Support to the Commission by providing ETF expertise as contribution to: • Project identification & appraisal • Project monitoring, including best practice advice to project contractors • Project dissemination
	DG Enlargement	Support to the Commission by providing ETF expertise as contribution to: • Preparing countries for membership of the EU & compliance with the acquis (with TAIEX) including preparation for the European Social Fund. • Programming, especially for the three priority countries where ETF are also supporting the project cycle. • Preparation, monitoring & evaluation of vocational education strategies & methodologies • Monitoring of the process of reform of the vocational education & training system • (1997-2001) Project management while Phare programme was managed by SCR
	DG Employment	• Preparation for the European Social Fund in candidate countries and assistance in Employment Policy Reviews • Preparation, on direct request, of country monographs on VET and LM systems
EU	**Member States (via Governing Board)**	• The Governing Board has oversight of the operations of ETF, with responsibility for adopting ETF's work programme & budget, including discharge.

	KEY STAKEHOLDERS	RELATIONSHIP WITH ETF
EP	**Committee on Budget**	• The Committees have an oversight & accountability role, with a particular interest in how the subsidy is spent, and in addressing the possible overlap/complementarity with Cedefop
EP	**Committee on Employment & Social Affairs**	
BENEFICIARIES	**Ministries and national VET institutions/ associations**	Provision by ETF of following services: • Monitoring of the process of reform of the vocational education & training system • Networking links with the Advisory Forum & Observatories • Information dissemination • Advice to policy makers, often based on experience from other partners and with an EU dimension • Predominantly 1997-2001 - beneficiaries of pilot projects, also now e.g. current teacher training project in LT, LV but now centre of expertise function and support to Commission is increasingly more important (40% of ETF human resources)
BENEFICIARIES	**National Observatories (<u>also a partner</u>)**	Provision of following support by ETF: • Expert support, staff development & financial support • Promotion by ETF of their activities, especially in the EU, to increase visibility • Preparation by ETF of cross-country reports based on analyses from each Observatory • Capacity building support from ETF
BENEFICIARIES	**National Tempus offices**	• Provision by ETF of management services
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**National Observatories (<u>also a beneficiary</u>)**	Provide assistance to ETF in following areas: • Setting up missions • Providing access to ministries and stakeholders • Organising meetings and conferences on behalf of and with the ETF • Ad hoc input to ETF initiatives
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**CEDEFOP**	Work jointly with ETF in particular with regard to Candidate Countries (CCs) in: • Development of projects involving Member States & CCs • Cooperation in familiarising the CCs with Community policy developments (e.g., LLL, Transparency Forum) • Information and dissemination activities including events & activities in CCs at the request of the European Commission
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**Advisory Forum**	• Partner countries' only statutory link to ETF • Assist ETF in conducting annual meetings (in regional subgroups since 2000, thematic groups before then) on specific aspects of vocational education & training • Provides recommendations to the Governing Board on the content of the Foundation's work programme & scope of activities
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**International organisations involved in VET**	• Information dissemination • Joint initiatives • Networking links with the Advisory Forum & Observatories
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**Member State development organisations**	• Donor cooperation • Information dissemination (use of ETF assessment) • Synergy with EU programmes and priorities (advantage for MS orgs being with EU agency)
PARTNERS - WHO ASSIST ETF IN PROVIDING SERVICES TO BENEFICIARIES ABOVE	**Individual VET experts (mostly from Member States)**	• Information dissemination • Networking links with the Advisory Forum & Observatories • Provision of VET/LLL expertise (via these national experts) in particular to seminars and meetings on thematic topics

3. Methodology

3.1 Overview

11. The evaluation has been conducted in three phases:

    I. **Inception phase** – during which preliminary interviews were conducted with key informants in ETF and the Commission; and the evaluation methodology was refined

    II. **Main study phase** – during which an extensive series of interviews was conducted with key informants from all stakeholder groups; case study visits were undertaken; and a web-based survey was conducted with external stakeholders and ETF staff.

    III. **Synthesis phase** – during which the findings from earlier phases were integrated into a final report.

3.2 Evaluation tools

12. The over-arching evaluation tool is the evaluation matrix, which sets out the questions specified in the terms of reference, elaborates them into detailed questions, and relates each question to the specific tools to be used, and the stakeholder groups to be consulted. The full evaluation matrix is presented in Annex 2. The matrix provides the means of identifying clearly who was to be interviewed, or contacted as part of an email survey, and what information was required from secondary sources. It also provided a basis for negotiation during the inception, and for the transparent presentation of issues to be studied.

13. The matrix identifies specific questions and relates them to the relevant stakeholders, and the tools to be used in data collection and analysis, namely:

    - Document review checklist to enable us systematically to analyse the content of work programmes, evaluation reports and other documentation. They ensured consistency between team members, as well as providing for the analysis of review results against the TOR questions and final report headings.

    - Interview checklists provided a semi-structured format for interviews and help ensure systematic coverage of topics by team members working individually, whilst retaining the flexibility to pursue unforeseen avenues of enquiry.

    - Web-based surveys of ETF staff and external stakeholders were conducted, to supplement the above sources, and to underpin the more qualitative analysis generated by key informant interviews.

    - Case studies were undertaken to enrich the information collected during the evaluation. As the case studies demonstrate service provision by ETF, the focus was more on issues of effectiveness. Issues of efficiency were dealt only insofar as they have affected implementation effectiveness – e.g. if the sourcing of VET experts by ETF led to delays or disruptions to programming missions.

3.3 Activities conducted

14. A summary of activities undertaken during the evaluation is provided below. Subsequent sub-sections describe the main activities in more detail.

Inception Phase Activities	Location	Key dates
Start-up meeting with DG EAC and ETF	Turin	8^{th} Jan
Conduct preliminary interviews at ETF	Turin	9^{th} Jan
Develop and refine evaluation methodology	UK	8^{th} Jan – 26^{th} Mar
Conduct background interviews in Brussels	Brussels	30^{th} Jan – 1^{st} Feb
Internal team meeting	UK	25^{th} March
Resubmit Inception Report	UK	26^{th} March
Design email survey	UK	26^{th} Mar – 8^{th} May
Design interview and document review checklists	UK	1^{st} – 9^{th} April
Prepare revised Inception Report	UK	1^{st} – 9^{th} April
Meeting with Steering Committee (Brussels)	Brussels	9^{th} April
Inception report finalised and agreed	na	8^{th} May
Main Study Phase Activities		
Conduct key informant interviews at ETF	Turin	19^{th} – 22^{nd} Feb 15^{th} – 19^{th} April
Conduct and analyse email surveys	UK	24^{th} May
Key informant interviews with EC and CEDEFOP	Brussels	28^{th} – 30^{th} May 10^{th} – 11^{th} July
Case study country visits	Lithuania Russia Algeria	7^{th} – 19^{th} May 19^{th} – 25^{th} May 2^{nd} – 7^{th} June
Prepare Interim Report	UK	1^{st} – 14^{th} June
Submit Interim Report	na	14^{th} June
Await comments on Interim Report	na	14^{th} – 21^{st} June
Internal team meeting	UK	24^{th} June
Meeting with Steering Committee	Brussels	25^{th} June
Synthesis Phase Activities		
Prepare Draft Final Report	UK	26^{th} June – 29^{th} July
Submit Draft Final Report	na	29^{th} July
Await comments on Draft Final Report	na	29^{th} July – 6^{th} Sept
Meeting with Steering Committee	Brussels	9^{th} Sept
Amend final report	UK	10^{th} Sept – 18^{th} Nov
Submit final report	na	18^{th} Nov

3.3.1 Interviews with ETF staff

15. Three visits were made to Turin:

- An initial start-up visit in January, during which a preliminary round of interviews were conducted
- Two 'main study' visits, in February and April, to conduct a fuller and more detailed series of interviews.

16. The range of respondents interviewed is presented opposite. The full list of ETF staff interviewed can be found in Annex 3.

Department	Number of interviews
Directorate (Director & Deputy Directors)	3
Planning, Monitoring and Evaluation Unit	3
Mediterranean Dept	4
Central & Eastern Europe Dept[1]	2
Western Balkans Dept	4
NIS & Mongolia Dept	6
Tempus Department	3
Management Training Unit	1
Administrative & Central Services Dept	12
Total number of staff interviewed	**37**

17. Wrap-up sessions were conducted with those interviewed, to validate the evaluation team's findings. The sessions generated a positive response from all ETF staff present, including the Director and one Deputy Director.

3.3.2 Interviews with European Commission staff & other stakeholders

18. The evaluation team visited Brussels from 28th – 30th May and 10th/11th July, to conduct interviews with Commission staff directly involved in working with the Foundation, as well as other stakeholders based in or visiting Brussels. Interviews were conducted with the following range of respondents. The list of Commission staff interviewed can be found in Annex 3.

Directorate General	Number of interviews
Education and Culture	7
External Relations	5
EuropeAid	8
Enlargement	6
Employment	3
Total	**29**

19. Additional face-to-face and telephone interviews were conducted with members of the Governing Board, the European Parliament, and staff of CEDEFOP. The list of other such stakeholders interviewed can be found in Annex 3.

3.3.3 Web-based survey

20. Two web-based surveys were launched in May:

- The 'stakeholder survey', seeking the views and perceptions of ETF stakeholders concerning their access to, use of and satisfaction with the services provided by ETF
- The 'ETF staff survey', seeking the views and perceptions of <u>all</u> ETF staff on the efficiency and internal operations of the Foundation.

21. The questionnaires for both surveys were developed in close consultation with DG EAC, and the sample for the stakeholder survey was drawn from ETF's contacts database. The questionnaire and related instructions for the stakeholder survey were available in English, French and Russian.

22. The common purpose of the surveys was to underpin the more qualitative analysis generated by key informant interviews. Respondents were asked to rate their perception of ETF services and internal operations against a series of hypotheses derived from the evaluation questions.

[1] At the time of interviews, this comprised two departments - Central Europe South and Central Europe North

23. The initial response numbers for the two surveys are presented below:

Figure 2: Responses to the Stakeholder Survey

Stakeholder Group	n
AF member	23
CEDEFOP staff	1
Total Commission*	17
GB member	1
NO staff or MB member	6
Partner country government	3
Partner country VET	5
Trade Union	1
UNESCO Staff	1
VET expert	6
WB ILO or OECD	2
Social partner organisation	1
Individual LM&CVT expert	1
Total	**85**

*Commission	n
DG Enlargement	2
DG Relex	4
EU Delegation	7
Europeaid	4

Figure 3: Responses to the ETF staff survey

Grade	Admin & Central Services	Directorate + PME Unit	Geographical Departments	Tempus Department	(blank)	Total
A	7	4	21	4		36
B	7		6	8		21
C	6	3	4	2		15
(blank)	4		1	1	1	7
Total	**24**	**7**	**32**	**15**	**1**	**79**

24. Two mailshots (plus reminders) were sent for the stakeholder survey, to 650 and 919 contacts respectively. Thus the initial 5% response rate is particularly poor. It is difficult to draw any conclusions from this, but it is striking that even 'in-house' contacts such as Advisory Forum members or Governing Board members responded in such low numbers.

25. Due to the low stakeholder response, and concerns over how representative the data is, only the responses from Advisory Forum members were presented in an earlier draft of this report. Additional responses have been sought from current and recent Governing Board members, CEDEFOP closely involved in cooperation with ETF, and Social Partners. The responses received from this latest survey round were as shown opposite, and have been incorporated into this report. This has brought the response rate up to 6%.

Stakeholder Group	n
CEDEFOP staff	9
GB member	7
Social partner organisation	2

26. All ETF staff were contacted for the staff survey, including temporary agents, local agents, auxiliary staff and national experts on secondment. Of the 130 contacted, 79 responded giving a 60% response rate. While this represents an excellent response when compared to the norm for email/web surveys, it might be considered low given that staff were provided with the opportunity to influence the evaluation results. However, with the structured dialogue, the resultant budget and staffing cuts, and ongoing change management still fresh in people's minds, there is perhaps an element of 'battle fatigue' that discouraged some staff from participating in the survey.

27. Where relevant, the survey results are presented in the main text of the report to support our findings. Full results are presented in Annexes 4 and 5.

3.3.4 Case studies

3.3.4.1 Case study selection

28. The terms of reference required case studies of "three typical projects in the areas of policy advice, information provision and project implementation." In fact, after consultation with DG EAC and the operational departments of ETF, four case studies were selected. The rationale for this increase was that by reducing the amount of time spent on case study visits to partner countries, a fourth desk study could be added. The following case studies were selected, and are considered to be representative of:

- Different types of activity and function of ETF
- Geographical areas of intervention
- Activities in the time period 1997 - 2001
- Different thematic areas of work.

1. **National Observatories (NObs)**

   NObs represent a good example of capacity building in the partner countries and the development of products and services in close collaboration with local experts. In view of the fact that Phare and Tacis National Observatory network evaluations have been completed in 2001, this case study was limited to a focus on the knowledge and information transfer achieved by the National Observatories, and the way in which NObs products and services are being used by its clients. A country visit to Lithuania was conducted between 7th and 19th May.

2. **Delphi project**

   In this project, located in the Russian Federation, ETF has provided the Commission with support on project management and on content-related matters. The project activities comprised strategic advice with regard to: education management and development; higher education and VET teaching; open and distance learning systems and strategic approach (Lifelong learning); and the establishment of links with enterprises. A visit to Moscow was conducted between 19th and 25th May.

3. **Algeria**

   ETF's activities with regard to Algeria are an example of the new relationship between ETF and the Commission in a 'new' geographical area. ETF's activities range from involvement in the programming phase, through project identification on MEDA VET reform, to stocktaking of local capacities in monitoring and evaluation of VET system delivery. A country visit to Algeria was conducted between 2nd and 7th June.

4. **Social Partners**

   ETF is actively involved in social dialogue[2] with a range of partners including the Commission, European social partners, CEDEFOP, ILO, and partner country institutions. ETF is helping to enhance social dialogue on VET strategies at national and international level, and to develop tools on VET and Lifelong learning systems. This was treated as a desk study with no requirement for country visits.

29. The detailed case study reports are presented in Volume III: Case Study Annexes. Where appropriate, these are drawn upon in the text of this main report.

[2] Social dialogue refers to consultations and negotiations taking place between stakeholders concerned with industrial relations.

4. Main findings

4.1 Effectiveness – Achievement of objectives

> ***TOR question***
>
> *Assess the extent to which the activities in the work programmes & the outputs produced have provided added-value & contributed to the achievement of statutory objectives & have met stakeholders' expectations.*

4.1.1 Meeting statutory obligations

> ***Detailed evaluation questions:***
>
> *1.1.1 To what extent have ETF's statutory objectives been addressed in its work programmes?*
>
> *1.1.2 What has been achieved in each area of ETF's activity?*
>
> *a) What support has the Foundation provided to the Commission, & to which entities (Brussels, Delegations, etc.; Phare, Tacis, MEDA, CARDS)?*
>
> *b) What were the expected outputs of this support, & to what extent have they been achieved?*

4.1.1.1 ETF's evolving mandate

30. During the period from 1997 to 2002, the European Training Foundation (ETF) has undergone several important changes in both its approach and the activities it undertakes. In particular, 1999-2000 saw a re-organisation of ETF's structure, as well as a reorientation away from involvement in programme management towards consolidation of its role as a centre of expertise.

31. ETF was established in 1990 as an agency of the European Union to contribute to the development of the vocational training systems (including management training) of Central and Eastern Europe (under Council Regulation (EEC) No. 1360/90). Its primary role was to act as a clearing-house for vocational education and training between the EU and non-EU European states.

32. In 1994, and prior to its actual launch, the scope of ETF's mandate was amended (Council Regulation (EEC) No. 2063/94), extending its geographical scope to the independent States of the former Soviet Union and Mongolia. In addition, 1994 marked an important landmark for ETF, giving it a new operational function; the implementation of vocational training programmes agreed by the Commission. ETF was also given the role of the technical assistance office for Tempus higher education activities. In 1998, the mandate of the ETF was again altered (Council Regulation (EC) No 1572/98), to encompass the non-EU members of the Mediterranean region. A summary of ETF's current mandate, incorporating all modifications, is presented in annex 6, along with a table presenting the evolution of the regulation since 1990.

33. The most significant changes to ETF's role and mandate occurred in 2000, when the Governing Board of the Foundation initiated a strategic reflection (known as the 'structured dialogue') on the future development of the Foundation.

34. The structured dialogue, which took place between April and November 2000, brought together the Foundation and the three DGs represented on ETF's Governing Board (EAC, Relex, Enlargement) to discuss the Foundation's expected contribution in the medium-term and a new approach to its Work Programme. The need for the dialogue had its roots in the changing context of EU policy priorities, budgetary resources and institutional arrangements:

    - Although human resource development had become a key element of EU external assistance policy, the Council had not agreed to raise the funding ceiling of the external relations chapter of the budget. This presented the three DGs together with the Foundation the challenge of focusing on a smaller number of priorities.

    - Furthermore, since the Foundation's budget is funded from the operational chapters of the budget (external relations and enlargement) it was imperative that the added value of

Foundation activities be maximised and made clear in order to justify the resources allocated to it.

- Finally, the forthcoming creation of the new EuropeAid Co-operation Office (AidCo), with its responsibility for the implementation of programmes, removed the rationale for ETF's implementing role and necessitated that a working relationship be established between the Foundation and AidCo.

35. The purpose of the structured dialogue therefore was to arrive at a clear agreement on a revised framework within which the Foundation should operate. Its results, reached at the November 2000 Governing Board meeting, were agreement on the reduced staffing levels available to the Foundation for the period until 2004, and a mutual understanding that the Foundation would further develop its profile as a centre of expertise.

36. The new definition of ETF's role and activities resulting from the structured dialogue is best summarised in the 2002 Work Programme, which sets out the main areas of activity as indicated in the text box below. In addition, provision of technical assistance to the Tempus Programme would continue.

37. In addition to the change in role, the structured dialogue led to the instigation of substantial staffing cuts. The Foundation was asked to reduce its total statutory staff numbers from a previous high point of 126 FTE[4] to 99 FTE in 2003. Hardest hit were the Tempus Department and the Units in Administration and Central Services (with proposed staff reductions of 15 and 12 respectively), with figures being agreed by the Commission & the Governing Board. At the same time the mid-term strategy was emphasising content-related expertise as opposed to project management and administrative skills. As a consequence some secretarial and B-level posts were deleted from the human resources plan, and new A-level expert posts introduced. In addition, some regions, such as the NIS and Mongolia and the Candidate Countries, were asked to reduce staff while the MEDA region and the transversal expert groups saw a

Text box 1: Definition of ETF's main activities following the structured dialogue[3]

Support to the European Commission:

As a centre of expertise, the principal role of the Foundation is to respond to requests for support from the European Commission. This assistance is usually delivered at the programming, identification, monitoring, evaluation or dissemination stages within the context of project cycle management. Services are provided to five Directorates General within the European Commission (External Relations; Enlargement; Employment and Social Affairs; EuropeAid; and Education and Culture, the Foundation's DG *de tutelle*).

Information provision and analysis:

The Foundation supports the development of structured and standard international information and analysis on vocational and labour market-related training in partner countries. The Foundation's principal network for information provision and analysis is the system of National Observatories which operates throughout the Candidate Countries, Western Balkans and the NIS region and which is linked to the Foundation's Advisory Forum. In 2002, the Foundation aims to broaden the network to include also the MEDA region. According to the needs and capacities within each region, the Foundation will also focus on reinforcing international-level information-gathering and analysis as a long term sustainable function within partner countries. This will be achieved by strengthening the capacities and outputs of national institutions to provide Observatory services such as assessment of vocational training and its links to the labour market and co-ordination of national stakeholder networks.

In addition, the Foundation also disseminates to its partner countries structured information and analysis about EU and Member State approaches and best practice in the field of vocational training.

Development activities:

In each region a small number of activities will take place which aim to pilot or prepare the ground for more substantial measures at a later stage. It is through such development activities that the Foundation encourages and supports partner country innovation across the wide range of issues associated with economies and labour markets in transition. The outcomes from these 'test bed' initiatives will also contribute to the stock of knowledge and expertise available within the Foundation.

[3] Work Programme 2002

[4] Full-time equivalents

corresponding increase in the mid-term staffing plans. Thus the reduction in staff from 126 to 99 actually understates the real scale of staff changes.

38. Although the budget contributions made by the Commission to ETF were not reduced following the structured dialogue, and the proposal for 2003 represents an increase, in real terms this does represent a shift in approach by the Commission. By setting a medium-term ceiling and agreeing that any increases would only match inflation, the Foundation was, and is, in effect faced with a more limited budget than previously. This reflects the focus of the structured dialogue on an enhanced role for, and greater value for money from, the Foundation.

Figure 4: Changes in DG Enlargement and DG Relex contributions to ETF budget

Source of funds	**2001**		**2002**		**2003 (proposed)**	
DG Enlargement	7,560,000	45%	4,000,000	24%	3,500,000	20%
DG Relex	9,240,000	55%	12,800,000	76%	13,700,000	80%
Total	**16,800,000**		**16,800,000**		**17,200,000**	

4.1.1.2 ETF's evolving portfolio, 1997-2002

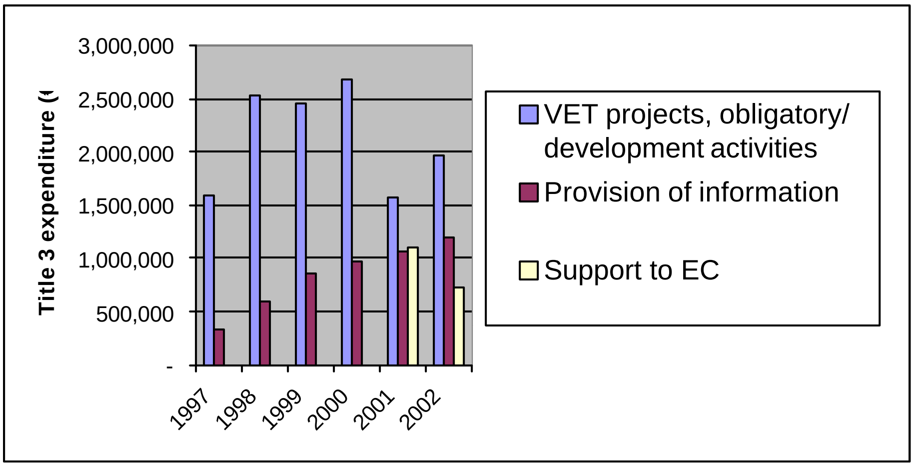
39. The analysis of the Foundation's portfolio and how it has evolved between 1997 and 2002 is somewhat complicated by the way in which the Work Programmes and budgets have been structured and presented. This is particularly the case when trying to differentiate between the pre- and post- 'structured dialogue' portfolio.

40. Despite this caveat, it is still possible to draw a broad overview of activities in the period 1997-2002. This is achieved by grouping all activities into three main categories which can be applied to the full period; namely:

- VET projects, obligatory activities and development activities, referring to activities where ETF has had a direct management role.
- Provision of information, referring to activities related to National Observatories and the observatory function, and to other information provision and analysis activities
- Support to the Commission, referring to the new category created to acknowledge ETF's key customer

Figure 5: Title 3 expenditure on Work Programme Activities, 1997-2002

Work Programme Activities	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
1. VET projects, obligatory/ development activities	1,593,000	2,525,000	2,450,000	2,675,000	1,565,000	1,960,000
2. Provision of information	325,000	587,200	860,000	972,000	1,072,404	1,185,000
3. Support to EC	na	na	na	na	1,095,000	730,000
Total	**1,919,997**	**3,114,198**	**3,311,999**	**3,649,000**	**3,734,405**	**3,877,002**
Index (1997 = 100)	100	162	173	190	195	202



41. As figure 5 shows, in the period prior to 2000 there was growth in the level of Title 3-funded activities. The re-organisation of 1999 led to the disbanding of the VET department and the Analysis and Development Department so as to create five separate departments organised along geographical lines. This meant that resources were more clearly split between different sets of activities. However although these changes took place in 1999, the expenditure on 'VET projects, obligatory/development activities' shows an increase in 2000 because it incorporates a carry-over of obligatory activities. The significant fall in 2001 represents the transfer of resources to the more clearly defined Support to the Commission, while the increase in 2002 shows the new emphasis on 'development activities' – to help develop ETF as a 'centre of expertise.'

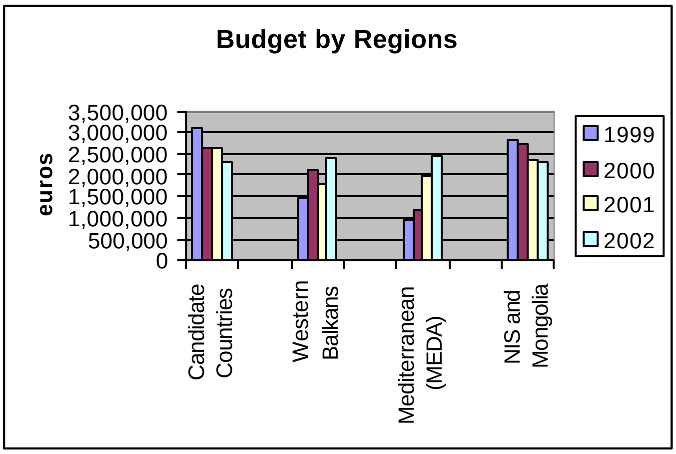
42. The other activities show a less complex picture. The Provision of Information shows a steady increase over the five-year period, representing the increasing importance of communication and dissemination activities of the Foundation.

43. As mentioned previously, the 'Support to the Commission' was a result of the changes that took place in 2000, with a clearer identification and coordination with the work of the European Commission. Therefore there are only figures for a two year period, and although this shows an apparent declining trend, this is set to increase in 2003 with a proposed broadening of the category to include activities such as capacity building, peer reviews and institution building.[5]

ETF Activities in the Regions

44. There are four main regions to which the ETF provides support - a remit that has progressively expanded since the formation of the Foundation. These are the Candidate Countries [Phare], the Western Balkans [CARDS], the Mediterranean [MEDA], and the New Independent States (NIS)/Mongolia [Tacis].[6]

Figure 6: Budget by Regions, 1999-2002



45. However, it was not until 1999 (and the re-organisation of ETF's VET department) that the Foundation identified these four regional allocations within the budget. In these years, financial resources allocated to the Candidate Countries and NIS/Mongolia have gradually declined, while the Mediterranean region (and to a lesser extent, the Western Balkans) have received increasing support (see Figure 6).

46. The regions also receive significant sums of non-budgetary resources from the European Commission, such as under conventions signed for the Phare and Tacis programmes, and increasingly for the Western Balkans.

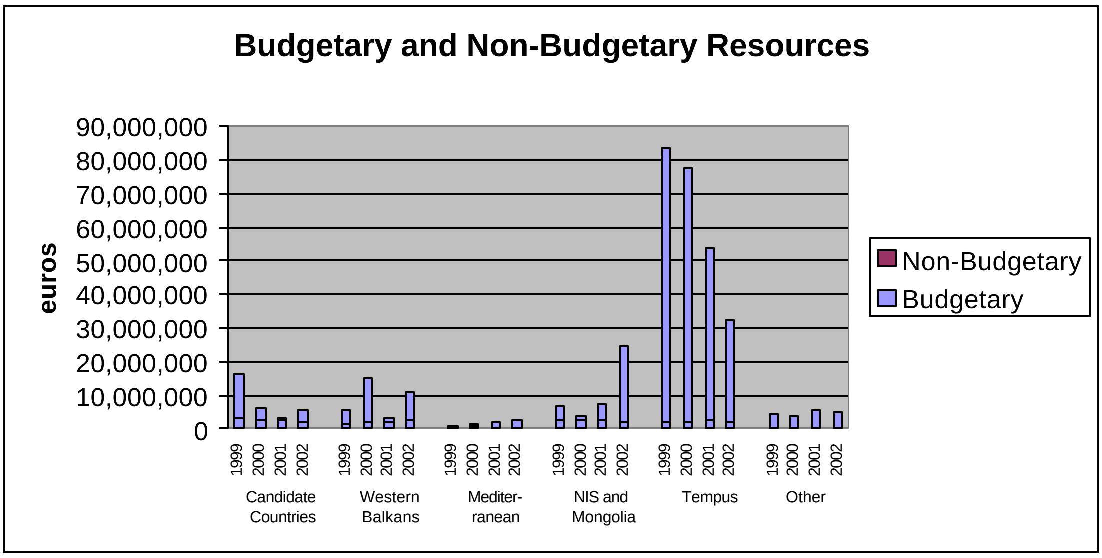
47. In the last four years (1999-2002), the Commission's financial resources managed by ETF have been increasingly allocated to the NIS/Mongolia and the West Balkan regions, with a decreasing trend for the Candidate Countries (see Figure 7). In 1999, ETF handled some €53 million in Phare and Tacis convention funds, which has since fallen to €27 million (in 2000) and €23 million (in 2001). This reduction reflects the shift away from project management towards the centre of expertise role. These figures are dwarfed by the management of the Tempus

[5] The draft Work Programme 2003 does not explicitly state this broadening in the definition of 'Support to the Commission', but instead incorporates this within the proposed activities and indicative budgets.

[6] The names in square brackets are the regional programmes of the European Commission.

programme, where some €176 million was handled in 1999, €233 million in 2000, and €216 million in 2001.

Figure 7: Budgetary and Non-Budgetary Resources, 1999-2002



48. Within each region the character of the portfolio is very different. However, due to the changes within ETF (and the lack of this budgetary data), it is difficult to analyse trends over the past five years. For the period 2001-2003 (i.e. including the draft Work Programme 2003), it is possible to profile the differences in resource allocation within each region. Both the Mediterranean region and the Candidate Countries put a significant proportion of their resources to support to the Commission (60% and 39% respectively), while the Western Balkans and NIS/Mongolia put a greater emphasis on Development Activities (50% and 41% respectively). The provision of information is important in all regions, but particularly so in NIS/Mongolia (43% of financial resources) and the Candidate Countries (40%).

49. In summary then, the following trends can be identified from the evolution of ETF's mandate and budget:

- There has been a steady growth in activities relating to the Provision of Information.
- Activities (and ETF's internal structure) have been re-orientated towards a clearer identification of support to the Commission, a greater role of the development of ETF as a 'centre of expertise', and a declining provision of programme/project management.
- Financial resources allocated to the Candidate Countries and NIS/Mongolia have gradually declined.
- The Mediterranean region, and to a lesser extent the Western Balkans, have received increasing support.
- Support to the Commission is a significant activity in the Mediterranean and Candidate Countries, while Development Activities are more significant in the Western Balkans and NIS/Mongolia region.
- The provision of information is particularly important in the NIS/Mongolia and the Candidate Countries.

50. The following sections present perceptions as to ETF's effectiveness in delivering its outputs, but the presentation of concrete evidence is not straightforward. As an EU agency, ETF has responsibility for evaluating its own activities, while an overall evaluation of ETF's 'experience acquired in the work of the Foundation' (of which this evaluation is part) is required every three

years. This means that objective documented information on the achievement of outputs is limited to those activities which have been evaluated, which are:

- Evaluation of the Tacis National Observatory Network (2001)
- Evaluation of the Phare National Observatories Network (2000)
- Mid-term Assessment of the Pilot Project on VET Reform in NW Russia, Phase II (2000)
- Pilot Project on VET Reform in North-West Russia: Results at the End of the Project (2000)
- ETF Advisory Forum: Review of Experience 1995-1999, Interim Results (2000)
- Review of EU Phare VET reform programmes 1993-1998 (1998)
- Evaluation of Activities in the Field of Management Training in NIS (1996)

51. An analysis of the findings of these evaluations, and listing of recurring themes is presented in Annex 7. A summary of key themes is as follows:

- **Insufficient or incoherent identity and awareness** – the external image of ETF unclear, including to partner countries, as well as public support of NObs.
- **Lack of a clear and coherent strategy for National Observatories –** an explicit strategic plan should be developed for NObs, as well as an overarching strategy by ETF. This should include the provision of targeted training and tools.
- **Lack of sustainability of National Observatory Networks** – in particular, a need to increase financial sustainability of NObs.
- **Lack of cooperation and support from social partners** – links between education and social partners is not well developed, and there is a need to target NGOs, employer associations, and trade unions - particularly in terms of Labour Market Assessments, and cooperating in VET reform.
- **Participation of local stakeholders and beneficiaries** – a relative neglect of regional and local stakeholders, including tailoring programmes (and TORs) to the local environment, and involvement in the early stages of project design, project implementation and producing local solutions.
- **The need for a flexible approach** – ETF and counterpart work requires much flexibility, particularly to cope with unanticipated changes in the local environment.
- **The need for better dissemination** – broadening the use of media and the internet generally.

52. Notwithstanding the recurring themes above, the reports do conclude that ETF has achieved satisfactory performance albeit only in the range of operations evaluated. The wider range of activities undertaken by ETF do address its mandate, and overall ETF does appear to have performed satisfactorily in delivering its expected outputs.

53. Through its Title 3 budget, ETF has shown itself capable of successfully designing and implementing innovative projects that act as catalysts to the VET reform process, and build expertise within their own organisation. The case study visit to Algeria showed that with careful planning, the limited funding available for such ventures can generate a significant cumulative impact within the national VET reform context. Similarly, the Social Partners programme has illustrated ETF's catalyst role, triggering a wide range of follow-up activities by the partner country participants.

54. Using the Delphi project as an example of ETF's pre-2000 project management role, it is evident that ETF provided sound management services, steering a complex project to what is acknowledged as a successful conclusion.

4.1.2 Perceptions of ETF achievements and added value

Detailed evaluation questions:

1.1.2 What has been achieved in each area of ETF's activity?

- *c) How does the Commission perceive the effectiveness of support by ETF?*
- *d) Where & how has ETF made a difference to the activities of the Commission in the agreed areas of cooperation?*
- *j) How successfully has ETF responded to requests for policy advice from its partners?*
- *k) Where & how successfully has ETF facilitated Member States' cooperation with the partner countries?*

1.1.3 How has ETF's expertise evolved since 1997?

1.1.4 How have ETF's past activities prepared it for its expertise function?

1.1.5 What concrete plans are in place to deepen existing expertise, & to develop expertise in the newly prioritised areas?

1.1.6 How has ETF's expertise met the needs of its stakeholders?

1.1.7 What partnerships/networks have been established to complement ETF's internal expertise, & how are they functioning?

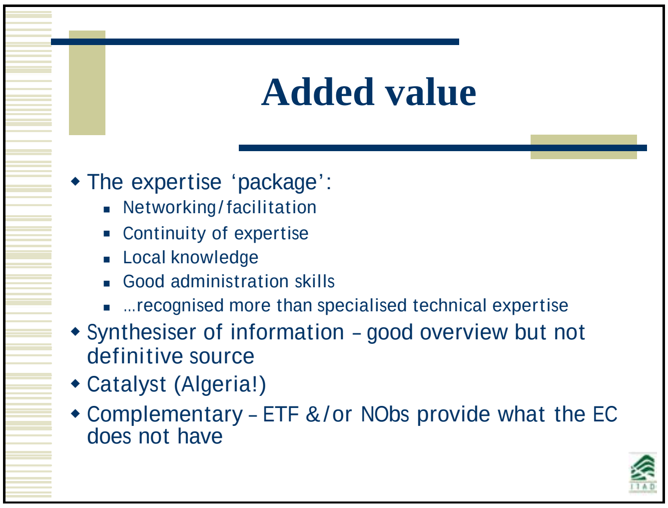
1.1.8 What were stakeholders' expectations for achievement of ETF's statutory objectives to date, & how have these been met?

1.1.9 What are stakeholders' expectations for ETF's ability to provide expertise in the newly prioritised areas, currently & in the future?

4.1.2.1 ETF's self-perception

55. ETF's own perception of the added value that it provides can be summarised under the following headings:

- **A clearing house for best practice** - ETF provides partner countries with a 'shop-window' on the methodologies, experiences and expertise of EU member states and other partner countries. ETF is in a position to synthesise best practice and current innovations from a range of sources, and to present this to partner countries in a coherent way that enables them to select and adapt those elements that they see as relevant to their own circumstances.



Source: Presentation of Interim Report to evaluation steering committee

- **A long-term and pragmatic approach** – ETF's involvement in partner countries over a long period has enabled it to gain a strong understanding of the policy and cultural context in partner countries, and therefore an appreciation of their longer terms needs, as well as what is practically feasible in the national context.

- **Practical expertise** – ETF's role as a project manager has equipped it with a wealth of practical experience based on *learning by doing* in direct cooperation with VET/LM policy makers and practitioners. With the pilot projects and development activities managed by ETF acting as laboratories for systems and methodology development, the Foundation has been able to feed such learning experiences directly into the support that it provides. Staff feel confident that their new support role to the Commission (e.g. through programme preparation activities) has already demonstrated that this is a rich source from which to further build their expertise.

- **Corporate memory** – ETF has maintained a continuous involvement in partner countries during which the Commission has undergone dramatic organisational change within the context of an evolving external relations policy. As a result, ETF has experienced a greater degree of stability and continuity in its involvement in partner countries, enabling it to build a strong corporate memory of how VET reform and Labour Market policies and systems have developed. Combined with its close personal contacts with key partner country stakeholders, ETF feels it is able to assist the Commission in ensuring a greater degree of relevance, feasibility and sustainability in its interventions than would otherwise have been the case.

Text box 2: ETF effectiveness – the case of Delphi I

Task management for Delphi I was delegated to ETF from EC Brussels and to whom ETF reported. ETF kept the Delegation informed of progress and provided reports. The Delegation advised ETF on issues that arose in relation to the project. ETF supervised the EU contractor. ETF approved the reports from the contractor before forwarding to the EC and the Delegation, procurement and generally dealt with issues concerning implementation by the contractor on behalf of the EC.

ETF consider that its project management of the Delphi I exemplified the following **added value** that it could contribute for a customer such as the EC.

- **Lesson learning** – ETF evaluation of previous management training in Russia and findings fed into and were adapted to Delphi I
- **Continuity** of ETF staff and corporate memory was better than the EC
- **Dissemination** was built into project activities, which include the monitoring of dissemination, which EC does not undertake.
- **Synergy** between ETF-managed projects - e.g. NW Russia and elements of the Management Training Programme -through case studies and exchange visits
- ETF complement Tacis monitoring information with qualitative/**content monitoring**
- **Documentation of guidelines and lessons,** making them available for subsequent project design/management, which is not done by the EC
- Close and direct relationships with local **partners**, which build strong relationship over time, and which EC is unable to do given the frequency of internal changes.

Overall, it was an agreed view that the main outputs were delivered, and that supervision by ETF of the EU contractor was “appropriate, timely and effective.”

However, the Commission’s common positive assessment of the project management by ETF reflected more on their perceptions of the individual ETF manager than of ETF as an institution. It was the efforts of the former that were perceived as the key factor that allowed the project to come to a relatively successful conclusion in terms of the good outputs delivered, viz., “the project produced all planned results (against agreed outputs). The quality and quantity of outputs was considerably higher and the final project results were more fundamental than expected.”[Tacis end of project assessment report April 2002]

- **Change agent** – Also due to its close contacts with partner country stakeholders over a long period of time, and the credibility that it has developed as a result, ETF feels confident that it has been (and continues to be) a catalyst for change in partner countries.

- **Reference network** – The Observatories represent the Foundation's principal operational network in the partner countries. They are a focal point for Foundation initiatives in the countries, and are felt to provide a window on partner country VET and labour market systems. Given the significant investment made by the Foundation in the National Observatories, and the capacity they believe now exists, staff feel that the National Observatory network represents a useful starting point for development of CEDEFOP’s reference expertise network in Candidate Countries post-accession.

4.1.2.2 The Commission's perception of ETF

56. Commission services see ETF's comparative advantage as comprising its:

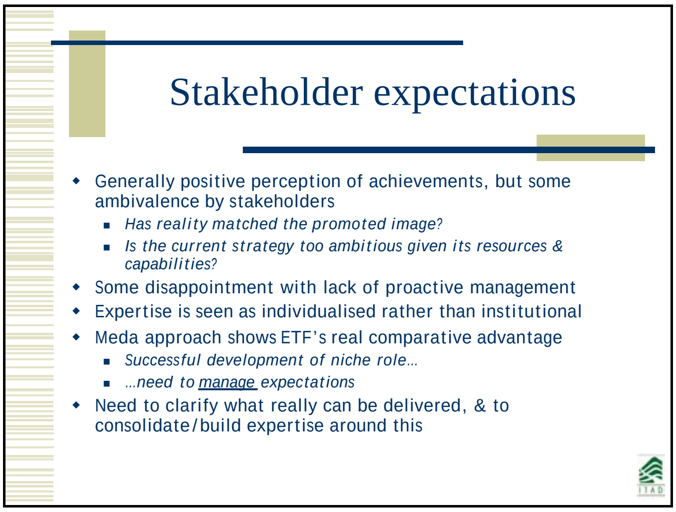
- Networking capabilities
- Knowledge of the national context of VET reform and labour markets in partner countries
- Continuity of experience that it is able to provide in terms of both the partner country context, and commission policies and procedures.

57. There was a greater degree of variation in opinions as to the quality of expertise provided by ETF, ranging from comments that it was better at administration and management, to a high degree of satisfaction with the quality of expertise and the contribution that it has provided.

58. Perceptions of ETF's effectiveness differ quite markedly according to the Directorate General, reflecting differences in approach by ETF in relation to the different services with which it cooperates. These differences relate to the nature and regularity of contact initiated by ETF, and perceptions of the quality of expertise and advice they provide.

59. For example, Commission services dealing with Meda expressed a high degree of satisfaction, while DG Relex staff noted that their contact was intermittent. DG Employment staff had some initial criticisms – to which ETF have responded – but are now very satisfied with ETF's services.

60. Whilst logically ETF must tailor its approach to these



Source: Presentation of Interim Report to evaluation steering committee

Text box 3: ETF effectiveness – the case of Algeria

ETF's geographical mandate was extended to the Meda region in 1998 (Council Regulation No 1572/98), coinciding with the start of a period of major organisational reform within the European Commission, and with the structured dialogue that took place between ETF and the Commission. In this context, it was clear that ETF would not be required to manage projects on behalf of the Commission, but should rather develop a new role more in line with the then emerging consensus that the Foundation should strengthen its role as a centre of expertise. This offered the Foundation the opportunity to take a fresh approach to developing its role within the region.

ETF has successfully achieved a high degree of credibility among Algerian stakeholders. It is perceived to have made a number of significant contributions to the ongoing VET reform process, and to the Commission's cooperation within that process.

From the start of its involvement in Algeria, ETF is seen to have provided a vital window on best practice and innovations elsewhere in the region and in Europe. This has enabled the Algerian a authorities to improve their knowledge and understanding of VET reform issues and practices and the options available to them, as well as improving their self-confidence in addressing the challenges that they face. Certainly within the Ministry of Vocational Training there is an understanding that while the Foundation does not have the material means to do much in the way of 'concrete' activities (i.e. projects), its impact as a catalyst for reform and capacity building has been profound.

Much of ETF's credibility with Algerian stakeholders comes from the perceived quality of the expertise it has been able to mobilise, both internally and externally, as well as the seriousness with which they have approached their tasks. This has been exemplified by the manner and quality with which ETF have prepared the Meda VET reform programme.

From the Commission's perspective, the programme has been well-prepared (and perhaps offers a model for similar programmes elsewhere) and its design has met the requirements of Project Cycle Management – in particular, stakeholders were closely involved thus ensuring a high degree of national ownership of the programme. Specific expertise in VET reform is not present in Commission services in Brussels and the Delegation (requiring as they do a broader expertise in a range of sectors), nor was it present in the Meda team that previously existed. ETF has been able to bring to bear this specific expertise, which building on their continuity of involvement since 1999, has contributed to what is acknowledged as a sound programme analysis and design.

different services, the variations in ETF's perceived effectiveness point to the differing regularity and nature of contact that ETF has with the various services, and the perceived quality of the services they provide. There is also a common perception among the Commission staff interviewed that ETF's claims for expertise are and have been greater than its ability to deliver, and that it has a considerable challenge to convince the full range of Commission services of its credibility in the new priority areas.

61. It is also interesting to note that many of the Commission staff interviewed qualified their positive perceptions by saying that they were derived from contact with a limited number of individual staff, and that their knowledge of the Foundation as a whole (and its corporate strengths) was much more limited. This is partly borne out by a recent report[7] commissioned by ETF concerning its external communications. Although focusing on the dissemination of information, the report sheds light on the wider issue of relationships with key customers and clients of ETF:

- "The European Commission is not subject of a target external communication effort."
- "Specific ETF external communication has not been oriented at building lasting relations with (key) publics."
- "…departments, units and individuals, have been communicating externally in an informal and ad hoc manner, to varying degrees and with different levels of aptitude."

62. While an organisation of course comprises its individuals, it also needs to present a clear corporate approach – something that is not seen by many of the Commission staff interviewed.

Text box 4: ETF effectiveness – the case of Social Partners

ETF Management

The management of the Social Partners project has been responsive to the needs of project beneficiaries in a number of ways. The 1997 Cross-Country conference suggested the national workshops should be based around targeted themes, which subsequently took place. The Baltic States requested a combined workshop (instead of individual country workshops), which took place in Estonia in 1998. A joint proposal formulated as an outcome of the workshop in Estonia lead to the study visit to Ireland. Money saved on the organisation of the combined initial workshop was allocated to the study visit. In addition, a seminar held in Bratislava addressed to trade union officials was made at the request of the European Union Trade Union Confederation.

Added value

The project is believed to the first attempt at tackling the issue of social partners in vocational training in partner countries. It is the first time there has been serious analysis of the situation and the first time such a series of events has been organised in the participating countries in this area. In addition the project has increased the visibility of the National Observatories and ETF in the partner countries.

Effects

An important indicator of the success of the Social Partners Project is the continued communication and cooperation of social partners after the end of ETF-funded initiatives. There is some indication that this has taken place. The 2000 questionnaire of National Observatories and other stakeholder groups indicated that in some cases the activities of the Social Partner project had triggered several subsequent meetings of social partners on VET specific issues.

- At the Czech Seminar, the Economic Chamber of the Czech Republic and the Ministry of Labour and Social Affairs indicated the possibility of future co-operation and representatives of the Ministries, employers, trade unions and other institutions declared they would promote the involvement of social partners in VET in the proposals for a new school act.
- The Confederation of Industry of the CR, the Union of Entrepreneurs in Construction, the Union of Employers in Power Engineering, the Economic Chamber and the Czech-Moravian Confederation of Trade Unions expressed their readiness to participate in the development of professional standards.
- Feedback from the Baltic study visit indicates the mutual acquaintance of social partners from the three partner countries would be very important in further cooperation.

63. There was broad agreement in DG Relex and AidCo that the scale of effort of ETF in its various partner regions and countries had not fully reflected Commission priorities in the pre-September 2001 period, and may have reflected more the Foundation's desire to maintain its profile in all of

[7] Strategic Recommendations for ETF External Communication, PLS Ramboll, June 2002

its partner countries. For example, VET reform had not been a major priority in Central Asia,[8] and there was some concern that ETF has invested more here than can be justified by Commission programming priorities. This is accompanied by a perception among some senior Commission stakeholders that in the past ETF exhibited an apparent reluctance to move out of historical areas of work, and took a defensive stance to changes in their operating environment rather than viewing these as opportunities.

64. This is in fact a complex issue, underpinned by two factors: i) the dynamic nature of EU priorities as exemplified by the renewed focus on Central Asia following the events of September 11th 2001; and ii) the strategic need for ETF to maintain a presence in all partner countries in order to maintain a basic level of information and contacts and to be ready to respond as and when priorities change. The challenge is to get the balance right – to direct expenditure (particularly the Title 3 budget) at current EU priorities, while maintaining the potential to respond when these priorities change.

65. Getting this balance right requires careful strategic management of dialogue with Commission services, and a visibly responsive approach to budgetary allocations of title 3 funds. The current consensus among Commission services is that overall the Foundation does provide satisfactory expertise, which combined with its comparative advantages as outlined above, is complementary to the needs and capacity of Commission services, but that its efforts should more closely reflect the Commission's geographical and sectoral priorities – in other words, to reduce the scope of their involvement (and their stated ambitions) in some partner countries, and to increase their effectiveness in those countries where VET and labour market reform are clear EU priorities.

66. Whilst ETF could rightly claim that they are already following this approach, they should further challenge the Commission to outline clearly what and where the EU's priorities VET and labour market reform are. This should include establishing what characterises the appropriate level of activity in partner countries where VET and labour market reform are not currently a priority for EU external relations policy.

4.1.2.3 The European Parliament's perceptions of ETF

67. Two members of the European Parliament recently visited ETF in Turin for discussions with the Directorate and a range of staff. The team comprised Thomas Mann and Anne Jensen, members of the Committee on Employment and Social Affairs, one of the committees to which the Foundation refers. The visit was the second for both MEPs, they having independently visited Turin at their own initiative during the previous two years.

68. The report on the visit, prepared by Thomas Mann, was positive about the Foundation's achievements, noting *inter alia*:

"The permanent rapporteur

- welcomes the progress made by the Foundation both in its development into a skills centre as well as the technical support it gives to strategies and programmes in the European Union's social and foreign policy,
- pays tribute to the progress of the Foundation since the broadening of its mandate in 1998 in the Meda region,
- notes the skilled management and solid financial probity of the Foundation, and its progress in developing its administrative capacity in accordance with standards of good governance."

69. The MEPs have gained a particularly positive impression of how the Foundation is able to deal with the cultural dimension of VET and labour market reform, and their sensitivity in bringing together large and disparate groups of stakeholders. This reflects what the MEPs perceive as a

[8] In fact this was one of the issues raised during the structured dialogue, when DG Relex pointed to Russia, Ukraine and Moldova as the priority countries for ETF activities in Tacis countries.

wider change in the way that ETF interacts with its stakeholders, moving away from a previously more self-important approach.[9]

70. MEPs' concerns about the Foundation focus on issues of communication. With regard to Work Programmes, they feel that the formulation of objectives at country level would help to clarify ETF's role in each country, and to provide a better basis for assessment of performance. With regard to the more general question of how successfully ETF is managing its communication with Parliament, both noted that positive feedback on the Foundation had come through contacts in Brussels and the partner countries rather than through reports on ETF's performance. They also see the perception among some MEPs of overlap between ETF and CEDEFOP as stemming more from a lack of understanding within Parliament of their differing roles, rather than from any well-grounded concern. These issues point to the need for the Foundation to maintain more systematic contact with MEPs from the relevant committees, to build understanding there of the role and achievements of ETF.

71. In summary therefore, the MEPs interviewed perceive ETF as playing a positive role and fulfilling its mandate, but with some qualifications as to the way in which the Foundation presents itself. They see the need for more systematic contact, and for improved reporting on issues of particular concern to Parliament. The ETF-CEDEFOP issue is a particular case in point, where improved contact with a wider range of MEPs would seem sensible to better inform Parliament of the different and complementary roles of the two organisations.

4.1.2.4 The Member States view

72. Eight Member States represented on the Governing Board expressed their views about ETF through the stakeholder survey. The survey findings show that GB members generally feel confident that the Foundation is able to provide the required expertise and services.

73. In their comments on the Foundation's strengths, GB members appreciate in particular ETF's networking and capacity-building role, and its qualified personnel. Perceived weaknesses tend to focus on ETF's communication skills – concerning contacts with Commission services and difficulties in clarifying ETF's role; through the need for more client oriented publications; and through its contact with Governing Board members themselves.

74. Governing Board members also feel that ETF's relationship with the Commission has been made more difficult in the past (in particular during the period 1998 and 1999) due to a lack of clarity on the part of the Commission as to what they actually wanted from ETF. Nonetheless they feel that ETF did not handle itself well, seeking to take on more autonomy, thus undermining the Commission's confidence in it.

4.1.2.5 Managing expectations

75. Where ETF has clearly demonstrated its effectiveness, there remains a key issue to address – how to build on this success without raising expectations beyond its ability to deliver. This has serious implications for the Foundation's strategy for further developing its role in support to the Commission and to partner countries, and in particular whether it should seek to expand its geographical or technical mandate (for example, to poverty reduction in ACP or ALA partner countries as proposed by ETF's rapporteur at the European Parliament).

76. ETF has achieved a significant amount in Algeria with limited resources, and has established a position of credibility and trust with Commission and partner country stakeholders. These achievements provide a solid basis for further developing its role, and for continuing to make a difference in the longer term. However, ETF is operating at close to full capacity in Algeria, and

9 This term was used by the MEPs interviewed, and reflects a perception in common with Commission stakeholders that in the period up until the structured dialogue, ETF was perceived to have been seeking a more autonomous role than was felt appropriate for an EU agency – see section 4.6.4.

faces the risk of raising expectations that it cannot meet, and therefore of damaging its excellent reputation.

77. Algeria is of course only one partner country, and one of only three visited during the evaluation. But it does represent a case where ETF has until now achieved a successful balance between its own capabilities, the priorities of the EC, and the priorities of the partner country. Furthermore, according to AidCo Meda interviewees ETF's contribution in the context of the Meda region as a whole has been very positive. Therefore ETF's experience in Algeria in particular and Meda more generally can offer a model for other countries and regions if it is fully understood, and generalisable lessons are drawn. Given the perception among a significant proportion of the Commission staff interviewed, that ETF's stated ambitions and capabilities exceed its ability to deliver, Algeria suggests that one of the lessons to be drawn is likely to be how to manage client expectations such that ambitions and capabilities <u>do</u> match delivery.

4.1.2.6 Conclusions on the perceived effectiveness of ETF

78. Overall, ETF is an effective organisation, delivering good quality outputs. However, it has been inefficient in the way it has engaged with its customers and clients, and in the way it has responded to changes in its operating environment.

79. A consistent theme from this evaluation is that ETF's main strengths lie in a package of expertise that includes networking and facilitation; continuity of expertise; local knowledge; and good administration skills. ETF's corporate memory of VET reform and labour market policies in partner countries, and Commission policies and procedures, has been of value particularly during a period when the Commission has undergone dramatic organisational change within the context of an evolving external relations policy.

80. These comparative advantages are complementary to the needs and capacity of Commission services and are recognised accordingly. They should be capitalised on more by ETF but this requires a clearly defined strategy to promote them effectively. Such a strategy should take account of the fact that ETF faces a sometimes sceptical audience within its main customer – Commission services – whose perception of ETF's strengths often does not match the Foundation's self-perception. This is not merely a question of presentation or spin – it inevitably affects the Foundation's ability to identify and deliver services in line with its true comparative advantages.

81. ETF should emphasise its true comparative advantages more in the development and promotion of its expertise under the new strategy, recognising them as a source of highly specialised expertise in VET. These attributes match the goals of ETF's 'centre of expertise' strategy, which are to provide analysis and advice on current initiatives and future needs in partner countries, facilitate contact between key actors, disseminate information on EU best practice, and channel offers of co-operation from donors and other international bodies. Its statutory objective is promotion of vocational training and pursuing the above avenue would fulfil this.

82. ETF should consolidate its successes (notably in the Meda region) and establish what is the right level and nature of service provision that it can provide to most effectively fulfil its role as a catalyst to VET and labour market reform in priority partner countries. This should have the effect of consolidating its reputation with Commission services across all partner regions, and in the longer term would provide a stronger platform from which to consider any subsequent expansion to its geographical or technical mandate.

4.1.3 The National Observatory network

Detailed evaluation questions:

1.1.2 What has been achieved in each area of ETF's activity?

g) What progress has been made in setting up and/or strengthening of National Observatories?

h) How effectively are these functioning both individually & as a network?

i) Where National Observatories do not exist, what arrangements have been established & how effectively are these operating?

j) How successfully has ETF responded to requests for policy advice from its partners?

l) What methodologies & guidelines has ETF developed for the analysis, monitoring & assessment of vocational training & labour market developments & policies?

m) How do the stakeholders perceive the relevance & usefulness of these?

4.1.3.1 Progress in setting up and/or strengthening of National Observatories

83. The National Observatory network is dealt with in more detail in the Case Study Annex: Lithuania and the National Observatory.

84. The National Observatory is regarded as a main management instrument for ETF, especially for the exchange of information between countries and ETF, who assigns them "a key role in its Work programmes and medium term strategy." Its functions are to identify priorities and advise on policies for the further development of vocational training by:

- Collecting data on, and carrying out structured assessments of vocational education, training and labour market reform in their country
- Dissemination of information and good practice on vocational education, training and labour market systems from EU members states and other partner countries
- Developing co-operation with international networks and organisations from EU member states.

85. ETF have set up 25 National Observatories since 1996 in co-operation with the national authorities in 24 partner countries, to build a capacity within a country to perform these information and clearing house functions and provide a range of services and products to assist VET reform, as well as support the work of ETF in individual countries and for cross-country studies and activities. Since 1996, ETF has provided varied training support to staff of the Observatories to enhance their management and technical capacity.

86. Some National Observatories are independent bodies, while many are hosted in the Ministry of Education or the Ministry of Labour, which constrains their independence. Each has a steering committee to oversee their work. Development targets were set for the National Observatories in 1998 for 1999-2000 and a five-year plan for the Network. As part of the change of institutional medium-term strategy for ETF, the funding relationship between the National Observatories and ETF has changed from 2002. ETF now provides only core funding for mandatory outputs/activities related to their expertise and clearing house functions. NOb budgets are now more project-oriented, recognizing their increasing need to sustain themselves from other sources.

87. A different model is being developed in the Meda region as shown in Algeria as a pilot approach intended to provide lessons for other Meda countries. The Observatory function is to be undertaken by a co-ordinated network rather than primarily by a dedicated institution. Consequently, there has been a greater focus right from the beginning on ensuring that the observatory function will serve directly the needs of Algerian VET reform and labour market development. Thus the aim is to embed the function in the existing institutional landscape in Algeria, rather than by focusing on one host institution. The regional dimension in Meda will be addressed through convergence of approaches rather than through benchmarking of labour

market performance in the various countries. The approach in Algeria builds on two elements – the experiences gained by ETF through its involvement with the National Observatories in the Phare, Tacis and Cards regions; and the priority expressed on the part of the Algerian authorities to more closely link service provision by the various VET and labour market institutions to real labour market needs.

88. The Algeria approach addresses the sustainability question from the start. While it is impractical to attempt to start again in Tacis and Cards countries by adopting this approach, ETF should gain important insights from the Meda region on how to better embed the functions currently undertaken by National Observatories in their institutional setting.

4.1.3.2 Effectiveness of the National Observatories individually and as a network

Function: Policy Advice & Identification of Priorities for VET and Labour Market Reform

89. As a conduit for policy advice and information on best practice in relation to needs, the inputs of the National Observatories are mainly in the form of reports and studies. Their main product is the annual country report, although each Observatory produces a range of other material on VET. This varies in its quality and relevance for policy development as evidenced by examination of a range of these products, case study visits and the findings of the evaluations of the Phare and Tacis networks in 2000-01. Reports and studies are used to varying degrees by the key ministries, usually Education and Labour, dealing with VET and labour market reform. In the candidate countries, the orientation has been towards preparation for accession since 1998. The Phare evaluation found that the services provided by the National Observatories were well regarded by key stakeholders and users, although it also found a limited awareness by the Observatories as to their users' specific needs. Services and products were *"based in most cases on signals from ETF."* The case study in Lithuania confirmed this and that the National Observatory was regarded as the main source of best practice and knowledge on VET. There was a general recognition by the main users of the useful and necessary contribution of the reports and studies, and the data and analysis of trends in the annual report, to the process of building information for planning and policy purposes in VET reform.

90. Findings were similar for the National Observatory in the Russian Federation, which was well recognised within the Ministry of Education and the EU Delegation as a centre of expertise and information on VET reform. This contrasts with the assessment of ETF's 2001 evaluation of Tacis National Observatories, which noted the *"rather passive…information provision to Ministries and government departments."* Nonetheless, the overall functioning of the network was found to be very relevant insofar as their outputs of reports and studies had a *"high degree of effectiveness in terms of the extent to which local stakeholders successfully utilise their outputs to feed into the reform process."* The evaluation also found that the National Observatories' main contribution to national policy making and implementation was largely confined to mediation between local authorities and international donors, and providing information support to strategic decisions. A key factor enabling the National Observatory to undertake this policy advice function of the Observatory is the recognition by its main users of the quality and standing of its experts and its influential institutional location.

Function: Dissemination of Information and Best Practice

91. Dissemination of information and best practice from the EU, mainly via ETF, and other sources across partner countries varied in effectiveness and reflected the national and regional environments. In the candidate countries, the Phare evaluation found the annual report had *"a very high dissemination coefficient among the national stakeholders."* The role of the Observatories as a clearing house for international information was *"potentially considerably larger than in reality."* The case study found that the National Observatory in Lithuania exemplified well this function as it disseminated knowledge and information from EU, partner countries and ETF on VET and labour market and best practice in a systematic way. This was found to be a useful function in relation to VET reform for stakeholders, especially its main user- the Ministry of Education. It systematised the knowledge and research from a variety of sources

and freed policy makers and institutions from the task of approaching a multiplicity of sources. Therefore, the added value of this function comes not just from the data itself, but also from the process of collection, analysis and then systematic collation and presentation.

92. In the NIS, while the evaluation 2001 found in general an efficient function in gathering, analysing and disseminating information on VET and labour market issues, it also found *"a narrow dissemination strategy mainly focused on a network of key stakeholders... Social partners have only restricted information on outputs and activities."* The Russia case study visit found that the National Observatory effectively performs a clearing house function for EU information from EU sources and its dissemination within the Russian education system, enabling educators to become acquainted with EU practice, trends and initiatives in VET. For example, dissemination of the consultation on Lifelong learning created awareness of the EU policies and strategies and this supported ETF efforts in this respect. Vice–versa, documents in Russian received by the National Observatory are translated and sent to ETF to inform its functions. The National Observatory is perceived as the main source of information on VET from the EU as no other body has this capacity.

Function: Networking

93. The networks are a key resource whereby ETF can gain information on VET in the different countries, especially with some countries in the NIS where it would have difficulty obtaining such information otherwise. Regional links between countries have been developed between some of the National Observatories, assisted by the fact that Steering Committee members are often members of the regional Advisory Forum. While most countries can engage in dialogue with contacts in the EU on VET, the National Observatory network facilitates these regional links and dialogue. For example, the case study found that the National Observatory in Lithuania drew upon the regional networks for information and source of best practice on VET and labour markets that can be applied in country.

94. Standard methodologies used for ETF reports, e.g. key indicators, also make it easier to draw upon comparative experience using common parameters. If such regional and ETF networks did not exist then such comparative analysis would be difficult if not impossible. The network for the NIS was found by the 2001 evaluation to have enabled a range and frequency of contact and exchange of ideas on changes and VET reform in each country. The Observatories had *"efficient communication and exchange of information with other Tacis National Observatories; ETF and other donors."*

95. National Observatories have a variable range of links with national ministries, institutions, social partners and VET experts. National Observatories have their own local expert networks on which they can draw to assist with writing reports, analytic studies and workshops. The 2001 Tacis National Observatories evaluation found *"an over-emphasis on serving stakeholders on a national level and relative neglect of regional/local stakeholders."* The case study found that the function of the National Observatory to support and promote networking between different stakeholders and initiatives in VET reform within Lithuania and to the EU was adequate, although the latter is mainly via the ETF. While it remains linked to ETF, its function is as an intermediary to draw on EU best practice and networks for expertise.

4.1.3.3 Use of knowledge and information by its customers

96. The Phare National Observatories evaluation found that *"the main products and services offered by the Observatories are considered by the national stakeholders to be of a high quality."* The case study found that products broadly met customer expectations, since they are more oriented for operational use in meeting specific needs for VET policy development and planning. The use of Key Indicators provides a standard methodology that can be useful for comparative purposes, and the country reports assist ETF in producing a cross-country study, which is a synthesis of the different national reports. These national reports and studies would appear to be broadly regarded by the main users in a country as helpful in planning the VET related work. However, the case study in Lithuania found that most users regarded the information and reports more in terms of

being "useful" in providing background information. (This echoed a similar assessment from the EC but more in terms of ETF synthesis reports). They were perceived as more descriptive and factual than an analysis of a high standard. However, the reports are what are actually needed by the main user – the Ministry of Education – as a basis for analysis and further interpretation. They add value, because they collate and analyse disparate information and data where the main user does not have either the human resources or time to undertake this function. Nonetheless, a common finding from case studies and the Tacis and Phare evaluations was that Observatories are more reactive rather than pro-actively assessing specific needs as a basis for their provision of services and products.

Customer perceptions of National Observatories' added value

97. The added value of the various products, mainly reports and analyses, to national customers is their collation and analysis of disparate information and data in one coherent form where the main user does not have either the human resources or time to undertake this function, including access to different databases. It can provide one reference tool that systematises information from different sources and training levels and enables comparison of the latter using the key indicators in the annual reports. For example, in Lithuania, the Ministry of Education has no support institution to provide this function. It needs practical analysis for operational needs, for which it does not have personnel, and which the National Observatory provides and this is a flexible and useful resource. Added value is also from channelling information from EU and the network of National Observatories to social partners and organisations, such as the chambers of commerce.

98. Information from the EU, ETF and partner countries has to be adapted to the needs of the in-country user and the specificity of the change process for VET. It entails recognition of the different needs of users from schools to policy makers in ministries and VET practitioners. Such a facility within a national system is often lacking which the National Observatory can to some extent provide as added value to the reform process. Of special relevance is where the function of the Observatory has co-operated with other EU programmes or agencies and added value to their operations, e.g. the Observatory in Lithuania supplied data and analysis to the Leonardo agency for an information catalogue for vocational guidance to secondary school graduates.

99. All these services and products have added value to ETF. They provide the detailed and national level information on which it can draw for its own function of producing different studies for its main customer (EC) on specific issues and which it would find hard do without this network. The networks between the different regions and countries, based on National Observatories, on which ETF can draw for its own functions, were perceived as its added value from interviews in the EC.

4.1.3.4 Sustainability of the National Observatory Network

100. As the case study visits and the Tacis and Phare evaluations have indicated, limited funding is a major concern for the National Observatories. Almost all Observatories receive some kind of co-funding, usually from the host organisation or through the host organisation from the Ministry of Education or the Ministry of Labour. The change in the funding from ETF as part of its new strategy means that the National Observatories will have to become more self-sustainable, but the method of achieving this will differ according to country and to individual circumstances – for example, whether it is hosted in a government ministry or it operates as an independent body. This will influence the degree to which the National Observatory needs to be proactive in marketing and promoting its services and products, perhaps in co-operation with other institutions.

101. The potential of a National Observatory to 'market' its services must also be seen within the context of the gradual recognition that information has a value within a market economy, a concept which is still new to many countries. In the candidate countries, that recognition is more prevalent in the private sector but is slowly being accepted in the public sector. It all depends on the willingness of the user to pay. It is difficult for institutions to survive by selling research activities when ministries are used to receiving the information free of charge. This is especially so in the NIS. The Tacis evaluation in 2001 concluded that the *"network had only a moderate*

degree of financial sustainability in terms of long term survival and maintenance of their main results."

102. Options might include marketing themselves to commercial entities but this is likely to be a limited market, for as the Phare evaluation 2000 found *"very few alternative or competing providers of the current services, which the Observatories are offering,.. there is hardly any commercial local market for the products and services."* Another option, which recognises the current situation for many, is that they become more subsumed into a host organisation such as a Ministry of Education or Labour.

103. In the candidate countries, a further option is a potential for incorporation into CEDEFOP's reference expertise network after accession. ETF believe that the Observatories represent a sound basis for the CEDEFOP network, but expressed their concern that no decisions had yet been taken, affecting ETF's ability to map out a sustainable future for the National Observatories.[10] The risk remains therefore that the fruits of ETF's considerable investment in developing the capacity of National Observatories may be lost. For more on this, see section 4.2.1.8 National Observatories and CEDEFOP's Reference Expertise Network.

4.1.3.5 Conclusions on the National Observatories, and the Observatory Function

104. The National Observatory network in the non-EU partner countries provides ETF with both a reference source and a dissemination channel for its services and products. Drawing on this network helps ETF to provide a window on partner country VET and labour market systems, and represents a useful starting point for CEDEFOP's reference expertise network in the candidate countries post-accession.

105. National Observatories provide policy advice, mainly through their reports and studies. Notwithstanding the need for greater client orientation in these products, they are used to good effect by partner country Ministries and government departments. The reports, studies and guidelines also give an added value in that they provide a reference tool for its main users that systematises information and data from different sources and training levels. This is particularly important a) where the main user does not have either the resources or capacity to undertake this function; and b) where the systems or approaches of partner countries do not support easy comparison. For example, the use of Key Indicators provides a standard methodology that can be useful for comparative purposes, and the cross-country studies synthesise the different national reports.

106. Given the low costs of supporting the each National Observatory (typically €15-25,000 per year), these services represent good value for money.

107. Sustainability is a key issue. The change in the funding from ETF as part of its new strategy means that the National Observatories will have to become more self-sustainable, but the options for achieving this differ from country to country. This might mean marketing themselves to commercial entities for which there is likely to be a limited market; or becoming subsumed into a host organisation such a ministry. In the candidate countries, a further option is the potential to be a node in the CEDEFOP reference network. To prepare itself for these different scenarios, the National Observatories will need to assess what they can offer; assess market needs, and develop a strategy to meet them.

108. A different model for the observatory function is being developed in the Meda region as shown in Algeria where the pilot approach is intended to provide lessons for other Meda countries. This model is still in its early stages and it is too soon to conclude as to whether it is more sustainable. But on the basis that sustainability has been a major consideration from the start, it looks more likely to achieve sustainability in the longer term.

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[10] Some staff expressed the view that this is characteristic of the trade-off they face in Candidate Countries between addressing short-term accession needs and long-term priorities for VET reform and labour market development.

4.2 Effectiveness – Development of human resource policies and programmes in partner regions

TOR question
Assess the Foundation's cooperation with the Commission & other relevant bodies (in particular CEDEFOP) in order to assist in the development of human resource policies & programmes in the partner regions in accordance with EU external policy priorities.

4.2.1 Cooperation with CEDEFOP

Detailed evaluation questions:	
1.2.1	*How do stakeholders perceive the complementarity (or duplication) between ETF & CEDEFOP's roles?*
1.2.2	*What communication & coordination mechanisms exist between ETF & CEDEFOP? How effective are they?*
1.2.3	*Is the ETF-CEDEFOP working group operating? What are its functions & how effectively is it fulfilling these?*
1.2.4	*What joint activities do ETF & CEDEFOP undertake? What jointly developed products & analyses have resulted (eg. for benchmarking VET policy developments)?*
1.2.5	*How has ETF taken advantage of CEDEFOP's know-how & resources, & taken steps to avoid duplication of CEDEFOP activities?*
1.2.6	*What support has ETF provided to Candidate Countries in their adaptation to the 'acquis'?*

4.2.1.1 Background

109. CEDEFOP was established by Council Regulation 337/75 in 1975 to assist the Commission in promoting the development of vocational education and training at the European level on issues of common concern to the Member States.

110. Prior to the European Council of Helsinki in December 1999, co-operation between the two agencies concerning the candidate countries included involvement of CEDEFOP experts in events and projects organised by ETF in all partner regions;[11] ETF support to candidate countries for participation in CEDEFOP projects and initiatives; recourse to each other's publications for the implementation of their work programmes; ETF representation on the editorial board of the CEDEFOP journal, and CEDEFOP participation in the ETF Advisory Forum; and ETF participation in the Forum on Transparency of Qualifications. The external evaluation of CEDEFOP in 2000-01 concluded that *"co-operation between the two Agencies is satisfactory"* but that it should be strengthened.[12]

111. In an attempt to consolidate and build cooperation between the two agencies, a Framework for Co-operation was agreed in 2001. This built on the obvious need to coordinate activities in the candidate countries, but also on their broader common interests and complementary expertise in vocational education and training. The aims of the framework are to prepare the candidate countries for full participation in CEDEFOP at the time of accession, and to facilitate the full participation and involvement of candidate countries in the policy development of the European Union in the period before accession.

[11] This cooperation has been developed further for the Candidate Countries after the Helsinki European Council

[12] CEDEFOP: Action Plan as follow up to final report of the External Evaluation of CEDEFOP. Nov. 2001

4.2.1.2 Comparing CEDEFOP & ETF roles – complementarity or duplication?

112. ETF and CEDEFOP are both Community Agencies but have different technical and geographical mandates, and different skills and strengths. In particular, CEDEFOP focuses primarily on analysis and dissemination of comparative knowledge, and on understanding trends and developments in VET in Member States and at the European level. In contrast, ETF is more operationally oriented to specific national needs in partner countries, reflecting its focus on internal VET reforms.

113. The perception of ETF is that practical cooperation is increasing, and progressing well. ETF feels it has been proactive in involving CEDEFOP in its activities in Candidate Countries. The realisation of their respective strengths in concrete terms is perceived as increasing since the signing of the Agreement in June 2001. It is recognised by both that there was some mutual suspicion as to co-operation and roles in the past but this is now dissipated, certainly at the level of project managers.

Source: Presentation of Interim Report to evaluation steering committee

114. The view of CEDEFOP staff is summarised in their survey responses. While less than a ringing endorsement of effective cooperation, there is general agreement that cooperation is adequate. Four out of the nine respondents disagreed that ETF & CEDEFOP communicate effectively together, and their comments indicate that this as an area for future improvement. Indeed, communication and visibility were common ETF weaknesses cited by CEDEFOP staff.

115. As already noted, the perception among some MEPs of overlap between ETF and CEDEFOP as stemming more from a lack of understanding within Parliament of their differing roles, rather than from any well-grounded concern.

116. There is increasing co-operation of both agencies with Eurydice. Tri-partite co-operation is encouraged by DG EAC as part of the need for greater synergy in the scope of all their activities in education and vocational training in respect of the candidate countries. This is accentuated as CEDEFOP and Eurydice have enlarged the scope of their work to embrace the pre-accession countries, which implies greater co-operation with ETF and utilising its depth and continuity of experience with those countries. This is underlined by the enlargement process that will draw the countries into an increasingly integrated EU co-operation in these fields of education and within the context of Lifelong learning, both of which will provide a more common framework for all three organisations to work together. CEDEFOP monographs describing the vocational training systems of member states will be eventually replaced by those resulting from tri-partite agreement.

4.2.1.3 Coordination and communication

117. The Framework Agreement is a basis for the development of communication and co-ordination with its list of priorities: - study visits, harmonisation of reporting systems, teacher training network, Lifelong learning, transparency of qualifications, eLearning, information management and research. They are reflected in the work programmes for 2002 for both organisations. CEDEFOP contributes its wider experience with social dialogue and the involvement of social partners in VET to complement the experience of ETF in social dialogue and VET reform. This

brings an added value to the process in the candidate countries. Outcomes of the progress of co-operation under the Agreement will be presented to their respective governing/management boards in November 2002.

118. The Framework has helped in providing a clearer basis for cooperation. Practical cooperation is increasing, as evidenced by the joint activities undertaken and the progress reports. The common focus on joint projects has resulted in improved coordination at the level of project managers. CEDEFOP staff agree that they have been adequately involved in ETF activities in candidate countries, and that ETF has provided valuable support to candidate countries for their participation in CEDEFOP projects and initiatives.

119. From the viewpoint of both organisations, there has been an improvement in communication and relations. In the mid-90s ETF insisted that any information from CEDEFOP to the Phare countries was routed through them but this is not now the case. CEDEFOP advise ETF informally of requests from candidate countries. Positive and open communications now exist and this is especially at the level of project managers who try to find ways to co-operate on projects. However, at a more senior level communication remains a problem.

4.2.1.4 Effectiveness of the ETF-CEDEFOP working group

120. The Framework established a Working Group with responsibility for proposing cooperation activities and reporting on progress; and required both organisations to agree an annex to their respective work programmes setting out joint actions and projects to be undertaken. The two agencies present to their respective Governing/Management Boards, a six-monthly report detailing progress in joint activities and projects, and will include a joint section in their respective annual reports.

121. The Working Group first met formally in July 2001 when action plans were drawn up, and has met twice subsequently, in April and May 2002. Additional informal contacts have also taken place, relating to implementation of the actions agreed upon. The Working Group is operating well, although with the reservations that their meetings cover too much material, and that the mix of experts attending from both organisations is not always appropriate to the issues in hand.

122. CEDEFOP's view is that the Working Group would be more effective if made up of experts with a focus on a specific theme at each meeting with a view to action; rather than trying to cover several themes in one meeting as happened in the meetings so far. CEDEFOP experts cover themes whereas ETF experts operate essentially by country, although it has now set up the thematic working groups. Therefore, to have geographically focused experts trying to deal with a variety of themes is not as effective as a focus on a specific theme.

123. Thus a two-tier system would be more appropriate, with a smaller group led by the two Directors focusing on the institutional aspects of cooperation, mapping out priority themes for joint action, and continuing in its oversight role; and a series of more ad hoc groups being established to deal with thematic issues as they arise. ETF's Thematic Working Groups should offer good potential to assist in this role, an approach that would provide a real testing ground for what is the true complementarity of CEDEFOP's and ETF's respective expertise.

4.2.1.5 ETF-CEDEFOP joint activities and products

124. The range of joint activities and products developed by ETF and CEDEFOP can be found in Annex 9b, which presents the July 2002 progress report on ETF-CEDEFOP cooperation. These activities reflect the following two areas of cooperation:

- The preparation of the candidate countries for full participation in CEDEFOP at the time of accession, for example through the National Observatories of the Foundation; and
- Facilitating the participation and involvement of candidate countries in the policy development of the EU in vocational and education training during the period up to accession.

125. The list of activities is long and impressive. However, it is CEDEFOP's view that activities concerning preparation of the candidate countries for full participation in CEDEFOP have been launched by CEDEFOP and are not the result of joint co-operation. While ETF are able to cite many examples of their own actions in familiarising Candidate Countries, and the most recent joint progress report[13] lists many actions by both organisations, there is a qualitative sense in which many of these actions can be seen as separate contributions to a larger product, rather than as truly joint products developed in an integrated way. This view was borne out during interviews with DG EAC staff.

4.2.1.6 Building on CEDEFOP's know-how and resources

126. In 2001 the CEDEFOP Management Board emphasised in response to the external evaluation that CEDEFOP "*should ensure that this new co-operation [the Framework agreement] with the ETF is now fully implemented, in particular by making full and frequent use of the joint working group that has been set up for this purpose*." Implementation was an integral part of the CEDEFOP Work Programme for 2002. It emphasised continuation of the familiarisation process with candidate countries and gradual integration of them into the activities of CEDEFOP assuming that resources are made available by candidate countries themselves or the Phare programme.

127. In its early years, ETF did take advantage of CEDEFOP resources and knowledge in order to learn from it as a model, e.g., in publications and its national descriptions of VET systems in EU member states to develop a reporting format for candidate countries. Now ETF regularly requests information from CEDEFOP in relation to specific issues with which it is dealing in the candidate countries in order to guide them and 'not reinvent the wheel'. There is access to each other's publications, electronic information is shared, and discussions are on-going about harmonisation of CEDEFOP's electronic training village with ETF's database of experts.

128. Notwithstanding this, there is a perception that ETF does not take full advantage of the expertise of CEDEFOP. A strong view expressed by DG EAC is that ETF should accept that it does not have the full range of expertise it needs to work with candidate countries and that CEDEFOP does have relevant expertise. CEDEFOP is seen as having access to stronger technical expertise, and has having better knowledge about policy and best practice in EU member states, and there is some concern that ETF has not made sufficient efforts to access this knowledge and expertise, thus constraining its own ability to provide effective support to assisting Candidate Countries in the familiarisation process. ETF should therefore do more to draw on CEDEFOP's expertise, recognising where this is stronger than their own – particularly in relation to policy and best practice in EU Member States.

4.2.1.7 National Observatories and CEDEFOP's Reference Expertise Network[14]

129. CEDEFOP presented their network at a meeting of National Observatories in Turin in 2001. CEDEFOP perceive the National Observatories human capital as "very useful" and recognise that it is a key instrument for ETF, although varied in quality. The first contact for CEDEFOP with the candidate countries is the National Observatory and their value depends on the individuals within it and on their links with other institutions in each country. In the REFER preparatory negotiations in 2003, ETF will be involved in the discussion of the revised assessments of the quality of each National Observatory before integration.

130. ETF expressed some concern as to whether the Candidate Country National Observatories will be selected to become nodes in CEDEFOP's Reference Expertise Network (REFER). Although the National Observatories have different functions to those required by the REFER network, ETF nonetheless feel strongly that they provide good potential for this role. CEDEFOP will be

[13] Cooperation between CEDEFOP and ETF: Joint Progress report July 2002

[14] The REFER network provides to CEDEFOP data and information on national VET systems and developments, results on nationally funded research projects and access to national documentary and bibliographical information.

conducting its own assessments of potential candidates for REFER this year, and no decision has yet been made. The National Observatories represent a considerable Community investment and a valuable resource, and while they may yet be incorporated into REFER there is little time for the 2004 accession countries to pave the ground for this. The opportunity remains in Bulgaria, Romania and Turkey to prepare a longer-term strategy that will maximise the chances that the National Observatories or their functions will be fully incorporated into REFER.

4.2.1.8 Conclusions on ETF-CEDEFOP cooperation

131. CEDEFOP is not intended to provide the type of capacity building support that ETF provides. The candidate countries main recourse for the continuation of such support will be through the European Social Fund, also an area with which CEDEFOP is not directly concerned.

132. Currently ETF and CEDEFOP consult each other during preparation of their Work Programmes, and agree on joint actions addressing the joint responsibilities of both organisations during the enlargement process. These actions are contained in an annex to each Work Programme. But neither the Work Programmes nor the Cooperation Framework represent an integrated programme mapping out how ETF and CEDEFOP will together support the Commission to bring each accession country to a defined level of familiarisation and understanding. Rather they map out areas within which joint meetings will be organised to define the scope and nature of cooperation on each point.

133. Nor does the ETF-CEDEFOP annex to their work programmes provide a basis to assess country-by-country what initiatives are required for the full integration of each country into CEDEFOP. In order to clarify the respective roles of the two organisations, and to reflect a more country-specific approach, ETF and CEDEFOP should develop a strategy for all pre-accession countries. For the 2004 accession countries, the focus should be on detailing objectives and priorities country-by-country and for cross-country issues, thus providing the opportunity for defining in more detail what responsibilities ETF and CEDEFOP should have in 2003, and how they should therefore cooperate in practical terms. For Romania, Bulgaria and Turkey, country specific objectives should also be developed, but with a particular focus on preparing National Observatories for future incorporation into the REFER network.

4.2.2 Cooperation with other Directorates General

Detailed evaluation questions:

1.1.2 What has been achieved in each area of ETF's activity?

j) How successfully has ETF responded to requests for policy advice from its partners?

l) What methodologies & guidelines has ETF developed for the analysis, monitoring & assessment of vocational training & labour market developments & policies?

m) How do the stakeholders perceive the relevance & usefulness of these?

1.2.7 What progress is being made in the preparation for DG Employment of country monographs in the Candidate Countries?

1.2.8 How effective has been ETF's assistance to DG EAC in the consultation on the Memorandum on Lifelong Learning?

134. This section covers cooperation with DGs Enlargement, Employment and Social Affairs, and Education and Culture. For an analysis of ETF's relationship with other Commission services, see section 4.6.4 Building a relationship with Commission services.

4.2.2.1 Cooperation with DG Enlargement

135. DG Enlargement is one of ETF's paymasters (see figure 4), and has a direct interest in ETF's activities in the Candidate Countries and with regard to the Phare programme. During the period until 2000, ETF's role was more concerned with project management and administration; since then, the Foundation has shifted to its centre of expertise role, and the focus for its activities in Candidate Countries is reorientated towards institution-building and social and economic cohesion and to preparing CCs for the European Social Fund. Taking account of the focus on accession, Candidate Countries now have observer status on ETF's Governing Board. Previously CC representatives had attended annual seminars attached to the June GB meetings to bring them up to date on ETF and EU VET policy developments and ETF activities.

136. DG Enlargement perceptions of ETF are broadly similar to those of DGs Relex and EuropeAid. Thus ETF's main strengths are seen as its networking and facilitation skills; continuity of expertise; local knowledge; and good administration skills. Also in common with other DGs, DG Enlargement staff see ETF's expertise as being individually based rather than corporate, which is a reflection of ETF's inadequate external communications strategy (see para 51). While ETF is seen as having made a sound contribution in Candidate Countries in support to the Commission (see also sections dealing with DG Employment and Social Affairs, and DG Education and Culture), DG Enlargement would like to see improved client orientation, and a clearer strategy that anticipates ETF's exit from operations in Candidate Countries, and the Candidate Countries entry into CEDEFOP.

4.2.2.2 Cooperation with DG Employment

137. ETF was commissioned by DG Employment and Social Affairs in 2000 to prepare a series of monographs as in-depth studies on vocational training and employment services in the candidate countries. The purpose is to assist the EC in monitoring of the implementation of priorities in the Joint Assessment Papers on Employment Policy (JAP) as part of the accession process. ETF's work entailed detailed analysis of the vocational training systems and employment services of the 10 accession countries.

138. Monographs for Slovenia and Czech Republic were completed after local field research in 2001 with the support of the National Observatories. Six more monographs have been launched. In 2002 another three will be launched. The specific aims of the monographs are not only to support the implementation of the JAPs but also to identify areas for support under the European Social Fund (ESF). Since the JAPs are at different stages of agreement between the EC and candidate countries and late in final signing, an earlier launch of the monographs was not feasible.

139. The monographs themselves were regarded as providing a useful synthesis of data from different sources, but the early versions (for the Czech Republic and Slovenia) were seen as being more descriptive than analytical. There was also a perception that while the capacity to convey an 'insider view' of the situation within a country was valuable, the converse was that it could lead to a too optimistic acceptance of the 'status quo', with the need for a more critical approach to the analysis by ETF.

140. ETF has shown itself to be responsive to these criticisms, and DG Employment and Social Affairs have expressed a high degree of satisfaction with the subsequent revised monographs – for the Czech Republic, Slovenia, Hungary, Malta, Poland, Slovakia and Cyprus. Furthermore, ETF's direct contacts with candidate countries during preparation of the monographs were also useful in sensitising DG Employment to the candidate country perspective. This overall satisfaction has led to DG Employment requesting ETF's involvement in a survey of human resource needs in candidate countries, and conference at the end of the year on human capital and economic development.

4.2.2.3 Cooperation with DG Education and Culture

141. Since the Lisbon European Council meeting in 2000 Lifelong learning has been central to the work in candidate countries, and during 2000 and 2001, DG Education and Culture (EAC) undertook a consultative process on the Memorandum on Lifelong Learning issued in October 2000. The consultation was to be "*close to the citizens and involving the key actors responsible for Lifelong learning at all levels*." The consultative process was proposed by DG EAC to candidate countries as an optional exercise, and to this end DG EAC asked ETF to assist in the collation and analysis of feedback on the Memorandum, to which end ETF prepared a report.

142. The National Observatories were used in some countries as a conduit to gather information and responses to these consultations, and in many countries they played a key role in the co-ordination and writing of the country reports submitted to ETF. These reports were followed up by ETF country managers through in-country discussions, with ETF then presenting the cross-country report for comment at the meeting of the Advisory Forum for candidate countries in Cyprus in September 2001. Finally, in November 2001 ETF presented DG EAC with a cross-country report with all the findings from the consultations – '*Summary and Analysis of the feedback from candidate countries on the Commission's Memorandum on Lifelong learning*'.

143. In the view of DG EAC, ETF provided *"a very good and useful document"* that was based on a sound consultation process. Elements of this document were used to support the subsequent Communication of the EC '*Making a European Area of Lifelong learning a Reality*'.

144. To gain a candidate country perspective on this process and validate the role of ETF, consultations took place during the case study visit to Lithuania. Here the key role of the National Observatory in the process was confirmed. Its activities encompassed data collection and analysis for adults and youth related to Lifelong learning. Established links with the Association of Adult Education were a channel for gaining responses on the Memorandum. The National Observatory worked with the Ministry of Education to gain the feedback on the Memorandum, especially its key messages and proposed channels for mobilisation of resources. It drew on data in respect of both education and employment for the consultation for Lifelong learning. The overall feedback was that ETF managed the process of consultation satisfactorily. The National Observatory is also positioned to continue any work in respect of Lifelong learning for the Ministry of Education and ETF.

145. Therefore it can be concluded that the assistance from ETF to DG EAC in relation to the Consultation on the Memorandum on Lifelong learning was effective. Although this process was more of a 'one-off' exercise, it does exemplify the type of networking and expertise services that ETF can provide to DG EAC. Indeed since the consultation DG EAC has used ETF in relation to the proposed establishment of a Commission Expert Group on Guidance involving both Member States and candidate countries. DG EAC has asked ETF to assist with collection of comparable data from May-June 2002 (based on a questionnaire prepared by the OECD) in those 8 candidate

countries (Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia and Slovenia), which are not covered by the OECD or World Bank and. ETF have used the National Observatory network in order to fulfil this service for the EC.

146. As ETF's *DG de tutelle,* DG EAC have a particular stake in ETF's expertise and networks in general, and in the candidate countries in particular. They also have a direct interest in ensuring that ETF fully exploits the resources and products of other agencies and programmes, such as the Leonardo da Vinci programme. The implementation of the Council Resolution on the promotion of enhanced cooperation in VET ('the Bruges initiative') aimed at addressing the issues of transparency, recognition and quality and the follow up to the Lifelong Learning Communication through the Objectives process now provides the framework within which ETF can provide assistance to DG EAC, in particular as regards the candidate countries. Combined with the key principles that Candidate Countries should actively participate in EU VET policy, and that partner countries should benefit from EU VET policy and Member States best practice, ETF's working relationship with DG EAC in the field of VET and Lifelong Learning should be placed on a clearer basis.

147. DG EAC should therefore consider how it can further benefit from the facility that ETF has through its networks in candidate countries to support the development of a Lifelong learning strategy in the pre-accession phase, and to support DG EAC more broadly. With regard to work in 2004 accession countries, this would require swift action by DG EAC, and a swift response by ETF. Such support requirements could be set out in the form of a framework along the lines of the current rolling frameworks with DG Relex and EuropeAid.

4.2.3 Co-operation with other bodies

Detailed evaluation questions:

1.1.3 How has ETF's expertise evolved since 1997?

1.1.4 How have ETF's past activities prepared it for its expertise function?

1.1.6 How has ETF's expertise met the needs of its stakeholders?

1.1.7 What partnerships/networks have been established to complement ETF's internal expertise, & how are they functioning?

1.2.9 With which other bodies does ETF cooperate for the purpose of developing human resource policies & programmes?

1.2.10 What joint activities does ETF undertake with these bodies? What jointly developed products & analyses have resulted?

1.2.11 How do stakeholders perceive the efficiency & effectiveness of this cooperation its products?

148. The main international bodies with which ETF cooperates and undertakes a variety of joint activities for the purpose of developing human resource policies and programmes include OECD, World Bank, ILO and UNESCO. This is exemplified by different initiatives, which has drawn upon the expertise and experience of ETF in VET reform and policies in the regions it serves, especially the candidate countries. They have been mainly linked to reviews, project identification and development with usually the final product emerging from the international body.

149. In the area of Lifelong Learning and the context of vocational training, ETF co-operates with the World Bank, e.g., it provided a paper to the latter in Washington in April 2002. There has been long standing contact with the World Bank over the past two years with periodic consultations to maintain liaison and a meeting was held in Turin in 2001 which also included OECD and ILO, with whom individual contacts are maintained. There is regular contact at attendance at seminars in this field and VET. Co-operation with the World Bank has included producing reports on specific issues under contract, for example, analysis of the VET system and identifying priority needs in Bosnia in 1997-99. In the field of teacher training recent links with the World Bank

have been in Serbia and Montenegro. ETF participated in a panel established by the World Bank to peer review and monitor their VET sector programme in Russia. There has been co-operation to assist the World Bank define their projects in NW Russia drawing upon the long standing ETF project for VET in the same region. Assistance was provided in the preparation of a joint EC/World Bank funded programme in Egypt.

150. There have been links with a number of other organisations in the field of enterprises and management training. These include: The German aid agency KfW in relation to the studies on SMEs; Swiss aid funded one project for ETF and Italian aid one project in Albania in the area of SMEs; Dutch aid, UNDP and ILO. France and Italy co-financed a continuing education initiative in Romania based on a French model and which ETF set up. In Lithuania, ETF has co-operated with Denmark and Finland over three years from 1998 on a project to pilot innovative approaches to teacher training.

151. ETF co-operates currently with ECOSOC on an initiative to support social partnership reform at the regional level in the Western Balkans. There is co-operation with the ILO in both Geneva and the Training Centre in Turin and ETF provide experts when requested on an 'ad hoc' basis.

152. OECD has asked ETF to provide a team member in VET for an international team in surveys in partner countries on a regular basis since 1997. It is working with OECD on a peer review of education and training policies in transition countries in the Balkans. It has provided a member in VET reform and policy for the team of 5-6 persons, whose members are drawn from EU member states, neighbouring candidate countries and the region. The first cycle will be completed in 2003 for Croatia, Bosnia, Serbia, Kosovo, Montenegro and Albania. This involvement continues the participation in the past of ETF country managers in workshops. A result of this input to the peer review will be a mobilisation of the perception and experience of candidate countries of VET and labour market reform in the accession period as background for better definition of EC assistance and project identification. Such an exercise also facilitates institutional co-operation between countries in the region and EU member states, as well as increasing competencies and understanding of the different country managers from ETF.

153. In terms of the efficiency and effectiveness of this co-operation, the self-perception of ETF is that, given their perceived comparative advantage of corporate memory, continuity, and good local knowledge, they are considered by partner countries as a useful and trusted partner in developing jointly-funded initiatives and in promoting coherence between the programmes funded by different donors. To an extent this is borne out from case study consultations. However, it is important, in this respect, that the role of ETF is not blurred vis-à-vis that of the Commission. The latter naturally takes the lead in the 'political' aspects of programme preparation and as part of its co-ordination as an international body with other multilateral organisations in relation to a country or sectoral initiatives, both in Brussels and in the Delegations.

154. It is difficult to assess the perception of stakeholders as to the effectiveness of the expertise that ETF provides to the international bodies without a range of interviews with other donors. That ETF is asked to provide team members, for example, in peer reviews with OECD, can be reasonably construed as recognition of the experience that ETF has accumulated over the years, especially in the candidate countries. Many of the individual staff involved in working on these initiatives have been with ETF for a length of time. As a result, a corporate memory has been built up which is a useful human resource, especially where there is a frequent movement of staff within the EC and other bodies that makes this resource of added value.

155. Professional development and replenishment of the quality and relevance of that expertise, however, needs to be an on-going process if ETF is to be perceived as a continuing resource that can be tapped by other bodies for future co-operation in terms of peer review and policy development. Such a process has to be seen as an integral part of the strategy to promote ETF as a centre of expertise to other bodies with whom it can generate co-operation and, possibly, potential funds.

4.3 Effectiveness – Information communication and publication strategy and activities

TOR question
Assess the information, communication and publication strategy and activity, notably the use of ICT and the internet.

Detailed evaluation questions:

1.3.1 What strategy is in place for the dissemination of information?

1.3.2 How successful has ETF been in achieving its dissemination objectives? What lessons have been learned?

1.3.3 How effectively has ETF taken advantage of the opportunities offered by ICT/ internet as an effective dissemination channel?

1.3.4 To what extent does ETF communicate the results/outputs of its activities to its stakeholders?

1.1.2 What has been achieved in each area of ETF's activity?

e) What information products (eg. annual regional reports) does (has) ETF provide (d) to Member States & partner countries?

f) Who is using such information, & how do they perceive its relevance & usefulness?

4.3.1 Dissemination strategy

156. Information collection, analysis and dissemination are key functions for ETF in its efforts to assist in articulating partner country needs, in sharing best practice, and in providing support to the Commission. Information, communication and publication are the responsibility of the Information and Communications Unit (I&CU), which is part of Administration and Central Services. In fact, I&CU works mostly to the requirements of the operational departments, and provides support to the Planning, Monitoring and Evaluation Unit (PMEU) for Governing Board matters, and preparation of the Annual Workplans and Annual Reports.

Source: Presentation of Interim Report to evaluation steering committee

157. Information and communications technology (ICT) is dealt with by the Computer and Technical Services Unit (also under Administration and Central Services), which has technical responsibility for developing and maintaining ETF's various computerised information, communication and publication products such as the contacts database and information portal.

158. The Foundation is currently in the process of developing a new overall information/publications and dissemination strategy linked to institutional goals, which it lacked in the past. At the time of interviews with ETF, staff expressed a common perception that the current approach (i.e. before introduction of the new strategy) is somewhat 'ad hoc' and mechanistic, with a greater focus on the administrative rather than strategic aspects of communication and dissemination.[15] This

[15] The ICU unit is now in charge of events management, which appears to take a greater proportion of staff time at the expense of strategically planned dissemination.

impression is borne out in a recent report on ETF external communication[16] prepared for ETF as part of the Ramboll change management consultancy. The report notes that:

- "ETF so far has not developed much of a strategic approach to communication."
- "Most strikingly in the entire area of external communication, ETF has failed to present itself in a clear, recognisable, understandable and coherent way to its environment… The failure is demonstrated in a low recognition and understanding of the ETF as an institution among many of its publics and even key publics, as spot-checks and interviews have shown. Many persons even within the European Institutions that ETF is part of do not know of the existence of ETF. If they do, they often do not know its task and activities and confuse them with others, or do not have a clear understanding of what this means practically."
- "ETF and ICU have been able to react fast and efficient to request for support in technical service and production of external communication tools. This ability to make things happen is in positive contrast to the general inward looking and passive approach to activities in external communication of ETF."

159. To be effective, though, determining a strategy for what publications need to be produced, potential users and their dissemination has to be a part of a knowledge management strategy for ETF that relates to the new institutional goals and deliverables.

160. While there is recognition within ETF as to the need for such a coherent policy and strategy, it has not yet been put into practice as part of the overall strategic development for the organisation. This raises the issue as to whether the importance of such a coherent approach to information and publications knowledge management and policy that serves to realise the new centre of expertise strategy has been fully appreciated at all the appropriate levels within ETF. The elements of a dissemination strategy are in place – database, computerised systems, and linkages between administrative and technical data – but it has yet to be realised. This rests with the management of ETF to take the necessary steps to ensure all the elements cohere with the overall strategy for ETF. As the Ramboll external communications report notes:

- "External communication by the ETF has not received commitment and support by top management, line management and staff. It had not been considered a crucial and intrinsic part of ETF's functioning. Rather, it has been treated like a separate add-on. Consequently, the unit made responsible for it has been treated by hierarchy and line management like an ad hoc production house."

161. By its own admission I&CU suffers somewhat from the mix of tasks that it is required to undertake, and from its need to serve a number of different masters – Administration and Central Services, the Planning, Monitoring and Evaluation Unit, and the operational departments. I&CU has felt unable to take a more strategic approach in the absence of a clear strategy, and by default seems to have been drawn more into the administration of document distribution and similar tasks, at the expense of its more strategic function of engaging in dissemination in its more holistic sense.

4.3.2 Effectiveness of dissemination

162. The Foundation clearly has a good Information and Communication Technology (ICT) infrastructure in place (as evidenced by its website, newly installed information portal, contacts database, and events management system), and has strong in-house expertise to support dissemination. Its web site is regularly visited. For example, the statistics for visits to its website searching for information on ETF and its range of activities and publications shows a high volume with over 800 per day for the first four months of 2002. An extranet for partner countries is being developed so they can receive information, which is personalised to their needs and this would include National Observatories and DG EAC. Internally, knowledge databases are being

[16] Strategic Recommendations for ETF External Communication, PLS Ramboll, June 2002

established with operational departments and so far this includes MEDA, Management Training Unit and the tandems for Lifelong Learning and Labour Markets. Others are foreseen.

163. ETF currently produces and distributes a large range of publications.[17] Many of these publications, e.g., annual reports, work programmes, work on thematic areas, details of ETF activities in regions and countries, reports from National Observatories, can also be accessed and downloaded from its web site.[18] Such a facility and ease of access assists in the dissemination of ETF products, as well as giving an indication of the scope of its services, to its main stakeholders as well as visitors to its website. This facility on their web site needs to be part of an overall institutional strategy for ETF and is being redesigned accordingly.

164. There are good examples of dissemination on specific programmes (Delphi was cited as an example). However, staff agreed that documents and reports are often produced and distributed without being tailored to the specific needs of particular target audiences, which in turn have not been directly researched. An Editorial Board is being developed whose function in part will be quality control. A main function for the Board, though, should be to ensure that all publications support the overall strategy for ETF and reinforce the key areas of its business and related to customer needs. Staff agreed that publication and dissemination initiatives are often 'ad hoc' and based on individual action rather than as clearly subscribing to a coherent strategy. Some recognised a need to reduce the quantity and focus on greater quality (in particular, to move from a descriptive style to more of an analytical style). There is an emerging consensus on the importance of dissemination to the implementation of its new strategy, as evidenced by the draft policy. However responsibilities in this respect appear to be split between different elements of the organisation, which does not support coherence and future implementation of strategy. The staff survey indicates that staff are aware of current inadequacies, with only 15% agreeing that ETF has an effective publication and dissemination strategy, and 41% disagreeing.

165. A key element to be considered is to the extent to which its main customer – the EC – perceives both the quality and utility of ETF information products. Interviews with EC staff found that ETF reports and documents are widely seen as useful in providing a useful overview and background on issues and individual countries. They are though perceived as more descriptive than analytical in nature, and not targeted to the specific needs of the EC. The regular reports produced by ETF (for example, the Country Reports from the National Observatories) provide good background information, successfully synthesise existing data. The contributions made by ETF to the reports on specific issues requested directly by Commission services were seen as satisfactory, for example, the employment monographs for DG Employment. It is interesting to note that a consistent finding is such contributions were often seen more in terms of the facilitation capacity provided by ETF in bringing knowledge and expertise together, especially via its networks, rather than through its direct specialised contribution to the contents of the relevant documents and reports.

4.3.3 Becoming an influencing organisation

166. The shortcomings of ETF in relation to its communications with a range of external contacts have been recognised and detailed, e.g., internal workshop in November 2001 that outlined the need for a "positive and dynamic" approach in its communications and image. The findings point to a series of negative aspects of ETF communications. Mitigating them has to be a part of an overall information and communications strategy that is allied to the necessary changes within the corporate culture of ETF.

167. Clearly ETF and its senior management have now fully taken on board the need for an improved information, communications and publication strategy, as evidenced by the commissioning of the external communications study. However, it remains to be seen whether the required philosophy

[17] There are 172 publications planned for 2002.

[18] The evaluation team has reviewed a large number and range of documents produced in different years. These are listed in Annex 10, and are representative of the range and type of documents produced by ETF.

and approach proposed in the report permeates the wider organisation and the way in which all staff interact with their clients and customers – in other words, whether ETF makes serious attempts to embed communication as an essential component of organisational culture. For the purposes of this report, we would characterise such an approach as that of an 'influencing organisation.' Figure 11 presents an illustrative diagram of the actions and sequence of an influencing model.

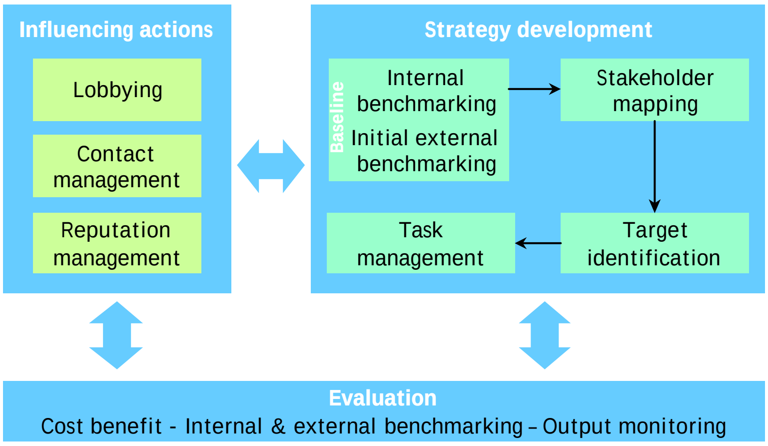
168. Within the private sector, the following processes are sometimes used as techniques to support the development of an influencing organisation:

- ***Benchmarking*** typically involves interviewing target audiences associated with the benchmarking organisation to determine how it is viewed both internally and externally. Benchmarking can provide a qualitative (and sometimes quantitative) indicator of the organisation's standing, giving both an initial baseline from which an influencing strategy may be developed, and an index of shifts in that standing over time.

- ***Reputation management*** implies recognition of the importance to an organisation of its intangible assets, of which corporate reputation may form a significant constituent. The organisation maps its organisational responsibilities against its direct and indirect stakeholders, indicating which issues may be of principal importance to whom, and employs techniques that attempt to improve its reputation in relation to its responsibilities. Whilst such activities may not lead to direct short-term benefits, they are valued by many large corporations as a mean of keeping channels of communication open in case they may be needed.

- ***Contact management*** can provide a control and overview of lines of communication to stakeholder organisations. A fundamental technique of commercial marketing, it also has an important function in supporting the influencing process. Just as for the salesman, it is important for the organisation to know who are its principal contacts, and when, by whom, and with what reasons and outcomes, they have been contacted.

Figure 8: An influencing model



169. An influencing organisation develops an all-staff approach to the effective delivery of relevant messages to appropriate stakeholders. As part of this strategy it needs to consider who delivers these messages, and to whom. Traditional communication techniques will clearly be part of this strategy, but all members of staff should be considered as potential 'influencers' and need to be equipped to fulfil this role.

170. By keeping staff informed and making them aware of their ability to communicate on behalf of the organisation in the course of their normal business interaction with stakeholders, the organisation can reap the benefit of a significant potential for influencing, currently lying fallow. The results of this process can be monitored through benchmarking surveys, the outcomes of which can themselves feed into the next cycle of influencing strategy.

171. These ideas may present an interesting model for consideration by ETF, which by the nature of the wide-ranging contacts of its staff, would be well-positioned to exploit a substantial contact base in disseminating its priorities and objectives, and in tracking its reputation and standing.

4.4 Effectiveness – Tempus technical assistance to the Commission

TOR question
Assess the management of Tempus technical assistance to the Commission, in terms of its use of staff resources & the impact on the Foundation in organisational terms.

Detailed evaluation questions:	
1.4.1	*Are the skills and competences of the ETF TA staff appropriate in light of the nature of tasks involved in the Tempus TA for the ETF as set out in the conventions? Do ETF organisational/managerial arrangements allow an effective use of these skills?*
1.4.2	*What organisational arrangements has ETF initiated to promote synergy and complementarity between its work and resources in higher education (Tempus), VET reform and labour market development?*
1.4.3	*To what extent have potential synergies in the location of Tempus TA at the ETF been facilitated or effectively developed by organisational / managerial provisions?*

4.4.1 Background

172. Tempus[19] is one of a number of European Community programmes designed to help the process of social and economic reform in the partner countries. The programme focuses on the development of the higher education systems in these countries, and is based on the understanding that higher education institutions are of particular importance for the social and economic transition process as well as cultural development; they are also pools of expertise and of human resources and provide for the training of new generations of political leaders.

173. The first Tempus programme lasted from 1990 until 1994. The programme was consolidated and renewed for the 1994-1998 and 1998-2000 periods and, again, for the 2000-2006 period. It has become customary to refer to these periods of the programme as " Tempus I", " Tempus II", "Tempus II bis" and " Tempus III."

174. The Tempus programme works in three distinct but inter-linked ways:

- by providing financial assistance in the form of grants;
- by encouraging cooperation between institutions and between countries;
- by encouraging exchanges, of individuals and of know-how, between the Member States and the partner countries, and between the partner countries themselves;

175. The Tempus programme awards two sorts of grants:

- To groups of universities cooperating together – 'consortia' – over two or three year periods to achieve objectives set out in structured projects, known within the Tempus programme as Joint European Projects.
- To individuals – for example, professors, lecturers, members of staff, ministry officials – in order to help them to travel to other countries for work related to a particular reform process. Within the Tempus programme this sort of assistance is known as an Individual Mobility Grant.

176. The Tempus programme is managed by DG EAC, and technical assistance is provided to the European Commission by ETF.

177. Within the European Commission, three separate entities are involved in the policy development and technical assistance underlying the Tempus programme:

[19] Adapted from 'Tempus guide for applicants – general information'

- The DG EAC is in overall charge of the programme;
- The DG Relex coordinates the external relations activities of the European Commission;
- EuropeAid is responsible for the execution of most of the external aid instruments of the European Commission.

4.4.2 Appropriateness of skills and competencies

178. There are broadly two types of skills and competencies required for ETF to provide technical assistance effectively to the Tempus programme:

- Project cycle management skills, with a particular focus on contract management, to support DG EAC's administration of the application process, and of project implementation
- Content-related skills to undertake technical assessments of applications and project reports, and to contribute more generally to the technical steering of the programme

179. Both DG EAC and ETF feel that the Foundation has had and continues to have the necessary skills to undertake its tasks. Furthermore, ETF staff feel strongly that they have developed skills that are complementary to other areas of ETF activity.

Figure 9: Responses to Tempus questions in ETF staff survey

Respondents were asked to rate their agreement or disagreement with the following statements:	**Strongly Agree or Agree**	**Disagree or Strongly disagree**
27. ETF's management of Tempus Technical Assistance has provided the Foundation with valuable skills & experience for its role as a centre of expertise.	**65%**	13%
28. The skills & expertise developed within the Tempus Department in the field of higher education are complementary to ETF's other areas of work.	**77%**	8%
29. The number & expertise of Tempus Department staff are appropriate to the nature of tasks as set out in the conventions for provision of TA to the Tempus programme.	**64%**	20%
32. The project cycle management expertise built up within the Tempus Department can make a valuable contribution to the management of ETF support services to the European Commission.	**78%**	8%

180. Tempus Department staff point to changes over time in the nature of their involvement with the Tempus programme, with a greater distance opening up from the individual projects. Of particular note is the DG EAC decision to discontinue ETF participation in field monitoring visits, which has resulted in a diminution of ETF's content-related or technical involvement, and a greater focus on serving the Commission rather than the projects directly. This has resulted in a change in the skills profile of ETF staff, away from content-related matters and towards contract management.

4.4.3 Organisational arrangements

181. The Foundation does feel that Tempus has been efficiently managed, following a client-oriented approach and providing value-for-money to the Commission. But DG EAC has expressed serious reservations about the quality of technical assistance provided.

182. A particular concern of DG EAC has been the efficiency and manner with which ETF have carried out their contract management responsibilities, an issue which provides a good example of how organisational arrangements have affected service delivery.

183. Notwithstanding the complex and cumbersome procedures for Delegation of Tempus funds, DG EAC is concerned at the frequent delays to payments, which it sees as having been caused by inefficient ETF management. At the same time, the Tempus Unit in DG EAC has undergone quite regular staff changes, which have clearly affected the continuity of the relationship between ETF and DG EAC, and has contributed to the difficulties which have been reported by both parties.

184. ETF would point to the priority placed by DG EAC on dealing with the application process and technical selection tasks. This has apparently meant that contract management and other tasks have only been dealt with in the time that has remained after completion of technical selection tasks. ETF feel that the recent restructuring of the Tempus Department, and the creation of the two separate entities of Selection and Publication, and Contract Management and Monitoring, has addressed this problem. This change has of course been at the instigation of ETF itself – the evaluators have not determined whether such a change could have been undertaken earlier.

185. Both DG EAC and ETF also cite the complexity of Tempus procedures as a constraint on achieving greater efficiency. In fact there has always been a joint approach between ETF and DG EAC to the development of these procedures, and so it is logical that they should jointly review these with a view to their streamlining and simplification.

186. The use of external consultants by ETF for the assessment of the financial aspects of project reports provides an example of procedures getting in the way of good practice. DG EAC have criticised the quality of the assistance provided by ETF through these external consultants as inflexible and inefficient, resulting in backlogs in completing the assessments. ETF acknowledge the delays, but feel constrained by the lack of sufficient staff to undertake the work, and the poor quality of consultants that they are able to secure within the budget constraints set by the procurement rules.

4.4.4 Complementarity between Tempus and other areas of ETF operation

187. During the early years of ETF's existence, Tempus provided an important source of local knowledge on which to build for its other activities, and that the experience they have gained through the Tempus programme has generated substantial potential for synergy with other areas of activity.

188. However, the Tempus programme (and consequently the Tempus Department) has been a 'difficult animal' to integrate into the wider organisation. It has different work processes (with intense peaks of activity), and covers a different subject area (higher education) to the rest of the organisation.

189. Until 1999, and again since 2000, the Tempus Department has remained as a separate element in ETF's organisational structure. During the period 1999-2000, ETF did attempt to integrate Tempus country managers into the Foundation operational. Although Tempus staff could only contribute 5% of their time to operational departmental activities, this did provide the opportunity for some closer interaction between all country managers. Regular country information sessions were held during department meetings in which activities in the field of both VET and higher education were discussed. Activities in areas such as teacher training, continuing education and management training were carried out jointly.[20] Please also note the transfer of expertise from Tempus to VET departments – an example is the adaptation of Tempus PCM manual for the use of NObs.

190. But despite such attempts to integrate staff into other departments, staff and senior management agree that Tempus has never really fitted well into the other activities of the Foundation, and that the potential for synergy that has existed has unfortunately not been realised:

[20] example: training for SMEs in Albania – a joint meeting at the University of Tirana with the Tempus manager, VET manager, National Observatory and University representatives at the preliminary stages of the project which was then to be co-funded by the Italian government and the ETF

- The organisational and PCM skills could be relevant to the wider organisation, especially with regard to the project cycle related support the Foundation now provides to the Commission. Although the Tempus Department has been a good training ground for ETF managers, skills have only been transferred through the re-posting of ex-Tempus staff into the wider organisation, rather than from a concerted effort to package and disseminate knowledge and skills internally. One example where things have worked better is the adaptation of the Tempus PCM manual for the use by National Observatories.
- Particularly with the current Commission emphasis on Lifelong Learning, ETF's involvement through Tempus in the higher education sector ought to have generated more of a synergy with the Foundation's work in the VET and labour market reform. Nonetheless, Tempus still provides this opportunity, provided that the Commission enables it to play a more content-related role, and the Foundation succeeds in consolidating and building its knowledge and expertise of the higher education sector. This latter opportunity is less than it would have been in the past, when ETF's content related involvement with Tempus was greater.

191. The ETF staff survey confirms that organisational factors have been major contributors to this failure to realise the potential of Tempus expertise and experience:

Figure 10: Responses to Tempus questions in ETF staff survey

Respondents were asked to rate their agreement or disagreement with the following statements:	**Strongly Agree or Agree**	**Disagree or Strongly disagree**
30. The location & organisational arrangement of the Tempus Department have allowed its skills & expertise in the field of higher education to be effectively used in ETF's other areas of work.	24%	**45%**
31. Information flows & coordination between the Tempus Department & other ETF departments have been effective.	14%	**55%**

4.4.5 The way forward

192. A striking finding of this part of the evaluation has been the difference in views between the Foundation and DG EAC as to the efficiency of ETF's technical assistance. The Foundation feels that Tempus has been efficiently managed, following a client-oriented approach and providing value-for-money to the Commission. But DG EAC have expressed serious reservations about the quality of technical assistance provided, and with ETF's passive or reactive approach.

193. The organisational context (staff changes within DG EAC, organisational arrangements within ETF, and the procedures set or agreed upon) has therefore undermined the effectiveness with which ETF's Tempus-related skills have been used, and has meant that the acknowledged potential for synergy has not been realised. This situation has been exacerbated by the obviously poor communication between the two parties. These problems could be addressed through a combination of the following:

- ETF and DG EAC should finalise the new joint approach for the conduct by ETF of Tempus tasks, the monitoring of ETF performance, and a systematic cycle of contacts and meetings where progress can be reviewed and issues of concern raised before problems arise.
- ETF should develop and agree with DG EAC practical strategies to develop synergies during Tempus III between the Tempus Department and the other operational departments, especially within the context of Lifelong Learning.

194. These problems have been recognised during the course of this evaluation, and are in process of being addressed through the development of a clear joint approach to regulate ETF performance in its technical assistance to the Tempus programme.

4.5 Efficiency – Programme planning, monitoring and assessment

TOR question
Assess the extent to which the annual work programmes are based on measurable objectives, are in accordance with the external relations policy framework, & have been/are the subject of monitoring & assessment processes.

Detailed evaluation questions:

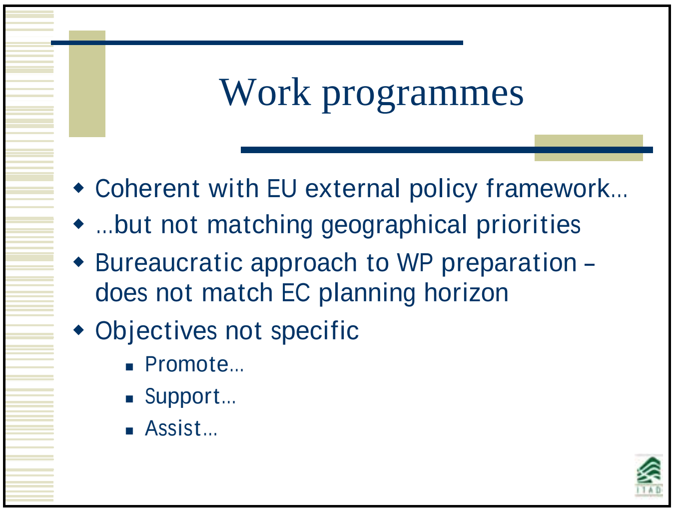
2.1.1	*Do the objectives stated in the ETF's work programmes reflect the relevant policy frameworks & are they consistent with Council regulations*
2.1.2	*To what extent are ETF staff adequately informed of the EU external relations policy frameworks?*
2.1.3	*Are the objectives clearly stated, & supported by objectively verifiable indicators?*
2.1.4	*To what extent is there a common & consistent understanding of the objectives within ETF and are they actively promoted throughout the organisation?*
2.1.5	*What arrangements are in place for preparation of Work Programmes and how effectively are they operating?*
2.1.6	*What arrangements are in place for the collection, analysis, reporting & use of monitoring & assessment information? How effectively are these operating?*

4.5.1 Coherence with the external relations policy framework

195. Staff felt strongly that there is clear coherence with the European Union's external relations policy framework, stating that as an agency for the Commission they are firmly embedded within this framework. However, staff do feel that with this policy framework constantly evolving, maintaining coherence does involve the challenge of trying to hit a moving target.

4.5.2 Clarity and understanding of objectives

196. ETF have shown themselves to be good practitioners of Project Cycle Management through the support they have provided to the Commission in the preparation of programmes.



Source: Presentation of Interim Report to evaluation steering committee

197. This proficiency is not fully reflected in their work programmes, where objectives exhibit three particular characteristics:

- Frequent usage of verbs that describe more what the Foundation will DO, rather than what it seeks to ACHIEVE.
- Corporate objectives within each of the main areas of ETF activity are not explicitly stated. For example, in WP2002 the objective of support to the Commission is apparently "to respond to requests for support", which neither provides a clear sense of what ETF will do, nor what contribution its support will make.
- Difficulties in linking the objectives of individual projects and activities to corporate objectives, and therefore to gain a sense of how the portfolio within a given theme or country will contribute to achievement of these higher level objectives. (This was also a particular point raised by the MEPs interviewed.)

198. Clearly the Foundation is one contributor to developments in VET and Labour Market reform, and the issue of attributing results on the ground to their specific involvement will always be difficult. But by considering more carefully what the Foundation is seeking to achieve in each country and thematic area, it is likely that ETF projects and the support it provides to the Commission can be more closely related to the corporate objectives of ETF as a centre of expertise. This would have the added advantage of providing a clearer framework for evaluation.

4.5.3 Work programme preparation and quality

199. From our interviews with members of the Governing Board and the Advisory Forum, it would appear that ETF has involved them adequately in preparation of Work programmes and budgets. For further comments on this issue, see the relevant sections.

200. One issue that does seem to present a recurring problem is the difficult linkage between ETF's planning cycle and that of the Commission. As already mentioned, some Commission staff have expressed a certain bemusement at ETF's efforts to gain a clearer picture of the Commission's likely support requirements – requirements that will always be to a certain extent ad hoc. The evaluation team is unable to offer any blinding insights here, except to say that by engaging over time in a process of dialogue with the relevant services, and building its niche role, the Foundation should increasingly develop a better understanding of the range of activities that it should be funding in its priority areas. ETF has already clearly shown its ability to achieve this balance with the EuropeAid Meda Unit.

201. Our analysis of ETF's portfolio of activities is largely based on data from the Annual Reports, 1997 to 2001, and the Work Programmes, 1997 to the first draft of 2003. This analysis identified a number of issues concerning the presentation, quality and usefulness of these documents. These are summarised below:

- Several of the Annual Reports duplicate the budgets of the Work Programmes, whereas it would be expected that the delineation between the two sets of documents would be much clearer. In other words, the Work Programme should give the indicative figures, and the Annual Report should show and compare with actual expenditure.

- Actual expenditure is shown in the more recent reports to be on average over 99%, with some as high as 99.96% (Annual Report 1999). Though on the surface, this shows ETF is able to spend its budget, it does not show the more interesting (and potentially useful) information on changes to the planned expenditure that have occurred during the year; examples might include instances where money has been reallocated between budget lines, or disposal of money at the end of financial year to avoid losing budgeted resources.

- The consistency in the order of data between the reports, makes it more difficult to undertake 'like for like' comparisons between the years. For example:
  - The order of data and wording of column titles differ in the Activity Based Budgeting (ABB) tables from report to report.
  - The order of regions in the tables changes between documents.
  - Tables of activities and budgets for each region are sometimes grouped together (consecutively) and sometimes presented in different chapters (separately).

- There is a general lack of consistency between reports, although part of this is due to the large-scale changes in 2000. For example:
  - The structure and format of the Annual Reports and Work Programmes changes a great deal from year to year. In particular, the Annual Report 2000, is in a completely different format to previous and future years.
  - The categorisation of activities between the years changes, almost on an annual basis. Though (as mentioned previously) this reflects the changes in the organisation over this

period, there are few links made to previous documents or attempts to explain how each one builds upon (or is related to) the past. (See annex 11: Definition of ETF Activities, and Annex 12: Themes and Objectives contained in ETF Work Programmes.)

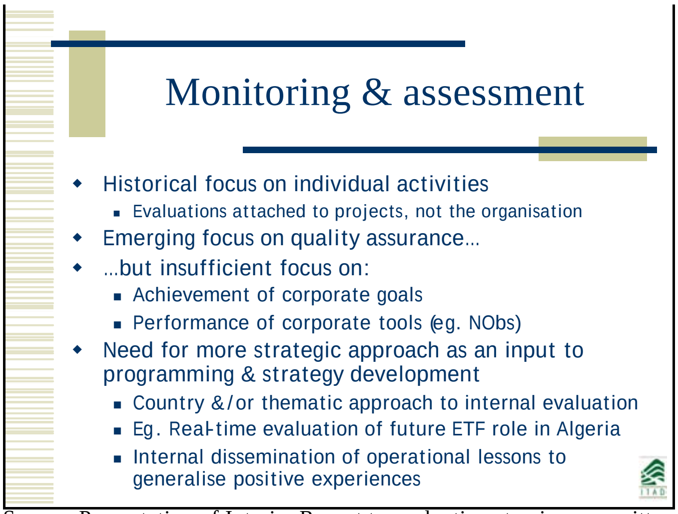
– To the non-ETF or non-EC staff reader, the complexities of the budgets (titles, chapters, etc) and the groupings of activities are not clearly explained in non-technical language. For example most of the reports do not contain a simple glossary of key terms. Presently *some* terms are defined in *some* reports but not later ones (i.e. this assumes incremental reader knowledge), while most of these definitions are incorporated in the main body of the text - and thus not easy to find.

202. While it is understandable that document structures should evolve over time, and should be adjusted to take account of changes in ETF's procedural environment, a more user–friendly and consistent approach to the presentation of this vital information would assist ETF's stakeholders, and contribute to greater transparency.

4.5.4 Monitoring and assessment strategy

203. The Planning, Monitoring and Evaluation Unit (PMEU) has only been in existence since 1999, and was created on the basis of a recommendation contained in the 1997 evaluation report.[21] The focus of the PMEU, and monitoring and evaluation conducted by ETF prior to the creation of the PMEU, has been on individual products, services and projects. The current and evolving focus is on monitoring service provision to Commission services for quality assurance purposes. This reflects the change in emphasis from project management to support to the Commission.

204. Reporting on project progress to the Commission was previously done independently by ETF task managers as part of their project implementation responsibilities, and these reports were supplemented by the Commission's own monitoring system. Staff felt that it had not been clear as to how ETF could most effectively complement the Commission's own monitoring system.[22]



Source: Presentation of Interim Report to evaluation steering committee

205. The shift in focus from project management to support to Commission services has generated a challenge for monitoring and assessment. While it is relatively straightforward to put in place a system to monitor the quality of support provided (essentially through tracking client and customer satisfaction), it is much more difficult now to monitor or evaluate the contribution that that ETF has made.

206. Current plans for monitoring and assessment are undergoing substantial change. PMEU stated that there is a draft policy,[23] which has been developed with the guidance of an external steering committee on evaluation,[24] and that new systems are currently under development for tracking Commission satisfaction with the support and the quality of experts provided by ETF. Whilst a

[21] *External Evaluation of the European Training Foundation*, Sofreco, 1997

[22] ETF used to receive copies of reports generated by the Tacis and OMAS monitoring systems, and task managers would interact with Commission services on their own initiative.

[23] The evaluators were not provided with a copy of this draft policy

[24] Comprising two Governing Board members, a EuropeAid task manager, and an independent VET expert

necessary part of an overall M&E strategy, these arrangements cover only one part of ETF's activities (albeit a substantial part).

207. This is borne out by the staff survey, which shows that only 29% of staff agree that procedures for monitoring and assessment of ETF activities are effective in determining progress and results achieved, while 48% disagree.

208. Particular gaps in M&E arrangements appear to be the lack of a systematic attempt to monitor across the full range of ETF activities, and the absence of arrangements to monitor and evaluate ETF's corporate performance – i.e. how ETF performs as an organisation as opposed to how are its individual activities progressing. Indeed, ETF staff acknowledged that a more country-specific or thematic approach would better enable ETF to learn more about its effectiveness in achieving its strategic objectives as a centre of expertise – for example, through evaluating the achievements of the National Observatories networks (rather than evaluating them country-by-country); or through evaluating the cumulative effectiveness of all ETF support activities in a given country.

4.5.5 Evaluation

209. The list of evaluations conducted during the period of this external evaluation is shown in paragraph 50.

210. The format and presentation of the various evaluations differs from report to report. This reflects the fact that the PMEU did not exist prior to 1999, and is still forming its policy and approach. Nonetheless, it is clear that the variable presentation and quality reflects a somewhat ad hoc or case-by-case approach that does not readily support a corporate compilation of evaluation findings and lessons. Detailed comments on the quality of evaluation reports are presented in Annex 8. A summary of key issues is presented here:

- An apparent lack in the past of common guidelines to ensure a 'corporate approach' to evaluation.
- Lack of a common structure,[25] contributing to the inconsistent presentation of results, and therefore a difficulty in comparability of findings across reports.
- A tendency to present results in a fragmented way (e.g. country by country in the case of the Phare NObs evaluation) without a synthesis enabling generalised lessons to be drawn for application at corporate level.
- Variable quality of analysis, perhaps reflecting the past practice of evaluations being managed by project managers rather than by a corporate body (i.e. PMEU). This variability includes a tendency to present bulleted or summarised lists of issues with insufficient synthesis to draw generalised conclusions.

4.5.6 Conclusions on programme planning, monitoring and assessment

211. As currently presented, Work Programmes are difficult for the lay reader to understand and interpret. Objectives are often stated in terms of what the Foundation will do rather than what it seeks to achieve, and it is difficult to link individual activities to corporate, country or thematic objectives. Following the structured dialogue, the format has stabilised, and together with the rolling regional frameworks, they now provide a better guide to the operations of the Foundation. Nonetheless, greater attention to producing more user-friendly and outcome-focused work programmes and annual reports would be beneficial.

212. Given the relatively recent creation of PMEU, it is unsurprising that procedures for monitoring and assessment remain as 'work in progress.' Particular gaps in M&E arrangements appear to be

[25] It is relevant to note that DG EAC did not provide this evaluation with a standard format or common guidelines for evaluation, despite the existence of detailed guidance both within EuropeAid and DG Budget

the lack of a systematic attempt to monitor across the full range of ETF activities, and the absence of arrangements to monitor and evaluate ETF's corporate performance – i.e. how ETF performs as an organisation as opposed to how are its individual activities progressing. Indeed, ETF staff acknowledged that a more country-specific or thematic approach would better enable ETF to learn more about its effectiveness in achieving its strategic objectives as a centre of expertise – for example, through evaluating the achievements of the National Observatories networks (rather than evaluating them country-by-country); or through evaluating the cumulative effectiveness of all ETF support activities in a given country.

4.6 Efficiency – Internal decision-making, management and resource allocation

Detailed evaluation questions:

2.2.1 *What are the intended internal decision-making procedures in ETF:*

- *Resource allocation*
- *Organisational*
- *Programme planning*

2.2.2 *To what extent are ETF staff engaged in the internal consultative and decision-making processes within ETF?*

2.2.3 *Where do the stakeholders see problems & bottlenecks within ETF, & with respect to the Governing Board & DG EAC?*

2.2.4 *How effectively are decisions communicated to stakeholders?*

2.2.5 *How successfully has ETF adapted to the ABB?*

2.2.6 *What progress is being made in developing frameworks or memoranda of understanding to govern cooperation with Commission & other bodies?*

2.2.7 *How is ETF changing its decision-making & management processes in relation to its newly defined role as a centre of expertise?*

4.6.1 Decision-making and support systems

213. ETF clearly has a range of good quality management and information support systems. The legal services database is comprehensive and well developed, while the financial management system (which is used to apply Activity Based Budgeting) is operating effectively – perhaps well beyond the immediate requirements of the Commission. This latter system provides a major opportunity for the future – the ability to estimate accurately the real costs of service provision by ETF, and therefore the means to market more effectively within the Commission or elsewhere. ETF staff consider that they provide a very good example of how a Commission agency can be transparent and accountable.

214. This is borne out by the comments of the European Parliament in a report[26] on their recent visit to Turin, which noted "*the solid financial probity of the Foundation, and its progress in developing its administrative capacity in accordance with standards of good governance.*"

4.6.2 Procedures for resource allocation

215. From early 2001, the PME unit has produced quarterly budget and activity reports, which integrate budgetary and activity analysis in one document. They indicate in detail commitments, disbursement rates for each of the three titles of the budget and specific items and projects. Such reporting is a useful management tool for senior management to monitor the progress of the annual work programmes in relation to project execution and commitments and disbursements, as well as show changes on the previous quarter. It provides a means to assist in the reallocation of funds and budgetary amendments where necessary.

[26] Working Document: *Exchange of views with the Director of the European Training Foundation,* Committee on Employment and Social Affairs, rapporteur Thomas Mann, May 2002

216. In terms of financial reporting, ETF produces detailed revenue and expenditure account and balance sheet as exemplified by that for 2001, and which relates to the operations under the annual budget and the management of funds for the EC. The report follows the accounting principles and formats as laid down in the Financial Regulation of the Foundation adopted in October 1996 by the Governing Board and in February 1998 the Regulation implementing the financial Regulation was adopted. This is based on the model drawn up by the EC for the newly created EU agencies. This level of financial reporting is an instrument for senior management and the Governing Board to approve allocation of annual resources, as well as in terms of providing accountability for the expenditure of funds according to the requirements of the EC.

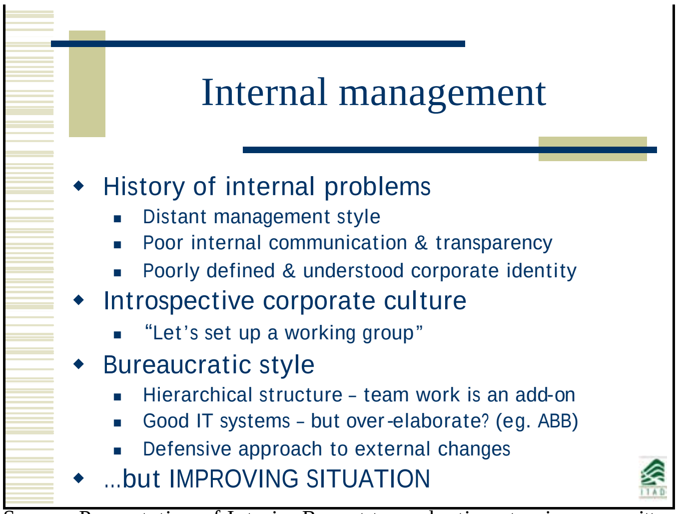
217. ETF staff appreciate the transparency of current procedures, with 58% agreeing that work programmes and budgets are prepared in a transparent manner.

4.6.3 Staff engagement in consultation and decision-making processes

218. A series of memos in 2000 and 2001 between the staff committee and the director indicate the tense and difficult relationships in the reorganisation process. Those from the staff committee indicate that they consider that staff were not fully consulted and that the decision making process was not sufficiently transparent. This is more a qualitative position given that staff committee representatives were involved in management meetings or provided with relevant minutes, but nonetheless consider that their concerns were disregarded. For example:

- As a memo of 10 July 2000 states: "..the current process [of restructuring Central Services] is yet another instance of large parts of ETF being restructured without a clear analysis of needs and risks and without clear objectives for the undertaking."
- As a memo of 18 December 2001 states: "Staff find that the Director is creating within the Foundation a very tense atmosphere, which does not allow open discussions neither with the staff nor with their elected representatives."

219. Allowing for the fact that a staff committee will wish to have more of a role than is perhaps realistic in relation to executive decision making for an institution, and allowing for the charged atmosphere that would understandably accompany discussions of staffing cuts, there is nonetheless a consistent theme of insufficient consultation that is real, and a lack of transparency in how decisions have been reached by senior management. This echoes the findings from our interviews in Turin, and senior management have acknowledged that more could have been done to encourage dialogue.



Source: Presentation of Interim Report to evaluation steering committee

220. Communication and consultation are key themes in the staff survey. It is interesting to note that while 50% of staff feel that management decisions are effectively communicated to them, only 16% feel that management decision-making has adequately taken into account the concerns of the staffing committee and the trade union; and only 35% and 19% respectively feel that they understand the reasoning behind decisions on financial resource allocation, and staffing and human resource development. This points to improvements in the consultation process, but with still some way to go to bring staff fully behind decisions concerning internal management issues.

221. Senior management can point to successful attempts to engage staff in a constructive process concerning staff cuts. The round of interviews with ETF staff concerning the staffing of the

Administration and Central Services department is a case in point, where a new structure and staffing has been agreed and is acknowledged to have improved efficiency. But a more transparent and consultative approach by senior management to the process of reorganisation and decision-making would have ensured that all staff saw this process as an opportunity and a challenge rather than a threat. Senior management is clearly making great efforts in this and other directions. Such efforts should continue as part of an overall process of changing the culture of the organisation to one of greater openness and trust.

4.6.4 Building a relationship with Commission services

222. For further analysis of ETF's relationship with the Commission, see section 4.1.2.

223. ETF has clearly made considerable efforts to promote itself among Commission services, and this reflects a change in approach from the past when the Foundation was seen as operating in too autonomous a fashion.

224. Commission staff acknowledge that while ETF did not engage as well as it might have done in the past, this was as much the fault of the Commission as of the Foundation. Particularly during 1998 and 1999, when the Commission was going through a period of intense organisational change and restructuring, ETF was not provided with a clear indication as to where its services were most needed. However, ETF's response to this lack of direction from the Commission was seen as an attempt to gain a greater degree of autonomy – a negative perception that persists in some quarters.

225. The relationship between ETF and Commission services seems strongest where on the one hand, the Commission is clear about what support it requires, and on the other, the Foundation takes a client-oriented approach in responding to these needs. By demonstrating its capability in an initially limited set of areas that respond directly to the Commission's expressed needs, ETF has shown that it can develop a mutually reinforcing partnership and a firm basis for discussion of future service provision. However, there appears to be a tendency by some parts of the Foundation to offer a range of services in the hope that the Commission will require them, and then to find difficulty in responding if the Commission's expressed needs fall outside this range.

226. The Foundation's approach has also sometimes been seen as bureaucratic and too constrained by its own internal requirements – for example, by seeking more detail and certainty as to the Commission's service requirements in order that these fit within ETF's own work programming and budgeting procedures. Whilst Commission staff recognise the frustration that ETF must experience in the face of an uncertain planning environment, they stress that this is a fact of life and that ETF must develop the flexibility to respond.

Source: Presentation of Interim Report to evaluation steering committee

227. Equally ETF can point to the restrictive financial regulations that they face as an EU agency. Clearly there is a structural difficulty in marrying ETF's own planning requirements with those of the Commission – a difficulty that will doubtless continue to exist and which must be dealt with as flexibly as possible.

228. Perceptions also vary as to ETF's proactivity in developing its support role to the Commission. Firstly, the Foundation is seen as too reliant on the credibility of individual staff rather than the organisation as whole. Secondly, the personal contacts maintained with Commission staff are

very variable – some Commission staff with a direct interest in the Foundation have never been contacted directly. At a more strategic level, the Foundation has been seen over time as reactive rather than proactive, often exhibiting a reluctance to move out of historical areas of work, and as having taken a defensive stance to changes in their operating environment rather than viewing these as opportunities. This is also reflected in a perception that it has not engaged fully with some of its client DGs, and with their medium and longer-term priorities. This is closely linked to the findings presented earlier concerning ETF's approach to information, communication and publication. Commission staff would like to see more of a creative approach, suggesting new opportunities and possibilities and a greater engagement in a dialogue to develop the Foundation's services. ETF is still seen as being somewhat introspective in its approach, investing much time and effort in internally formulating responses to changes in its environment rather than in engaging with Commission services to develop new ideas jointly.

229. ETF does appear to have been particularly successful in building a good relationship with Commission services from the EuropeAid Meda Unit, despite starting from an initially shaky footing. During the period 1998 and 1999, it was difficult for ETF to engage fully with Commission services, which were at the time undergoing a period of intense organisational change, and Commission ideas on how to implement policy were still forming. Nonetheless, through patience and perseverance ETF's Meda department did succeed in establishing a relationship of trust, based on the building of its credibility in a small number of defined areas. This process appears to have allowed both the Commission and ETF to develop a better mutual understanding of the Commission's needs, and how the Meda Department can best provide this support – even to the extent of recruiting new staff to provide regional knowledge expertise that was otherwise lacking in the Foundation.

230. Continuation of this ongoing dialogue (greatly helped by the fact that the Head of Department had spent some time on secondment within the Meda Unit of the Commission, and had previously been a Meda Team consultant) has facilitated what is now an open and transparent relationship where the Commission has confidence in the coherence between its own programmes and activities funded under ETF's own budget.

4.6.5 Conclusions on internal decision-making, management and resource allocation

231. ETF clearly has a range of good quality management and information support systems. This is borne out by the comments of the European Parliament in a report on their recent visit to Turin. In particular, ETF's financial reporting provides an effective instrument for senior management and the Governing Board to approve allocation of annual resources, as well as in terms of providing accountability for the expenditure of funds according to the requirements of the EC. ETF staff appreciate the transparency of current procedures, with 58% agreeing that work programmes and budgets are prepared in a transparent manner.

232. Senior management can point to successful attempts to engage staff in a constructive process concerning staff cuts, but a more transparent and consultative approach by senior management to the process of reorganisation and decision-making would have ensured that all staff saw this process as an opportunity and a challenge rather than a threat. Senior management is clearly making great efforts in this and other directions. Such efforts should continue as part of an overall process of changing the culture of the organisation to one of greater openness and trust.

233. Since the establishment of the first regional rolling frameworks (agreed with AidCo and Relex in 2001) ETF has clearly made considerable efforts to promote itself among Commission services, and this reflects a change in approach from the past when the Foundation was seen as operating in too autonomous a fashion. The Foundation has been seen over time as reactive rather than proactive, and has not engaged fully with some of its client DGs. This is closely linked to the findings presented earlier concerning ETF's approach to information, communication and publication. Commission staff acknowledge though that while ETF did not engage as well as it might have done in the past, this was as much the fault of the Commission as of the Foundation.

4.7 Efficiency – Staff development and organisational structure

TOR question
Assess the organisation of the Foundation in terms of staff development appropriate to the new role, in particular implications for the organisational structure to better achieve an expertise function.

Detailed evaluation questions:	
2.2.8	*What organisational changes have occurred since 1997; what was their purpose; & has this been achieved with a clear division of tasks in relation to the new role?*
2.2.9	*To what extent is there a common understanding within ETF of its new role as a centre of expertise and how this will impact on the organisation?*
2.2.10	*To what extent is there common agreement within ETF on the goals of the change management process?*
2.2.11	*What is the effect of the ongoing change management process on staff?*
2.2.12	*What expertise is currently adequately provided within ETF? What skill and competency gaps exist in relation to its role as a centre of expertise?*
2.2.13	*What staff development & recruitment plans does ETF have to fill expertise gaps vis-à-vis its new role? Is the organisation on track to developing sufficient expertise around its thematic priorities?*
2.2.14	*To what extent have ETF staff been adequately involved in the development of ETF as a centre of expertise?*
2.2.15	*What arrangements have been put in place to strengthen and co-ordinate team working on thematic priorities, share knowledge & provide regional expertise?*
2.2.16	*What other plans does ETF have for strengthening its expertise (e.g. strategic partnerships & networks)? How well are these working?*

4.7.1 Organisational changes

234. During the period from 1997 to 2002, the European Training Foundation has undergone several important changes in its organisational structure. These can be summarised as follows:

- In 1997, the Foundation had at its core a Directorate around which were grouped seven Departments, three of these were operational[27] and four were central services[28]
- In 1999, the Analysis and Development Department and the Vocational Education and Training Department were replaced by five smaller departments organised along geographic lines.[29] Also, two new Units were created to support the new structure: the Planning, Monitoring and Evaluation Unit and the Development Unit. In addition, the management training programme was more formally adopted within the new structure as the 'Management Training Unit.' This programme of re-structuring followed the advice of the 1997 external evaluation, as well as being in anticipation of the Foundation's involvement in the countries eligible for support through the MEDA programme.
- In 2000, a second phase of re-organisation focused on the four departments of Central Services, which became 'units'[30] under a new Administrative and Central Services Department.

[27] The operational departments were: the Tempus Department; Vocational Education and Training Department; Analysis and Development Department.

[28] The central service departments were: the Finance, Personnel & Legal Department; Administrative Services Department; Information & Publications Department; Computer Systems Department.

[29] These were the following departments: Central Europe North; Central Europe South; The Russian Federation, Ukraine, Belarus & Moldova; The Caucasus & Central Asia; MEDA.

[30] The new Units were: the Personnel Unit; the Finance & Legal Unit; Computer and Technical Services Unit; and, Information & Communications Unit.

- Also in 2000, The 'Russian Federation, Ukraine, Belarus & Moldova Department' and the 'Caucasus & Central Asia Department' were combined to form a new 'NIS and Mongolia Department'.
- A review of the organisation of technical assistance to the Tempus programme was launched in 2000.
- By 2002, the 'Central Europe North' and 'Central Europe South' Departments were amalgamated to form one Central and Eastern Europe Department.

4.7.2 The change management process[31]

235. With regard to the change management process that was ongoing throughout the evaluation, only 36% agreed that "there is common agreement amongst ETF staff on the goals of the current change management process." This seems to match closely the response to the question as to whether staff have been fully mobilised in the development of the Foundation as a centre of expertise – 27% and 29% respectively disagreed with these positive statements. Overall support for the process appears muted, with 47% of staff agreeing that "The ongoing change management process is having a very positive effect on the skills development & internal organisation of the Foundation", while 18% disagreed and 34% remained undecided.

236. Currently, priority setting is done by the Senior Management Team (SMT) in consultation with the Change Management Team (CMT). Staff feel that this reflects a more open decision-making process than has previously been the case. The membership of the CMT and its sub-groups is drawn from all departments, and it is they who make proposals. This means that the impetus for change comes from staff, and that mainstreaming of the change process is occurring all the time. However, staff feel that not everyone has been fully engaged, that some still feel excluded from decision-making processes, and that management may not have fully mobilised its in-house capability to support the change process. Subsequent to the evaluation team's interviews with ETF staff, an all-staff workshop was held to discuss the change process, with a view to increasing ownership and participation.

237. Unsurprisingly there have been costs to the process. While internal transparency is improving, it has involved many meetings and a lot of work by taskforces, sub-groups, etc. Staff are conscious that there may have been an opportunity cost, including with regard to the reduced time available to promote ETF to its clients and customers.

4.7.3 Staff development and adequacy of expertise

238. There has been a reorganisation of the Administration and Central Services in 2001, which was meant to concentrate related tasks of previously separate departments (finance and legal, information and communications, personnel and computer and technical services) into one central department to provide a more effective service and use of human resources, in the light of the future direction for ETF, and which could be more cost-efficient. There was a consultation process with staff, which led to changes in the original plans.

239. A Human Resources Plan has been formulated that is meant to support the strategy of ETF becoming a centre of expertise. It would appear though that it has been an exercise that started with the premise to reallocate existing staff rather than defining the human resources needed to meet the goals and thematic areas set for the centre of expertise. The approach appears more an exercise in management of the reduced staffing imposed by the Structured Dialogue than matching human resource needs to meeting requirements of the new strategy. Based on that there

[31] ETF initiated a change management project in 2001 to support its consolidation as a Centre of Expertise. This involved consultancy inputs by Ramboll Plc, and the formation of a Change Management Team (CMT) comprising representatives of the different services and administrative elements of ETF to act as an interface between the Foundation and the Consultants. Although Ramboll have completed their inputs, it is the understanding of the evaluation team that the CMT is continuing to facilitate the change management process.

should have been an assessment of whether ETF had the staff with the capacity and competencies to fulfil the strategy. This should have been the basis for decisions on recruitment, retraining and termination of contracts, rather than the more administrative approach that seems to have been applied. It would appear that ETF staff agree with this analysis, with only 30% feeling that current initiatives are sufficient for developing the skills and competence of existing staff, and 38% disagreeing.

240. The Personnel Unit has undergone a significant change in approach, moving from an administrative function to more of a human resource development role – for example, the current skills-gap assessment is being spearheaded by the Personnel Unit and is ETF's first systematic attempt to address its human resource needs as service provider. Staff feel that this change in role is symptomatic of a wider positive change within the organisation, with senior management involving their staff much more directly in the formulation and implementation of strategy.

Source: Presentation of Interim Report to evaluation steering committee

241. There has always been a budget line set aside for internal training, and this has increased for 2001 and for 2002. An overall training strategy is essential, with performance indicators that relate to ETF's corporate strategy, and linked to the assessments to be made by PMEU of ETF's performance in supporting the Commission. This not only provides coherence with the centre of expertise strategy but also provides a tool for effective management of human resources, and transparent and accountable reporting. The competency mapping that was ongoing at the time of evaluation interviews in Turin has now been completed, and an institutional training plan is under preparation which will focus internal training more on ETF's expertise needs. This is one of the key areas addressed by the change management process.

242. ETF staff consider that they are now clear on the services and content required by the Commission, and they have instigated a competency assessment to map existing skills against these requirements. As yet they are unsure as to whether the necessary skills can be redeployed or developed from within the organisation, or whether they will need to replace some staff with new recruits. To an extent staff have consciously chosen not to address this question directly, given the recent trauma they experienced in reducing the staffing establishment.

243. Staff feel confident that their expertise requirements match the strategic requirements of a centre of expertise, and do not answer just to the short-term operational support requirements of the Commission. Internal initiatives such as the Tandems and the Thematic Working Groups have worked well so far in improving knowledge sharing. However, some staff have questioned whether the returns have justified the considerable effort that has gone into making these arrangements operational – involvement in a Tandem or a Thematic Working Group is an additional staff activity, incremental to their existing responsibilities. Staff feel that the Thematic Working Groups have been more effective, with 61% agreeing that they had improved knowledge sharing and expertise development. Tandems appear slightly less successful, with only 41% agreeing that they had proven an effective mechanism.

4.7.4 Conclusions on staff development and organisational structure

244. During the period from 1997 to 2002, the European Training Foundation has undergone several important changes in its organisational structure. The reorganisation of the Administration and

Central Services in 2001 has worked well. The 2001 Human Resources Plan, formulated to support ETF's centre of expertise strategy, appears to have been more an exercise in management of the reduced staffing imposed by the Structured Dialogue rather than matching human resource needs to meeting requirements of the new strategy.

245. Recently the Personnel Unit has moved from an administrative function to more of a human resource development approach. This is symptomatic of a wider positive change within the organisation, with senior management involving their staff much more directly in the formulation and implementation of strategy. Staff are confident that they are now clear on the services and content required by the Commission, and ETF have instigated a competency assessment to map existing skills against these requirements.

246. ETF initiated a change management project in 2001 to support its consolidation as a Centre of Expertise. Staff are in agreement on the goals of the current change management process, and feel that they have been fully mobilised in the development of the Foundation as a centre of expertise.

247. Internal initiatives centre of expertise strategy, such as the Tandems and the Thematic Working Groups, have worked well so far in improving knowledge sharing. However, it is too soon to determine if the considerable effort that has gone into making these arrangements operational has generated the expected benefits.

4.8 Efficiency – Co-ordination & communication with stakeholders

TOR question

Assess the coordination & communication with stakeholders, including the functioning of the Governing Board & its links with the Advisory Forum.

4.8.1 The Governing Board

Detailed evaluation questions:

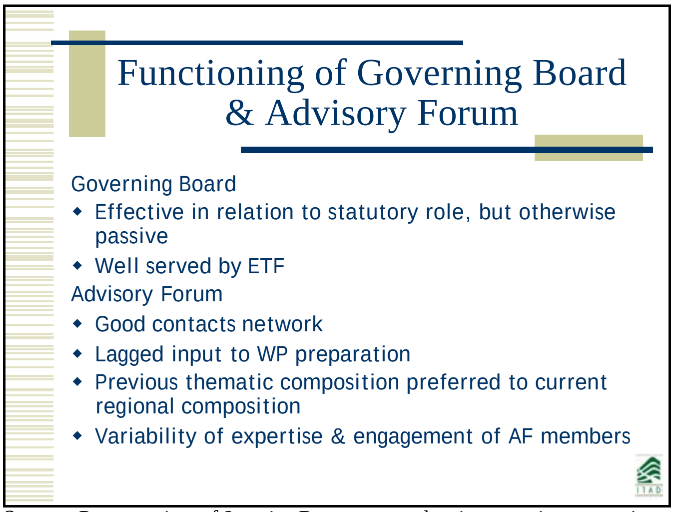
2.3.1	*To what extent has the Governing Board been an effective decision-making body?*
2.3. 2	*To what extent is the Governing Board provided with sufficient information by ETF to analyse the Work Programme and budget proposals?*
2.3.3	*To what extent is the Governing Board well informed about the ongoing organisational change & staff development within ETF?*
2.3.4	*To what extent does the Governing Board support the internal organisational plans and changes within ETF in developing itself as a centre of expertise?*
2.3.5	*What mechanisms are in place for coordination & communication with the Governing Board? How effective are they?*
2.3.6	*How does the Governing Board perceive the complementarity of their roles and tasks with those of the Advisory Forum?*

4.8.1.1 The views of ETF staff

248. ETF staff see the Governing Board as an effective decision-making body with respect to its statutory role, making timely and appropriate decisions. The Board did at one time act as a 'champion' for the Foundation in the structured dialogue, but it tends to remain within the confines of its statutory functions, and is seen more as an approver of decisions already formulated. They are not seen to have been instrumental in the development of ETF's new role as a centre of expertise.

249. Staff consider that the Foundation has been pro-active with regard to the Governing Board, facilitating the involvement of Candidate Country members as observers at Board meetings.

4.8.1.2 The views of Governing Board members



Source: Presentation of Interim Report to evaluation steering committee

250. The overall impression given by Governing Board members is that they have been well-served by the Foundation. They have been provided with all the necessary information they require to fulfil their statutory role, and have always had friendly and courteous dealings with ETF.

251. Survey responses were received from Member State Governing Board representatives (8 responses were received) indicate that GB members feel that:

- The composition of the Board is appropriate to its statutory role
- ETF's Annual Work Programmes adequately reflect the concerns & recommendations of the Governing Board, and are an effective means of ensuring that ETF fulfils its statutory tasks
- ETF's achievements and outputs meet their expectations, and provide good value for money
- the Advisory Forum plays a useful role in contributing to the formulation of Work Programmes

252. With regard to the change management process, only 3 out of 8 GB members felt well-informed about the process, yet 7 out of 8 support ETF's plans to consolidate its role as a centre of expertise. This indicates GB support for ETF's strategic aims, but a lack of understanding as to how they will deliver these aims.

253. It is worth noting that despite repeated attempts by email, telephone and fax, only 8 survey responses were secured from the 32 GB members contacted. Indeed, only one GB member responded to the initial mailshot. Taken together with the views of ETF staff (see para 246), this indicates a lack of engagement of members outside their statutory responsibilities.

254. With regard to the composition and meetings of the Governing Board, the issues are similar to those facing the Advisory Forum. Members are well served by ETF with information, but find the Work Programmes and Budgets difficult to read and digest – especially with regard to the relationship between staffing and overhead costs, and projects; and the linkage between projects and corporate objectives.

255. The composition of the Governing Board does not fully reflect the interests of the Commission. EuropeAid is now a major ETF client, and yet they have observer status only at Governing Board meetings.

256. The original Council Regulation for ETF (No 1360/90) established as an objective that ETF should coordinate Member State assistance for the development of vocational training systems in partner countries. In fact, Member States subsequently interpreted this objective more broadly as encouraging cooperation, which has been a focus for ETF activities. Nonetheless, the structured dialogue and the resultant changes in the Foundation's role were seen by some members as subordinating ETF to support the needs of the Commission at the expense of Member State interests.

257. The engagement of GB members varies, and the time for discussion during meetings is too short. The result is that the Governing Board rarely changes the content of Work programmes, and has not really been involved in strategic management of the Foundation. A number of members

stated that it was easier to influence the Foundation through bilateral contacts rather than through the Governing Board.

258. Suggestions for improvement included:

- exhortations to member states to do more joint preparation for meetings
- for the meetings to be increased in length to a full day[32]
- for the various constituencies on the Board to be convened in sub-groups that would analyse work programmes and budgets from a particular perspective
- for ETF staff to take a more active role, presenting or discussing issues of interest
- for technical staff from member state bilateral programmes to be periodically involved in order to promote greater synergy between EC and member state programmes.

4.8.2 The Advisory Forum

Detailed evaluation questions:

2.3.7 To what extent is the Advisory Forum an effective mechanism to reflect regional priorities in labour market and VET reform?

2.3.8 To what degree is the Advisory Forum informed by ETF as to the EU external relations policy?

2.3.9 Is the Advisory Forum provided by ETF with adequate information to analyse the Work Programme?

2.3.10 Is the Advisory Forum a useful mechanism for networking with Member states and other international bodies and Partner country institutions?

2.3.11 To what extent does the Work Programme reflect the concerns and interests of the Advisory Forum?

2.3.12 What mechanisms are in place to ensure effective communication with other stakeholders not represented on the Governing Board or Advisory Forum (e.g. the European Parliament)? How effective are they?

4.8.2.1 Reflecting regional priorities?

259. The main role of the Forum is to provide advice to ETF and its Governing Board on the preparation of the annual Work Programme. It also serves as an exchange network enabling good practices on vocational training policies and reform to be shared between and with countries in transition. It comprises over 100 VET specialists from the partner countries, EU member states, social partners and other international organisations. It has four Regional Groups, which represent candidate countries; South Eastern Europe; NIS; and the MEDA partners. For the first two years of its three-year life span, regional Groups meet annually within their region. In the final year (2003 for the current span) all groups will attend a plenary meeting in Turin.

260. Our consultations with a sample of Advisory Forum members showed that generally it is regarded as a mechanism that allowed regional priorities and needs in labour market and VET reform to be reflected. However, the general view was that the value of the regular meetings lay more in the networking opportunities and personal contacts established, than the formal business of each meeting.

261. The discussions at Advisory Forum meetings overall do allow common problems and issues to emerge, which can then be reflected in the work programmes of ETF. This is backed up by the survey results, indicating that 65% feel the forum is an effective mechanism for communicating regional and country priorities, and 76% agree that their concerns are reflected in ETF's work programmes. Interestingly, the sub-group of 12 Meda AF members who responded feel very strongly that ETF activities in their countries have been tailored to the specific needs of their country.

[32] Although meetings are scheduled for the full day, it is reported by DG EAC that the actual time spent in session is closer to a half day

262. These findings also substantiated those of the review of the Advisory Forum 1995-99 [ETF, June 2000], which showed that 72% of Advisory Forum members considered that their recommendations were reflected *"to a great extent"* in the ETF Work Programmes. The majority of non-EU members (21 out of 24) *"recognised the significant influence of their discussions in the Work Programmes."*

4.8.2.2 Keeping the Advisory Forum informed

263. It is difficult to attribute the extent to which the Advisory Forum is kept informed by ETF alone on EU issues and best practices. AF members are VET professionals with their own contacts and networks, and ETF is not their only source of information on VET and labour market policy and issues. A number of AF members interviewed cited the CEDEFOP website as a useful and regularly used source of information.

264. ETF sends to all Advisory Forum members detailed material as background on all the country action plans together with the annual work programme before they meet at their annual regional meetings as well as the full meeting of all Advisory Forums every three years. There is a consensus that ETF provides the Advisory Forum with adequate information to analyse the Work Programme. In the case of Russia and Lithuania, it is supplemented by information from the National Observatories, which have corporate knowledge that provides useful background. Members would appear to be aware of the new ideas and directions that might be reflected in the work programme.

265. Of the 23 Advisory Forum members who responded to the stakeholder survey, 78% feel that they are well informed by ETF about EU external relations policy, while 87% feel that ETF communicates effectively with them, and provides them with adequate and timely information for the analysis of work programmes.

Text box 5: The Advisory Forum in Algeria

> The Advisory Forum members are the key contact for ETF in Algeria. The current members have held their positions since the start of ETF's involvement in Algeria, thus providing excellent continuity and doubtless contributing to the strong relationship that now exists between ETF and the Ministry of Vocational Training.
>
> Contact between the Advisory Forum and ETF has been regular, and has facilitated the maintenance of close contacts between ETF and other stakeholders in the VET sector. Initially (and as stated previously), ETF faced a challenge in establishing its profile as a support to policy analysis and formulation rather than as a funding agency. The mutual reinforcement of roles between ETF and the Advisory Forum has helped to address this challenge, and to position ETF where it would like to be.
>
> The Algerian Advisory Forum members were appointed one year into the previous three-year cycle, and were confirmed as members again for the current cycle ending in 2003. They have therefore had experience of the previous thematic composition of the Forum, and the current regional/sub-regional composition. Perhaps given their period of relative isolation until 1999, the Advisory Forum members expressed their appreciation of the previous composition, which exposed them to a wider geographical range experiences and therefore arguably a more diverse learning environment.
>
> Whilst appreciating the benefits of the current regional composition, they feel that the commonality of problems between the Maghreb countries does not generate as a rich an information exchange as was previously the case. With full plenary meetings now taking place only every three years, they feel they are missing out on opportunities for further reflection and learning – for them, this is one of the major strengths that ETF offers. Their perception is that the change in composition was made more for budgetary rather than technical reasons.
>
> Although the relationship between the Algerian Advisory Forum members and ETF is strong, contact between Advisory Forum members between meetings is not so good, depending as it does on the motivation of the membership – something that has proved a bit of a disappointment to the Algerians. They would like to see a more structured approach, perhaps through smaller cross-regional thematic meetings between the main regional meetings.

4.8.2.3 A mechanism for networking?

266. The annual regional group meetings are seen as useful for networking. There is more limited networking with Member states via ETF. In the NIS and Algeria, there is a desire for more interaction with the other regional groupings, to share common problems as well as provide insights into new means. Nonetheless, the survey shows that 78% of AF members feel that the forum is an effective mechanism for networking.

267. In fact, ETF have already adopted an approach whereby AF meetings are combined with thematic events (conferences etc.), providing opportunities for AF members to cooperate and network more widely. It would be interesting for ETF to seek members' feedback as to whether this addresses their desire for greater interaction with other regional groupings.

268. A concern raised by the Advisory Forum members we consulted was that a proportion of the membership cannot really be considered experts in their field. Similar concerns were raised internally by ETF in 2000, and in part led to the current sequencing of meetings as part of the changes made to the functioning of the Forum from 2001-03.

4.8.2.4 The Advisory Forum and work programmes

269. Annual work programmes of ETF do reflect feedback from the Advisory Forum, as well as the suggestions that emanate from Forum meetings, and through contact with ETF staff during their visits to partner countries.

270. While there might be the expected divergences of opinion on specific issues at Advisory Forum meetings, the view was, overall, that Work Programmes reflected their common concerns. For example, a regional meeting of candidate countries expressed concern over the sustainability of the National Observatories. They suggested an evaluation of the Phare National Observatory networks, and this was duly incorporated in the Work Programme 2000.

4.8.2.5 Communicating with other stakeholders

271. There would appear to be no mechanism in place for Advisory Forum members to communicate further with other stakeholders not represented on the Governing Board or Advisory Forum (e.g. the European Parliament). However, consultations revealed a common view that further communications of this nature with such stakeholders were not necessary. The main bodies pertinent to Advisory Forum members were well represented already in the Forum and could be contacted through ETF if necessary.

4.8.2.6 ETF staff perceptions of the Advisory Forum

272. Interestingly, the ETF staff survey indicates a contrasting viewpoint on the role and effectiveness of the Advisory Forum. Only 40% who expressed a view see the Advisory Forum as an effective mechanism for communication of regional and country priorities, and similarly only 38% feel that it has contributed effectively to the development of work programmes.

273. In summary, the performance of the forum is variable, reflecting the varying degree of engagement and level of expertise of its membership. Where members are motivated and have the necessary expertise, they have played an important role in guiding and supporting ETF initiatives, and in providing access to senior policy makers. However, a proportion of the membership cannot really be considered experts in their field. Similar concerns were raised internally by ETF in 2000, and in part led to the current sequencing of meetings as part of the changes made to the functioning of the Forum from 2001-03.

5. Recommendations[33]

5.1 Effectiveness

R1. ETF should research and document what comprises its expertise package as seen by key customers and clients, and market this as part of the Foundation's new strategy. This strategy should focus in particular on how ETF can best play its role as a catalyst and policy adviser in the partner countries, including how the Advisory Forum can better be used as a channel for engaging directly with senior policy makers. This will draw in particular on the successes and experiences of the Meda Department.

R2. ETF should develop a cross-country sustainability strategy for National Observatories in the NIS and CARDS, which accelerates their greater independence from ETF. The strategy should explore possibilities for cost recovery through sale of NObs products, the implications of siting NObs in government or non-government institutions, and the feasibility of re-siting Observatory functions (rather than the institutions themselves) within the VET institutional landscape of each partner country. Within Phare countries, the focus should be on maximising the chances that NObs will be incorporated into CEDEFOP's reference expertise network.

R3. ETF management should convince Commission services of its capacities across all partner regions before the Commission considers any expansion to its technical or geographical mandate. The focus should be on ensuring that its reputation with all Commission services matches its capacity to deliver. This will require ETF to present its expertise package clearly, and to improve its external communications [see recommendation 10.] At the same time it will require the Commission to consider carefully how to maximise the benefits to be gained from using ETF expertise.

R4. Through its rolling framework agreements with Tacis, Cards and Meda Commission services, ETF should clarify with Commission services what constitutes the appropriate level of activity for the medium term in partner countries where VET and labour market reform are not currently a priority for EU external relations policy.

R5. ETF and CEDEFOP should develop a strategy for all pre-accession countries. For the 2004 accession countries, the focus should be on detailing objectives and priorities country-by-country and for cross-country issues, thus providing the opportunity for defining in more detail what responsibilities ETF and CEDEFOP should have, and how they should therefore cooperate in practical terms. For Romania, Bulgaria and Turkey, country specific objectives should also be developed, but with a particular focus on preparing National Observatories for future incorporation into the REFER network.

R6. A two-tier system should be introduced for the ETF-CEDEFOP Working Group. A smaller group led by the two Directors should focus on the institutional aspects of cooperation, mapping out priority themes for joint action and playing an oversight role. A series of more ad hoc groups should be established to deal with thematic issues as they arise. This should link in with ETF's Thematic Working Groups. [See also recommendation 2, concerning National Observatories in candidate countries.]

R7. DG EAC and ETF should agree on a framework for provision of ETF services to support the implementation of the Council resolution on the promotion of enhanced cooperation in VET, the Lifelong Learning Communication through the Objectives process and other policy priorities. With regard to the candidate countries, and given that accession for the majority is planned for 2004, this would require swift action by both parties. The framework could follow the process and format of the existing rolling regional frameworks that ETF has established with DG Relex and EuropeAid, although recognising the different nature of the assistance that ETF provides to DG EAC.

[33] Recommendations apply to ETF unless stated otherwise

R8. ETF should actively pursue opportunities for cooperation with international bodies as an integral part of the strategy to promote ETF as a centre of expertise to other bodies, and as a means of building the expertise of its staff and the organisation as a whole. Care should be taken to ensure that the Commission is aware of all such cooperation, and that a clear dividing line is maintained between ETF's 'centre of expertise' role, and the Commission's lead role in negotiating areas for donor cooperation.

R9. ETF should reduce the quantity, increase the analytical quality, and better target the information products of ETF. These products should more closely be linked to corporate strategy, and be embedded in a dissemination strategy that involves target audiences in the design and development of information products.

R10. ETF should expand the remit of its current work in developing an external communications strategy. This expansion should address the challenge of enabling all staff to deliver relevant messages clearly to appropriate stakeholders. Such a strategy should consider the following elements:

- Contact management – the maintenance and monitoring of regular contact with key stakeholders in the Commission, European Parliament, CEDEFOP and other stakeholder bodies. This may require the appointment of a staff member dedicated to coordinating this function on behalf of all ETF departments.
- Consideration of secondment (of ETF staff to the Commission, or vice versa) as a means of networking, and improving mutual understanding of corporate culture.
- Periodic benchmarking of external and internal perspectives of what ETF is good at, building on current plans to track Commission satisfaction with ETF support.
- The development of a marketing and promotion approach (and related materials) that is customer oriented and provides the basis for delivery of a common message by all ETF staff. (It is hoped that the external communications consultancy will address this issue.)

R11. ETF and DG EAC should finalise the new joint approach for the conduct by ETF of Tempus tasks, the monitoring of ETF performance, and a systematic cycle of contacts and meetings where progress can be reviewed and issues of concern raised before problems arise.

R12. ETF should develop and agree with DG EAC practical strategies to develop synergies during Tempus III between the Tempus Department and the other operational departments, especially within the context of Lifelong Learning.

5.2 Efficiency

R13. Planning and presentation of Work Programmes should be reappraised in order to support better accountability of its activities and resources, and provide a clearer framework for monitoring and evaluation. This could include:

- Thematic and country programme objectives that link projects within a coherent country and/or thematic strategy and demonstrate linkage to EC country strategy papers.
- Greater efforts to present programmes and budgets in a more user-friendly way (e.g. through the inclusion of photographs, case study illustrations, summaries of evaluation findings, and a glossary of terms), and to allow for comparative and time series analysis.

R14. Develop a detailed strategy for monitoring and evaluation that seeks to measure corporate as well as project performance, and includes a country and thematic approach.

R15. Consult with the EuropeAid Evaluation Unit, and develop standard guidelines for evaluation based on the European Commission external relations Project Cycle Management approach.[34]

[34] The EuropeAid Evaluation Unit is currently revising its evaluation guidelines.

This will ensure a more systematic and standardised approach, and greater coherence with EuropeAid's evaluation strategy.

R16. The Directorate should exhibit greater vision and leadership, building on the improved management style already apparent within the organisation. The Directorate should communicate their vision more effectively to staff in order to build their understanding and gain their support. This is essential if the new institutional strategy is to be successful.

R17. DG EAC to engage more actively with the Directorate to encourage this approach. Where DG EAC has concerns about the style or effectiveness of ETF management, it should adopt a more frank approach and provide more direct guidance.

R18. Senior management should ensure that the recently completed competency assessment is used in a transparent way to demonstrate how the Foundation will meet the staffing and human resource development needs of the new centre of expertise strategy. This should be addressed also in ETF's external communication strategy, to demonstrate to external stakeholders how ETF is responding to their needs.

R19. DG EAC to propose EuropeAid's inclusion as a full Governing Board member.

R20. DG EAC and ETF to restructure the Governing Board meeting arrangements to allow for increased time to be devoted to the work programmes and broad strategic issues in order to guide ETF and its management.

R21. DG EAC to consider forming sub-groups within the Governing Board (DG EAC, Member states, Relex, EuropeAid, etc.) in order to better consider and reflect on the issues concerning each group, and to generate more of a dynamic within the Board.

R22. Review procedures for selection of Advisory Forum members to determine whether and how the membership can better serve as an active channel for providing ETF with access to senior policy makers. Although ETF does not select members, it should invest time and effort in identifying and lobbying for its preferred candidates.

R23. Consider initiating a regular annual thematic event for Advisory Forum members on a key issue that fits within the ETF areas of expertise, but which is selected by the Advisory Forum and which allows for cross-fertilisation of ideas and experiences between regions.