MINUTES

GOVERNING BOARD

MEETING

24 NOVEMBER 2023
The ETF Governing Board (GB) meeting took place at the ETF and online on 24 November 2023, chaired by Mr Joost Korte, Chair of the ETF Governing Board and Director General of DG Employment, Social Affairs and Inclusion, European Commission (EC).

1. **Adoption of the agenda**

The Chair informed that under point 4 of the agenda on the Single Programming Document 2024-26 - Work Programme 2024, there was a point for information on the extra subsidies.

The modification of the agenda was agreed and the Board unanimously adopted the agenda for the meeting.

2. **Introductory remarks from the Chair**

The Chair welcomed the new Governing Board members: Ms Melanie Casha Sammut, representing Malta; Ms Annika Järemo, the new member for Sweden; Mr Bernardo Sousa, the new main member for Portugal and the Mayor of Turin, in the role of Observer, Mr Stefano Lo Russo, accompanied by Ms Valentina CAMPANA, Head of the Mayor’s Cabinet. He noted Bulgaria, Estonia, Ireland; Slovakia and Germany were not represented. The Chair then invited Mr Lo Russo to say a few words.

**Mr Lo Russo**, thanked for the opportunity to represent the city of Torino as Observer in the ETF Governing Board and the Chair welcome the possibility to enhance the cooperation with the City of Turin.

The European Commission was also represented by: Mathieu BOUSQUET (Director (Acting) and HoU, DG NEAR.A.3) in person and online by Mr Jean-Paul HEERSCHAP (Acting HoU, DG INTPA.E.3). Mr Giorgio GUAZZUGLI MARINI, Deputy HoU DG EAC.C3, attended as observer online. In addition, Mr Javier MENENDEZ BONILLA (NEAR), Ms Laura CORRADO (EMPL) and Mr Nikola RADOVANOVIC (JRC Seville) attended in person. Mr Savino RUA (DG EAC.C.3) attended online.

Mr Pasqualino MARE represented the ETF Staff Committee.

3. **Follow-up to previous meetings**

The Board unanimously adopted the minutes of the previous meeting held on 7 June 2023.

The Chair presented the follow-up to the action points since the last GB meeting and referred to the written procedure that took place since June 2023, notably one on the appointment of Mr Mircea Copot as ETF accounting officer ad interim and one on the agreement on three extra-subsidy projects proposals, both successfully concluded.

Ms Pilvi TORSTI (ETF) expressed appreciation from the operative side of ETF for the City of Turin joining the ETF Governing Board as Observer.

Torsti presented the Single Programming Document 2024-26 and Work Programme 2024 by giving the context of the most current topical issues from the geopolitical and thematic point of view as well as from the work with the Member States. Geopolitically, the ETF does not work in Belarus, Syria and Libya. In addition, she pointed out to an increase in war and fragility in partner countries, with interruptions in work in at least eight out of 25 countries, namely Ukraine, Armenia, Azerbaijan, Kosovo, Israel, Palestine, Lebanon and Jordan, necessitating adaptations in the work plan and missions in consultation with their authorities. Thematically, the ETF aspires to serve as a knowledge hub in human capital development, observing the globalization of vocational education and with recognition of the need to understand global practices to support partner countries and EC programming. Finally, she emphasized the importance of engaging with EU Member States interested in the international dimension of vocational education, citing recent interactions with Germany, France, Italy, and Belgium, which Team Europe initiative often facilitated.

In terms of procedural timeline, she recalled the first draft of the SPD had been submitted to the Commission on 23 January 2023 and the Commission provided its opinion on 19 July 2023, calling for its adoption during the current Governing Board meeting and its official transmission to the EU by end November 2023.

Torsti presented the thematic and geographic priorities. The thematic priorities outlined included:

- Supporting EU institutions by participating in relevant initiatives and agenda setting, according to the EU guidance.
- Enhancing policies for lifelong learning in partner countries and regions, aiming to integrate education with employment, growth, and transition policies to foster inclusive, evidence-based skills development.
- Focusing on innovation and internationalization of vocational education and training within the framework of global education initiatives.

The geographical ones as follows:

Utilizing a differentiated approach to address geographical and geopolitical complexity and priorities set by the EU, acknowledging that partner countries even within the same region have distinct needs and objectives

- Recognizing the importance of supporting the geopolitical union and aiding in the implementation of key EU instruments
- Prioritizing support for enlargement and candidate countries - Engaging prominently with Ukraine, particularly in ongoing efforts for recovery and reconstruction in response to immediate aggression.
- Adapting approaches to address the escalating context of conflict or post-conflict countries and protracted crises, emphasizing the need for tailored strategies in these situations.
Torsti emphasized the need to align with overall priorities and objectives, particularly focusing on transversal areas crucial to all operations and that are all integrated into ETF projects outlined in the SPD, such as:

- Ensuring fair and just green and digital transitions, emphasizing social fairness, youth guarantee schemes, support for disabilities and vulnerable groups, and strengthening public employment services.
- Supporting lifelong learning and future work skills through foresight across value chains, upskilling, reskilling, work-based learning, platform economy initiatives, and micro-credentials in partner countries.
- Providing evidence through the Torino process and recent data publications, collecting data across partner countries and initiating rapid education diagnostics in EaP region.
- Addressing future-proof questions in education, global education systems, qualifications, and resilient governance systems.

She presented the ETF’s ways of working as encapsulated in the three EEE model: Engage, Ensure, Expand.

1. Engage:

- **Strengthening partnerships** - a central theme involving collaboration with Commission services, partner countries, international financial institutions (IFIs), global players in human capital development (HCD), and cluster agencies within the Commission and DG EMPL.
- Engagement extends to networks and tailored approaches with civil society, governments, IFIs, and practitioner groups. The ETF adopts a proactive approach to new modalities such as internationalization of vocational education alliances in partner countries.

2. Ensure:

- The ETF focuses on ensuring added value, planning a **mid-term review to assess the effective implementation of the 2027 strategy**. This review aims to showcase progress made so far and outline the future roadmap, drawing on 30 years of ETF experience in previous enlargement realms of the Union, which are now particularly relevant given their resurgence in policy priorities.
- Communication efforts focusing on the "Year of Skills" campaign until May 2024.

3. Expand:

- Expanding reach and influence includes taking on new responsibilities in **extra subsidies**, broadening the ETF’s scope and impact.

Internally, the **institutional development** focus of the ETF includes:

- **Staff**: Prioritizing the attraction and retention of committed experts to ensure high-quality service delivery, especially in light of an upcoming wave of retirements. Strategic planning is underway to address this challenge over the current and next year, with a strong commitment to supporting staff development.
Digitalization: Initiatives include upskilling staff, investing in cybersecurity, and transitioning towards a more agile and digitally mature organization.

Environmental Sustainability: ETF places emphasis on greening its operations, a longstanding goal being pursued with ongoing measurement and evaluation.

Partnerships: Collaborating with other EU agencies, particularly cluster agencies, to enhance mutual efficiency and benefits.

Premises: current contract in force until mid-2027, looking at future options.

Absorption of Extra Subsidy Project: ETF absorption capacity is a key internal development goal for the organization.

In budgetary terms, Ms Torsti pointed out that the geographical differentiation can be shown in the figures representing the intervention of ETF: if Ukraine, where a strong emphasis will be in 2024 this is 9.3%, if the focus is on the 10 enlargement countries together, the share is close to 60%. The work of ETF in the field of human capital development in countries beyond its current geographical mandate represents 1.5% of planned resources for 2024.

Then by giving the floor to Mr Thierry FOUBERT to present the 2024 strategic work, Torsti stressed the three core services in the ETF Strategy 2021-27, namely 1) analysis and monitoring, 2) skills, foresight and validation work, and 3) policy advice; but the context changed dramatically bringing the importance of the analysis in order to make sure a valuable impact up to 2027.

Mr Foubert informed that ETF is proactively assessing its 2019 strategy to ensure its relevance and effectiveness in a changing context, with a focus on delivering impact by 2027 and beyond. This involves aligning with the Commission’s long-term strategic vision (2040), leveraging on past experiences, strengthening partnerships with key stakeholders, including the Secretary General and core correspondents of DG INTPA and DG EMPL, among others; engaging in foresight activities on education and skills to anticipate future challenges and opportunities. The deliverable resulting from this strategic mid-term review will be presented in November 2024.

Ms TORSTI invited the GB members to contribute with their expertise on the assessment of the strategy and on the discuss on the foresight, while stressing how the Partnership instrument is key to share, create and generate innovation together with EC partners, but also with external stakeholders formalised through action plans.

2024 strategic communication is built around 5 campaigns, such as Skills for the future, skills for green economy, skills for digital aid, skills for EU neighbours and beyond, and skills for all. In 2024 the 30th anniversary of ETF will aim at emphasising the 30 years of experience working since 1990s, with countries that have gone through transformations from ETF partner countries to Member States.
As announced in the beginning of the meeting, Ms TORSTI zoomed in on the extra subsidy funds. ETF was invited in September 2023 by DG EMPL to present the logic and implementation of extra-subsidies as part of the ETF strategy since 2021. Torsti shared that the ETF would present to the GB meeting in June 2024 an analysis to formalise the procedures on the extra subsidy.

Torsti presented extra-subsidy legal basis differentiating by donor types in two frameworks according to: 1) the ETF mandate and 2) the Financial Regulation.

1) The ETF mandate includes the possibility for other types of income than the Commission contribution, meaning the subsidy and foreseeing the possibility to finance from other sources and for cooperation agreements / service level agreements with bodies that are relevant in the field of HCD.

2) The financial framework regulation provides with the possibility for the ETF to be entrusted with additional tasks and funding from the Commission through the conclusion of contribution agreements.

Ms TORSTI pointed out at important enablers that brought ETF to the use of extra subsidy funds:

1) The current ETF strategy 2021-27 included the goal to aim at extra-subsidy projects and developed a structure to manage extra subsidies to cater for more impact and wider EU reach

2) The new Financial Regulation of EC that allowed on the Commission side for Partnerships, contribution agreements and service level agreements;

3) The recognised added value of ETF, its expertise to be able to implement additional tasks in the EC house, building on in-house lessons learned and human capital experience rather than always outsourcing additional tasks.

In the first year of the strategy, 2021, two agreements were signed: the service level agreement for the Centres of Excellence with DG EMPL and the training with the INTPA. By 2023, ETF had seven agreements signed.

By looking at the budget, Titles I, II and III refers to the normal EC contribution, whilst Title IV is on the extra subsidy funds. Title I is growing and mainly concerns staff cost; Title II is linked to facilities and IT mainly and it is kept on the same level with no increase. Whilst in order to increase influence, impact, ability to work, the extra subsidies in Title IV are a key element together with the creation of the Project Management Unit (PMU) that was created to centrally monitor and work both on the financial and procurement sides.

Ms TORSTI invited Ms Cécile BEELAERTS, Head of Resources Unit, to provide further details. Ms BEELAERTS indicated that the ETF engaged in various types of agreements as part of its strategy to secure extra subsidy projects. Among the Service Level Agreements (SLAs), she listed one involving cooperation among agencies and providing services to EU OSHA for accounting tasks and other 2 SLAs with DG EMPL. Among the Contribution Agreements, she listed 7 signed contribution agreements, and 2 in the pipeline.

The agreements vary in size, ranging from €100,000 to 10 million, and in duration, from 6 months to 5 years, and although unique and negotiated based on the needs of the partner, the ETF conducts internal opportunity
assessments to ensure alignment with its mandate, expertise, and impact criteria. Some agreements allow for reimbursement of external dedicated staff costs.

Then Ms Sofia SAKALI, Head of the Project Management Unit (PMU), took the floor and illustrated that PMU within ETF has been tasked with implementing changes to enable the efficient management of extra subsidy projects. One key change involved adjusting the procurement approach, which allowed for quicker and more flexible project implementation.

She pointed out that each contract being individually designed, maintains unique characteristics while adhering to common principles, particularly emphasizing cost efficiency for both ETF and the Commission. Moreover, she stressed that implementing projects through ETF ensures the sustainability of actions, as networks, relationships, knowledge, and resources remain within the organization even after project completion. In addition, she stressed that ETF’s staff contribution is deemed essential for project implementation due to their specialized knowledge.

Ms TORSTI outlined the benefits of the extra subsidy such as 1) the increased impact and influence, both geographical and thematic; 2) the multiplication factor; 3) the efficiency gains. Then she informed on two processes that will be presented to the GB meeting in June:

1. a processual description of the phases that take place when the extra subsidy projects are being considered, analysed and finally decided, which may also require a GB decision in between official meetings to be able to react quickly to external requests;

2. some practical HR and budget issues with the Commission and that in consultation with other agencies ETF is following with DG EMPL.

Mr KORTE, the Chair, drew the attention of the GB members on 2 facts:

1) the aim of the extra subsidies is to maximise the impact of the agencies’ work and to overcome the budget reduction due to the increasing overheads. He welcomed the extra funding as a very important and interesting way forward.

2) The possibility to make a more efficient and effective use of tax payers’ money, of EU Member States’ funds, as long as rules, criteria and added value are respected.

Korte commended the ETF work and described the ETF as front runner in this respect and indicated his preference to contract ETF rather than an external contractor provided the expertise and its delivery is ensured. Other agencies, finding themselves in similar conditions, could follow the same steps.

Ms Ángeles Mária HERAS LÁZARO, (Spain), the GB member representing the current Presidency of the EU, expressed appreciation on behalf of the GB members for the well-designed Single Programming Document and the 2024-2026 ETF work program, aligning with EC priorities, contributing to a stronger Europe globally. They
welcomed the focus on lifelong learning policies, empowerment through education and skills, support for
greener economies, digital transformation, gender equality, and addressing migration challenges.

They also appreciated the expansion beyond current partner countries and exploration of new thematic areas,
reflecting adaptability and forward-looking strategy. They acknowledged ETF’s planned actions in partner
countries, particularly emphasizing Ukraine and other EU candidate and accession countries, as well as
collaboration with emerging EU priorities in Africa.

However, some colleagues suggested more elaboration on digital aspects, including both positive and negative
impacts of digitalization, and more detailed information on planned digitalization initiatives and deliverables
with partner countries.

The board also noted that the gender perspective in the document could be more elaborate and suggested
including specific programs targeted at women in the future. While appreciating the document’s outcomes and
indicators, they suggested providing more explanations accompanying these indicators. Additionally, they
welcomed cooperation with the network of EU agencies and other agencies under the remit of employment
but expressed interest in knowing who takes the lead in these collaborations.

Ms Katalin ZOLTAN (Hungary) thanked for the presentation and asked for a clarification on the new Project
Management Unit (PMU) which while enabling rapid management of activities, seemed to allow for some
outsourcing of expertise.

Ms Rosella BENEDETTI (Independent Expert from the EP) thanked the Spanish colleague for raising her
comments and provided additional information on an ongoing discussion at the European level, involving
European agencies, the Council of Europe and social partners, regarding the risks associated with digitalization,
specifically, regarding discrimination linked to the use of artificial intelligence. It is essential for ETF to address
these concerns with partner countries to ensure consistency in approaches to artificial intelligence and
digitalization in both the workplace and vocational education and training. This will help prevent discrepancies
and promote fairness and equity in the use of these technologies.

Ms TORSTI appreciated the GB saw the alignment and the logic of the SPD and then replied to the questions
raised.

On the digital and the AI – she agreed it would be best placed in the Annual Activity Report and shared that it is
an ongoing discussion also as internal institutional development, in terms of good practices.

On the outcome and indicators – she confirmed it is part of the ongoing work within the mid-term review.

On the partnerships – ETF has an ETF strategy guiding our partnerships, but although a leadership is identified
it also very much depends on the content to be able to streamline and be more effective so to balance
between the management and the leadership and the actual work that really takes place. On the EUAN to note
is their strong activity on cybersecurity and efficiency gains common to all EU agencies.
On the extra subsidies – the outsourcing was more related to procurement processes rather than to expertise, but noted that ETF experts order reports, research work and via their expertise they lead and manage expertise collection from outside.

Mr Georgios ZISIMOS, Head of the Policy Advice and EU Programming Unit and involved in the content of most of the extra subsidies presented, explained in each extra subsidy there is a core team of experts that has an overview of the quality of the products, either internal or external. The ETF is responsible for the quality of each of the products. This cooperation allows ETF experts to build on their knowledge, as they do not only generate knowledge but also learn. The ETF as a learning institution.

Mr Thierry FOUBERT confirmed the ongoing work within the mid-term review of the ETF Strategy on the indicators to try and make them smarter and connected the impact with the objective to present them in the June GB meeting.

Ms Manuela PRINA, Head of Skills Identification and Development Unit, presented ETF work on digital on the field. ETF focuses on 2 dimensions: digital skills and digital education; but also the role of skills in supporting the digital transformation.

The ETF take a transversal approach across all projects and a community of practice support coherence, but also the ability to look at the digital dimension across all the policy areas ETF is involved into.

Then on ETF work on:

1) digital skills, especially in the world of work. ETF completed an important survey with the set of focusing on the Western Balkans and looked at the digital skills of workers in the region

2) digital education, and the transformation of provision and here the focus is on ensuring an holistic approach also working with other agencies on digital inclusion. ETF has also a publication focused on that and aims at ensuring that this is brought forward.

The Governing Board adopted unanimously the Single Programming Document 2024-26 and the Annual Work Programme 2024, and good note was taken also of the comments on digitalisation and on gender for future reference. The document was sent to the relevant institutions by 30 November 2023.

5. ETF Budget 2024

The Chair invited Ms Eva JIMENO SICILIA (Head of the Strategy and Resources Department, ETF) to present the 2024 ETF budget.

Ms JIMENO SICILIA (ETF) introduced Mr Mircea COPOT, Budget officer and new Accountant ad interim until the new Accountant will be appointed by the GB members. He was warmly thanked for stepping into this additional responsibility and for the work done. She seized the occasion to update the GB members on the well
promising Accountant selection procedure and informed that a written procedure could be expected in January to proceed to the appointment of the new Accountant. She also informed that cooperation with EU-OSHA continues also during the selection and that the joint services will be resumed as soon as the new Accountant will be in place.

Then she presented the 2024 budget with a subsidy provided by the EU of euro 23,162,000 and extra subsidy of euro 4,979,000. Regarding revenue, she then drew the attention of the GB members on the minor changes tabled at the meeting in relation to the budget previously sent. The changes affect the extra subsidy funds: first change related to the Project with Egypt that has been anticipated to 2023 (in previous budget version the expectation was for the funds to be available in 2024); second change related to the project funded by EIB that is now foreseen to be delivered in three instalments (in previous budget version the expectation was one single instalment). Overall, in terms of revenue, the 2024 subsidy is constant in nominal terms, and the main source of growth is on the extra subsidy (Title IV), which amounts roughly to 5 million for 2024.

In terms of expenditure, she recalled that Title I covering staffing costs, learning and development issues, medical expenses etc. grows due to the increase in salaries. The inclusion of the enhanced security package for missions, with increased insurance coverage as well as other advice and support services, are also accounted under Title 1. She pointed out to the novelty: the possibility to hire 2 Seconded National Experts, an opportunity that was suspended for some years and that ETF aims to reactivate to bring expertise from either Member States or partner countries. In Title II, the digitalisation, efficiency gains on utilities driven also by green and sustainable commitment enabled ETF to reduce the Title by 8.4%. She however mentioned the increased and important investment in cybersecurity that will take place in 2024 to comply with new EU legislation and the increasing risks. For Title III, the operational one, the effort has been to keep it at the same level as in 2023 with also the underlying assumption that in case of savings throughout the year, they will be allocated to Title III activities. As mentioned earlier, Title III should be looked together with and having in mind the increasing Title IV on Extra subsidy.

The staffing levels remain unchanged at 129 as per EC indications.

Ms HERAS LÁZARO (SPAIN) welcomed the detailed information on budget planning and financial management, which reflects a strategic approach, making it an effective financial plan.

Ms TORSTI (ETF) confirmed that the changes presented during the meeting would have included into the SPD to reflect consistency.

Given that there were no further questions nor observations, the GB members unanimously adopted the ETF Budget 2024
6. **ETF Amending Budget 2/2023**

Ms Eva JIMENO SICILIA (ETF) presented the second amending budget for 2023, highlighting that the main change was an **increase in revenue for 2023** for the project in Egypt. As mentioned earlier the assumption was that funds would be provided in 2023 while ETF already received the funds. On the **expenditure** there is in Title I a reduction in staffing costs due to the reduced costs of salaries with respect to initial estimates in 2023 (final figures confirmed by the EC) and due to the remuneration of the extra subsidy. In Title II an increase due to maintenance costs due to unexpected events (new electric cabin, works by the Region, server damaged, heavy water infiltration etc) while Title III sees an increase for funds for communication campaigns including preparation for 30th anniversary and Year of Skills lasting until end of April 2024.

Ms HERAS LÁZARO (SPAIN) acknowledged the updated budget and thanked for the clear explanation.

The GB members unanimously adopted the ETF Amending Budget 2/2023.

7. **Oral reports**

See annex.

8. **Date of next meeting**

The next meeting of the Governing Board will take place online on 7 June 2024.

9. **Any other business**

Ms TORSTI expressed great appreciation for the contribution of Mr KORTE (DG EMPL) for his support to the ETF over his mandate as Governing Board Chair since 2018 and launched a video showing key moments of Mr KORTE’s activities as Chair of the Board.

The Chair thanked the ETF and the Governing Board and then invited the Board members to send their Declarations of Commitment and Interest / CVs and to complete their evaluation forms of the meeting.

Finally, Ms TORSTI expressed gratitude to all the Governing Board members for their cooperation and support. Special thanks to Austria for their assistance in hosting the upcoming ETF New employment workshop on the Youth Guarantee in Vienna, which had to be relocated at the last minute due to visa restrictions. Also, gratitude to Portugal for hosting a meeting in July and to Ireland for their continued support. Examples that demonstrate the collaborative efforts ETF hope to continue with member states. While extending her appreciation to all colleagues who contributed to preparing for the meeting, she expressed special thanks to Xavier MATHEU to be retired 02/2024 - for his invaluable expertise and support as he served as the interim director, Head of Department and finally as the Special Advisor to Director.
Follow up actions:

- The ETF to provide the WP 2023 to the budgetary authority by 30 November 2023.

ANNEX: Oral reports

Progress on Commission policies and programmes that have an impact on the ETF

DG EMPL

The Chair provided an overview of recent developments in the EU and acknowledged the pressure faced by the European Commission (EC) as the European parliamentary elections approach. Despite this pressure, the EC has successfully delivered on the Action Plan of the European Pillar of Social Rights, completing 74 out of 75 proposed actions. However, the EC faces challenges due to increasing workload without additional staff. He emphasizes the need for efficiency and creativity to manage the workload effectively. He pointed at the EC and its Secretary General’s ongoing efforts to streamline processes between the EC and its agencies, efforts to identify tools such as Service Level Agreements to assign task to its agencies, but expressed some frustration at bureaucratic hurdles.

He discussed the economic situation as of November 2023. Overall, the economy is performing well, with low unemployment rates across the EU, reaching historic lows below 6%. However, some member states experience higher unemployment and others face labour shortages, leading to a high vacancy rate of over 4%. Though labour shortage was initially thought to be linked to COVID-19, now it is recognized as a structural trend, prompting policy development at both national and EU levels. Aging populations are identified as a significant factor contributing to labour shortages, with projections indicating a decrease of 1 million people annually in the working-age population (20-64) until 2050. He pointed at the importance of addressing demographic challenges and acknowledged the need for further examination and action at both EU and member state levels.

He referred to the EC communication called the "Demography Toolbox", outlining potential solutions to demographic challenges, as a valuable document providing suggestions on how to address the situation. It focuses first on activation. The EC highlight the need to mobilize unemployed individuals, including young people and NEETs (Not in Education, Employment, or Training), and bring them into the labour market. Additionally, he identified a significant portion of the population that is inactive but not retired, stressing the importance of their motivation: one major focus area is women, especially those with children. He urged for policies that support childcare and enable women to work without being disadvantaged due to family obligations. Activation is important to maximize labour force participation to address demographic challenges and sustain economic growth.
Then he shifted the focus to the positive aspects of technology, particularly artificial intelligence (AI) and digitalization. Though acknowledging concerns about AI’s impact on the labour market, and pointing at the need for regulation and for a common European approach to mitigate risks, he stressed the possible advantages such as freeing people from previous jobs, which will allow them to transition to more relevant ones, especially in sectors linked to the green transition. Studies compare the current wave of technological advancement to previous waves, such as the steam engine, electricity, and computers, all of which had positive effects on society by creating new opportunities and innovations. In the past, the growth of the service sector was facilitated by increased leisure time and disposable income.

In discussing migration, he noted its potential to contribute to the prosperity and efficiency of European economies and address labour market gaps. He differentiated between internal migration - or rather mobility - within the EU’s single market and migration from outside the EU. Internal mobility within the EU is decreasing, with approximately 40% of migrants returning to their home countries due to improved conditions there, particularly evident among countries that joined the EU in 2004. As a result, the number of EU citizens living and working in another Member State has decreased from 18 million to around 13 million. However, temporary postings and student mobility within the EU are increasing, though they differ from traditional free movement patterns. Despite these shifts, intra-EU mobility remains one of the avenues to address labour market needs and maintain economic prosperity.

He briefly presented the EC proposal named the “talent pool,” also aimed at addressing labour shortages in the EU. The proposal involves setting up a sophisticated database where citizens from third countries seeking work in sectors with labour shortages in the EU can submit their CVs. There are currently 42 designated job sectors identified as needing workers, and employers within the EU can access this database/talent pool to recruit individuals. However, to ensure the recognition of candidates’ qualifications in member states, there is a recommendation to streamline and expedite this process. Migrants from third countries should be given the same working conditions and salaries as EU citizens, when filling immediate labour gaps, particularly in sectors like healthcare and transportation. In brief, the proposal aims to facilitate the recruitment process for both employers and migrants while ensuring fair and equal treatment.

The European Year of Skills (EYoS) ending on 8th May 2024, elevated the importance of skills and human capital on the political agenda. A shift in mindset, where human capital is no longer viewed as a mere cost but as a strategic necessity for the EU’s economic prosperity and survival. Despite Europe's limited access to raw materials, its highly trained workforce is considered its most valuable asset. Therefore, there is a call for increased investment to retain and activate skilled individuals within the EU. He drew lessons from past financial crises, such as the austerity measures implemented during the financial and euro crises, emphasizing the importance of exempting education budgets from cuts. Both the Spanish and Belgian Presidencies prioritised this topic.
Mr Mathieu BOSQUET (DG NEAR) highlighted several developments impacting the work of DG NEAR:

1) Enlargement as a top priority.

2) Continued support for Ukraine amidst the ongoing conflict.

3) Multiple crises in regions such as Nagorno-Karabakh and the Middle East.

4) Scarce resources necessitating maximization of impact and reassessment of priorities.

To adapt to current realities, DG NEAR is proposing reform agendas to boost the competitiveness of new countries, collaborating with DG EMPL and EAC. The aim is to address development gaps and socioeconomic challenges through policy dialogues and programming changes. Education and human capital development feature prominently in reform priorities across NEAR countries.

He mentioned the Global Gateway initiative and its implementation through the Economic Investment Plan in third countries. With the aim to drive transformation and address global challenges such as climate change, competitiveness, security of supply chains, and education and skills improvement. Private sector involvement is deemed essential for the success of the Global Gateway initiative. To facilitate this, the Commission has established a Global Gateway Business Advisory Group comprising 60 companies and business associations from across Europe. Among these companies, there is a dedicated focus group on education with representatives from Mondragon in Spain, Thumb in Sweden, Educate Trade in Spain, and Festo in Germany; companies actively engaged in advancing the education and skills agenda and expected to provide valuable recommendations.

Recognizing the importance of financing social objectives, including education, the Commission has established a High-Level Group on Sustainable Finance. Initially focused on green financing, the group has expanded its scope to include social elements and provides advice on enhancing sustainable financing.

On November 8th, the enlargement package was released, which included reports on Ukraine, Georgia, and Moldova for the first time. These reports were received positively and provided analysis of the situations in each country along with recommendations. Importantly, it was recommended to open negotiations with Ukraine and Moldova and to grant candidate status to Georgia. Additionally, accession negotiations will be opened with Bosnia and Herzegovina once the necessary compliance level is achieved.

The screening process, which involves assessing the readiness of Albania and North Macedonia, took place on April 27th and May 30th respectively. Following the completion of the screening exercise, the screening reports will be submitted to the Council.

On November 8th, a new growth plan for the Western Balkans was also proposed, aiming to accelerate economic growth and foster socioeconomic convergence in the region. The plan focuses on 4 pillars:

1. Aligning with EU single market rules and opening sectors to neighbouring countries simultaneously.

2. Boosting economic integration through a common regional market, potentially increasing GDP up to 10% of their economies.
3. Accelerating fundamental reforms to support EU membership, improve sustainability, attract foreign investment, and strengthen regional stability.

4. Increasing financial assistance through the Reform and Growth Facility, totalling €6 billion, with €2 billion allocated to the Western Balkans as part of the MFF review proposal. This facility will be divided equally between the Western Balkan Investment Framework for capital investment and direct support to national budgets, with funding transferable between countries based on implementation progress. Payments will occur biannually based on reform indicators.

The four pillars are interdependent, linking access to the EU single market with reciprocal market access for neighbouring countries. Education and skills development are highlighted as priorities.

Education diagnostic studies have been conducted in the Western Balkans to inform key reforms in the education sector. The European Training Foundation (ETF) completed a study for Kosovo in March, while the International Institute for Educational Planning (IIEP), a UNESCO subsidiary, conducted similar studies for Albania and North Macedonia. The study for Albania was finalized in November, and the study for North Macedonia is expected to be completed in the next three months. These studies serve as important bases for identifying key reforms in education within each country.

On June 20, 2023, a proposal was made to establish a new Ukraine facility aimed at supporting Ukraine's recovery, reconstruction, and modernization. This facility comprises 3 pillars:

1. The first pillar focuses on supporting Ukraine’s own plan to avoid duplicative demands from various Ukrainian authorities. The aim is to align all donors to this plan and provide support along the defined priorities. The proposed budget for this pillar is 39 billion in crowns and loans.

2. The second pillar extends the European Fund for Sustainable Development (EFSD) to Ukraine, providing guarantees and blending to support both public and private sector strategic investments, aiming to attract new investors. The budget allocated for this pillar is €8 billion.

3. The third pillar involves more traditional support mechanisms, such as grants, technical assistance, capacity building for the government, and support for civil society. The budget is €3 billion.

The annual share of grants and loans to be determined through the parliamentary and council budgetary procedures.

Additionally, on November 4th, President Von der Leyen participated in a handover event for school buses in Ukraine, alongside the First Lady of Ukraine, Minister of Education and Science, and the head of the EU delegation. This event, organized with the Solidarity Fund of Poland, saw the contribution of about 14 million euros from DG NEAR for 100 school buses to village councils in various Ukrainian areas. Furthermore, 271 additional school buses were donated by EU Member States via the EU Civil Protection Mechanism, managed by DG ECHO.
During the June board meeting, he recalled having provided information about an upcoming project in the education sector for Eastern Partnership (EaP) countries. This project, mentioned also by ETF colleagues, will involve education diagnosis studies and capacity building. It is strategically important for guiding our policy dialogue and programming efforts. He expressed gratitude to the board members for their support with this extra budgetary project, expected to commence at the beginning of 2024.

In the **Neighbourhood Southeast and Turkey**, education and vocational education and training (VET) receive significant support under the Neighbourhood, Development and International Cooperation Instrument (NDICI) program in NEAR countries. Approximately €200 million of support has been allocated for this purpose during the programming period of 2021-2023.

In October / November 2023, additional **support packages in the field of education** were adopted:

1. For **Jordan**: Specific support measures to enhance education initiatives in the country.
2. Youth and Employment in **Egypt**.
3. EU Special Measure for Education in **Lebanon**.

He supported the use of **extra-budgetary subsidies** by the European Training Foundation (ETF) in exceptional cases. ETF presented to the board three such projects, which were deemed strategic and capable of providing added value that would otherwise not be achieved. He stressed that skills and education will play a key role in addressing the challenges faced by these countries and DG NEAR will need more than ever the work of ETF to maintain the focus on these countries.

**DG INTPA**

Mr Jean-Paul HEERSCHAP (DG INTPA) underscored the significant job crisis faced in many parts of the world, particularly in Africa, where a disproportionate number of young people are seeking employment compared to the available job opportunities. He discusses the Global Gateway initiative, highlighting its objectives to address pressing global challenges such as climate change, improving health systems, and enhancing competitiveness in global supply chains.

Key objective of the Global Gateway is job creation, with a focus on upholding EU principles and values, including respect for labour standards and human rights. He emphasized the pursuit of win-win situations where job creation and investments benefit partner countries and serve EU interests by diversifying supply chains and creating opportunities for European businesses.

The implementation of the Global Gateway follows a Team Europe approach, involving coordination across different government resources and the engagement of financial institutions and the private sector. The initiative prioritizes democratic values, high standards, rule of law, good governance, transparency, and equal partnerships with partner countries. Additionally, it places emphasis on climate action, security and also on the
resilience of the global economy. The global gateway tries to find synergies between the different elements, such as partnership and digital, health, climate and energy, education and research, transport.

He pointed it out to the Team Europe approach, which involves joint programming to avoid duplication of efforts between the European Commission and Member States. This approach also involves collaborating with specialized agencies, financial institutions like the European Investment Bank (EIB), and the European private sector to identify sectors with potential and determine the best contributions from each entity.

The Global Gateway initiative comprises various elements, including grants, financial instruments like loans and guarantees to de-risk private sector investment, and technical assistance. He stressed the importance of encouraging private sector participation and combining financial instruments with grants to provide comprehensive support, addressing factors such as investment in climate and skills development.

He provided an example of the Global Gateway Forum, where an agreement was signed with the President of Namibia for a renewable hydrogen chain project. This project involved a €500 million loan from the EIB and over €100 million in grants from the EU and Member States. It encompasses transport corridors, green energy provision, and skills development, with the German Government financing an analysis to understand the value chain and determine necessary skills and education systems enhancements.

DG EAC

Mr Giorgio GUZZUGLI MARINI (DG EAC) stressed that DG EAC's international activities are shaped by geopolitical developments and global thematic challenges, with a core objective of advancing education initiatives with the primary focus on building a European Education Area. Key highlights included:

1) **Continued Support to Ukraine**: DG EAC remains actively involved in providing significant support to Ukraine and Ukrainian displaced persons. This support is channelled through various EU programs such as Erasmus Plus, Creative Europe, European Solidarity Corps, and Marie Curie Actions. Efforts are directed towards ensuring access to quality education in the EU for displaced children and young Ukrainians, as well as scaling up their enrolment rates in schools across Europe.

2) **Ukraine Facility initiative**: DG EAC collaborates closely with colleagues from DG NEAR to optimize the new Ukraine Facility initiative, with a focus on education. This collaborative effort aims to maximize the impact of the facility in addressing education-related challenges and priorities in Ukraine.

He described DG EAC’s efforts as extended beyond Ukraine to support the entire region, with a particular focus on Georgia and Moldova. Recent enlargement reports highlighted progress toward offering these countries a perspective of integration into the EU. In terms of education, Georgia was assessed as moderately prepared, while Moldova and Ukraine had some level of preparation. DG EAC aims to assist these countries in increasing their level of preparedness to implement reforms that improve their education systems and align them with EU standards.
To achieve this goal, DG EAC initiated several initiatives, including inviting Moldova, Georgia, and Ukraine to designate a body to join the Euridice network, which facilitates a better understanding of Member States’ education systems and EU-level policy recommendations, providing valuable insights for education reform efforts in these countries. Collaboration with DG NEAR and ETF is considered crucial in advancing these initiatives and supporting education development in the region.

In addition, Ukraine was also invited to nominate experts to participate in the 7 working groups governing European education governance. A commitment to engaging Ukraine in EU education initiatives and leveraging their expertise in shaping education policies at the European level.

Regarding the Western Balkans, cooperation with the region continues to prioritize innovation, research, education, culture, youth, and sport. A ministerial meeting is planned for the second quarter of 2024, likely in Montenegro, to further this agenda. The latest enlargement reports for the Western Balkans offer a mixed picture of the region's preparedness in education and culture. Montenegro and Serbia exhibit a good level of preparation, while Albania and North Macedonia were moderately prepared. Room for improvement in Kosovo and, particularly, in Bosnia and Herzegovina.

Continuing strategic collaboration with the European Training Foundation (ETF) on enlargement and with the DG NEAR will be crucial. Leveraging their expertise in conducting country-specific assessments of education and culture reforms in the region will help ensure effective support for the Western Balkans’ advancement towards EU integration.

On November 30th, DG EAC is invited to participate in an ETF workshop in Turin focusing on Erasmus Plus and VET policy advice, specifically on integrating the green and digital transitions. This seminar presents an excellent opportunity to align Erasmus programme funding with national policies and develop new policy initiatives based on successful project examples.

Regarding digital education, the Education Council recently adopted two recommendations on digital education and digital skills. These recommendations emphasize universal access to digital education and ensuring that education systems meet society's digital skills needs. The Commission will support Member States in implementing these recommendations.

Additionally, a digital education in Europe survey is to be launched in 2025 to gather comparative evidence on key enabling factors for digital education. The 4th edition of the digital education Hackathon recently took place, involving neighbouring partners like Albania, Georgia, Moldova and Azerbaijan. Next steps involve selecting 12 finalists from local winners to compete for global awards.

Lastly, the rollout of the SELFIE assessment tool for schools continues successfully, reaching 5.5 million users and 28,000 schools in 83 countries. The ETF has played a vital role in implementing this tool in partner countries’ educational systems through pilot or scale-up projects.

In addition, the European University Alliances initiative has been extended to include all Western Balkan economies this year. Currently, 8 universities from the region are participating in these alliances, representing
all Western Balkan countries, except Kosovo. He indicated to expect that number to grow, and for the 2024 call, which opened on October 3rd and would close in February 2024, hoped for an increased participation from Western Balkan universities in these alliances.

Furthermore, in 2023, the EC and DG EAC decided to open new actions for organizations in Eastern neighbouring countries to participate in capacity building, youth, and sport activities under the Erasmus Plus program. Such measures to be included in the 2024 Erasmus Plus program guide, to be published by end November 2023.

The Commission has adopted a proposal for a Council recommendation called "Europe on the Move", which is part of the talent mobility package. This recommendation aims to remove obstacles to learning mobility periods abroad, with the goal of making mobility an integral part of educational and training paths for young citizens. Additionally, it seeks to increase the attractiveness of the EU as a learning destination for talents from third countries. Worth noting that the European Education Summit will take place next week on November 30th, featuring a high-level panel discussion on educational challenges in the neighbourhood East region, with Pilvi participating.

**Trends and developments at the ETF**

Ms Pilvi TORSTI (ETF) shared that it had been an extremely productive and intense year with many interesting developments. She referred to the slides that included: a list of EU requests by region, which is part of the daily operational work; an update on partnerships, a new development to be highlighted; communication activities and campaigns with focus on the EYoS; along with statistics and institutional developments related to greening and digitalization. She stressed that ETF premises is a theme that will be further updated in the June meeting due to ongoing arrangements. To note also the huge wave of retirements and thus the need for a well thought through strategic planning to address skill needs and replacements in the future.

She devoted the Board’s attention to the recently conducted a staff engagement survey (SES), which achieved an impressive response rate of 94%, providing valuable material for analysis. Additionally, she informed on the new Staff Committee been elected, with Pasqualino Mare attending this meeting as the new Chair. She also shared information on the slide set including some trends, KPIs, and figures to be further detailed in the next June meeting.

She informed that since the 2023 June meeting, the Ukraine facility has commenced its work, marking a significant milestone in ETF collaboration with Ukraine. Over the past 30 years, ETF has been deeply engaged with Ukraine, and ETF has now structured its efforts into 3 pillars: immediate emergency response, enlargement process, and recovery and reconstruction. While these pillars may be overlapping, they each address different aspects of ETF collaboration with Ukraine and draw on various expertise and resources.

In particular, she highlighted the establishment of the Ukraine task force within ETF, which was approved by the Governing Board. This task force comprises experts, including Ukrainian nationals, who bring invaluable
experience and insight, having previously worked in Ukrainian ministries. By leveraging their expertise and integrating it with ETF’s longstanding engagement with Ukraine, ETF is well-positioned to support the Ukraine facility and address the country’s needs effectively.

She then drew the attention of the Board onto 2 significant partnerships recently signed with: 1) the European Bank for Reconstruction and Development (EBRD) and 2) the Asian Development Bank (ADB).

On the occasion of the Social Forum in Brussels, there was the signing ceremony with the EBRD, which took place in the presence of Commissioner Nicolas Schmit. The focus of this session was on Ukraine and emphasized the importance of investing in skills alongside infrastructure development. Commissioner Schmit stressed the need for sustained investment in skills, framing it not as a year-long effort, but as a decade-long commitment. The partnership with the EBRD aims to combine expertise with private sector funding to enhance skills development, particularly in Ukraine.

Similarly, the partnership with the ADB was also finalized, with a representative from their European office present at the event. There is growing interest in shared knowledge and collaboration in the field where ETF operates, especially in Central Asia, which aligns with the common interests of both organizations. This increased interest underscores the importance of cooperation in addressing challenges and promoting development in the region.

Finally, she recalled that to ensure good governance in the forthcoming implementations, a number of important rules and guidelines will be circulated for adoption in the following months, such as:

1. A mission guide expected to be available by the end of 2023 or beginning of 2024.
2. The revision of implementing rules on seconded national experts and national experts in professional training, expected in mid-2024. This revision being significant for ETF as it will introduce different regulations regarding language requirements for third-country nationals, which is crucial for EU member states and ETF partner countries.
3. The temporary agents 2(a), 2(b) and 2(d), a rule that although not applicable to the ETF, still requires adoption, and ETF was analysing this requirement.

**Update on the Spanish Presidency**

Ms Mária Ángeles HERAS LÁZARO (SPAIN), gave an overview of the Spanish presidency of the Council in the area of education and training, by highlighting several key priorities and initiatives:

- **Spanish Presidency Priorities:** The Spanish presidency has focused on various priorities in education, including contributing to the open strategic autonomy of the EU, supporting the European Pillar of Social Rights, and promoting European values and democratic systems in education.
Council Recommendations: Recently, two recommendations on digitalization and improving the provision of digital skills in education and training were adopted. Additionally, a file on citizenship and core European values was discussed and adopted.

Informal Meeting of Ministers of Education and Youth: Topics discussed included involving youth in policy development and addressing youth mental health issues. Education discussions focused on promoting European values and democratic citizenship.

Presidency Conference on Automatic Mutual Recognition of Vocational Training Qualifications: This conference aimed to advance mutual recognition of vocational training qualifications. It was followed by a meeting of Directors General of Vocational Training.

High-Level Conference on Active Employment Policies: The conference emphasized collaboration between institutions and social partners to support the development of work skills and professional training.

Cooperation with ETF: ETF participated in various events under the Spanish presidency, including a high-level conference and discussions on mutual recognition of vocational training qualifications.

Overall, the Spanish presidency has made significant strides in advancing education and skills development, aligning with broader EU priorities and initiatives.

Update on the upcoming Belgian Presidency

Mr Herman PANNEELS (BELGIUM) updated on the upcoming Belgian presidency of the Council and the focus on education and vocational training. Here the key points presented:

1. **Education and Training Priorities**: The presidency outlined four priorities for education and training, including lifelong learning, evidence-informed education, mobility, and digital education.

2. **Work and Social Economy Priorities**: Additionally, three priorities have been identified for work and social economy, including lifelong learning and skills, social economy, and the European Pillar of Social Rights.

3. **Upcoming Events**: Several events have been scheduled from January to June 2024, focusing on these priorities:
   - **High-Level Group on European Education Area (January)**: The focus will be on future evaluation and efforts for further development, with a plenary session on evidence-informed policymaking.
   - **Digital Schools Conference (February)**: This event will explore pathways to school success, excellence in education, evidence-informed policymaking, and education equality.
- **Conference on Evidence-Informed Policymaking (February):** This conference will address evidence-informed education policymaking and practice.

- **DG Events on Digital Learning and Innovative Technologies, in Machelen (March):** These events will focus on digital learning, innovative technologies, extended reality, and the connection between labour markets and education stakeholders.

- **Lifelong learning (April):** flagship conference with a focus on motivation in education, validation and inclusion. ETF will have a role.

- **DG Higher Education's, in Antwerp (May)**

- **Conference on digital dialogues, in Gent (May):** on digital skills and digital education.

These events will be crucial for advancing the presidency’s priorities and fostering collaboration in education and training across Europe.