



# **ETF ANNUAL ACTIVITY REPORT 2004**

**ADOPTED BY THE GOVERNING BOARD ON 14 JUNE 2005**



## INTRODUCTION

This Annual Report presents the main achievements of the ETF in 2004 in comparison with the objectives set in the Medium Term Perspective 2004-2006 and the Annual Work Programme 2004, both of which were adopted by the Governing Board in November 2003. It shows the return on investment for the Community from the ETF's operational activities, and assesses the impact of these activities and analyses the risk factors that led to changes in the implementation of the Work Programme. At corporate level, the report indicates the ETF's compliance with its regulatory framework. It shows how the ETF has sought to follow up recommendations from controlling authorities and how it manages its resources efficiently and engages its stakeholders effectively.

The main political event affecting the ETF's operational activities in 2004 was the accession of ten new Member States in May 2004. The ETF has been intensively involved in supporting the EU in the accession process in close co-operation with Cedefop. It continued to support the ten new Member States until May 2004 by capacity building, especially in preparation for the European Social Fund, and in the provision of information and analysis on progress in education, training and employment policy developments. The return on investment made by the Community from the national observatory network has been enhanced by their inclusion in Cedefop's ReferNet. The valuable experience built up by the ETF is already being cascaded and adapted to the specific context of the remaining acceding countries, especially Turkey. In the Western Balkans, the ETF has helped to focus CARDS programmes in vocational education and training (VET) reform on the longer-term policy objective of accession. In addition to capacity building at national level, the ETF has encouraged a regional perspective through the peer review programme and through the launch of labour market reviews. In the Mediterranean region, the ETF has supported the EU in the identification of VET programmes to support EU policy objectives, and helped to refine sector-wide approaches and prepare action plans for the emerging Neighbourhood Policy. One key achievement has been the preparation and launch of the three-year MEDA Regional Project for Education and Training for Employment which the ETF will implement, and which will reinforce institutional development in the region around the Observatory function. In Eastern Europe and Central Asia, the ETF has also supported the EU in the preparation of the Neighbourhood Policy, and kept up its input to project identification and the development of new approaches that integrate VET reform into key policy areas such as poverty alleviation and local development. The ETF's technical assistance to the European Commission for Tempus has continued to expand due to the increasing popularity of the programme among universities, and the increased services expected from ETF, especially in terms of field monitoring.

At a corporate level, 2004 witnessed the celebration of the Tenth Anniversary of the European Training Foundation. June 2004 also marked the handover from Peter de Rooij, who was Director of the ETF from 1994 to 2004, to myself as new director. A key challenge during the year has therefore been to ensure continuity in the development of the organisation along the lines defined in our Mid Term Perspective 2004-2006 and in respect of the commitments made in Work Programme 2004. The ETF continued to develop its support functions and risk control measures and drive towards conformity with the regulatory framework and recommendations from previous audits and evaluations. Moreover, the ETF further reinforced its external communication capacity. Through its operational and corporate activities, the ETF held over 50 seminars and conferences bringing more than 1 000 experts together during the year. The ETF's website was updated and received over 5 million page views (more than three times the number of the previous year).

In conclusion, in 2004, the ETF consolidated its profile as the EU agency that assists partner countries in developing quality vocational education and training systems within the context of the EU external relations policies and programmes in line with its Mid-term perspective 2004-2006. The ETF achieved the objectives set in its 2004 Work Programme and has developed its efficiency, effectiveness and respect for its regulatory framework.

2004 was from many perspectives a transition year with a new European Parliament, a new Commission and emerging policies at EU level which give education and training a key role in the achievement of the EU's external relations objectives. The ETF is ready and well prepared to support the EU and its institutions in the achievement of these objectives.

I would like to take this opportunity to thank the many institutions and individuals in the EU and our partner countries who have helped us to achieve these valuable goals. In particular, I would like to thank Peter de Rooij who played a huge part in setting up the ETF. Thank you all for your support so far, and I look forward to continuing to work with you in 2005.

Muriel Dunbar  
Director

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# PART I GLOBAL POLICY ACHIEVEMENTS

## 1.1 Introduction

This Annual Activity Report 2004 fulfils the ETF's obligation to report on activities undertaken during the year. The report aims at highlighting the return on investment for stakeholders through the various ETF activities.

This report follows the structure adopted by the Commission and is divided into six parts. Part I gives an overview of achievements resulting from the ETF's operational activities in each region as well as expertise development and Tempus technical assistance. Part II presents developments in the ETF's support functions, and in particular the agency's drive towards compliance with its regulatory framework including the Internal Control Standards. Part III indicates the measures taken by the ETF to follow up on recommendations from the Annual Activity Report 2003 as well as from the 2002 External Evaluation reports from the European Court of Auditors. Parts IV and V include issues pertaining to the Director's Declaration of the Declaration itself that the report gives a true and fair view of the work of the ETF. Part 6 contains all annexes to the various sections of the report.

## 1.2 Role of the ETF

The ETF shares expertise in vocational education and training across regions and cultures. On behalf of the European Union, the ETF helps partner countries to develop peoples' skills and knowledge, thereby promoting better living conditions and active citizenship in democratic societies that respect human rights and cultural diversity.

As an EU agency, the ETF promotes the values and objectives of the European Union and contributes to sustainable development in its partner countries. Its work is based on the fundamental contribution that vocational education and training and higher education (through the Tempus programme) make to increasing prosperity, employability and social cohesion in modern economies. In fulfilling its role, the ETF works in close collaboration with relevant partner organisations to promote knowledge development and the sharing of experience.

The ETF provides services to five Directorates General within the European Commission<sup>1</sup> (External Relations, Enlargement, Employment and Social Affairs, the EuropeAid Co-operation Office and Education and Culture, the ETF's DG *de tutelle*). Services are also provided to the EC Delegations in the partner countries and to the European Agency for Reconstruction. The ETF also provides support and services to EU Member States in the framework of EU external relations policies.

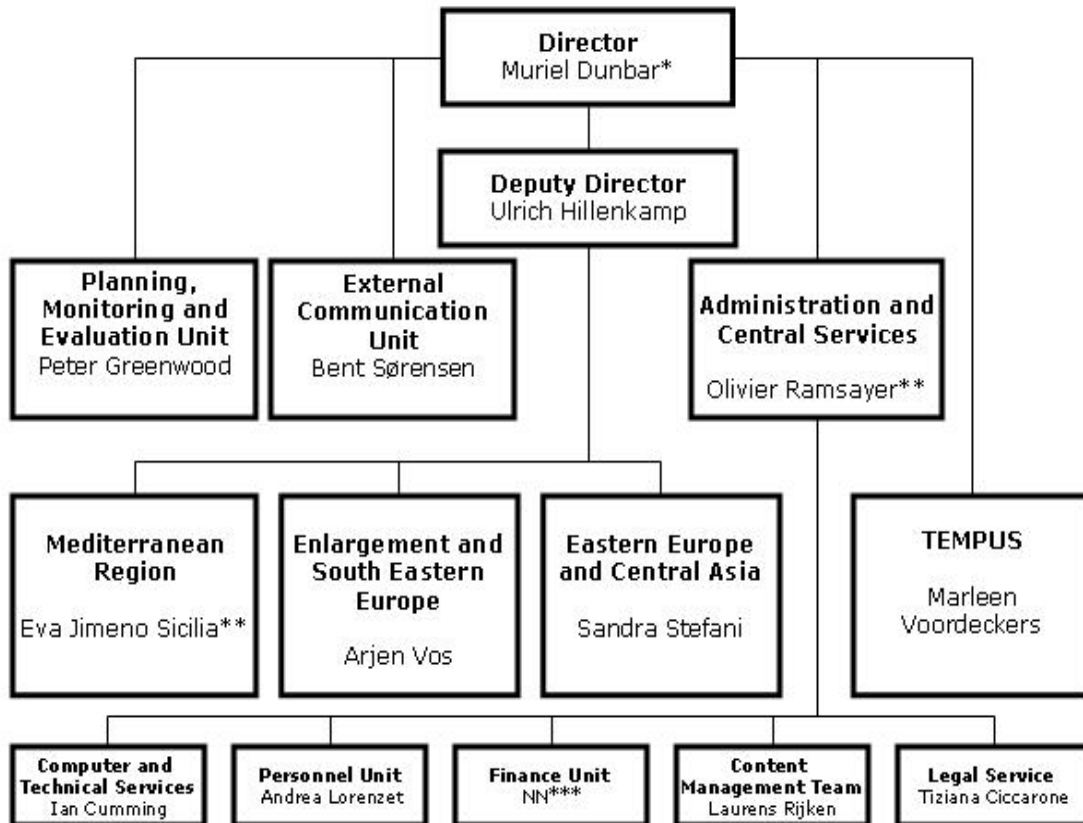
## 1.3 Structure of the ETF

The ETF's Governing Board is chaired by the Director General of DG Education and Culture and is comprised of representatives from Member States, the European Commission and from candidate countries as observers. The Governing Board approves the ETF's annual Work Programme and budget and is also consulted on issues that relate to the strategic direction and management of the ETF. The Director of the ETF reports to the Governing Board and chairs the Advisory Forum. In 2004, the ETF had an establishment plan of 104 Temporary Agents and a budget of €17.6 million.

The ETF's operational activities are organised largely on a geographical basis. Three departments cover the candidate countries and the Western Balkans, Eastern Europe and Central Asia; and the Mediterranean region. A separate department provides technical assistance to the Commission for the implementation of the Tempus programme. Administrative and Central Services, External Communication and the Planning, Monitoring and Evaluation Units underpin the ETF's operational activities.

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<sup>1</sup> A comprehensive list of Commission requests for ETF services and support during 2004 can be found in annex



\* On 1 July 2004 Muriel Dunbar succeeded Peter de Rooij as Director of the ETF

\*\* On 1 March 2004 Eva Jimeno Sicilia succeeded Olivier Ramsayer as Head of the Department of the Mediterranean Region and Mr Ramsayer succeeded Markku Junkkari as Head of Administration and Central Services.

\*\*\* Francesco Pareti was Head of Finance Unit until 31 July. Olivier Ramsayer was acting Head of Finance from 1 August to 31 December 2004

#### 1.4 The ETF's progress towards the development framework set in the Mid-term perspectives 2004-2006

In November 2003, the Governing Board, informed by the Commission Communication (COM 287/2003) and the ETF external evaluation, concluded that the ETF was 'an effective centre of expertise and makes a valuable contribution to the Communities activities in the field of vocational education and training in its four partner regions'. The Governing Board defined a development framework (ETF-GB-03-28) to consolidate the agency's capacity.

This framework required ETF to:

- Consolidate the capacity of ETF operational departments to support Community priorities in line with Commission requests for support *per* region.

The ETF has continued to work closely with Commission services in Brussels and in the field to ensure that the annual cycle of work programme preparation and implementation respect the policy objectives and priorities set by the EU. The ETF maintains and reports on a database of Commission requests to enhance transparency regarding the investment of ETF resources. In 2004, the fact that number of requests for services from the Commission, and in particular paymaster DGs has continued to increase in preparation for the new policy instruments, can be taken as an indicator that the ETF is providing good quality services that are needed and appreciated by the Commission.

- Develop ETF added value and expertise

The ETF has continued to develop its expertise through the implementation of development projects to test innovative approaches to reform in key policy areas in the partner regions, in particular drawing on recommendations from the Advisory Forum plenary meeting in November 2003. In 2004, the ETF made progress in a number of



fields such as teacher and trainer training, impact assessment of management training, education and entrepreneurship, VET as a vehicle for development, VET as a tool for poverty alleviation and local development. The ETF also continued its expertise development and knowledge-sharing programme through internal seminars, focus group work and exchange with key networks and organisations such as Cedefop, Norrag, the World Bank, OECD, EIB etc. In accomplishing its objectives in expertise development and knowledge sharing, the ETF supported activities in Partner Countries aimed at furthering the Lisbon goals particularly in the context of a European knowledge-based economy and society that combat social exclusion through investment in people, networks, structural reform, competitiveness and growth.

- Improve communication and transparency with external stakeholders, and in particular EU institutions

The ETF continued to improve its external communication through established internal policies and strategies and expert networks which structure its work in the field of publications, events, the web site and visitors' programmes. A key contribution was made by the ETF Editorial Board. As regards communication with EU institutions, the Commission contact group has continued to facilitate exchange of information at strategic and operational levels. The ETF has reinforced its co-operation with the European Parliament and begun providing information to MEPs and officials working in the Education and External Relations committees. The ETF has also maintained its efforts to support the Council through input to EU Presidency activities in Ireland (Counselling and Guidance) and the Netherlands (Analyses of Copenhagen process in candidate countries).

- Improve internal efficiency and management of ETF statutory bodies

In 2004, the ETF Governing Board began to adapt its work in compliance with the new Financial Regulation that came into force in January 2004. The Governing Board, supported by the ETF has taken greater responsibility for, inter-alia, the budget and Annual Report as well as compliance with specific regulations such as the Internal Control Standards and the Staff Regulations. The Board has successfully managed its new responsibilities arising from the implementation of the new procedures that it adopted in November 2003. These introduced a co-ordination group based on a Troika structure and institutionalised a preparatory meeting for Board members. The Board also revised the framework for the Advisory Forum and supported the re-nomination process leading to three regional meetings in 2004. A key change in the Forum introduced by the Board has been to ask the Forum to contribute to regular progress reports on VET reform and increase members' participation in projects and expertise development activities.

- Maintain a high level of technical assistance to the Tempus Programme

The ETF continued to provide high level technical assistance to the Tempus programme including project selection, contract management, information and publications, IT support and developments in general administration. The ETF has worked closely with the Commission to adapt its services to the increase in demand from universities for support following accession and following the priority given to Tempus by the EU as a tool for co-operation in the Mediterranean region. The ETF has also responded positively to the request from Commission services to develop a field monitoring capacity.

### **1.5 Key decisions of the ETF Governing Board**

The Governing Board and observers, met on 16 March, 29 June and 9 November 2004. The meetings were chaired by Mr Nikolaus van der Pas, Director General for Education and Culture of the European Commission. In March and June the meetings took place in Turin, while in November it was convened in Brussels.

At the March meeting, the Governing Board appointed Muriel Dunbar as Director to take over from Peter de Rooij at the end of his mandate from 1 July 2004.

At the meeting of 29 June, the Governing Board:

- Adopted the Internal Control Standards of the European Training Foundation and took note of ETF's plan to achieve compliance with the standards by the end of 2004;
- Adopted the ETF's Annual Activity Report for 2003 and its own analysis and assessment of it;
- Agreed the decision on the procedures for the adoption of the ETF implementing rules for the New Staff Regulations;
- Noted the contract with the new Director, Muriel Dunbar, and the related probationary period procedures;
- Noted the ETF progress report on the implementation of the action plan in response to the external evaluation for the period March-June 2004; and
- Noted the progress made by the ETF in implementing its 2004 Work Programme.

At the meeting of 9 November, the Governing Board confirmed the planning perspectives for ETF 2004-2006 by adopting:

- The amended budget for 2004;
- The ETF Work Programme 2005;
- The draft budget 2005 and establishment plan;
- The rationale for ETF priorities for 2006;
- The guidelines for the 2005 external evaluation of ETF.

The Board also reinforced ETF's policy and operational framework by adopting:

- A policy for services to EU Member States;
- A procedure for the preparation of the Analysis and Assessment of the ETF Annual Activity Report 2004;
- The membership of the Advisory Forum;
- The participation of the ETF Staff Committee as observers in future Governing Board meetings.

The Board confirmed Ms Dunbar in her appointment as Director following a positive appraisal of her performance during the probationary period.

## **1.6 The Advisory Forum**

The Advisory Forum is a statutory body [CR Art 6] comprising over 130 vocational training experts. Members of the Advisory Forum are drawn from Member States, the partner countries, social partners and international organisations. The main role of the Forum is to provide advice to the ETF and its Governing Board on the preparation of the ETF's annual Work Programme. The Forum also serves as an exchange network, enabling good practices on vocational training policies and reform to be shared between the countries involved. In 2004 two regional meetings were held in Durrës, Albania on 21-22 June for South Eastern Europe, and in Turin on 29-30 November for Eastern Europe, Central Asia and the Mediterranean region. The Advisory Forum delivered its opinion on the ETF's Work programme to the Governing Board members in November 2004. The Forum also contributed to an analysis of progress in VET reform in all regions that was presented to the Governing Board meeting in November.

## 1.7 Return on investment – Summary

EU Revenue	Return on investment – ENLARGEMENT B7-0333/04		Title 1		Title 2	Title 3		Title 4 <sup>2</sup>	Title 6 <sup>3</sup>
	Category	Staff (FTE)	Staff Costs	Missions	Admin. & Infrastr.	Project Costs	Total		
2 500 000	3100 - Support to the Commission	3.20	336 430	25 661	0	220 000	582 091		
	3110 - Analysis and information	0.50	52 567	25 660	0	154 000	232 227		
	3120 - Development activities	1.30	136 675	25 660	0	130 000	292 335		
	Expertise Development	3	315 403	8000	0	49 500	372 903		
	Administration	7.5	788 508	9250	0	0	797 758		
	Organisation and support	2.25	236 552	20 000	150 000	228 250	634 802		
	<b>TOTAL ENLARGEMENT</b>	<b>17.75</b>	<b>1 866 135</b>	<b>114 231</b>	<b>150 000</b>	<b>781 750</b>	<b>2 912 116</b>		
Return on investment – CARDS - RELEX B7-664/04			Title 1		Title 2	Title 3		440 000	1 412 500
	Category	Staff (FTE)	Staff Costs	Missions	Admin. & Infrastr.	Project Costs	Total		
4 803 758	3100 - Support to the Commission	4	420 537	46 670	0	340 000	807 207		
	3110 - Analysis and information	1	105 134	46 670	0	299 360	451 164		
	3120 - Development activities	2	210 269	46 670	0	292 000	548 939		
	Expertise Development	3	315 403	8 000	0	49 500	372 903		
	Tempus	5	525 672	13 000	0	8750	547 422		
	Administration	9.5	998 777	9250	0	179 5060	1 008 027		
	Organisation and support	2.25	236 552	20 000	397 506	228 250	882 308		
<b>TOTAL CARDS</b>	<b>26.75</b>	<b>2 812 344</b>	<b>190 260</b>	<b>397 506</b>	<b>1 217 860</b>	<b>4 617 970</b>			
Return on investment – EECA - B7-664/04			Title 1		Title 2	Title 3		240 000	1 859 275
	Category	Staff (FTE)	Staff Costs	Missions	Admin. & Infrastr.	Project Costs	Total		
5 295 810	3100 - Support to the Commission	3	315 403	43 335	0	330 000	688 738		
	3110 – Analysis & Information	2	210 269	43 335	0	478 890	732 494		
	3120 - Development Activities	1	105 134	43 335	0	170 000	318 469		
	Expertise Development	3	315 403	8000	0	49 500	372 903		
	Tempus	10	1 051 343	26 000	0	17 500	1 094 843		
	Administration	9.5	998 777	9250	0	0	1 008 027		
	Organisation and Support	2.25	236 552	20 000	445 015	228 250	929 817		
<b>TOTAL EECA</b>	<b>30.75</b>	<b>3 232 881</b>	<b>193 255</b>	<b>445 015</b>	<b>1 274 140</b>	<b>5 145 291</b>			
Return on investment – MEDA - RELEXB7-664/04			Title1		Title2	Title3		120 000	1 007 000
	Category	Staff (FTE)	Staff Costs	Missions	Admin. & Infrastr.	Project Costs	Total		
5 000 432	3100 – Support to the Commission	4.75	499 388	49 668	0	568 000	1 117 056		
	3110-Analysis & Information	1.25	131 418	49 668	0	267 750	448 836		
	3120 - Development Activities	2	210 269	49 668	0	170 000	429 937		
	Expertise Development	3	315 403	8000	0	49 500	372 903		
	Tempus	7	735 941	26 000	0	8750	770 691		
	Administration	8.5	893 642	9250	0	0	902 892		
	Organisation and Support	2.25	236 552	20 000	397 506	228 250	882 308		
<b>TOTAL MEDA</b>	<b>28.75</b>	<b>3 022 613</b>	<b>212 254</b>	<b>397 506</b>	<b>1 292 250</b>	<b>4 924 623</b>			
<b>17 600 000</b>	<b>GRAND TOTAL</b>	<b>104</b>	<b>10 993 973</b>	<b>710 000</b>	<b>1 390 027</b>	<b>4 566 000</b>	<b>17 600 000</b>	<b>800.000</b>	<b>4.778.275</b>

<sup>2</sup> Under Title 4, ETF also managed a donation of €800,000 from the Italian Trust Fund through various activities in its operational departments

<sup>3</sup> Under Title 6, ETF manages a number of EC Conventions largely for Tempus Technical Assistance conventions for a total budget of €4 278 775.

## Return on investment – Phare

Return on investment – Phare - B7-0333/2003			
Category	Main outputs	Initiator	Staff (FTE)
<b>3100 Support to the Commission</b>	Reviews of VET reform progress (0.1 FTE)	DG ENLARG	<b>3.2</b>
	Active within the DG EAC Copenhagen process coordination group and in Working Groups (0.5 FTE)	DG EAC	
	Contribution to Maastricht study, Conference and Communiqué, including 3 country studies (0.5 FTE)	DG EAC	
	Institution-building project: seminars, regional HRD strategy, skills survey (1.0 , FTE)	ETF	
	Contributed to Phare programming, identification, formulation and evaluation in 3 CCs (1.1 FTE)	DGENLARG /EC Delegations	
<b>3110 Analysis and information</b>	National Observatories well prepared for carrying out the activities of CEDEFOP network of Reference and Expertise (0.3 FTE)	ETF	<b>0.5</b>
	Peer review reports on CVT and Social Partner Involvement in VET (0.2 FTE)		
<b>3120 Development activities</b>	Agreement and start of implementation of the Exit-Entry Strategy between CEDEFOP and ETF including a roadmap of integration into CEDEFOP networks and activities for each AC (0.9 FTE). Established together with CEDEFOP a Joint Working Group of current and future MS to support the extension of the CEDEFOP TT Network to the CCs. (0.2 FTE) Support provided for participants from Candidate Countries to Cedefop's network meetings and study visit programmes (0.1 FTE)	ETF	<b>1.3</b>
	In collaboration with CEDEFOP and EIB a conference on "VET Finance in the Western Balkans" (0.1 FTE)		
<b>Expertise Development</b>	Life-long learning, Labour Market, Skills for Enterprise and Vocational Training Learning Processes Focus Groups: briefing papers, input to the Advisory Forum, internal seminars, support to the Operational Departments, international workshop.		<b>3</b>
<b>Administration</b>	Finance, Legal, Personnel, Computer and Technical Services and External Communication		<b>7.5</b>
<b>Organisation</b>	Directorate, Planning, Monitoring and Evaluation		<b>2.25</b>
<b>TOTAL</b>			<b>17.75</b>

## Return on investment – CARDS

Return on investment – CARDS B7-664/2003			
Category	Main outputs	Initiator	Staff (FTE)
<b>3100</b> Support to the Commission	Contributed to the new EC Multi-Annual Indicative Programmes 2005-6 and National Action Programmes (0.4 FTE).	RELEX	Head of Department + Secretary [ 2 FTE]
	CR (0.6), KO (0.4), AL (0.3), SCG (0.8), FYROM (0.5), BiH (0.3): support for programming, identification, formulation, implementation and monitoring of CARDS projects	EC Delegations/EAR	
	Impact Peer reviews evaluated. Peer review dissemination seminars in BiH and FYROM. (0.2 FTE).	ETF	
	Support to DG ENTER for the implementation and reporting of Ch. 1 and 4 of the SME Charter for SEE. (0.3 FTE).	DG Enterprise	
	Published first series of quarterly newsletters on ETF activities in the WBA (0.2 FTE)	ETF	
<b>3110</b> Analysis and information	National Observatories work plans implemented (0.4 FTE), "Key Indicators" delivered (0.2 FTE), Observatories have produced reports on career guidance (0.2 FTE).	ETF	4
	Study on HRD for informal sector in Albania (0.1 FTE).		
	E-Learning Survey in SEE (0.1 FTE)		
<b>3120</b> Development activities	Organisation of learning and TT (0.5 FTE):_WBA TTnet seminar, Role of TT in CARDS VET Reform projects seminar.	ETF	2
	Adult learning strategies in the context of LLL (CR, SR, MO, KO) (0.5 FTE): National Adult Learning strategies in CR, KO, MO; 3 regional seminars on Strategy development, learning partnerships and Funding mechanisms		
	NQF (0.5 FTE): 2 regional seminars for strategies for establishing NQF, country evaluation reports by external experts (FYROM, MO, SR, BiH, AL).		
	Local employment economic development in Albania and Kosovo (LEEDAK) (0.5 FTE):_ local partnerships and HRD strategies developed. An international twinning agreement was signed between NEP Partnership (Kamenica) and OAK Partnership (Ireland). Regional dissemination seminar.		
<b>Expertise Development</b>	Life-long learning, Labour Market, Skills for Enterprise and Vocational Training Learning Processes Focus Groups: briefing papers, input to the Advisory Forum, internal seminars, support to the Operational Departments, international workshop.		3
<b>Tempus</b>	Selection of about 28 Joint European Projects (JEP), 210 Individual Mobility Grants (IMG) and 13 Structural and Complementary Measures Projects (SCM) (1.5 FTE) Regular monitoring of current projects by the monitoring desk officers & advice given (1 FTE) Payments to 132 projects, following the financial and content assessment of annual and final reports (1.2 FTE) Preparation, participation and follow up of meetings with project representatives of running CARDS JEP Berlin, September 2004 (0.1 FTE) Preparation, participation and follow up of field monitoring visits to some 16 current projects (0.3 FTE) Preparation, participation and follow up of information campaigns in AL, CR, MA, SR, MO, KO (0.2 FTE) IT development: electronic report forms developed and the overall development of the Tempus website continued. Tempus DB improved to enable electronic assessment (0.2 FTE) Tempus publications were produced and general information and promotion material provided and disseminated (0.5 FTE)		5
<b>Administration</b>	Finance, Legal, Personnel, Computer and Technical Services and the External Communication		9.5
<b>Organisation</b>	Directorate, Planning, Monitoring and Evaluation		2.25
<b>TOTAL</b>			<b>26.75</b>

## Return on investment – Tacis

Return on investment – Tacis				
Category	Main outputs	Initiator	Staff (FTE)	
<b>3100 Support to the Commission</b>	Support to the Tacis project cycle, including comments on draft project fiches and ENP action plans (0.1), project identification (input to Action Programmes and Terms of Reference) – Quality monitoring - policy advice: KA (0.2), KY (0.2), MO (0.2), RF (1.0), TA (0.4), UK (0.9)	EC RELEX Delegation ETF	<b>Head of Department + Secretary = 2 FTE</b>	<b>3</b>
<b>3110 Analysis and information</b>	NO network workshop on social partnership in France, study of progress in social partnership in each EECA country (1.0)	EC Delegation		<b>2</b>
	Expert team carried out several fact-finding missions for completion of in-depth study on VET and links to labour market in TA (0.2)			
	VET Support Foundation established in co-operation with Ministry of Labour and Social projection in TA for co-ordination of reform initiatives, donor projects (0.3)	ETF		
	Training workshops for dissemination of management training tool kit in KA and KY; dissemination of results of EET project in GE and UK; VET management modules 4 & 5 finalised (0.4)			
	UZ: support to revision of classifier of occupations incl. national seminar (0.1)			
<b>3120 Development activities</b>	Impact assessment of training for company development in RF: inventory of all donor activities 1991-2003; approach and methodology refined and agreed (0.5)	ETF	<b>1</b>	
	Training strategies for local development in a poverty alleviation context: findings and recommendations of first stocktaking exercises presented during national workshops in KA, KY, UZ; AR, GE, MO stocktaking exercise completed, recommendations for training and skills development initiatives in local development measures. (0.3)			
	Co-operation with other donors: co-hosted meeting of the Working Group on International Skills Development (Norrag); eLearning project trained on-line approx. 30 students from AL, SE, RF, on project evaluation; participation in international donor event Moldova on donor-supported and national reform actions in education. (0.2)			
<b>Expertise Development</b>	Life-long learning, Labour Market, Skills for Enterprise and Vocational Training Learning Processes Focus Groups: briefing papers, input to the Advisory Forum, internal seminars, support to the Operational Departments, international workshop.		<b>3</b>	
<b>Tempus</b>	Selection of about 41 Joint European Projects (JEP), 309 Individual Mobility Grants (IMG) and 22 Structural and Complementary Measures Projects (SCM) (3.5 FTE) Regular monitoring of current projects by the monitoring desk officers & advice given (2.25 FTE) Payments to 258 projects, following the financial and content assessment of annual and final reports (2.25 FTE) Preparation, participation & follow up of field monitoring visits to some 9 current projects (0.5 FTE) Preparation, participation & follow up of information campaigns in AM, AZ, GE, KZ, KG, TJ, TM and UZ (0.5 FTE) IT development: electronic report forms developed and the overall development of the Tempus website continued. Tempus DB improved to enable electronic assessment (0.5 FTE) Tempus publications were produced and general information and promotion material provided and disseminated (0.5 FTE)		<b>10</b>	
<b>Administration</b>	Finance, Legal, Personnel, Computer and Technical Services and the External Communication		<b>9.5</b>	
<b>Organisation</b>	Directorate, Planning, Monitoring and Evaluation		<b>2.25</b>	
<b>TOTAL</b>			<b>30.75</b>	

## Return on investment – MEDA

Return on investment – MEDA			
Category	Main outputs	Initiator	Staff (FTE)
<b>3100 Support to the Commission</b>	Identification report for SWAP in Tunisia (0.50 FTE)	AIDCO/EC Delegation	<b>Head of Department + Secretary [2 FTE]</b>
	Identification report for VET MEDA project in Lebanon (0.40 FTE)		
	Identification, formulation reports, TORs and other documents for Palestinian refugees project (0.10 FTE)		
	Financing documents, TORs and other documents for support to start up phase of MEDA project in Syria (0.45 FTE)		
	Labour market Policies report in Egypt finalised (0.20 FTE)	AIDCO 2003	
	Desk research on training and HR development in the context of local development (0.20 0 FTE)	AIDCO/EC Delegation	
	Support to the Government of Yemen in the development of a strategy for VET reform in cooperation with the WB: a country report on VET/LM, a strategy document and an action plan for implementation (0.50 FTE)	AIDCO/RELEX	
	Technical support to the introduction of pilot apprenticeship modalities in Syria (0. 30 FTE)	AIDCO/EC Delegation	
	Study on e-learning in Israel published and disseminated (0.10 FTE)	EC Delegation	
	Support to DG EAC in dissemination of Leonardo practices (input in experts groups, participation of Med representatives) (0.25 FTE)	DG EAC	
	Labour market studies in the Med region: concept note, methodological approach, four country studies (0.50 FTE)	AIDCO	
	Provision of input and comments on NP documents and CSP (0.25 FTE)	AIDCO/RELEX	
Preparation for the implementation of ETE regional programme (1 FTE)	AIDCO		
<b>3110 Analysis and information</b>	Development of the Observatory function: national capacity building actions: JO (0.4) study visits, support to local authorities in harmonisation of databases and development of methodological tools; SY: national authorities agreed to create a national Observatory hub, twinning between Syria and Jordan formalised (0.4), study visits, conceptual and methodological design for the HR survey at the request of Syrian authorities, gathering of information, first missions (0.25 FTE); MO: methodology for working on 3 selected sectors, successful study visit (0.20 FTE)	ETF	<b>1.25</b>
<b>3120 Development activities</b>	Research action for impact of continuing training on the performance of Moroccan enterprises (1.5 FTE): development of the scientific methodology in collaboration between local and EU experts, pilot phase.	ETF	<b>2</b>
	Joint Analysis with the WB on governance, social partnership and informal sector issues (0.5 FTE): joint regional analytical report on five key issues for VET reform jointly drafted. Presentations in several internal and external seminars.		
<b>Expertise Development</b>	Life-long learning, Labour Market, Skills for Enterprise and Vocational Training Learning Processes Focus Groups: briefing papers, input to the Advisory Forum, internal seminars, support to the Operational Departments, international workshop.		<b>3</b>
<b>Tempus</b>	Selection of about 47 Joint European Projects (JEP), 264 Individual Mobility Grants (IMG) and 17 Structural and Complementary Measures Projects (SCM) (3 FTE) Regular monitoring of current projects by the monitoring desk officers & advice given (2 FTE) Payments to 86 projects, following the financial and content assessment of annual and final reports (1 FTE) Preparation, participation & follow up of meetings with project representatives of running MEDA JEP Berlin, September 2004 (0.2 FTE) Preparation, participation & follow-up of field monitoring visits of projects in TN (0.1FTE) IT development: electronic report forms developed and development of the Tempus website continued. Tempus DB improved to enable electronic assessment (0.2 FTE) Tempus publications were produced and general information and promotion material provided and disseminated (0.5 FTE)		<b>7</b>
<b>Administration</b>	Finance, Legal, Personnel, Computer and Technical Services, and External Communication		<b>8.5</b>
<b>Organisation</b>	Directorate, Planning, Monitoring and Evaluation		<b>2.25</b>
<b>TOTAL</b>			<b>28.25</b>

## 1.8 Candidate countries (Activity 1)

### Main achievements and impact

The ETF supported the Commission in the identification and formulation of projects that have become the basis for EU interventions in particular in Romania, Bulgaria and Turkey. ETF expertise has added value throughout the project cycle, for example in project identification and evaluation. The project work has been reinforced by ETF's analysis of the progress of VET reform and its links to employment. The ETF, in co-operation with the Commission and partner countries, also helped to drive forward the JAP process and the overall review of the Copenhagen process in the candidate countries. This work was recognised in the Maastricht Communiqué presented under the Dutch Presidency of the EU. The ETF worked closely with Cedefop to ensure the successful transfer of knowledge on the ten new Member States, and to ensure the integration of the National Observatories into the Refer Network. The ETF also supported capacity building in the candidate countries in key policy areas such as regional human resource development strategies, skills surveys and preparation for the European Social Fund.

### A. Support to the Commission

*Original objective:* Respond to Commission needs, especially in relation to programme design and implementation, institution building and policy dissemination

*Support to the Commission (project D20):* The ETF drafted a project fiche on human resources development and the promotion of employment. In Romania, the ETF participated in the VET project tender evaluation and supported the CVT Twinning project. The ETF will also support the Phare TVET 2001 project evaluation. In Turkey, the ETF contributed to monthly management meetings of the four EU programmes as well as a Regional Advisory Council meeting in Izmir.

*Review of progress in VET reform (project D21):* At the request of DG Employment (DGEMPL), the ETF continued to give its contribution to the Joint Assessment Paper (JAP) monitoring process, and contributions were delivered to JAP follow-up seminars with DG EMPL organised in Sofia and Bucharest in May 2004. The Romanian monograph on VET and Employment Services was finalised in February. The ETF also contributed to a conference on employment organised in Ankara in March attended by DG EMPL.

The ETF continued to be involved in the working groups of the Copenhagen process. As a member of the Steering Committee of the Maastricht study, the ETF delivered comments on the draft report that was presented at the DGVT and Maastricht conferences. The ETF produced country reports for Bulgaria, Romania and Turkey, which were included in the study. The ETF also contributed to the development of the Maastricht Communiqué and actively participated in the Maastricht Conference.

Peer Review reports were completed in Bulgaria and Romania (on CVT) and Turkey (on the role of social partners in VET and employment policy), national stakeholders were consulted and dissemination seminars organised.

*Institution building in Bulgaria, Romania and Turkey (project D22):* Most of the 2004 project activities were completed. The development of a regional HRD strategy for the Konya region was supported in Turkey, for which skills surveys have been carried out. In Romania, sector committees were set up to work on the development of qualifications, and a training seminar on impact evaluation of pre-ESF grant schemes was held in December. In Bulgaria, the ETF raised awareness of modern approaches to CVT through two regional seminars.

### B. Provision and analysis of information and data

*Original objective:* Continue support of and cooperation with National Observatories in Bulgaria, Romania and Turkey and capitalise on ETF investment in the National Observatories in the candidate countries.

*National Observatories follow-up, including key indicators (project D24):* the ETF successfully integrated the Observatories in the ten new member states into Cedefop's Network of Reference and Expertise (ReferNet).

Candidate countries provided full contributions to Cedefop's ReferNet structure and to DGVT reports on VET progress. Observatories delivered Key Indicators on human resources development for 2003-04 and reports on VET financing, on the basis of which the ETF is preparing a cross-country report



that will be available in early 2005. The following publications are now available: Skills Audit Survey Romania, Labour Market and Employment in Turkey, Career and Guidance and the short country reports. The ETF updated the "Reviews of progress in VET reform" for Bulgaria, Romania, and Turkey as input to the European Commission's regular reports on these countries.

The ETF increased the exchange of experience across the network through two meetings of Observatories in March and September 2004.

The ETF led the analysis of the VET system in the context of the OECD Education Review in Turkey and the OECD review on Adult Learning in Hungary and Poland. It also took the analytical lead on VET issues for the development of a World Bank Education Sector Programme in Croatia.

### **C. Development activities**

*Original objective:* Accelerate and reinforce systematic cooperation and communication with Cedefop through the full and effective implementation of the agreed Framework for Cooperation.

*Activities including implementation of co-operation programme with Cedefop (project D25):* The ETF focused on the implementation of the "exit-entry" strategy consisting of the transfer of ETF know-how and information resources to Cedefop. The ETF prepared ten country dossiers on the main VET legislation, institutions, publications and experts for Cedefop and assisted in the integration of the new Member States in Cedefop's thematic networks (ReferNet, TTnet, SkillNet, VetNet). An information and knowledge sharing workshop for Cedefop staff was organised in Thessaloniki in January and Cedefop organised a similar event for ETF staff in September in Turin. The ETF participated in launch seminars for Cedefop's TTnet in six countries.

The ETF and Cedefop jointly prepared the third review of major current developments in VET encompassing both old and new Member States for the meetings of the DGVT held in March and October 2004. A specific dossier on enlargement accompanied the first Cedefop Info issue in 2004 with contributions from ReferNet, Cedefop, the ETF and the National Observatories.

Two seminars were organised in cooperation with DG EAC and Cedefop bringing together all new Member States and candidate countries on the themes of validation of non-formal and informal learning and quality assurance in VET. The seminars raised awareness and reinforced the involvement of the new Member States and candidate countries in the Copenhagen process.

A joint progress report on the cooperation between the two agencies was prepared for the European Parliament in June, showing how positively it is developing.

### **Key changes and management of risks in the original Work Programme**

The number of requests for ETF support from Commission services in Brussels and EC Delegations rapidly increased in 2004. The increase in demands led to some delays in original planning schedules and for the Institution Building project in Romania. This was resolved through consultation with country stakeholders and Commission counterparts resulting in attempts to increase the focus of the ETF's input.

The ETF's involvement in the Maastricht Communiqué was not foreseen in the original work programme. In 2004, it was heavily involved in the preparation of the study on 'Achieving the Lisbon Goals: The Contribution of VET', the Maastricht Conference and the Maastricht Communiqué under the Dutch EU Presidency and the preparation of three country reports (Bulgaria, Romania and Turkey).

Some delays were encountered in the ETF's support to the preparation of Turkey's participation in Leonardo da Vinci due to the unavailability of funds from the European Commission.

The formalisation of Turkey (and Croatia) as a candidate country, coupled with relative political stability, social and economic development in Bulgaria and Romania, created a solid framework and reduced risks for the ETF's accession-related work in 2004. The ETF also addressed the risk of limited institutional familiarity and expertise in managing EU programmes by reinforcing its efforts to build institutional capacity, especially in ESF. Although some progress has been made, this remains a critical risk area for new Member States and candidate countries.

## 1.9 Southern Eastern Europe (Activity 2)

### Main achievements and impact

The ETF has provided a robust framework for its programming of assistance through the definition of labour market reviews in the region. These are also vehicles to raise the awareness of EU approaches to employment policies. The ETF continued to give direct contributions to Community interventions in the region through input to the Multiannual Indicative Programmes and by content monitoring. The ETF has raised awareness of the Charter for SME Development by cascading this policy framework to the Western Balkans and testing the relevance to local conditions. The level of information and analysis on VET and employment developments in the Western Balkans was raised through the Key Indicators publication and the work of the Observatories. The ETF has built capacity among stakeholders in the Western Balkans on key policy fields including teacher training, national qualifications systems, adult learning strategies and local development. In each policy area, the ETF has sought to bring a regional perspective linking the Western Balkans and cascade relevant accession experience and networks. ETF capacity to support reform in the Western Balkans has been increased by the Italian Trust Fund.

### A. Support to the Commission

*Original objective:* Support the implementation of the CARDS Programme and provide targeted input to the Stabilisation and Association process

*Country progress reports on VET/labour market (project D26):* The analytical framework for labour market reviews in the Western Balkans, based on EU approaches, was agreed with the European Commission. The drafting of reports for FYROM, Serbia and Montenegro started in September.

*Support to CEC project cycle (project D27):* The ETF provided input to DG External Relations (RELEX) for the Multiannual Indicative Programmes 2005-2006 and European partnerships, and contributed to the terms of reference for CARDS projects on VET and the labour market in all the countries in the region. The ETF also actively participated in the content monitoring of CARDS projects in Bosnia and Herzegovina (BiH), Croatia, FYROM and Serbia. It increased the regional co-ordination of EU support by holding a meeting with human resource task managers of the European Commission and its services (EAR and EC Delegations) in Turin in December.

The ETF raised awareness on the Charter for SME Development in the Western Balkans through meetings in Tirana and Podgorica with the national co-ordinators in co-operation with DG Enterprise. The ETF supported the annual reporting for the Charter and presented a process for a closer monitoring of developments of pillars one and four of the Charter that deal directly with training and skills development. The ETF also reviewed the questionnaire for the former Yugoslav Republic of Macedonia's application for EU membership and made a presentation to the European Parliament on HRD in the Western Balkans.

*Conference on outcomes of Peer Reviews of implementation of VET policy (project D28):* The evaluation of the first round of peer reviews carried out in 2002 and 2003 was initiated. The outcomes of the review will be fed back to the region through a conference in February 2005 in Zagreb.

### B. Provision and analysis of information and data

*Original objective:* Develop in depth information and analysis on recent HRD developments.

The standard of information and analysis on VET and labour market developments in the Western Balkans was raised for local and international stakeholders through the 2004 Key Indicators. In addition, the ETF increased the knowledge and awareness of developments in vocational guidance through a report prepared by the National Observatories.

The ETF boosted understanding of HRD in the informal sector in Albania through a specific study in co-ordination with the OECD review of the country.

The readiness of the Western Balkans to adopt ICT and e-learning policies was assessed through a survey of Technology-Enhanced Learning in South Eastern Europe. The results were presented during the On-line Education Conference in Berlin in December 2004.

### **C. Development activities**

*Original objective:* Build national capacity to design and implement HRD strategies and policies within the framework of EU policies.

*Organisation of learning processes and teacher training (project D30):* The ETF helped to assess the role and effectiveness of TT in CARDS VET reform projects during meetings of the South Eastern Europe Teacher Training Network in February and a follow up meeting in December. The ETF continued its efforts to build capacity in teacher and trainer training through preparatory work for a seminar on “Lifelong Learning for vocational teachers” that took place in Albania in January 2005.

*National qualification frameworks (project D 31):* The ETF worked with partner countries to identify constraints and challenges for developing a national qualifications framework through two regional meetings on “Developing Strategies on National Qualification Frameworks” in Sarajevo in May and in Turin in December.

*Adult learning strategies in the context of lifelong learning (project D32):* The ETF worked with local and international stakeholders (especially from the new Member States) to develop adult learning strategies for Western Balkan countries. In order to encourage a regional perspective, the ETF held three regional meetings: “Adult Learning Strategy Development” in Zagreb in January, “Promoting partnerships in Adult Learning” in Igalo-Montenegro in May and “Funding Mechanisms and Incentives in Adult Learning” in Budapest in November. Stocktaking reports on adult learning were completed by all countries/entities participating in the project (Croatia, Serbia, Montenegro and Kosovo). Drafts of Adult Learning Strategies for Croatia, Montenegro and Albania were completed.

*HRD in South Eastern Europe through the local development approach (project D33):* The Local Employment and Economic Development project (LEEDAK) established local partnerships in a number of municipalities in Albania and Kosovo<sup>4</sup> and completed strategies for local development. The results of the partnership building process and the strategies were presented in a seminar in Tirana in April and in Kamenica in November.

The ETF facilitated international cooperation in VET reform through a conference organised on “VET Reforms in Western Balkans: how to finance and implement” in March in Thessaloniki in co-operation with Cedefop and the European Investment Bank. The ETF also encouraged dialogue between the partner countries and donors through its support to the activities of Tables I and II of the Stability Pact and defined a framework for future co-operation through (i) the organisation of conference on employability and skills development in early 2005, (ii) the exchange of experience in the implementation of the labour market reviews in the Western Balkans with a similar ILO/Council of Europe activity included in the SCI and (iii) activities to disseminate the Copenhagen process to the Western Balkans. The ETF provided VET expertise for the World Bank identification mission to develop a sector strategy for a possible loan on education in Croatia, which would be compatible with EU priorities. The ETF also exchanged information on the implementation of EU and World Bank education programmes in other countries.

#### **Key changes and management of risks in the original Work Programme**

The original Work Programme for the Western Balkans was largely carried out as planned. Some of the services requested by the Delegations were delayed due to the increase in demand for ETF services. This has included the teacher training network meeting and the peer review evaluation seminar, which have been postponed to early 2005. The trans-national analysis on the basis of the Peer Reviews will also be completed in January 2005.

Discussions have started with the Commission on the consequences of Croatia’s status as a candidate country for ETF’s work. This will mainly lead to specific requests from 2005 onwards.

Government changes in Serbia delayed the implementation of the CARDS and ETF projects in the country. However, the risk of substantial political instability in the region identified by ETF in the work programme did not materialise. Indeed, the region has been fairly stable and responsive to EU policies. This general stability in the region has facilitated the ETF’s work to develop and consolidate a regional perspective in education and training reform.

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<sup>4</sup> Kosovo, as defined by UNSCR 1244

## 1.10 Support for the Mediterranean region (Activity 3)

### Main Achievements and impact

The collaboration and close partnership between ETF and AIDCO/B in particular allowed ETF to be introduced to the innovative modalities of the sector wide approach (SWAP) recently developed by the Commission. ETF has accordingly been associated and supported the Commission in the piloting of sector wide approaches (SWAP) in Tunisia. The ETF has also continued to provide support to the Commission for project identification and start up. This has been spread across the region with examples in Lebanon, Morocco, Syria, and the Palestinian Authority. The ETF has consolidated its support to the EU policy framework in the region by providing concepts for VET and labour market analysis, gathering good practice on VET as a tool to combat poverty, supporting the dissemination of good practice from Leonardo da Vinci. In addition, the ETF has supported the e-learning analysis in Israel and the preparation of country action plans under the Neighbourhood Policy. The level of comparable information on VET and the labour market has been increased through the Observatory function, which has also proved an increasingly effective network for the exchange of information. The ETF has also developed and tested new tools for reform, such as the CVET impact assessment methodology and policy approaches to increase the capacity of VET to address the informal sector. In achieving its results, the ETF has worked especially closely with the World Bank and has been supported by the Italian Trust Fund.

### A. Support to the Commission

*Original objective:* To respond to needs articulated by Commission services in the functioning of the MEDA Programme and the development of the Euro-Mediterranean policy

*Ad-Hoc or Structured Analysis of VET/LM Systems (project D01):* The sector report on labour market policies in Egypt was finalised. The Yemeni Government was supported, on behalf of and in close consultation with the European Commission and in close cooperation with the World Bank, in the design of a strategy for VET reform. This work was preceded by a joint country report. The Yemeni government approved the strategy accompanied by an action plan for implementation.

*Support to association agreement implementation (project D02):* The e-learning report on Israel was published and widely disseminated. In addition, the ETF provided inputs to and commented on country reports and action plans relevant for the new Neighbourhood Policy.

*Identification of best practices in harvesting vocational training potentials as part poverty alleviation/active labour market strategies (project D03):* A regional comparative study was agreed with the Commission and launched in 2004 with the preparation of five country reports.

*Support to the identification, feasibility and start-up of MEDA projects (project D05):* The identification of a MEDA VET Sector Policy Support Programme in Tunisia was supported, a mission carried out in July and a report completed in close consultation with and under the supervision of AIDCO/B and submitted to the Commission and the Tunisian authorities in September. A MEDA VET programme identification was also supported in Lebanon including a pre-identification workshop, identification missions and the preparation of a report preparation in October/November. The ETF also supported the completion of the financing agreement and start-up phase of the MEDA VET modernisation programme in Syria, including support to the EC Delegation for the launch of the project (drafting of terms of reference for technical assistance and equipment). Support was also provided for the design and start up phases of a MEDA project for Palestinian refugees in Lebanon (identification, feasibility and financing phases, terms of reference and tender dossier completed)

The ETF supported DG EAC in the dissemination of EU policies in Mediterranean countries (Leonardo valorisation), through regular participation in thematic expert monitoring groups. This was concluded with the participation of Mediterranean experts in the Maastricht conference in December.

*Assist in the Implementation of the regional MEDA ETE programme (project D06):* An important milestone in 2004 was the signature of a contract between the European Commission and the ETF for the management of the MEDA regional project for Education and Training for Employment (ETE). The launch event for the project was successfully organised in Turin on 29 November, gathering policy makers, experts and relevant stakeholders from the region. The project supporting Syrian stakeholders in the implementation of a pilot apprenticeship scheme, successfully completed in December, will be integrated with the MEDA programme.

## **B. Provision and analysis of information and data**

*Original objective:* To contribute to national capacity to collect, analyse and forecast employment/training needs and enhance the compatibility of approaches at regional level

*Observatory function development: Capacity building at national level (project D07):* As a way of bringing synergy with the recently launched regional MEDA ETE programme, the ETF developed capacities for the provision and analysis of information at national level, with Italian Trust Fund co-funding.

In Syria, the national authorities agreed to create a national observatory hub to be financed with Syrian resources, supported in the set-up phase by the ETF. A partnership was established between Jordanian and Syrian institutions to share expertise and methodologies. Two study visits (to Jordan and Denmark) were organised. The ETF's assistance in 2004 concluded with a seminar on the Observatory function held in Damascus. In parallel to this, at the request of the Syrian authorities and in agreement with the Commission, the ETF is supporting an HR/employment study aimed at giving input into the planning processes of the Syrian Government for the next years.

In Jordan, ETF support has focused on the harmonisation of statistical databases and the development of methodological tools for analysis of data on the basis of a concrete case study on unemployment and skills mismatch. A final seminar was held in Jordan in November. A study visit to Spain for Jordan stakeholders was organised, setting up the basis for the signature of a cooperation agreement between relevant institutions in both countries.

In Morocco, and at the request of the national authorities, ETF support is following a sectoral (economic branch) approach, in line with the MEDA VET programme, which could contribute to the setting up of a national observatory function. A study visit to France was organised.

Contact has been established with the Algerian authorities, following presidential elections and a government reshuffle. A re-launch of activities is expected in 2005.

*Observatory function development convergence of approach at regional level (project D08):* Information-gathering activities focused on the development of a cross-country comparative report on the observatory function in the Maghreb countries and preparatory activities for the MEDA ETE regional programme.

## **C. Development activities**

*Original objective:* To contribute to future EU assistance and policies in the region through innovative preparatory and pilot initiatives

*Research action on CVET impact assessment (project D09):* Activities focused on the finalisation of the pilot phase to develop and test a methodology for evaluation of continuing training in Moroccan enterprises. A Steering and Scientific Committee was set up and a methodological framework developed. Scientific cooperation was also established with CEREQ.

*Analysis of Vocational training specificity in economies marked by large informal sectors (D11):* A joint regional analysis with the World Bank on five key issues for VET reform (governance, financing, participation of social partners, quality and skills acquisition for the informal sector) was completed on the basis of 2003 background country reviews for Egypt, Jordan, Lebanon and Tunisia. The report, presently under consultation, will be a joint ETF/World Bank publication. It is intended to be a starting point for discussions with countries of the region on key issues for VET reform. Joint dissemination activities are foreseen in Work Programme 2005.

### **Key changes and management of risks in the original Work Programme**

The ETF has made efforts to accommodate a number of new European Commission requests, such as the VET project identification in Lebanon and the support to some of the start-up phases of the programmes. At the request of the Commission, the feasibility phase of the Tunisian Sector Wide Approach project was delayed to January 2005. Similarly the stocktaking exercise on SWAP methodologies was also postponed to 2005. The preparation for the implementation of the ETE project required more resources than initially expected, particularly in view of the necessary planning processes for project implementation prior to the launch.

The regional observatory activities were also postponed until the launch of the MEDA ETE programme to ensure synergy. Some of the activities in Morocco were delayed to 2005 after consultation with the national authorities on the approach to be adopted.

The most significant deviation from the original plan was the postponement until 2005 of the TTT MEDNET project (D10), in order to ensure full synergy with the ETE project.

The main risk identified by the ETF in the Work Programme referred to the instability in the region. This continued to be a problem during the year, although there were indications of positive changes in the relations between Israel and the Palestinian Authority towards the end of the year. The lack of donor co-operation in the region was also reported as a risk although the ETF has sought to address this on a country-by-country basis through enhanced communication especially with the World Bank. The sector-wide approach piloted in Tunisia may also prove an effective framework to increase co-operation.

## **1.11 Eastern Europe and Central Asia (Activity 4)**

### **Main achievements and impact**

The ETF continued to provide direct specialist support to the Commission for its project cycle in particular through the identification and quality monitoring of EU interventions. The ETF has also continued to build capacity in the partner countries to help them prepare the policy framework for substantial EU projects. This included support to policy makers to develop approaches to decentralisation and financing. The Observatory network has continued to gather information on VET reform and disseminate good practice. Through its development activities, the ETF has refined and piloted approaches to VET as a tool for poverty alleviation, impact assessment on training for company development and, in a broader sense, enhancing donor co-operation in partner countries. The ETF has continued to work closely with Italy, Finland and the Norrag Network to achieve its goals.

### **A. Support to the Commission**

*Original objective:* Increase relevance, effectiveness and sustainability of the EU co-operation with the partner countries.

*Support to the Tacis project cycle – project identification – quality monitoring (project D12):* The ETF prepared terms of reference for a Tacis project for the development of an employment policy in Kyrgyzstan and for 'eSkills for SMEs' and for 'Management Training Programme (MTP) IV' in the Russian Federation. The ETF also provided input to the Delegation in Almaty to finalise the project description and terms of reference for a project on 'Enhancing living conditions in the Khatlon region'. The Ukraine Delegation was provided with terms of reference for Tacis projects on in-company training and the decentralisation of VET management. ETF undertook a mid-term review of the Tacis project on VET and SME development in Kazakhstan and continued monitoring the content of MTP III and Delphi projects in the Russian Federation.

*Expertise provision to Commission services for quality support measures, strategies and methodologies (project D13):* In early 2004, ETF provided input to DG Relex on the Neighbourhood policy Action Plans for Ukraine and Moldova. In November, ETF also contributed to the Commission seminar on 'Increasing effectiveness on EU social assistance to the Western Balkans, Eastern Europe, Caucasus and Central Asia' through a case study on VET reform in Tajikistan.

*Policy advice and capacity building measures for partner countries' stakeholders in support to on-going reforms and dissemination of EU policies (project D14):* In the Russian Federation, the ETF responded to a request from the Ministry of Education to provide expertise on the decentralisation of VET management, through the facilitation of regional assessments and subsequent action plans for the implementation of the decentralisation initiative in a number of pilot regions. Discussions with the World Bank and the Finnish Government resulted in an agreement to link ETF activities with those to be financed by the Bank loan in pilot regions and additional financing of €300 000 from the Finnish Government to the school restructuring component. The ETF also implemented a high level awareness-raising workshop on national qualification frameworks in co-operation with the Ministry of Education.

In Ukraine, the ETF implemented targeted capacity-building activities for policy makers which included a review of the current financing system for VET followed by a workshop for key national experts, including the Ministry of Education's working group involved in its redesign. In co-operation with the Moldavian Ministry of Labour and National Agency for Employment, the ETF delivered specifically

designed training to staff of local employment services, resulting in enhanced capacity to plan and deliver quality services to job seekers and employers using new approaches for 'client-oriented' services.

In Central Asia, the ETF assisted the Tajik Ministry of Labour and Social Protection in developing a new concept for VET and provided bridging technical assistance prior to the start of the Tacis VET reform project, while at the same time, supporting the Ministry in establishing a VET Support Foundation for co-ordinating up-coming reform initiatives and donor projects. The provision of policy advice to the Kyrgyz Ministry of Labour and Social Protection was continued through capacity building of both central and regional authorities for the development of a strategic programme and action plan for the implementation of VET reform. Capacity building included a study visit to Lithuania for 11 key Kyrgyz national experts involved in education reform. In Kazakhstan, the ETF provided targeted policy advice through a national seminar on standards. The ETF downscaled its activities in Mongolia as EU support through Tacis was reduced.

## **B. Provision and analysis of information and data**

*Original objective:* Contribute to capacity of the partner countries to collect, summarise, analyse and use intelligent information on vocational training and employment.

*Services to National Observatories (project D15):* The network of National Observatories continued to gather and consolidate key local information to support ETF activities in all areas of its work programme. The Observatories, with the help of local experts, reviewed the progress in development of social partnership in their countries which serves as useful background information in future project and policy design. The North-West Observatory in the Russian Federation worked alongside an international expert to complete a set of five modules for VET management specific to the local situation and which will be extensively disseminated in 2005. A number of Observatories, for example in Kyrgyzstan and Ukraine, were instrumental in facilitating VET policy development, sparking discussions with the relevant ministries and co-ordinating the work of international and local experts in this area. To consolidate the work of a research group of six key local experts, ETF experts facilitated a workshop in Tashkent in June at which recommendations were drawn up for updating the classification of occupations in Uzbekistan.

*Dissemination of project activities (project D16):* Through their international network the National Observatories also assisted in sharing project experience through, for example, organisation of study visits and events in the framework of decentralisation of VET management in the Russian Federation at which key experts from Ukraine, Belarus, Tajikistan and Moldova participated.

*In-depth studies on vocational training and its links with the labour market (project D16):* The in-depth studies completed in Ukraine and Moldova were disseminated both through the National Observatories and two major events: in Ukraine, the study contributed to a discussion with a core group of national experts on the future focus of Tacis projects; in Moldova, the study fed into an international donor event on education reform. An extensive pre-study on VET graduates in Azerbaijan began in the second half of the year to feed directly into a more complete study to be carried out in 2005. In Tajikistan, an ETF expert team completed a number of fact-finding missions for the study. The study, to be submitted to the European Commission in early 2005, includes recommendations for Tacis programming.

## **C. Development activities**

*Original objective:* Contribute new knowledge to future EU assistance in the EECA region.

*Impact assessment of training for company development (project D17):* In the 2004 component, the main achievements were the completion of an inventory of all donor activities in this field between 1991-2003, reinforced commitment of the EC Delegation to participate in the stakeholder group of the project and the study approach and methodology refined and agreed between the operational team, the scientific committee and the stakeholder group. The roles of each group were clarified and agreed.

*Training strategies for local development in poverty alleviation context (year II) (project D18):* Kazakhstan, Kyrgyzstan and Uzbekistan, presented the findings and recommendations of the extensive stocktaking exercises carried out in 2003, to local and national stakeholders. A similar stocktaking exercise was successfully completed in Armenia, Georgia and Moldova through numerous

field visits, interviews and questionnaires. These also resulted in complete reports of the local situation in each country with a view to making recommendations on how to strengthen the role and place of training and skills development initiatives in local development measures.

*Co-operation with other donors (project D19):* The ETF and the ITC-ILO co-hosted the July 2004 meeting of the Working Group on International Skills Development within the Network for Policy Research, Review and Advice on Education and Training (Norrag). This meeting was also a valuable opportunity to further define future co-operation with members of the network. As a result of the e-Learning project managed by the ETF and financed by the Italian Government, approximately 30 students from Albania, Serbia and Russia were trained on-line on project evaluation. The ETF also contributed to a high-level international donor event in Chisinau, Moldova, aimed at presenting both donor-supported and national reform actions in education in Moldova. The ETF presented the key findings and recommendations of its in-depth study in Moldova.

### **Key changes and management of risks in the original Work Programme**

In the project on training strategies for local development rather than publishing a regional report for Central Asia following the first phase of the project, an overall report covering all six participating countries will be published upon project completion in 2006.

Concerning the dissemination of the VET management modules drawn up in the course of activities in the Russian Federation, a delay has occurred due to additional time spent completing the last two modules. As a result, the target audience will be identified and a plan drawn up in early 2005 for the dissemination of the set of five modules through specific training seminars throughout the year.

Following discussions with the National Observatory and the national authorities in Uzbekistan, it was decided to focus the ETF funded part of the Observatory's work programme on the classification and local development project.

The work carried out on development of methodology and other preparatory measures for the impact assessment of training for company development was more time consuming than expected. However, the project is now ready for full implementation of the study in 2005 and 2006.

The ETF had identified the risk of a low institutional capacity and potential for absorption of funds as key threats to international initiatives in the region. It has sought to address these risks concentrating on institutional capacity building, developing tailored approaches to reform in the region and increasing capacity for donor co-operation by the partner countries.

## **1.12 Expertise development and coordination (Activity 5)**

### **Main achievements and impact**

The ETF has continued to consolidate its framework for expertise development and its capacity to gather, store and share knowledge on VET reform issues internally in co-operation with other key national and multilateral organisations active in our specialist field. In 2004, the ETF used Focus Groups to assess key policy fields, gather information on policy research and approaches used by EU Member States and other specialist and new approaches to VET reform that could be applied to partner countries. In addition, the ETF invested in staff development opportunities to build capacity and awareness among operational departments so these approaches could be disseminated to partner countries. Such approaches involved a broad participation from ETF colleagues in expertise development and knowledge sharing. This included the active participation of Tempus Department colleagues to share information across the VET and higher education divide.

*Original objective:* Increase expertise levels of ETF country managers and the ETF as an organisation in thematic areas that are key priorities for country and regional specific EU vocational training and labour market assistance programmes

*Focus Group VET in the Context of LLL (project D35)*

*Focus Group LM Reforms and Vocational Training (project D36)*

*Focus Group Role of the Teaching Profession in Vocational Training Reform (project D37)*

*Focus Group Skills for Enterprise Development (project D38)*

The expertise development function continued to evolve in 2004 towards a clearer integration of thematic work in the ETF through the work of the operational departments. The expertise development function was reviewed in the second half of the year with the aim of both broadening the scope of



expertise development actions and targeting it towards specific needs in the geographical departments.

The work of the Focus Groups was connected to that of the Operational Departments. In particular, project initiatives identified by country managers throughout the year were informed by the work of the groups. For example, the new National Qualifications (NQF) projects in the Mediterranean and Eastern Europe and Central Asian regions drew on the discussions on the subject in the work of the Lifelong Learning Focus Group, and the existing NQF project in the Eastern and South Eastern Europe Department, the labour market reviews in the Western Balkans were supported by the Labour Market Focus Group, as were initiatives in the labour market in the Mediterranean and Eastern Europe and Central Asia region.

Throughout 2004, the ETF conducted internal knowledge sharing events covering the informal economy, the Copenhagen process, teacher training, and National Qualification Frameworks. All country and project managers participated in at least one such event in the course of the year.

To advance policy learning, an analysis of the instruments and techniques used by the ETF in promoting its intentions was undertaken in 2004. This analysis will be published and discussed at the ETF in 2005. The expertise development function also completed a literature review of policy learning to define its meaning in the context of EU policies in general and ETF activities in particular.

Contacts were maintained with the World Bank, the ILO and selected networks such as NORRAG. At the ETF/ITC-ILO NORRAG meeting held in July, key themes focused on the informal economy and skills development, the nature of expertise in required by international organisations involved in Vocational Education Reform, National Qualification Frameworks, and reform approaches towards Secondary Education.

Contributions to the 2004 Yearbook were received from all Focus Groups and papers were prepared by all Focus Groups for distribution in the ETF covering a specific theme. Publications were also prepared for the European Journal of Education by the Lifelong Learning Focus Group and for the ETF's *Live&Learn* magazine by the Skills for Enterprise Development Focus Group.

Focus Groups provided input to international conferences in Lithuania, Brussels and Turin. Partnerships among Cedefop on-line thematic groups were moderate and tended to be limited to accessing information from the virtual communities rather than contributing to the debate.

The expertise development function was reviewed in the second half of the year with the aim of both broadening the scope of expertise development actions and facilitating synergies between different parts of the ETF.

### **Key changes and management of risks in the original Work Programme**

The 2004 Work Programme flagged up the risk of competition between the longer-term need to support expertise development and the shorter-term need to respond positively to urgent Commission requests. The ETF put in place mechanisms to manage these competing demands, in particular a regular co-ordination meeting between the Expertise Development Co-ordinator and operational departments (COPS) chaired by the director. In addition, ETF agreed work programmes for each Focus Group and adopted a corporate programme of knowledge sharing meetings (Capuccino series). Increases in Commission requests forced the ETF to review its expertise development programme during the second half of 2004. The results of this review have been fed into the programme for 2005.

### **1.13 Technical assistance to the Tempus programme (Activity 6)**

In 2004, the ETF continued to provide assistance to DG EAC for the implementation of the Tempus programme.

The assistance provided by the ETF covers the full project cycle. It therefore comprises project selection, contract management and monitoring, information and publications, IT support and development and general administrative support.

In 2004, the selection process relating to the December 2003 call for Joint European Projects (JEPs) was carried out and finalised. A total of 620 applications were submitted of which 115 were selected. Decisions were published on the Tempus website in July 2004. The ETF also organised the December 2004 call for JEPs, which included the piloting of applications by e-mail. A total of 540 applications were received. The outcomes of this selection process are expected to be available by mid-2005.

Two calls for applications were launched for Structural and Complementary Measures (SCM) in 2004 with deadlines in February and October. The February SCM selection process was finalised in July 2004 and involved 153 applications of which 40 were selected. A total of 65 applications were received by the October 2004 deadline. The selection process for this round is expected to be completed in Spring 2005. In addition, the ETF supported an exceptional joint Tempus/Socrates "Bologna Call" for SCMs in April 2004.

2004 also saw the launch of three calls for Individual Mobility Grant (IMG) application with deadlines of February, June and October. Over 2 000 applications were made in 2004, of which over 600 had been approved for funding by the end of 2004.

Written feedback letters outlining eligibility and quality aspects were prepared on behalf of the European Commission and sent to all unsuccessful Tempus applicants. The total number of feedback letters was 1 416.

### **Monitoring of running projects**

Monitoring activities in Tempus covered the standard functions of contract management such as desk monitoring, preventive monitoring, field monitoring and overall support to projects in progress.

A policy for field monitoring was prepared and agreed with the Commission. It targets 10% of running projects and involves around 30 projects being visited by ETF Tempus Department staff. The first monitoring visits were launched in October 2004.

The monitoring desks assessed around 588 reports. Following the assessment of these project reports, 561 payments were issued. In addition, the ETF Tempus Department provided a help-desk function used by several hundred Tempus projects. It also provided training to around 160 project representatives from the newly selected CARDS and MEDA projects at a meeting held in Berlin in September 2004. Training materials and contract management documentation were developed and made available on the web.

### **IT developments**

Important initiatives in the field of computer-supported technologies concerned the development of on-line report forms for Structural and Complementary Measures and Individual Mobility Grant projects. On-line forms for first and final reports were made available on the Tempus web site during the second half of 2004. The overall development of the Tempus website continued throughout 2004, including the provision of relevant IT tools for project contractors, the setting up of a restricted communication area and the upgrading of existing on-line systems.

A system for the submission of applications for Joint European Projects via e-mail was developed and in place before the December 2004 deadline.

### **Information and publications**

A new Tempus Guide for Applicants for the academic year 2005-2006 was produced in five languages and made available both as hard copies and electronically. Approximately 15 000 hard copies of this publication were printed and sent to Tempus National Offices (NTOs) in the partner countries and Tempus National Contact Points (NCPs) in the EU Member States.

The dissemination of information about Tempus continued to be a critical element in the work of the Tempus Department. This included the preparation of information for specific events, publications and newsletters as well as the dissemination of promotional materials. In addition, the Tempus website was regularly updated. The ETF handled numerous requests for information, for example responding to more than 2 000 information requests by e-mail.

An analysis of Tempus IMGs was launched in 2004 to analyse to what extent and how IMG grant-holders reached the objectives set out in their original application and to what extent follow up applications for Joint European Project Calls were submitted. The outcomes of this analysis, expected in early 2005 will feed in to the further development of this type of project.

### **Special events**

The ETF Tempus Department was represented and contributed to Tempus Committee Meetings and National Tempus Office/National Contact Point Meetings organised by the Commission in Brussels. Furthermore, Tempus Department staff participated in many Information Days in the partner countries as well as in EU Member States.

**Key changes and management of risks in the original Work Programme**

As some of the Financing Agreements for the Tacis 2003 Action Plans to be concluded between the European Commission and the national authorities had not been signed before the end of 2004, the Commission could not sign Grant Agreements for certain Tempus projects selected for funding involving these countries. This caused substantial delays in the start of the project activities.

In line with the Financial Regulation and to facilitate communication with Commission services, ETF has introduced the use of the electronic accounting system SI2 to handle Tempus funds. After an initial piloting of the electronic system, ETF has reintroduced a parallel paper based system to ensure risk control.



## PART II ORGANISATION, ADMINISTRATION AND INTERNAL CONTROL STANDARDS

In 2004, the ETF continued to develop its support functions and risk control measures and drive towards conformity with the regulatory framework and with recommendations from previous audits and evaluations. In parallel, the ETF reinforced its external communication capacity. The following report illustrates an overview of the main progress achieved in 2004

### 2.1 The control environment

- Article 38 of the ETF financial regulation requires the Director to put in place internal management and control systems and procedures in compliance with the baseline standards adopted by the Governing Board.
- On 29 June 2004, the Governing Board adopted the 24 Internal Control Standards. These were equivalent to the standards laid down by the European Commission. The ETF was asked to deploy the standards by the end of 2004, and propose a set of actions to achieve compliance with these standards.
- The ETF carried out a self-assessment on its compliance during the second half of 2003. The exercise highlighted areas that needed to be addressed. It used the outcomes to develop an action plan to tackle priority issues:
  - **Control environment:** to improve the visibility of the ETF's ethical values, and the operating style of the management;
  - **Risk assessment:** to put into place a systematic means of assessing and managing risks inherent in the work of ETF;
  - **Internal information and communication:** to decide on a relevant classification scheme to be used by the whole organisation, to provide better analytical reports, and to identify ways of enabling staff members to become more involved in formulating improvement plans;
  - **Control activities:** to record more rigorously the granting of exceptions to established procedures;
  - **Internal audit and evaluation:** to reach agreement with the Internal Audit Service (IAS) on the development of the ETF's internal audit capacity and to confirm priorities for its action plan.

### Challenges met

In driving towards the deployment of the baseline standards, the ETF encountered a number of challenges which have, in some cases, required a review of the action plan. In particular:

- the role to be played by the European Commission's Internal Audit Service (IAS) in the deployment and monitoring of ETF compliance with the Internal Control Standards;
- The role IAS plays vis-à-vis agencies was not clear enough. In particular, the need to set up an in-house Internal Audit Capacity (Standard 22) in addition to the IAS was confirmed in January 2005. The ETF will therefore only partially comply to Standards 20-24;
- The effective start of IAS support to the deployment of the ICS and the intensity of their involvement;
- The European Commission Internal Audit Service's initial and regular assessments of ETF compliance with the ICS are key to focussing developments where needed. The start of an active role for the IAS, initially expected for 2004, was confirmed from 2005 onwards. The ETF therefore

had to rely solely on self-assessment in 2004 which is the best way of ensuring full compliance with Standards 20-24;

- Difficulties linked to the limited size of the agency;
- While the ETF's ICS are based, as foreseen by the Financial Regulation, on equivalent standards laid down by the Commission, the relative cost of investment to improve and demonstrate compliance appeared to be proportionally higher in an agency of 104 staff than it is likely to be in much larger structure. This specificity reflects the cost limits that an agency can invest over a short period of time to improve and demonstrate compliance. This calls for a medium-term critical review of the specific standards set and their adequacy to the agencies' specificities. The IAS report expected by mid-2005 may give first indications on this issue. This dimension particularly affects the approach to sensitive posts (Standard 5) such as the limited possibility of rotation of staff within the agency. Alternatives need to be found. Guidance on how to approach this specific dimension within the limit set by the status and size of the agency has been sought from the IAS;
- Key vacant key positions for the introduction of the ICS – the ETF's Head of Finance resigned at short notice during the second trimester of 2004 and this position proved to be impossible to fill before March 2005. This function, in the ETF's organisational structure, plays a key role in ex-ante and ex-post control activities. Priority was therefore given to continuing existing procedures and developments were postponed until 2005. This deficiency was exacerbated by a high turn over/absences in the Finance Unit.

### **Achievements**

Within the above-mentioned limits, the ETF has made significant progress in respect of the ICS. The list below does not intend to be exhaustive but gives an overview of the main steps taken to improve compliance.

#### ***Control environment:***

- A revised version of the ETF core objective, role and values has been developed, discussed and shared with members of staff. (Standards 1 and 2). New staff undertake an induction programme to familiarise them with the ETF regulatory environment, standards and mission of the ETF;
- A review of staff competence, management processes and policies has been started with the help of an external consultant (Standards 3 and 4);
- Modalities to delegate responsibilities and authority have been reviewed and made more explicit (Standards 6 and 16).

#### ***Risk assessment:***

- Regular staff meetings and presentations on strategic development are organised by the Director. An environment analysis is being carried out and shared with managers (Standard 7);
- The definition of the ETF Work Programme is based on a Mid-term Perspective developed and monitored on the basis of a 'structured dialogue' working group with relevant Commission services, which meets at least twice a year. (Standards 8, 9 and 10).

#### ***Information and communication:***

- The use of the internal portal has been extended to give constant access to key information to all staff. An internal communication approach was elaborated in late 2004 (Standard 12);
- Document and mail management has undergone two internal evaluations and the formal role of Document Management Officer created. A Document Management Correspondents Network is used as the basis for pushing forward compliance with a set of minimum requirements defined centrally (Standard 13);
- Staff are regularly reminded about steps for reporting improprieties (Standard 14) through the ETF portal.

**Control activities:**

- A database of procedures and Director's decisions has been developed and is being populated (Standard 15);
- Tools to identify and record risks in transactions have been developed. A register of exceptional transactions has been set up (Standards 18 and 17), the financial verification function logs its assessment of specific risks in an ad hoc database;
- Guidelines for ensuring the continuity of operations in the hypothesis of staff mobility have also been adopted (Standard 19).

**Audit and evaluation:**

This area needs further attention in the future. The lack of certainty regarding the role and timing of IAS visits has somewhat impaired the elaboration of a strategy to improve compliance. Major steps are planned, including the creation of an internal auditor post (to be cleared by the Governing Board and the European Parliament) and the elaboration of a Charter on Audit and internal control will be implemented during the second quarter of 2005.

**Challenges ahead and next steps**

From the points reported above, ETF is preparing itself to give added attention to the following points:

- Exploiting the findings of the first IAS visit (planned for between the first and second quarter of 2005). This external assessment of ETF compliance will also allow the ETF to focus on critical areas and to benchmark itself against other EU agencies;
- Development of an internal audit capacity through the creation of an Internal Auditor post, reporting to the Director, as part of an ETF Charter of Audit;
- Improve compliance with Standard 11 (risk analysis), 15 (documentation of procedures) and globally on the ICS related to audit and evaluation (Standards 20-24) as part of an internal reorganisation

**2.2 Human resources development**

On 1 May 2004, the new EU staff regulations came into force. These are applicable to all EU institutions, and were adopted by the ETF Governing Board in June 2004. The ETF worked closely with other agencies and DG Admin to prepare for application of the new regulation.

**Recruitment**

In terms of recruitment, the following achievements were reached:

- an e-Recruitment tool, enabling applicants to submit their applications directly into an ETF database through the ETF website was launched
- recruitment of 14 new Temporary Agents, to replace 14 agents who left the service during the year. In this context, over 2 500 CVs were screened, and over 120 candidates were invited for interview. Following advice from the European Court of Auditors, the agency further developed the recording of the selection processes to ensure all steps are completely documented.

**Administration of personnel rights**

ETF management, with the support of the Staff Committee and Unions, made considerable efforts to introduce the new regulations, and to ensure that all staff members are aware of the changes. This included the implementation of the annual Performance Appraisal process for all staff and of the merit based promotion policy for Temporary and Local Agents.

**Training activities**

An occupational Health and Safety Programme was organised which included an all-staff training on general health and safety and ergonomic as well as specific training modules for new staff and staff carrying out specific duties. There was also a regular provision of staff training in the areas of languages and IT skills. Training in Time Management was also provided to a large proportion of staff in 2004. The completion of the training programme for ETF managers ("Managing people") and of the team-building programme for all staff was also undertaken. In line with the Internal Control Standards

and Commission practices, the “training passport” listing all training received by ETF staff was implemented.

### 2.3 External communication

The ETF developed an External Communication Strategy in line with its overall objectives and based on the principle that information and communication should be mainstreamed into all ETF functions. The overall aim has been to provide tools for planning and implementing a coherent information programme for the ETF, and the following strategies, policies and tools were implemented:

- An ETF External Communication Strategy (approved by the ETF Governing Board, April 2004)
- An ETF Publications Strategy and Policy, including the establishment of internal and external editorial boards
- An ETF Events and Visits Strategy and Policy
- An ETF Website Policy

The ETF external communication strategy focuses on four major information and communication channels namely: publications, dialogue-generating communication (meetings, events, visits and exhibitions), internet and audiovisual products and the media.

#### Publications

In 2004, the ETF produced and disseminated a number of publications and reports. Among the most important reports the following can be mentioned:

- the annual Highlights document (a glossy, and shorter annual report aimed at the general public),
- the Yearbook (a new instrument to present ETF expertise in different wide-ranging topics related to VET). The 2004 report was basically a compilation of the papers presented at and conclusions from the ETF conference *Learning Matters* event held in November 2003.

Regional or thematic reports (which are usually one-offs) such as:

- The addendum to *13 years of vocational education and training reform in the acceding and candidate countries*, which updates the analysis of the statistical information presented in the first report across the countries concerned.
- One-off country reports providing in-depth descriptions and analysis on a national vocational training system (the first country reports to be published were four VET and employment reviews for Belarus, Kyrgyzstan, Armenia and Georgia and two in-depth studies on vocational training in Moldova and Ukraine).

2004 was also the first full year of operation of the ETF's Editorial Board, which met three times (twice in Turin and once in Amman, Jordan) to discuss the ETF publication policy and strategy and to comment on individual ETF publications.

An ETF newsletter was developed and five issues were published and distributed to around 3 000 policy makers, experts, practitioners and media. Furthermore, two editions of a new ETF magazine, *Live&Learn*, were also published. The magazine contains information about new initiatives, projects, research and good practice and is distributed to about 3 000 policy makers, experts, practitioners and media across the EU and the partner countries.

#### Meetings and events

In implementing the ETF external communication strategy, events and visits are important channels of communication based on openness, dialogue and face-to-face communication between the ETF, its main audiences and the public. In 2004, the ETF organised more than 50 conferences, events and visits bringing more than 1 000 people together. Furthermore, the ETF was represented with its exhibition stands at a number of exhibitions and conferences across Europe. A new framework contract with a professional conference organiser was signed to further develop the service and support by ECU to ETF meetings, conferences and events.



### **Internet and audiovisual products**

The Internet has a huge potential for the ETF as it provides a unique vehicle for rapid communication with citizens and target groups when information must be distributed across the European Union and the ETF partner countries at short notice. Throughout 2004, the ETF's website has been constantly updated to make it more user-friendly, readable and informative. Since 1 April 2004, the website has been multilingual with six language versions (EN, DE, FR, IT, AR and RU). In total the page views in 2004 were over 5 million (more than three times the 2003 figure of 1.6 million).

In 2004, two DVDs were produced namely: Highlights from the 2003 plenary Advisory Forum meeting and an ETF corporate film, "Learning without Frontiers".

### **Media**

In 2004, the ETF organised a number of press activities and published two chronicles and 12 press releases. Ahead of EU enlargement on 1 May 2004, the External Communication Unit organised three press conferences (two in Brussels and one in Rome) to provide information about activities and achievements in the ten new EU Member States. Furthermore, two press conferences were organised in Turin to inform local media about the activities of the ETF.

The press releases published on the website and distributed to the media focussed on enlargement, the hand-over to Cedefop, the recruitment of the new Director, the ETF conference on Schuman Day (9 May), a new co-operation agreement with the Piedmont region, the ETF's 10 Year Anniversary and a new project in the Mediterranean region. In September and December, the Director presented the ETF and its activities in Uzbekistan and Syria to local media at specially organised press conferences.

The campaign was effective with the ETF being mentioned in articles by international agencies (Reuters, AP, AFP) and in newspapers across the EU and in partner countries (Frankfurter Allgemeine Zeitung, The Times, Der Standard, European Voice, La Stampa, Il Sole 24 ORE etc.).

### **Public Document Register**

Since 2002, specific requests for information from the public may be addressed through the ETF Public Document Register (PDR) on the ETF website.

In 2004, the PDR registered two official requests for information. Replies were made following the standard set by the adopted rules of the Code of Good Administrative Behaviour. One request was refused as the document requested was not an ETF publication nor was in ETF possession. Several other requests were also received by the ETF infopoint in the External Communication Unit, as well as by individual services and departments.

A process to enhance the PDR is ongoing in order to channel all requests through this system

## **2.4 Evaluation of ETF activities**

The 2004 Evaluation Work Programme included two evaluations of ETF activities: a project evaluation of "*Entrepreneurship in Education and Training*" project in Russia and Ukraine and an evaluation of ETF activities in Bulgaria 1996-2004. Both evaluations will be completed in the first quarter of 2005 and fed back into the programming of the Work Programme 2006. Evaluations are a learning process both for the ETF and the stakeholders in the partner countries. The findings and lessons learned will be disseminated in feedback seminars both at the ETF and in the partner countries in 2005.



## **PART III RECOMMENDATIONS AND FOLLOW UP ON 2003**

In their Analysis and Assessment of the ETF Annual Report, the Governing Board made a number of specific recommendations which the ETF addressed in 2004 and through the presentation of the Annual Report.

- The ETF reduced carry forward from 10.37% in 2003-04 to 8.74% 2004-05.
- The ETF adopted the Internal Control Standards following a Governing Board decision in June 2004. The Governing Board also approved an Action Plan to reinforce compliance with the standards. Please see part II above
- The ETF introduced risk assessment in the preparation of Work Programmes 2004 and 2005. In Part I of the Annual Activity Report, the ETF provided information on risk management of its operational activities. In Part II, the ETF presented its efforts to reinforce its risk management system.

The ETF has also followed up on the implementation of the Action Plan from its 2002 External Evaluation. Regular progress reports have been provided to the Governing Board culminating in a final report due to be published in March 2005. This final report indicates that the ETF had made progress in achieving:

- greater consistency with EU policies and priorities;
- effective communication and transparency;
- integrating the consequences of Enlargement in its work;
- improving internal efficiency and communication;
- increasing the effectiveness of its statutory bodies;
- high quality technical assistance for Tempus.

The final report will feed into the next External Evaluation that the Commission is preparing in 2005.

In 2004, the ETF also made progress in acting on recommendations from the European Court of Auditors and the European Parliament regarding the financial management of its budget. In particular:

- the ETF cooperated with the Commission and Court of Auditors to define how Conventions, and in particular Tempus funds, can be presented transparently in its accounts
- the ETF introduced new procedures to improve the transparency of recruitment
- the ETF increased its co-operation with other agencies, in particular through active participation in inter-agency networks in key fields such as legal services, finance, personnel, technical services, external communication and so on



## PART IV ISSUES PERTAINING TO THE DECLARATION

In consideration of:

- the observations included in the ETF 2003 Annual Activity Report
- the developments outlined in Part I above regarding the implementation of the Annual Work Programme
- the difficulties encountered by the agency in complying with its developing regulatory framework outlined in Part II above

The ETF has identified the following reservations regarding the performance of the agency in 2004:

### 4.1 Robust financial management of operational activities

The ETF's internal assessment of its capacity to manage projects according to the financial regulation has led to the identification of a number of weaknesses in its internal management systems and procedures. In 2004, the ETF reviewed the support it provides to National Observatories in Eastern and South Eastern Europe, the Caucasus and Central Asia in line with the new financial regulation and the recommendations in the 2002 External Evaluation. In September-October 2004, the ETF carried out internal assessment of the financial management of the National Observatories, which received over €1 400 000 in 2004 representing about 30% of the total investment in ETF projects. Although the National Observatory project had been consistently reviewed positively in previous external evaluations, the internal survey confirmed a generally weak level of financial management across the network coupled with insufficient support from the ETF in terms of clear guidelines and internal management systems, thereby representing a risk.

The ETF has reacted rapidly to the internal survey findings by launching an audit campaign to measure the quality of financial management in the Observatories and of the financial systems within the ETF. In November 2004, the ETF launched an external audit of the Albania National Observatory, followed by external audits of the Observatories in Kosovo and Kyrgyzstan commissioned in December 2004. In addition, in October 2004, ETF management considered a revised approach to the selection and management of the National Observatories based on a re-tendering of the project according to the requirements of the financial regulation. This process will be implemented in 2005 as ongoing contracts come to an end.

In early 2005, the ETF will revise its internal management procedures for the National Observatories and will consider the need for further audits of the network based on the outcomes of the 2004 audit campaign. In early 2005, ETF also developed an audit policy which will extend risk control to other operational initiatives. ETF financial management capacity has been enhanced through the recruitment of a new Head of Unit who joined the ETF in February 2005. The ETF will also report to the Governing Board on the outcomes of these processes during 2005.

### 4.2 Staff contract management

The ETF's efforts to reinforce its human resource management and development capacity since 2000 and the EU staff regulation reform in 2004 have revealed certain weaknesses in the management of some staff contracts. In 2002, the ETF developed a performance appraisal system under the human resource development policy (ETF-GB-02-013) adopted by the Governing Board in 2002. This system was designed to support ETF's role as a specialist EU agency and featured objective setting, evidence based evaluation through indicators and elaboration of staff development objectives. The system was also linked to ETF's policies for promotion and contract extension.

However, the agency has concerns about the application of performance appraisal, in particular the limited structured evidence on which certain decisions for contract termination and/or extension have been taken. A new, more robust and improved system was introduced in 2002, however, it has taken time to fully implement this new system. A review in 2004, has indicated that the current policy should

be further developed along a competence base, and supported by efforts to ensure a systematic application of the procedures across ETF.

The review has also revealed a risk that the ETF may be subject to legal actions resulting from former staff whose contracts were terminated with possible financial implications.

ETF has recognised these risks and has put in place a number of improvement actions. These include:

- revision of ETF performance appraisal, contract extension and promotion procedures;
- review of ETF Human Resource Development policy, including introduction of a competence based approach to personnel management, skills needs identification, career paths and reinforced staff development measures;
- close co-operation with DG Admin and other agencies for the introduction of the new staff regulations and contract management;
- legal advice to resolve existing problems and reduce the risk of future ones.

ETF will continue to implement these improvement measures and report on progress to the Governing Board.

## PART V DECLARATION OF THE DIRECTOR AND RESERVATIONS

I, the undersigned, **Muriel DUNBAR**, Director of the European Training Foundation

In my capacity as authorising officer

Declare that the information contained in this Annual Activity Report 2004 gives a true and fair view<sup>5</sup>.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

Request that the following reservations raised in Part IV be take into account when considering the report:

- Financial management system
- Staff contract management

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, *ex post* controls, and the lessons learnt from the reports of the Court of Auditors<sup>6</sup> for the years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Place Turin date 14.6.05

M. Dunbar. (signature)

<sup>5</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.





## **PART VI ANNEXES**

### **6.1 Internal process to draft the Annual Activity Report**

The Annual Activity Report 2004 was prepared through the following process:

- Operational departments provided regular management reporting through quarterly reports;
- The Planning Unit prepared evaluation and monitoring reports coordinated the preparation of the Annual Activity Report (AAR);
- The management team contributed to the self-assessment of Internal Control Standards;
- The Finance Unit prepared accounts and reports and provided table of budgetary and non-budgetary resources, table of Phare and Tacis conventions in 2004, table of technical assistance to Tempus and table of 2004 Tempus grants.
- The Personnel Unit prepared all documents related to staffing in 2004
- In June 2004, Peter de Rooij handed over responsibility for management of ETF to the new Director. This process was formalised through a report to the Governing Board 29 June 2004.
- ETF management has worked in close and regular co-operation with relevant Commission services. In particular, ETF and Commission services have communication through the established structured dialogue process with formal meetings in May and September 2004

## 6.2 Draft annual accounts and financial reports

## Annual accounts

<b>a. Balance sheet</b>	<b>2004</b>	<b>2003</b>
<i>Intangible fixed assets</i>	3,364,664.37	3,534,424.48
<i>Tangible fixed assets</i>	151,633.35	267,629.54
<i>Stocks</i>	0.00	50,413.05
<i>Current assets</i>	25,664.22	86,218.39
<i>Cash account</i>	1,640,258.67	722,284.46
	<b>5,184,224.61</b>	<b>4,662,972.92</b>
<i>Current liabilities</i>	2,757,375.04	2,534,735.05
<i>Fixed capital</i>	2,367,238.46	2,126,234.87
<i>Suspense accounts</i>	57,607.11	0.00
	<b>5,182,220.61</b>	<b>4,660,969.92</b>
<b>b. Economic outturn</b>	<b>2004</b>	<b>2003</b>
<i>Revenue</i>	18,479,824.88	18,640,453.38
<i>Expenditure</i>	-18,124,313.63	-17,492,378.14
<i>Balance carried over from previous year</i>	-1,317,732.02	-2,155,301.92
<i>Cancellation of appropriations carried forward</i>	204,409.92	375,313.01
<i>Reimbursements to the Commission</i>	0.00	-703,477.50
<i>Exchange gains/losses</i>	1,326.80	17,659.15
<b>Result for the year</b>	<b>-754,480.05</b>	<b>-1,317,732.02</b>
<b>c. Budget execution</b>	<b>2004</b>	<b>2003</b>
<i>Final total appropriations</i>	18,400,000.00	17,723,000.00
<i>Commitments</i>	18,121,616.91	17,492,378.14
<i>Payments</i>	16,043,887.87	15,480,087.94
<i>Appropriations to be carried forward automatically</i>	2,099,377.27	2,012,290.20
<i>Appropriations cancelled</i>	278,383.09	230,621.86
<b>d. Statement of cash flow</b>	<b>2004</b>	<b>2003</b>
<i>Cash at beginning of the year</i>	722,284.46	1,564,445.88
<i>Increase (decrease 2003) in cash</i>	-917,974.21	842,161.42
<i>Cash at the end of the year</i>	1,640,258.67	722,284.46

**Budgetary execution**

<b>2004</b>	<b>Authorised budget 2004</b>	<b>Committed</b>	<b>Paid</b>	<b>Automatic carry-over</b>	<b>Total expenses</b>	<b>Committed on budget</b>
Title 1	11,493,973.00	11,244,735.19	11,121,967.10	122,768.09	11,244,735.19	97.83%
Title 2	1,470,027.00	1,459,926.37	1,212,795.76	247,130.61	1,459,926.37	99.31%
Title 3	4,636,000.00	4,616,955.35	3,448,998.70	1,167,956.65	4,616,955.35	99.59%
<b>Total annual subsidy</b>	<b>17,600,000.00</b>	<b>17,321,616.91</b>	<b>15,783,761.56</b>	<b>1,537,855.35</b>	<b>17,321,616.91</b>	<b>98.42%</b>
Title 4	800,000.00	800,000.00	260,126.31	561,521.92	821,648.23	100.00%
<b>Total</b>	<b>18,400,000.00</b>	<b>18,121,616.91</b>	<b>16,043,887.87</b>	<b>2,099,377.27</b>	<b>18,143,265.14</b>	<b>98.49%</b>
<b>2003</b>	<b>Authorised budget 2003</b>	<b>Committed</b>	<b>Paid</b>	<b>Automatic carry-over</b>	<b>Total expenses</b>	<b>Committed on budget</b>
Title 1	11,239,000.00	11,100,265.24	10,771,356.49	328,908.75	11,100,265.24	98.77%
Title 2	1,421,000.00	1,386,123.70	1,075,690.56	310,433.14	1,386,123.70	97.55%
Title 3	4,540,000.00	4,482,989.20	3,396,360.12	1,086,629.08	4,482,989.20	98.74%
<b>Total annual subsidy</b>	<b>17,200,000.00</b>	<b>16,969,378.14</b>	<b>15,243,407.17</b>	<b>1,725,970.97</b>	<b>16,969,378.14</b>	<b>98.66%</b>
Title 4	523,000.00	523,000.00	236,680.77	286,319.23	523,000.00	100.00%
<b>Total</b>	<b>17,723,000.00</b>	<b>17,492,378.14</b>	<b>15,480,087.94</b>	<b>2,012,290.20</b>	<b>17,492,378.14</b>	<b>98.70%</b>

## Contracts concluded through direct agreement (negotiated procedure) 2004

	Contractor	Amount	Procedure	Contract Type	Title	End date
CON/04/ETF/0006	Team Work	50 000	Direct Agreement	Fixed Amount	ETF participation in events attended by DG EAC	31/12/2004
CON/04/ETF/0007	Ronald Sultana	960	Direct Agreement	Fixed Amount	Preparation of the enlargement dossier contribution - Malta	24/03/2004
CON/04/ETF/0009	PC-Ware Information Technologies BVBA	20 110.58	Direct Agreement	Fixed Amount	Local account reseller Microsoft agreement European Union	28/02/2005
CON/04/ETF/0012	Institute for Public Policy	0	Direct Agreement	Framework	Moldova - National Observatory framework contract	22/03/2007
CON/04/ETF/0013	Meldolesi Luca	950	Direct Agreement	Fixed Amount	Seminar on "Informal Economy and Skills Development. Old and New in the debate" - Preparation of a discussion paper	01/04/2004
CON/04/ETF/0014	Gordon Poole Agency Ltd.	10 262	Direct Agreement	Fixed Amount	9 May event moderator	10/05/2004
CON/04/ETF/0016	Jason Hall	1 050	Direct Agreement	Fixed Amount	Cypriot ReferNet website and information input in Cedefop's databases	30/04/2004
CON/04/ETF/0017	Natalia Cuddy	1 050	Direct Agreement	Fixed Amount	Strategic and operational aspects of establishing a ReferNet group and activity in Cyprus	30/04/2004
CON/04/ETF/0018	Megabyte S.A.	0	Direct Agreement	Framework	Maintenance BOB and BOB-Si2	29/06/2008
CON/04/ETF/0019	Noha El-Mikawy	1 040.46	Direct Agreement	Fixed Amount	Comparative analysis of education and labour market in Mediterranean countries	20/04/2004
CON/04/ETF/0021	Céreq	21 000	Direct Agreement	Fixed Amount	Observatory function development in Morocco / Research action on CVET impact assessment in the Maghreb region	31/12/2004
CON/04/ETF/0023	Tiiia Randma	1 000	Direct Agreement	Fixed Amount	Expert for information on the system of vocational certification in Estonia	31/05/2004
CON/04/ETF/0026	Republic of Cyprus Statistical Service Ministry of Finance	1 050	Direct Agreement	Fixed Amount	Key Indicators 2003 for Cyprus	15/06/2004
CON/04/ETF/0044	Ministry of Education and Sports	0	Direct Agreement	Framework	Services from Observatory institutions	22/09/2004
CON/04/ETF/0049	Moore Stephens	8 809	Direct Agreement	Fixed Amount	Audit National Observatory Albania	19/11/2004
CON/04/ETF/0050	Elisabeta Mitroi	810	Direct Agreement	Fixed Amount	Expert/s for conducting structured group interviews in vocational qualification developments in one of the Western Balkans	30/10/2004
CON/04/ETF/0054	VET Support Foundation	0	Direct Agreement	Framework	VET reform secretariat in Tajikistan	23/11/2004
CON/04/ETF/0056	IPSA S.p.A.	35 000	Direct Agreement	Fixed Amount	Rent of advertising space at Turin airport	31/12/2005
CON/04/ETF/0061	Finnish National Board of Education	990	Direct Agreement	Fixed Amount	International TT networking expert for Regional seminar on qualifying vocational teachers for VET reform in South Eastern Europe - Tirana, 20-22 January 2005	28/02/2005
CON/04/ETF/0065	Universität Bremen Institut Technik und Bildung	990	Direct Agreement	Fixed Amount	EU pedagogical innovation expert for Regional seminar on qualifying vocational teachers for VET reform in South Eastern Europe - Tirana, 20-22 January 2005	28/02/2005
CON/04/ETF/0067	Lucian Ion Ciolan	990	Direct Agreement	Fixed Amount	TT in candidate countries expert for regional seminar on qualifying vocational teachers for VET reform in South Eastern Europe - Tirana, 20-22 January 2005	28/02/2005

## 6.3 Staffing chart

## Temporary Agents Fact sheet

## Nationality

	A*	B*	C*	TAs	%
A	3			3	3%
B	3	6	3	12	12%
BG	1			1	1%
CZ	1			1	1%
D	6	1	1	8	8%
DK	4			4	4%
E	3			3	3%
EL	2			2	2%
F	4	5	1	10	10%
FIN	1	1		2	2%
I	7	12	6	25	25%
IRL	1	2		3	3%
L			1	1	1%
MT	1			1	1%
NL	5	1		6	6%
P	1			1	1%
PL		1		1	1%
RO		2		2	2%
S	1		1	2	2%
UK	6	4	1	11	11%
<b>Total</b>	<b>50</b>	<b>35</b>	<b>14</b>	<b>99</b>	<b>100%</b>

## Gender and grades

	F	M	Total
A*14	1	1	2
A*13			0
A*12	1	6	7
A*11	6	8	14
A*10	3	3	6
A*9	2	2	4
A*8	6	7	13
A*7		1	1
A*6	1	1	2
A*5	1		1
<b>Total A*</b>	<b>21</b>	<b>29</b>	<b>50</b>
%	42%	58%	100%
B*9	2		2
B*8	2	2	4
B*7	4	3	7
B*6	8	3	11
B*5	4	5	9
B*4			0
B*3	2		2
<b>Total B*</b>	<b>22</b>	<b>13</b>	<b>35</b>
%	63%	37%	100%
C*6	2		2
C*5	1		1
C*4	1		1
C*3	5	1	6
C*2			0
C*1	4		4
<b>Total C*</b>	<b>13</b>	<b>1</b>	<b>14</b>
%	93%	7%	100%
<b>Total TA</b>	<b>56</b>	<b>43</b>	<b>99</b>
%	57%	43%	100%

**Movements 2004**

Category	TOTAL ETF on 31 December 2003	Newcomers in 2004	Leavers in 2004							Change of category through TA recruitment	TOTAL ETF on 31 December 2004	
			End of contract	Resignation	Dismissal	Age Limit	Invalidity	Death	Total Leavers in 2004			
TA - A*	52	6	-1	-6	-1	-1				-9	1	50
TA - B*	35	4		-3						-3	-1	35
TA - C*	12	4		-1				-1		-2		14
<b>Sub-total TA</b>	<b>99</b>	<b>14</b>	<b>-1</b>	<b>-10</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>			<b>-14</b>		<b>99</b>
LA	9			-1						-1		8
END	8	4	-1	-4						-5		7
AUX	7	9	-6	-1						-7		9
STAGIAIRE (Partner Countries)	2	7	-4	-2						-6		3
STAGIAIRE (Member States)	1	3	-3	-1						-4		
<b>OVERALL TOTAL</b>	<b>126</b>	<b>37</b>	<b>-15</b>	<b>-19</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>			<b>-37</b>	<b>0</b>	<b>126</b>

Turnover Rate (Temporary Agents) 14.1%

The turnover rate is calculated as follows: Turnover = Staff who left during the year / average staff employed in the year

## Recruitment activities for temporary agents in 2004

Number of recruitment procedures	<i>Of which: internal only</i>	Number of applications received	<i>Of which: from ETF staff</i>	Number of candidates interviewed in 2004	<i>Of which: ETF staff</i>
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**Temporary Agents**

Except the recruitment procedure for the new director, organised by the Commission

Procedures launched in 2003 and finalised in 2004	3	0	333	4	18	3
Procedures launched and finalised in 2004	12	0	2,180	31	110	16
Procedures launched in 2004 and to be finalised in 2005	2	0				
<b>Sub-Total TA</b>	<b>17</b>		<b>2,513</b>	<b>35</b>	<b>128</b>	<b>19</b>

**Auxiliary Agents**

Procedures launched in 2003 and finalised in 2004	1	0	n/a		6	0
Procedures launched and finalised in 2004	4	0	n/a		18	3
Procedures launched in 2004 and to be finalised in 2005	3	0	n/a			

<b>TOTAL 2004</b>	<b>25</b>	<b>0</b>	<b>2,513</b>	<b>35</b>	<b>152</b>	<b>22</b>
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## ETF Staff Profile end of 2004

Category and Grade (old SR)	Staff on 31 December 2003	Eligible for promotion in 2004	Promotions to the next higher grade on 1 July 2004	% Promoted / Eligible	% Promoted / All staff	Average number of years before promotion
(A2) A*15	1					
(A3) A*14	1					
(A4) A*12	7	3				
(A5) A*11	14	7	1			
(A6) A*10	11	6	2			
(A7) A*8	18	8	3			
<b>Subtotal A*</b>	<b>52</b>	<b>24</b>	<b>6</b>	<b>25%</b>	<b>12%</b>	<b>8.7</b>
(B2) B*8	5	2	2			
(B3) B*7	6	4	1			
(B4) B*6	11	4	2			
(B5) B*5	13	9	4			
<b>Subtotal B*</b>	<b>35</b>	<b>19</b>	<b>9</b>	<b>47%</b>	<b>26%</b>	<b>3.9</b>
(C1) C*6	2					
(C3) C*4	3	3	1			
(C4) C*3	6	2				
(C5) C*2	1	1	1			
<b>Subtotal C*</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>33%</b>	<b>17%</b>	<b>6.0</b>
<b>Total TA</b>	<b>99</b>	<b>49</b>	<b>17</b>	<b>35%</b>	<b>17%</b>	<b>5.8</b>
LA - I	3					
LA - II	5	5				
LA - III	1	1	1			
<b>Total LA</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>17%</b>	<b>11%</b>	<b>9.0</b>
<b>TOTAL ETF</b>	<b>108</b>	<b>55</b>	<b>18</b>	<b>33%</b>	<b>17%</b>	<b>6.0</b>