

ANNUAL ACTIVITY REPORT 2007 – ANALYSIS AND ASSESSMENT

The Governing Board has assessed the Director's report on the results for the 2007 financial year. Overall, the Board appreciates the results achieved by the ETF, and notes that the agency in particular:

- increased its policy advice support to the Commission in 2007 compared to 2006 as well as the number of requests from the Commission for the formulation, implementation and, in particular, for evaluation support.
- received 115 on-going requests from the European Commission, 60% of which were for assistance in countries covered by the Instrument for Pre-Accession, 26% in countries covered by European Neighbourhood and Partnership Instrument, and 14% in those covered by the Development and Cooperation Instrument.
- executed its activities within the resource framework adopted by the Board. In particular, the ETF committed over 91.35% and disbursed over 74.91% of its annual subsidy from the Commission of €19.7 million, with the remaining funds being disbursed in 2008. In this context, the Board commends the ETF for continuing to respect the benchmark of cost-effectiveness set in 2005 whereby over 80% of its executed budget of about €22 million is invested directly in operational activities and less than 20% in administrative overhead costs.
- contributed to achieving equity and poverty reduction through skills development and capacity building for human resources development stakeholders in line with the mid-term perspective.
- provided support to the Commission¹ in the area covered by the Instrument for Pre-Accession with the specific objective of making the European perspective more concrete for partner countries and giving a high priority to the needs of EC Delegations in candidate and pre-accession countries as well as tailoring its capacity support actions adapted to the circumstances and priorities of each country.
 - in Croatia, contributions were aimed at strengthening social dialogue, quality assurance and the capacity at the Ministry for ESF preparation while in Turkey, support was given for the finalisation and impact assessment of major projects funded by the EU and for the development of Turkey's response to the credit transfer (ECVET) proposal of the European Commission and to the recently formed Vocational Qualifications Council, while in the former Yugoslav Republic of Macedonia (FYROM) the ETF performed analyses on education, social partnership and employment to support relevant IPA planning documents.
- assisted the European Neighbourhood Partnership Instrument through information provided to relevant EC services on the state of implementation of ENP Action Plans and country developments in the area of human resources development as input for the preparation of new action plans under the instrument.
- enabled cross country reflection and learning between different countries covered by the instrument by providing information to policymakers and donors on key issues for regional VET development and possible areas for regional cooperation.

¹ IPA0701: Facility to respond to commission requests

- contributed to optimising the dialogue between education and the labour market through the implementation of qualification frameworks², particularly in countries in the ENPI region including specific country tailor-made initiatives designed for the Russian Federation, Ukraine, Georgia, Armenia, Azerbaijan, Morocco, Egypt, Jordan and Tunisia through policy stakeholder working groups.
- sustained its contribution to national institutional capacities in Mediterranean countries to collect, process and analyse relevant information on education, training and employment issues.
- consolidated its efforts for the republics of Central Asia as part of the ETF's support to the Development and Co-operation Instrument by ensuring that:
 - Policy impact of reform interventions reviewed and lessons shared; and
 - Working with policy stakeholders in **Kazakhstan, Kyrgyzstan, Tajikistan** and **Uzbekistan** on the development of qualification frameworks and clearer links between education and training and strategies for poverty reduction³.
- finalised the first cycle of its innovation and learning programme and commenced dissemination of the lessons learned on the:
 - teaching of key competences in South Eastern Europe
 - implications of migration for the development of vocational education⁴, and
 - development of a model framework for tracking partner country performance on the transition from education to work
- extended its publications programme to reflect a stronger orientation towards vocational education in the context of lifelong learning and related labour market issue and update of the dynamic part of the ETF website with more regular content and a broader spread of languages. The ETF also took steps to maximise the advantages of the site through the launch of new project areas for communities of practice.
- maintained its investment in expertise development through scientific contributions to conferences, flagship publications, knowledge sharing. In this context the Board encourages the ETF to reinforce its investment in internal training initiatives to help it to adjust to the challenges in the new financial perspectives.
- broadened the range of reports and analyses it uses to support its management practices, including the conclusion of its human resources framework, involving more coherent and strategically oriented job descriptions, and measures for management and internal control systems.

The Board acknowledges the three observations made by the Director. In noting the risks regarding Tempus, the Board encourages the ETF to work closely with the Commission services to limit the possibility of further risks related to the Tempus convention, and to mitigate any possible social, reputational, legal or financial impact of the expected repatriation of Tempus technical assistance. The Board asks the Director to report on progress in this field.

In the light of the above remarks, the Governing Board adopts the ETF Annual Activity Report 2007, and requests that it be forwarded, together with this analysis, to the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Court of Auditors.

² ENPI07 05: National Qualifications Framework

³ DCI07 03: Skills development and poverty reduction strategies

⁴ ILP07 02: HRD and Migration