

ETF ANNUAL ACTIVITY REPORT 2008

Introduction

The European Training Foundation¹ (ETF) is a specialised agency of the European Union based in Turin, Italy, which provides support to the European Union's external assistance instruments.

The ETF's mission is to help transition and developing countries² to harness the potential of their human resources through the reform of education, training and labour market systems in the context of the EU's external relations policy.

The ETF's services are targeted towards a range of stakeholders and clients with shared interests in the contribution that human capital development makes to EU external assistance objectives. These stakeholders include European institutions such as the European Commission, the European Parliament, related European agencies and EC Delegations, as well as policy stakeholders in the partner countries. We also work with the international donor community on the exchange of information and lessons learned in the assistance field.

This annual report presents our main achievements in 2008 in terms of the objectives set in the Mid-Term Perspective 2007-2010 and the 2008 Work Programme. It shows the results of our activities in each of the EU external relations policy areas and summarises the return on our operational activities for the Community. It demonstrates that we have been effective in delivering the results defined in our 2008 Work Programme as our contribution to EU external relations policies and priorities in South Eastern Europe, the Mediterranean, as well as Central Asia and the Caucasus.

At corporate level, the report outlines the progress that the ETF continues to make in reinforcing its management and internal control systems as the basis of accountability. It shows how the ETF has sought to follow up on recommendations from controlling authorities and how we have introduced a risk management approach to deploy our resources even more efficiently and engage with our stakeholders more effectively. The report goes on to identify the material risks, which may have an impact on our work, and the corrective actions that we propose.

In 2008 the establishing Regulation governing the ETF was revised by the EU institutions, a process that was finalised with the publication of the recast regulation in the Official Journal of the EU on 31 December³. Through this process the institutions stated the interpretation they give to the final text in their respective analyses or explanatory statements. For example: "broadening of the Foundation's scope beyond education and training to include human (capital) development, primarily on the grounds that the different education sub-sectors (primary, secondary, vocational, higher, adult, etc.) should now be seen holistically within a lifelong perspective that embraces them all" Council [2007/0163 (COD)]; "a more flexible procedure is possible permitting the Foundation to take action outside the areas specified in Article 1a and 1b." Parliament [A6-0473/2008]; "its role as a centre of expertise assisting both partner countries and European Commission in the development of policies and appropriate reform strategies" Commission [COM(2008)707 final], and "the question how the relation between the European Parliament and the Agency could be strengthened, and how the European Parliament could be represented on the Governing Board has been solved" in article 7. Additionally, "the director will be invited to make a statement before the competent committee(s) of the European Parliament and answer questions put by its/their members before his appointment (Article 10)", Parliament [A6-0473/2008]. With the introduction of these changes the ETF's establishing Regulation takes into account recent developments, updates its role and function and provides a sound basis for its future work.

¹ The ETF was established by Council Regulation No. 1360 in 1990 to contribute to the development of education and training systems in the partner countries.

² In 2008, the partner countries were: Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Egypt, the former Yugoslav Republic of Macedonia, Georgia, Israel, Jordan, Kazakhstan, Kosovo (as defined in UNSCR 1244), Kyrgyzstan, Lebanon, Moldova, Montenegro, Morocco, Occupied Palestinian Territory, Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

³ Official Journal of the European Union, 31.12.2008, L 354/82.

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 the goals of the 2008 work programme. I look forward to continuing to work with you in 2009.

Muriel Dunbar

Director

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PART I: The ETF's contribution to the EU's external assistance instruments in 2008

In line with the approved Work Programme, in 2008, the ETF focussed on the priorities set in each of the 29 country plans and on 20 multi-country cross cutting themes and projects that contribute to the reform of vocational education and training in a lifelong learning context. The ETF supported qualification frameworks, lifelong learning, social inclusion through education and training, capacities for improving labour market functioning and the improvement of quality in vocational education training systems. The contribution of skills development to achieving equity and poverty reduction and the capacities of stakeholders involved in human resource development, including social partners and policymakers were key elements. The 2008 ETF Work Programme established the stronger country emphasis outlined in the Mid-Term Perspective.

The overall objectives of the 2008 Work Programme were to:

- support the European Commission in the development and deployment of external assistance; and,
- support the continuing development of partner country capacities in human resources development.

The Work Programme aimed to reinforce analyses and reform processes in partner countries through capacity building actions for sector programmes.

The ETF's operations in 2008 were managed under three pillars of action.

Pillar 1: Support to education and training reform

Pillar 2: Corporate communication

Pillar 3: Organisational learning: Strengthening knowledge and systems

The following section describes the detailed results of the ETF's activities in pillars 1 and 2 in 2008. The ETF's actions under pillar 3 are described in Part 2 of this report under management and control.

Pillar 1: Support to education and training reform

In contributing to the EU's external assistance instruments, the ETF undertakes five major activities, covering each of the external assistance instruments, the development of evidence to support policy making and implementation in human capital development in the context of partner countries, and the assistance that the ETF provides to the Commission under the Tempus programme.

Activity 1: Contributing to the Enlargement process by supporting the modernisation and reform of education, labour market and training systems in candidate and potential candidate countries.

Activity 2: Contributing to the Neighbourhood process through cooperation and partnership in human capital policy development and policy implementation

Activity 3: Contributing to economic and development cooperation in human capital development in Central Asia

Activity 4: Supporting the European Commission and partner country policy development through innovation and learning;

Activity 5: Providing technical assistance to the European Commission for the Tempus Programme (Trans European mobility scheme for university studies) and its progressive transfer to the Executive Agency for Education and Culture.

Activity 1: Contributing to the Enlargement process

The ETF's key activity in the region covered by the Instrument for Pre-Accession (IPA) in 2008 was to provide support to the Commission⁴ on making the European perspective more concrete for partner countries in the area of human capital development and in its contribution to socio-economic development. In doing so, the ETF aimed to support the development of potential candidate and candidate countries by improving the contribution that human capital development policies make to socio-economic development including cooperation with Cedefop on the candidate countries.

The ETF's objectives for 2008 were to support the Enlargement process of the EU by:

- supporting the European Commission in the identification and deployment of external assistance to human resources development through the Instrument for Pre-Accession Assistance;
- supporting education and training reform and employment policy by increasing partner country capacity in agreed areas.

Country projects in the candidate countries⁵

In 2008 the ETF produced an updated country analysis for **Croatia**. It also organised several workshops: on defining learning outcomes for adult education and training and on education statistics (for the Agency for Adult Learning), on involving social partners in education and training as a follow up to the 2007 ETF study, on defining the draft descriptor levels for the national working group on the Croatian Qualifications Framework (CROQF). For this group, the ETF also organised a study visit to Spain and a dissemination event for CROQF development achievements in 2008. As result, a first draft of CROQF descriptor levels for broader (including sectoral) consultation in Croatia was produced.

In **Turkey**, the ETF produced a country analysis published on the ETF website and sent it to the European Commission (EC). Furthermore, it participated in the monitoring of running IPA projects and provided input for new IPA projects. As a result of the modernisation of vocational education and training (MVET) impact assessment report the Vocational Teacher Training Committee was revived to put teacher training reforms into practice. Support to the Vocational Qualifications Authority (VQA) has contributed to the understanding of the decision making process for the development of the national qualification system and to drafting Turkey's NQF implementation strategy. Policy learning workshops on decentralisation and on the apprenticeship system and a conference on "Implementation Strategies for National Qualification Systems in South Eastern Europe" were also organised by the ETF.

In support of the **former Yugoslav Republic of Macedonia**, the ETF completed a detailed review of human capital development and arranged an exchange of experience on lessons learned and good practice in human capital development related fields chosen for future IPA support for both the ministries of education and labour. Local experts completed a questionnaire from the EU Directors General of Vocational Training (DGVT) on progress towards the Copenhagen priorities in VET. Ministry of Education staff were introduced to the European Employment guidelines and the use of the human resources development component of the IPA instrument. The ETF also carried out a review mission on vocational training and adult learning, organised two IPA planning seminars for Ministry of Labour and Social Policy (MoLSP) and Employment Service Agency (ESA) staff to exchange experience on the labour market access of handicapped people and ethnic minorities and completed a study on barriers to the participation of women in the labour market.

Country projects in the potential candidate countries

In **Albania**, the ETF produced and disseminated a human capital development report. It also facilitated policy dialogue on education decentralisation and school autonomy based on outcomes of

⁴ IPA0701: Facility to respond to Commission requests

⁵ In each of the three regions this report presents information concerning the country projects followed by information on multi-country projects. Therefore, the information in this first section only includes the activities covered in the country projects (which appear in the Work Programme under the project 'Facility to respond to Commission requests'). For a complete picture of the entirety of activities undertaken in a specific country, information from the multi-country projects should also be taken into account.

the ETF 2006 and 2007 peer learning exercises; undertook a preparatory policy exercise in cooperation with the Directorate for Policy in the Ministry of Education and Science for an upcoming €8 million IPA contribution and carried out an employment policy assessment at the request of key stakeholders. The ETF assisted the National Agency for Vocational Education and Training (NAVETA) in clarifying the accreditation and assessment of vocational training providers in the broader framework of VET quality assurance policy and facilitates several workshops in that regard. The ETF also organised a study visit to Bulgaria with a number of NAVETA staff and other key stakeholders to learn about experiences in relation to vocational training providers and quality processes. The ETF facilitated policy dialogue on education decentralisation and school autonomy based on outcomes of the ETF 2006 and 2007 peer learning exercises. As a result of the 2008 activities, capacities were strengthened at inter-sectoral level, from a technical point of view in relation to IPA 2008 education and training sector fiche programming; and at key stakeholder level in relation to policy dialogue for the development of comprehensive and effective teaching and learning, for policy development and policy making in adult learning and for supporting policy development in the field of employment and active labour market measures and its connections with adult learning provision for the needs of future IPA programming. The ETF organised a number of events, actively supported IPA project cycle at different stages and organised capacity building workshops (EU Education and Training 2010 benchmarks to SWAp indicators, a national policy progress report based on a Cedefop questionnaire and accreditation and assessment).

The ETF prepared a country analysis of **Bosnia and Herzegovina** and drew up an overview of all EC policy and planning documents in order to extract and summarise requests, recommendations and references to support for the further reform of education and training in the country. At the request of the EC Delegation, the ETF also conducted an adult learning feasibility study, including a number of workshops and seminars, to launch a policy debate within the education and training community on the importance of adult learning within a lifelong learning perspective and to pave the way for future EU funded interventions in this area. Furthermore, the ETF produced feedback to two EC-funded projects (NQF and entrepreneurship).

During the year, in **Kosovo** (under UNSCR 1244), the ETF was recognised by the Kosovo government, the EC, World Bank and other development partners as a key player in facilitating and supporting Kosovo education and employment policy dialogue. As a result, education and employment were considered priority sectors for Kosovo national and IPA 2008 and 2009 programming. The administrative capacities of the Kosovo stakeholders were enhanced and improved, as was inter-ministerial cooperation and partnership in policy dialogue and evidence based policy formulation and programming in education and employment. The Kosovo National Report on the Cedefop questionnaire on the Copenhagen policy priority areas for VET 2006-08 was supported by the ETF. Furthermore, a written contribution was provided to the Kosovo government on Level 5 qualifications and the developments of NQF in Kosovo, including discussions on the accreditation of private universities. The ETF supported the EC Delegation and DGs Enlargement, Employment and Education and Culture in drafting terms of reference for a sector wide approach (SWAp) in education (€3 million). The ETF organised and facilitated several workshops: donors in education, youth employment, and governance and administrative capacity of employment institutions. The ETF produced a number of reports, analyses, policy notes - notably the 2008 human capital development country analysis, career guidance governance and administrative capacity of employment institutions, capacity building work plan 2009-2012; and commented or peer reviewed several EC and international partners' reports.

In **Montenegro**, the ETF produced a 2008 human resources development country analysis and organised a study visit to Latvia to create an understanding of the functioning of a European Social Fund agency and what lies ahead in terms of getting ready for not only IPA Component IV but also the European Social Fund. The ETF also organised a series of workshops to assist building the capacity of the Montenegrin authorities to define and plan future IPA projects in support of human capital development.

In **Serbia**, four events were organised and facilitated in 2008: social partnership in human capital development, gender issues, and strengthening the institutional and professional capacity of the Serbian Ministry of Education and Ministry of Economy and Regional Development. In addition, at the request of the National IPA Coordinator, a one day workshop was organised to introduce the concepts of the sector wide approach. The ETF undertook several monitoring missions for the EU funded

vocational education and training and active labour market measure projects on behalf of the Agency for Reconstruction and the EC Delegation.

Multi-country projects in the IPA region

At regional level, the ETF continued its project on ethnic groups and social inclusion through education and training, the main achievements of which were: (i) facilitated policy discussion and enhanced capacity of national actors (with a particular focus on stakeholders from the former Yugoslav Republic of Macedonia, Montenegro and Bosnia and Herzegovina) to address the social inclusion of ethnic groups through education and training measures; (ii) shared information, enhancement of the policy discussion on recent policy developments in the social inclusion of vulnerable ethnic groups through education and training, frameworks, policy implementation, monitoring and evaluation in each country, with and among IPA country stakeholders and their EU and international partners; and (iii) increased recognition of the ETF as a key player in facilitating regional evidence-based policy discussions and supporting the capacity building of stakeholders in the region for setting the priority areas of inclusive and ethnically sensitive education and training policies. The project disseminated the ETF study on best practice in the field of social inclusion, finalised at the beginning of the year, made a contribution in its field of expertise to the DG Employment background studies on social protection in the potential candidate countries and in the former Yugoslav Republic of Macedonia, as well as two reports from DFID⁶. Furthermore, support was provided to DG Enlargement for drafting a regional initiative on civil society and an international conference on the subject was organised.

With increasing interest in the contribution of education to competitiveness, in 2008 the ETF, in cooperation with the European Commission (DG Enterprise and Industry), OECD, EBRD and EIB, continued its efforts in developing policy tools for entrepreneurship education and training. This included undertaking a range of country specific and regional assessments in two partner regions (pre-accession and the southern Neighbourhood regions). The ETF's expertise and know-how in the area has additionally generated the interest of the Commission's education services where a strategic reflection on entrepreneurship involving the European Union, EEA and a selection of third countries is planned. In 2008, the thrust of the ETF's work on entrepreneurship centred on an assessment of the human capital dimensions of the European Charter for Small Enterprises. This involved a detailed review of education, employment and enterprise policies set against pre-defined indicators agreed with the countries⁷ in the areas of entrepreneurship education and enterprise skills. Involving desk research, dialogue and fact-finding missions in all countries, the assessment process was completed with the inclusion of two chapters in a European Commission, OECD and ETF publication to be launched at a meeting of economy ministers from the Western Balkan region in June 2009. The report will additionally comprise country-specific assessments and recommendations as to how entrepreneurship education and skills for small enterprises can be brought forward in each country.

The peer learning to support vocational training reform processes project organised two dissemination seminars, one in Kosovo and another in Albania, as a follow up to last year's peer learning activity on 'Policy Impact on Schools and School Management'. 2008 peer learning focussed on social partnership in tourism and construction and involved the three candidate countries plus Serbia. Four country reports on social partnership and a cross-country analysis were produced and a final conference was held successfully in Ohrid on 1-2 December.

The main achievements of the governance and administrative capacity in employment project which started in 2007 and was completed in the first half of 2008 were ETF participation in a meeting in Brussels with DG Employment presenting IPA GOV/ETF activities in employment in partner countries, and an Institutional Assessment report was finalised and discussed with stakeholders in Kosovo. A country study was carried out for Kosovo (in addition to the four done in 2007) which provided background information for the joint ETF/WB study on employment. Country reports for the former Yugoslav Republic of Macedonia, Albania, Serbia, Croatia and Kosovo were published.

The annual South Eastern European vocational teacher training conference, an integral part of the learning and teaching project, was successfully carried out as a joint event with the Italian Ministry of Foreign Affairs. The Workshop on Strategic School Development focused on school development,

⁶ *Economic growth and social inclusion in the context of European integration in the Western Balkans*, DFID, September 2008; *EC standards and gender mainstreaming in the Western Balkans region: Ways forward*, DFID, September 2008

⁷ Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Kosovo (as in UNSCR 1244), Montenegro and Serbia.

leadership and management, and the strategic approach to organisational change. The role of VET centres in translating policies into changes in classrooms was highlighted. A series of good ideas and preliminary implementation proposals were developed. The workshop thus achieved its expected outcomes.

Activity 2: Contributing to the Neighbourhood process through cooperation and partnership in human resource policy development and policy implementation

The ETF's mission in the region covered by the European Neighbourhood and Partnership Instrument (ENPI) in 2008 was to contribute to prosperity and development through co-operation and partnership in human capital policy development and implementation. For the region as a whole, information was provided to relevant Commission services on the state of the implementation of ENP Action Plans⁸.

In the European Neighbourhood region covered by the European Neighbourhood and Partnership Instrument (ENPI) in 2008 the ETF's objectives were to:

- contribute to strengthening EU services in the definition and implementation of its external policies by providing input to the project cycle, in particular the preparation and design of sector interventions as requested;
- support the capacities of partner countries to design, implement and monitor the reform of human resource development systems.

The ETF worked closely with the EU French Presidency in the preparations for the Union for the Mediterranean VET Forum that took place in Marseille in December. An issue paper on VET and employment was prepared for the occasion and three expert contributions were delivered.

Country activities in the Neighbourhood region⁹

In **Belarus** and in agreement with the EC Delegation, a seminar on 'Trends in Education and Training policies in Europe' was organised and facilitated by the ETF and a report on a review of education sector developments in the Republic of Belarus was finalised (to be disseminated in early 2009).

In **Moldova**, the ETF established smooth working relations with the new Minister of Education and Youth (appointed in April). The EC Delegation opened a new fixed office in Chisinau and became fully acquainted with the ETF's work: the EC Delegation's Head of Operations opened two seminars in July and November¹⁰. Based on a request by DG Justice, Freedom and Security, the signature of the EC-Moldova Mobility Partnership in June opened a new field of action for the ETF in Moldova. The ETF was asked to provide input on issues linked to the portability of skills and transparency of qualifications. Activities throughout 2008 formed the basis for a more visible presence of the ETF in the country and for more active expert involvement. The ETF organised or contributed to several workshops including events on the Copenhagen Process, reforming qualifications in the VET field, mutual information exchange among donors, mobility partnerships and transparency of qualifications and occupations for service sector. The human resources development review foreseen in the 2008 Work Programme will be carried out in the framework of the innovation and learning projects (see below)

Within the EC-World Bank Joint initiative in **Ukraine** a policy concept outline was finalised. A policy workshop on quality, governance and financing of education and training was held, followed by discussions with the Ukrainian stakeholders on the outcomes of the policy analysis and possible concrete skills development strategies, scenarios and relevant recommendations that should be elaborated for national endorsement and wide dissemination in 2009. In this framework, the ETF organised a study visit to Finland on "Linking human capital development to economic growth and

⁸ ENP Action Plans only concern 12 out of the 16 ENP partners: Moldova, Ukraine, Armenia, Azerbaijan, Georgia, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territories and Tunisia.

⁹ In each of the three regions this report first presents information concerning the country based activities projects followed by the multi-country projects. Therefore, the information in this first section only includes the activities covered in the country projects (which appear in the Work Programme in two facility projects: 'Facility to respond to Commission requests' and to support national VET reforms' and 'Facility to respond to HRD policy reform in ENPI countries'). In order to have a complete picture of the entirety of activities undertaken in a given country, information from the multi-country projects should be added.

¹⁰ On the Copenhagen Process (in July) and 'Reforming qualifications in the VET field in Moldova' (in November).

innovation”¹¹. In Ukraine, as a continuation from 2007, a country migration profile was completed in English and Ukrainian and the profile was presented to the EC Delegation in Kiev on 3 July, with the participation of donors and embassies of the EU Member States.

In **Armenia**, the ETF provided input to the EC Delegation for the Tacis and ENPI interventions. In addition and in response to an EC Delegation request, the ETF provided support for a new 2010 ENPI VET sector policy support programme. As foreseen and in line with the national reforms, the ETF provided support for the development of a concept paper and an action plan on how to implement social partnership in initial and middle vocational education and training. Both were agreed and approved by the minister responsible for implementation in 2009 onwards.

In response to a request from the EC Delegation, the ETF prepared a baseline analysis on the situation of VET in **Georgia** and input to the identification phase of the ENPI 2010 VET sector policy support programme. Also at the request of and in support of the EC Delegation, the ETF provided comments on the VET national strategy

As foreseen, the ETF provided input to the EC Delegation in **Jordan** in the identification phase of the ENPI 2009 sector policy support programme in employment and technical vocational education and training (TVET). In the field of social partnership, the ETF supported three social partner institutions on the development of concrete proposals on how to establish a TVET unit. The Jordan Chamber of Industry has now agreed and implementation should start in 2009. The ETF also organised a study visit for Jordanian social partners to Germany on the role social partners play in the TVET system. The other fields of action, namely observatory function, the NQF and career guidance, were followed in the context of regional projects (see below).

As requested by the EC Delegation, the ETF carried out the second content monitoring report of the MEDA VET reform project in **Egypt**. It also contributed to increasing the capacity of national stakeholders to develop a career guidance policy adapted to the needs and realities the country. It organised workshops to facilitate the development of a concept paper and guidelines for a career guidance strategy, and formalise donor coordination and a national task force. The other field of action, namely the NQF, and the observatory function were carried out in the framework of regional projects (see below). The work on sector skills needs and labour mobility continued in partnership with the Italian authorities - only (the World Bank did not join this activity as initially foreseen). Activities included the development of methodology and tools, establishment of a working group and steering committee and participation in conferences.

The request for support to the Supreme Council and to VET strategy development did not materialise in 2008.

In addition to the foreseen participation of **Tunisia** in regional projects, the EC Delegation asked the ETF to provide input to strengthen the links between education and employment in the context of the preparations of a sector policy support programme in education. The ETF provided comments to the education report prepared by the EC Delegation expert team.

In **Morocco** and in addition to the foreseen activities in the context of regional projects in the field of reform monitoring tools (indicators matrix under the observatory project), apprenticeships (policy learning project) and the NQF, the ETF organised a regional seminar on quality in VET to share the experiences of Morocco (including the work on the indicators matrix), Tunisia, Jordan and Egypt.

In **Syria**, the ETF provided support to the Syrian Enterprise Business Centre on issues linked to entrepreneurship skills, sharing EU experiences and the state of the art of the international debate. The requests from the EC Delegation to support two specific ENPI projects did not materialise. Syria participated as foreseen in other regional projects in the Mediterranean (see below).

As for **Algeria, Israel, Lebanon, and the Occupied Palestinian Territory**, they participated as foreseen in regional projects (see below).

¹¹ Participants included senior officials from various ministries (education, labour, economy, finance), the Parliament (Chairperson of Education Committee), and social Partners (representatives of employers and small and medium-sized enterprise confederations).

Multi-country projects in the ENPI region

Regarding skills and migration issues, based on the 2007 country profiles in Albania, Egypt, Moldova and Tunisia, the ETF organised the final conference for dissemination of these four country profiles and prepared a synthesis report. In addition, the ETF and the World Bank jointly developed a paper on skills and migration issues in the four countries which should be published in 2009. At the request of DG Justice, the ETF provided a series of policy briefs on the transparency of qualifications, migration and employment issues in Moldova, Georgia and Ukraine.

With increasing interest in the contribution of education to competitiveness, in 2008 the ETF, in cooperation with the European Commission (DG Enterprise and Industry), the OECD, EBRD and EIB, continued to support the development of policy tools for **entrepreneurship education and training**. This included undertaking a range of country specific and regional assessments in two partner regions (pre-accession and the southern Neighbourhood). The ETF's expertise and know-how in the area has additionally generated the interest of the Commission's education services where a strategic reflection on entrepreneurship with the European Union, the European Economic Area (EEA) and a selection of third countries is planned. As part of the ETF's support to the European Commission (DG Enterprise and Industry) in its promotion of the Euro-Mediterranean Enterprise Charter, a first policy assessment of entrepreneurship education and enterprise skills within the nine southern Mediterranean neighbourhood countries was undertaken by the ETF entrepreneurship team (January - March 2008)¹². The assessment followed the elaboration of a number of indicators by human resource experts from the region in late 2007. The process involved an in-depth review of policies and programmes within each country in the areas of entrepreneurship education and training as well as a review of the human capital issues in the enterprise sector. The assessment process generated significant discussion both within the participating countries as well as at regional level, where human capital remains a primary challenge for all countries in their bid for more competitive economies. A high-profile report detailing the findings and recommendations of the ETF's analysis, which included an assessment of the wider enterprise policy areas provided by OECD, the European Commission and EIB, was launched at the conference of Euro-Mediterranean industry ministers in Nice on 6 November 2008.

Finally, in preparation for its contribution to the Euro-Mediterranean Industrial Cooperation Work Programme (2009-11) which includes specific recommendations for the promotion of entrepreneurship in higher education, the ETF invited experts from the southern Neighbourhood countries to Turin on 29-30 November 2008 to elaborate a number of indicators designed to promote across-campus entrepreneurship education. The indicators will be piloted in all countries in 2009-10. To maximise the value of the indicator development process, the November workshop included fellow experts from the pre-accession region where the indicators will also be piloted during the same period.

The **MEDA-ETE project** produced a comparative analysis on enterprise based learning, a thematic study on quality assurance, as well as an analytical paper summarising progress and lessons learnt for the 2008 Annual Forum. The ETF organised a number of capacity building and networking actions, namely: the Annual Forum (April, Turin), the e-learning regional dissemination day, a regional entrepreneurship dissemination day and nine national dissemination days¹³. The work on implementation of the national pilots under the entrepreneurship component was finalised. The work of the EuroMed Observatory network in compilation and analysis of data continued, as well the periodical annual gatherings.

The regional project on qualifications in the Mediterranean completed its first phase in 2008 by focusing on mainstreaming the national qualifications framework in the sectoral strategy in each participating country. In Egypt the peer review report had considerable impact, and placed the NQF project at the top of the policy agenda. Subsequently a decision was taken to create a new body under the Prime Minister, which will be in charge of implementing the framework. In Tunisia the qualification framework has been included in the law adopted in February 2008. In the framework of Morocco's "*statut avancé*", the NQF has received renewed attention at the end of the year, as Morocco is hoping to align its framework with the European Qualifications Framework. Morocco has committed itself to designing and implementing a qualifications framework. The NQF is mentioned in

¹² Morocco, Algeria, Tunisia, Egypt, Occupied Palestinian Territories, Israel, Jordan, Syria, and Lebanon.

¹³ Countries participating in the MEDA-ETE project include: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territories, Syria, Tunisia and Turkey.

the sectoral policy which is to be implemented in 2009 with support from the EC in Jordan. A regional workshop took place in Morocco to share the main developments in the four countries and to debate the regional dimension of qualifications. The workshop was very timely since this was confirmed as a major area of interest in the VET Forum that took place in Marseilles in December organised in the framework of the Union for the Mediterranean.

In the Caucasus, Russian Federation and Ukraine, five policy papers were produced on the countries' positions regarding the development of an NQF. The pilot work on the tourism sector was advanced and completed in Russia. In the Caucasus the situation varied from country to country. In Georgia, the qualification framework is well on its way: the National Professional Agency (NPA) has designed a project for a vocational qualification framework which is to be discussed in the upcoming strategy. A total of 50 occupational standards have been defined in three economic sectors (tourism, transport and communications). A database of occupational standards is being set up by the NPA open to all players in the field. In Azerbaijan, 30 occupational standards have been designed. An upcoming World Bank project should continue the work initiated through the ETF project. In Armenia, a new National Centre for the Development of VET has been created and will require strong institutional capacity building in the months to come. The ENPI Sector policy support programme should include technical assistance for the qualifications framework in the country. Taken as a whole, the main achievement of the project is the fact that in all three countries the qualification frameworks have reached the top of the policy agenda. It is expected that in Ukraine the work on qualifications will continue beyond 2008 under an ETF national project.

The **regional project on the observatory function** in Jordan, Syria and Egypt finished last year. The main objective of the project was to reinforce national institutional and methodological capacities in order to further develop effective information networks; provide decision makers with relevant and up-to-date information in the field of human resources, analysis, recommendations and policy advice for economic reforms with a view to the free-trade zone 2010. As a summary of the project lessons learnt, a draft policy brief note on informed decision making, which builds on ETF experience in the development of the Observatory function in partner countries, was developed by the team. In Jordan a final dissemination event included an overview of the achievements in the period 2003-08 and an analysis and discussion on the sustainability of the Observatory unit. The E-TVET Council is now in charge of implementing the observatory function with support of active partners under responsibility of the National Centre for Human Resources Development (NCHRD) acting as the hub institution. As an indicator of the capacities built in the country, a main output of the Jordanian observatory team was the compilation and production of an analysis on TVET developments in Jordan. With regard to Egypt, the ETF organised a study visit to the Netherlands. Participants developed a report on lessons learnt during the visit. The dissemination event of the observatory project (over 100 invitees, including the Ministry of Manpower) had a high profile and was extensively covered by the local media. The main themes touched on were: main results of the work in Egypt in 2008, presentation of the experience from the Jordanian and Tunisian Observatories, and the perspectives for local observatories. In Egypt the support to the observatory will continue as a national activity in 2009. In Syria, as a result of the lack of support and leadership from the national authorities, the project was cancelled.

The first phase of the **Black Sea labour market reviews project**, which concentrated on country level analysis, was successfully completed. Background information for the regional study has been accumulated through desk research, collection of data/information and preliminary analysis at country level for Armenia, Azerbaijan, Georgia, Moldova and). A common thematic outline was developed for country reports, local experts were hired, a kick-off meeting was organised at the ETF, and key national stakeholders in each country were briefed about the project. Two country reports (Moldova and Ukraine) have already been presented and discussed in national workshops. The reports for the remaining countries will follow in the first half of 2009. At the end of the year and in the framework of the EC proposal for an Eastern partnership, Belarus was added to the project. Preparations for the country report started in 2008 and it should be finalised in 2009.

Activity 3: Contributing to economic and development cooperation in human resources development in Central Asia

In 2008 in Central Asia in the countries covered by the Development Co-operation Instrument the ETF's objectives were:

- contributing to strengthening EU services in the definition and implementation of its external policies by providing input to the project cycle at the request of Commission Services;
- supporting the capacities of partner countries to design, implement and monitor the reform of human resource development systems.

Country projects in the DCI region¹⁴

In Central Asia, as part of the ETF's support to the Development Co-operation Instrument, an important achievement in 2008 was the establishment of a working relationship with education and training stakeholders in **Turkmenistan** and a preliminary agreement on activities for 2009. This is a great success given the country's context.

In 2008, the ETF contributed, through the drafting of identification and action fiches as well as terms of reference, to two EU projects (AP 2007 and 2008) on education and vocational education and training. In order to support the capacity of Turkmen stakeholders, the ETF organised a workshop on VET reforms, another on TVET reforms in Russia and CIS countries and a roundtable on TVET policies and governance. The ETF also initiated work on a review of the TVET sector in the country to identify policy options for the improvement of the governance of TVET in the country. At the request of the Turkmen authorities, the ETF invited a small Turkmen delegation to the regional NQF workshop in Turin on 27-28 November.

In **Kazakhstan**, at the request of the national authorities the ETF participated in the debate and conclusions of a high level Ministry of Education and Science conference on vocational training and co-operation. The ETF also contributed to the drafting of the terms of reference for an EC project supporting TVET reform in the country, to be funded under the DCI AP 2007.

At the request of the EC Delegation in **Kyrgyzstan**, the ETF prepared an "issue paper" on arguments in favour of supporting a sector-wide approach (SWAp) in Kyrgyzstan, and provided input to the outline of the VET grant scheme. The development of a VET policy and strategy and its integration in the Education Development Strategy 2020 were supported by the ILP project policy learning in partner countries.

The ETF provided input for the design of a human resources development component in the Tacis/DCI poverty reduction scheme in **Tajikistan**, and conducted a mid-term review of the ongoing Tacis (AP 2005) VET reform project in Tajikistan. Following a joint kick-off meeting (due to shared methodological approaches in terms of labour market reviews) with the local expert teams involved in the 'Black Sea labour market reviews' (ENPI project, reported under multi-country projects in the ENPI part of this report) the 'Labour market review and migration survey' (DCI project) for **Tajikistan** successfully completed its main first phase of activities: an analysis of the Tajik labour market and a migration survey with 2,000 respondents. The first draft of the report was received and reviewed by the ETF team and a second (revised) version was submitted in January 2009. The questionnaire for the migration survey was fine-tuned according to local conditions, translated into Tajik, and following a pilot phase in the field, conducted by trained interviewers who interviewed 2,000 respondents in December 2008.

In **Uzbekistan** the ETF commented, at the request of DG EuropeAid, on a project proposal for vocational training and inclusive education.

In addition, at the request of the Unesco **Iraq** office in Amman and in line with the general understanding reached in September 2007, three ETF experts developed and delivered a three day seminar on Quality in VET, for 20 Iraqi decision makers in Amman. Logistics and organisational support for the meeting were provided by Unesco and funded from the Iraq Trust Fund.

¹⁴ In each of the three regions this report presents information concerning the country projects followed by the multi-country projects. Therefore, the information in this first section only includes the activities covered in the country projects (all these activities appear in the Work Programme under the heading 'Support to Tacis and DCI project cycles'). In order to have a complete picture of the entirety of activities undertaken in a given country, information from the multi-country projects should be added.

Multi-country projects in the DCI region

At regional level, the ETF organised a conference in Dushanbe in October 2008 on quality in vocational training, which involved stakeholders from Kazakhstan, Kyrgyzstan and Tajikistan. National authorities from Uzbekistan and Turkmenistan had also been requested to nominate participants but failed to do so.

The main NQF project achievement in 2008, common to the three participating Central Asia countries (Kazakhstan, Kyrgyzstan and Tajikistan), was reaching an understanding that qualification frameworks can serve as a tool for the modernisation of vocational training and that the development of a framework must be dealt with in a systematic manner and with the involvement of key stakeholders.

From a more technical point of view, in 2008 the working groups in these countries were supported by the ETF in the organisation of national workshops and the provision of methodological training on developing occupational profiles, as well as a regional workshop. All three groups finalised their work on pilot qualification frameworks in the tourism sector, as well as NQF policy documents. In Kazakhstan and Kyrgyzstan the policy documents underwent a consultation process involving the major policy authorities.

In November 2008, a joint CIS NQF workshop was held at the ETF, involving policymakers and national coordinators from CIS partner countries. The workshop was an opportunity to provide an update on the ETF publication resulting from a number of ETF NQF related projects, exchange experiences and, for national coordinators, to explain how qualifications development is seen by national leaders in a perspective of broad political goals. At sub-regional level, groups discussed how project results could be sustained.

Despite several attempts in 2008 to re-launch the participation of Uzbekistan in the NQF project, in which the country had participated until mid-2007, no further commitment to participate in this regional activity could be obtained.

The piloted model of skills development for poverty reduction (SDPR) from 2008 provided an additional opportunity for development, through the organisation of a capacity building workshop for each of the teams involved in Kazakhstan, Kyrgyzstan and Tajikistan, which was followed by a training on strategic planning and management of vocational schools, delivered in Kazakhstan and Kyrgyzstan. Furthermore each country team organised a dissemination workshop and took part in the final regional conference. Overall the teams went beyond the already tested approaches and prepared new proposals, demonstrating good use of lessons learnt during the project. Each of the teams in Kazakhstan, Kyrgyzstan and Tajikistan developed its own perspective of the model (scheme) focusing on: i) the school and its social environment, ii) the school and individual learners, iii) the school and innovation for new training services, iv) self-development of the school to incorporate the (feasible) findings of the project, and v) schools working in partnership.

Activity 4: Supporting the European Commission and partner country policy development through innovation and learning

The ETF's innovation and learning activities facilitate international dialogue and debate between the EU and partner countries on policy strategies and innovations in human capital development. They aim to develop and disseminate methodologies and tools that assist partner country stakeholders and policymakers. In 2008, the ETF supported five innovation and learning actions¹⁵, four of which covered the exploration of new approaches for the ETF¹⁶.

The overall objective of the education and training for economic competitiveness project is to contribute to better education policies that promote economic competitiveness and growth in partner countries. This project should support the European Commission and the ETF in providing adequate assistance to partner countries in understanding and strengthening creativity, innovation and

¹⁵ Skill formation policies, foreign direct investment and the development of entrepreneurship learning; relevance and applicability of encouraging more flexible labour markets and ensuring higher levels of security in partner country contexts and links with lifelong learning ; women and work; policy learning in partner countries; and knowledge management in policy strategy development.

¹⁶ As in previous footnote, with the exception of Knowledge Management.

competitiveness in education policies and reforms. In 2008 the project mainly identified a number of partner countries interested in co-operating on the issue of competitiveness and developed its conceptual and operational foundation through discussions with stakeholders and work on data collection and forecasting tools.

A new activity on the concept of flexicurity was launched in the second half of 2008. Its overall objective is to assist countries in their efforts to promote decent work for all and economic competitiveness through sound labour market and education and training policies. During its first six months, the project explored the issue of flexicurity in the EU and its potential for application in non-EU Member States and identified a number of partner countries with a particular interest in the concept. All four countries participating in the project - Morocco, Kazakhstan, Turkey, and Ukraine - nominated a person from the Ministry of Labour to liaise with the ETF and an expert meeting on flexicurity in contexts of developing and transition countries took place on 4 and 5 December with the participation of representatives from the partner countries involved, EU experts from Italy, Portugal and the Netherlands and international organisations (ILO and Eurofound).

Under the women and work project links have been established with key institutions responsible in Egypt, Jordan and Tunisia for promoting gender equality in the field of education and employment. The objective of the project is to contribute to the promotion of sustainable gender equality policies in the areas of education, training and employment. Working relations have been defined, as has the expected contribution from all parties involved. Preliminary discussions have taken place with national institutions about the establishment of a working group which should follow the implementation of the project. Necessary capacity building actions will be organised for the members of the working groups in 2009. In Morocco, project activities were discontinued after the first half of 2008 at the request of Moroccan authorities due to new policy priorities.

The policy learning in partner countries project has been offering advice on the integration of strategic and technical elements to support human capital policy development in partner countries in the context of external assistance. In 2008 it validated the quality indicators which have been formulated in the form of key milestones against which progress and commitment in the participating partner countries can be measured. An agora event in December 2008 provided the opportunity to discuss the theoretical concept of policy learning and present the results of the ETF policy learning activities in the three countries (Kyrgyzstan, Turkey and Morocco) as well as the lessons the ETF could draw from these. The ETF 2008 Yearbook (*Policy learning in action*) was presented and served as the backbone for the discussion.

In Ankara, Turkey, the ETF and the Turkish Vocational Qualification Authority organised a policy learning conference on "Implementation strategies for national qualification systems in South Eastern Europe". The Conference contributed to a better understanding of the implications of developing national qualification systems for sector dialogue, assessment and certification methodologies and financing. In Kyrgyzstan, the ETF team worked with a national task force on a vocational training policy and strategy, parts of which were subsequently integrated into the Education Development Strategy 2020.

The policy learning project came to an end in 2008. It has been an important learning exercise for the partner countries involved and also for ETF staff. As an innovation and learning project, it has tested a number of assumptions in the way ETF staff work in partner countries and a series of lessons have been derived from the experience concerning the ETF's facilitation role. Expected project results as described in the project implementation plan have been achieved.

The knowledge management project has aimed at increasing the efficiency of usage of existing system supportive informatics tools and knowledge bases, including a revised software solution for the ETF contacts database, further development of a "knowledge sharing culture" and knowledge management and sharing tools and methods, including the development of Guidelines for ETF Virtual Communities and Communities of Practice. Members of the team began to cooperate with UNDP Bratislava on knowledge management issues. The project has also led to the development of the ETF data library and the completion of two studies: "*The role of learning industries in education and training reforms in the Near East and North Africa*" and another on career guidance.

A further team within this project worked on the development of a new methodology to carry out human capital development reviews, with a special focus on equity (fairness and social inclusion)

bearing in mind the employability of individuals and the competitiveness of the economy. The method was developed in 2008 and will be tested through two pilots to be carried out during 2009 in Moldova and Tajikistan.

Activity 5: Technical assistance to the European Commission for the Tempus Programme (Trans European mobility scheme for university studies)

The 2007 Tempus convention was initially signed to cover activities to be carried out in the period from 1 January 2007 to 31 December 2007 but an amendment providing for an extension covering the period from 1 January 2008 to 30 June 2008 was signed in December 2007. Therefore the convention concerns the entire period of phasing out technical assistance provision for the programme by the ETF, given the decision of the Commission to repatriate Tempus technical assistance activities to the European Commission's Directorate General for Education and Culture (DG EAC) and from there to the recently established Executive Agency for Education and Culture (EAEAC), once the agency receives a mandate for the implementation of the programme. Repatriation to DG EAC was effectively concluded on 30 June.

In 2008, most efforts were related to winding down, transferring and archiving activities. The Tempus Department covered activities related to the management, follow-up, payment and liquidation of the grant agreements for grants awarded by the Commission and the assessment of reports resulting from the contractual obligations of these agreements. As of January 2008, the main monitoring activities included the regular treatment of incoming reports and correspondence, the settling of all pending issues, the preparation of the logistical transfer of monitoring activities from the ETF Tempus Department to DG EAC and the provision of guidance and customised information to grant holders on the upcoming transfer of activities to DG EAC.

As an overarching activity, the ETF Tempus informatics team worked in close cooperation with a number of information technology specialists contracted by the Commission services to ensure the smooth transfer of Tempus tools to DG EAC, including documentation on the use of these tools and the training of new users. Furthermore, the team worked on the preparation of the application forms for the first call under Tempus IV and the mechanisms for their electronic submission.

Summary of outputs delivered in 2008

	EC subvention	Italian Trust Fund	Meda-ETE	Total	Planned ¹⁷
Policy reviews and analysis	55	2	3	60	8
Capacity building actions	67	9		76	70
Support to programming cycle	36			36	18
Dissemination and networking	10	6	12	28	15
Effectiveness analysis	9			9	2
Innovation and learning	14			14	7
Total	191	17	15	223	120

In 2008, the ETF started to count the number of **outputs** in terms of the categories corresponding to the new functions included in the recast regulation, and the result is indicated in the table above. The actual number of outputs was higher than planned, given the increased number of lower labour intensive and budget services requested by the Commission during the year. Since DG ELARG and DG EMPL, for instance, requested a number of analyses (by country) and policy notes (input into progress reports), more and smaller than the comprehensive human capital reviews foreseen in the mentioned annex to the recast proposal, the total figures differ from what was initially planned in 2007. Support to the Commission project cycle was affected in a similar way. However, in qualitative terms, the increase is focused on policy driven interventions and less on capacity building and dissemination activities. For 2010 the initial figures will be kept assuming that the medium-term trend will gradually confirm the figures presented in the financial perspective to 2013. The results in terms of outputs in 2009 will confirm whether this assumption is correct or if it needs to be adjusted according to 2008 and 2009 actual figures.

While outputs measure standard tangible results across the different ETF projects, the results of each project (**outcomes**) are presented in annex, under the achievements heading. In addition, every year the ETF Evaluation Programme undertakes an in-depth external evaluation of a selected number of projects aiming at measuring past performance and providing useful recommendations as to how to continuously improve on-going and future operations. Evaluations are done according to the standard DAC¹⁸ criteria of relevance, effectiveness, efficiency, impact and sustainability. In 2008, evaluations covered activities in Egypt and the Meda Observatory Function project in Jordan and Morocco (see the corresponding section in Part II of this report).

¹⁷ Outputs as projected for the ETF under its recast regulation. Brussels 25.7.2007 COM 443 final: annex 1. Planned outputs refer only to the projects funded from the EC subvention.

¹⁸ The Development Assistance Committee (DAC, www.oecd.org/dac) is the principal body through which the OECD deals with issues related to co-operation with developing countries.

Pillar 2: Corporate Communication

The overall objective of ETF corporate communication is to support policy development and knowledge sharing in the ETF's field of competence and responsibility, to enhance the impact of EU external assistance by providing information on ETF activities, results and added value, and to develop communication with citizens in the EU in general, and in its host country Italy in particular. All communication activities are carried out in line with the European Commission's objectives for mainstreaming information and encouraging dialogue and debate.

To support ETF activities in general, and its expertise activities in particular, the ETF Communication Unit (ECU) was engaged in a number of communication and promotional activities and initiatives in 2008. ECU was active in implementing a number of events, media activities, updating the website and publishing many publications/periodicals. In parallel, publications and activities were planned and launched on the ETF recast regulation. Furthermore a new ETF liaison office to develop communication between the ETF and the EU institutions was established in Brussels.

ETF Publications

In 2008, the ETF Communication Unit launched and distributed some 25 expertise publications, reports, brochures and leaflets. Key publications included: The ETF Yearbook 2008, *Policy learning in action*, a report on *Transition from education to work in EU neighbouring countries*, a study entitled *Transition from education to work - What relevance for MEDA partners?*, a comparative analysis of vocational school reforms in Albania, Kosovo and Turkey, *Impact assessment studies and their implications for policy making* and a thematic study on *Quality and quality assurance in technical and vocational education and training*.

Furthermore a number of working papers were published on the web on topics such as the transition from education to work, key competences for lifelong learning, the contribution of human resources development to migration policy and social dialogue in vocational education and training and employment. (See graph in annex for breakdown of print vs. web only publications).

The ETF publications programme also included a number of multilingual products such as the corporate leaflet *Helping countries develop through learning* in 32 languages, which was based on a new corporate brochure also entitled *Helping countries develop through learning* in three languages and introductory leaflets on the women and work, training for competitiveness and flexicurity projects in various languages.

The ETF also continued to produce a number of periodicals. Key is the magazine *Live & Learn* published four times a year in six languages in a new reader friendly design. Other regular newsletters produced include two issues of the *Copenhagen newsletter*, a *MEDA-ETE newsletter* and the internal newsletter *Insight*.

In September 2008 the new version of the ETF contacts database was finalised and implemented. This new database supports the delivery of services and information efficiently to all ETF contacts as data are now systematically updated and revised. As a result there has been a significant reduction in the returns of publications sent to incorrect addresses. By the end of 2008 the ETF contacts database included 6,100 worldwide contacts.

Internet and audiovisual products

The update of the dynamic parts of the website continued regularly with 8-10 news pieces published per month. In 2008, podcasts of presentations at events and video clips were included in the news area.

In parallel, the website content was continuously developed and updated, including an update of all country pages and all 2008 country plans, final testing of project pages including discussion fora, a

new section on statistics and a new electronic version of the *Live & Learn* magazine in six languages was introduced.

Two films were produced: One on the importance of human capital development in Montenegro, which was launched on Montenegrin TV, and one on the skills development for poverty reduction project in Kyrgyzstan.

Dialogue-generating communication

In 2008, 32 events including meetings and study visits were organised through the corporate framework contract, and 11 visits from Italian and European universities and schools, journalists, experts, diplomatic representatives and interest groups were hosted.

The two major events in 2008 were the conference “*The contribution of human resources development to migration policies*” held in Turin, on 25 January 2008, with ministerial level participation from Italy (Minister of Labour), Egypt (Minister of Manpower and Migration), and Ukraine; and the *Regional seminar on National Qualification Frameworks (NQF) in the Mediterranean Region* held in Rabat, 11-12 November 2008, and organised in cooperation with the Moroccan Authorities.

Furthermore, the ETF organised two Governing Board (statutory) meetings on 10-11 June and 27-28 November 2008, along with open days to familiarise new Governing Board members with ETF activities (the MEDA-ETE project in June and the ETF entrepreneurial learning project in November).

In September, the ETF, in cooperation with the University of Turin and the United Nations Interregional Crime and Justice Research Institute (UNICRI), organised an international summer school on the topic of migration.

The ETF was represented with promotional and information material at the *Employment Week* (Brussels, 10-12 June 2008) and the *European Development Days* (Strasbourg, 15-17 November 2008).

Media and promotion

A special focus on media activities in 2008 increased the ETF’s presence in the media across Europe and the partner countries.

A number of events received attention from TV stations, newspapers and news agencies. ETF activities were described in a full page article in one of the leading Italian newspapers, *Il Sole 24 Ore*, in several newspapers in the Arab region and on Italian and Egyptian TV. Moreover, Italian and Spanish TV broadcast a short film on an ETF e-learning activity under the MEDA-ETE programme.

Throughout the year, several interviews were made with ETF experts for television, radio and newspapers on topics such as the independence of Kosovo, the women and work project, social inclusion in the Balkans, the MEDA-ETE project and ETF training for poverty reduction activities in Kyrgyzstan.

Articles on the ETF were published in the *European Public Service Review*, *The Parliament Magazine*, the *Arab-British Business* magazine and the *Serbian CESS* magazine.

A major achievement was the launch of a new ETF film about human capital development in Montenegro. The 14-minute documentary was aired twice in June on national TV in Montenegro to support the country’s aspirations for EU membership.

A film on the skills development for poverty reduction project in Kyrgyzstan was produced for an event in Kyrgyzstan in November, and the material will be further used in 2009 for a TV news programme on RAI-TV and an ETF video.

ETF Liaison Office, Brussels

As of 1 September 2008, the ETF has based a liaison officer in Brussels to coordinate relations between the EU institutions and the ETF. The new Brussels Liaison Office is based at the Directorate General for Education and Culture in Brussels, which is the ETF's lead DG at the European Commission.

The overall task of the new office is to facilitate exchanges and information flows between Brussels and Turin. In particular, the liaison officer will maintain old and establish new and effective working relationships with key players in Brussels, stimulate the development of ETF cooperation activities with EU institutions and support the management of the ETF in preparing strategic decisions.

During the first months of activity, particular attention was paid to the monitoring of developments, both political and operational, at EU level, the identification of key counterparts at strategic and operational level and the promotion of the ETF, its mandate and activities.

PART II: Management and internal control systems

Pillar 3: Organisational learning - strengthening knowledge and systems

The ETF has a mid-term perspective covering the period 2007-10 which foresees a progressive transformation of the organisation over the next years that will impact on the content of its core business and the management of its resources. As highlighted in last year's report, this will include the ongoing alignment of the ETF's management and internal control systems and its core business.

In 2008, the ETF continued this process through its activities related to organisational learning in its governance and management of resources. The aim of this is to ensure that each part of the ETF is integrated within a management framework that both facilitates the sharing of process standards and knowledge across operations and provides for an effective and efficient management system.

To support this, in the course of 2008, the ETF broadened the range of reports and analyses it uses to support its management practices. These measures involved internal and external ex post audits, external evaluations, as well as specific actions to support the implementation of the internal control standards and the integration of risk management into the programming and planning annual exercise of the organisation.

Inherent nature and characteristics of the ETF's policy environment(s) and beneficiaries

This section introduces the main features of the policy environment through the ETF's stakeholder groups.

Stakeholders

Partner countries: The ETF's operational environment continues to be complex and, in certain cases, volatile due to political instability in some of the partner countries. The complexity of the ETF's operating environment was confirmed in 2008 through a number of international developments, the most visible being the general tension in the Middle East (in particular Israel's incursion into Gaza in December 2008/January 2009), but also the Georgia-Russia crisis and the Russia-Ukraine gas dispute. Such developments that have an impact on EU external relations priorities could inhibit future planned deployments of ETF's expertise to support education and training reform. Not least, there may also be security implications for ETF staff in the field.

The situation in South Eastern Europe regarding Kosovo (under UNSCR 1244) had a behind-the-scenes influence on the work of the ETF in the region during the year. Independence was declared on 17 February 2008.

Despite this conflicting environment, in 2008 the ETF has continued working in these countries and no direct investment has been directly affected by these conflicts. In the case of Israel and the Occupied Palestinian Territories, representatives from these two partner countries/territories participated in different regional activities, but no direct investment was made in activities in the countries themselves. In Georgia, Ukraine and Kosovo, the Work Programme planned activities were implemented with no direct consequences of the crisis or conflicts.

In 2008 several EU regional initiatives were developed presenting the ETF with opportunities to continue its regional interventions: the Union for the Mediterranean (initiated on 13 July 2008), the Eastern Partnership (3 December 2008) and the Regional Cooperation Council (RCC, which was officially launched on 27 February 2008, as the successor of the Stability Pact for South Eastern Europe). At the MEDA-ETE Annual Forum 2008, (Turin on 14-15 April 2008), around 100 participants from across the Mediterranean (including Israel and the Occupied Palestinian Territories) and the EU met to examine past developments in depth, and more importantly, to discuss future actions. By bringing all the constituent networks together, the forum provides a framework for cooperation at the highest level and an opportunity for country representatives to discuss synergies and complementarities across project components at the national level.

Institutional partnerships

In 2008, the ETF Management Team adopted a new policy on the development and management of institutional partnerships with multi-lateral and bi-lateral organisations. The policy will guide the consolidation of existing relationships with the OECD, the World Bank, Asian Development Bank, and Unesco among others. At the same time, the policy will reinforce relationships with Member States, including aid organisations and specialised research agencies involved in human capital development. Currently, the only formal partnership in operation is with the Italian Ministry of Foreign Affairs. This agreement covers the operation of the Italian Trust Fund with the ETF and is valid until July 2009. Funding under the Trust Fund expired in December 2008.

European Union institutions: In 2008, the ETF's policy environment was significantly affected by to the ongoing discussion of the recast of ETF's Council Regulation and notably the proposed broadening of the ETF's thematic mandate to encompass human resources development in a lifelong learning context and related labour market issues with a focus on policy support. The broader mandate adds to the complexity of the ETF's work and will need careful monitoring to ensure that resources are allocated in such a way as to have the greatest impact. The recast regulation was finally approved in second reading in December 2008, and published in the Official Journal on 31 December 2008¹⁹.

A second factor in the ETF's institutional environment is the complex nature of its operational and reporting lines. As regards the Commission, the ETF's parent DG is DG EAC while its financing comes from the budget for external relations. The ETF needs to accommodate the various priorities of DG RELEX, ELARG, and AIDCO and, where relevant, the EC Delegations and their needs for support. Furthermore, other DGs, principally EMPL, but increasingly JLS, ENTR and DEV²⁰ have an impact on the ETF, particularly in the evolution from vocational education and training to human resources development.

The structured dialogue framework and contact group network chaired by DG EAC helps the ETF to balance the different expectations of Commission services with its policy objectives and resources. The Commission's statement in its Communication on the ETF in December 2006, outlining the requirement for a 'renewed commitment from both sides to strong communication and exchange', continues to be highly relevant to the work of the ETF²¹.

The ETF also collaborated with Cedefop and Eurofound on different thematic issues, and with other agencies, particularly EFSA on the Italian operative environment. In addition, ETF actively participated in the Head of Agencies meetings.

In 2006, the ETF introduced a matrix of corporate indicators to provide data on the performance in its core business and its functioning as an agency of the European Union. The ETF continued to use these indicators highlighted in 2008 with the aim of strengthening the ETF's achievement of its corporate objectives and functions in the mid term with its annual work programme. This makes the measurement of the achievement of its mandate and understanding the impact of its activities possible.

These indicators are presented in the annexes to the annual activity report as balanced scorecard to provide an overview of how the agency performs at an aggregated level. These indicators are grouped according to four perspectives:

- Resource perspective;
- Client perspective;
- Business perspective;
- Learning and growth perspective.

¹⁹ Official Journal of the European Union, 31.12.2008, L 354/82.

²⁰ Respectively, DG Justice, Security and Freedom; DG Enterprise and Industry; and DG Development.

²¹ European Commission: Communication on the ETF, Brussels, December 2006, Comm 832.

EU regulatory environment

In 2008 ETF still operated under the 2003 Financial Regulation framework, and engaged in preparing for the smooth introduction of the new financial regulation framework as of 1-1-2009. Within this context, ETF is still facing the challenge of adapting and integrating the EU financial and staff regulations in a cost effective manner to its specific context. The framework regulations provide a helpful and transparent structure with a high degree of accountability and interoperability with other EU institutions, but they are not always immediately applicable to the specific needs and risks faced by the agency.

Another feature of the agency's institutional environment is the continuing effort to harmonise approaches and practices among EU agencies. As noted in previous Annual Activity Report, the political drive for this process comes from its potential to deliver greater cost effectiveness and accountability.

A concrete example is the introduction of a centralised EC system for financial transaction management and accounting, ABAC. In mid-2008 the decision was taken, in agreement with DG Budget, that the formal switch from SI2 to ABAC will take place in July 2009.

Governance environment

In terms of the governance of the ETF, the main change presented by the recast is the inclusion of three non-voting experts appointed by European Parliament as members of the ETF Governing Board. Representation of the Member States and of the Commission remains the same as in the previous regulation²².

The regulation (recast) published on 31 December 2008 also confirmed the decision, already announced in the Communication on the ETF of December 2006 in relation with the Advisory Forum. The Commission recommended in it that the ETF's Advisory Forum be removed from the revised Council Regulation as a statutory body. This reflects a situation in which the statutory opinions of the Advisory Forum ceased to play a role in the determination of the ETF's work planning processes. As part of its response, the ETF intends to make greater use of its project and operating networks to ensure that its planning processes are fully informed by developments in the international environment.

Management and control systems

Management supervision

The ETF has a well established system in place to ensure adequate management supervision covering both legal and regularity aspects as well as operational performance. Throughout 2008 the main tools for management supervision were the following:

- *Weekly round up on ETF budget consumption*: live links to budget execution across all funds (internal and external) is sent to management providing the possibility to monitor the estimated targets for budget consumption at different levels of granularity;
- *Quarterly reporting* :
 - financial and procurement reporting;
 - status of implementation of improvement actions resulting from internal, institutional and external audits and assessments;
 - quarterly progress report system: coordinated by a central dedicated function, the ETF produces four regular reports on the progress of all WP activities. The reporting includes measurement against planned outputs and objectives and identification of any risks and or delays in implementation. The quarterly report also provides aggregated data on human

²² Art. 7 of Regulation (EC) n° 1339/2008.

resources investment deriving from time recording system and monitors corporate performance through a set of indicators and targets.

- *Weekly Management meetings*: regular meetings are organised following an annual running business plan. Minutes including decision and action points are established after each decision meeting and kept together with agendas and relevant documents in a dedicated database accessible by all staff.

Internal control system

In 2008, the ETF made significant progress towards achieving full compliance with the requirements of its internal control standards framework. In particular, key accomplishments relate to the following control activities:

- Establishment of an ETF policy and procedure on sensitive functions, including the identification of key sensitive functions and a risk analysis of mitigating actions.
- Completion of the Procedure Mapping Project for the main ETF processes. The project covered the documentation of 41 procedures and provides management with a clearer understanding of the ETF's work processes in the following management areas :
 - strategic planning, programming, monitoring, evaluation and audit;
 - programme management; and
 - support management (human resources, budget and finance, infrastructure and technologies, document management, facility management), as well as information and communication management.
- Establishment of an ETF Business Continuity and Disaster Recovery Plan.
- Formal signed nominations of all actors in ETF financial circuits with a clear definition of roles and responsibility and back-ups.
- Validation of the ETF financial management system by the Accounting Officer.

Annual management review

The ETF's management conducted the annual self assessment exercise of internal control system effectiveness complemented by a desk review on the status of compliance with the requirements of the internal control standards adopted by the organisation. The results of the assessment were positive and generally showed that management perceive that the ETF is compliant with the requirements of the Internal Control Standards and significant improvements in its control systems have been made. This result prepared the ground for the introduction of the revised set of 16 Internal Control Standards for Effective Management which were adopted by the ETF Governing Board in February 2009.

Risk Management

In line with the adopted risk management policy and implementing plan 2008-2009, the ETF further embedded risk management in its regular management process and integrated risk assessment in its internal control systems. The main elements of the extensive risk management process 2008 covered:

- *a management level annual risk assessment* facilitated by the Internal Audit Service (IAS) which involved a macro level assessment of main risks identified in relation to the overall ETF risk framework;
- *an operational level risk assessment* exercise, carried out with the support of external consultants, which followed the outcomes of the management level exercise and performed a thorough analysis of risks related to planning, project management, operational processes and systems;

The aim of the exercises was to further embed risk management into the 2009 programming and planning exercises and to ensure participation in risk management exercises at different levels of the organisation to enable effective and continuous reporting on perceived emerging risks.

- The establishment of an *ETF Risk Register* and related action plan for 2008-09 which will be monitored and reported on to the management throughout the year and updated annually via the annual management level risk assessment.
- The Legal Advisor position which contributed to the organisational risk management process ensuring provision of timely legal advice and risk assessment support to management and process owners.

Furthermore, to support the on going initiative aiming at strengthening the cost effectiveness of controls and processes in the financial management area, the ETF commissioned an external audit on its payment process flow including a review of its proportionality in respect to the regulatory framework and to associated effective risks. The risk identification and assessments exercise involved all main ETF financial actors and following a final review by the Delegated Authorising Officers revised payment modalities and a common payment checklist were introduced. The definition of an ex post control strategy to ensure proportionality between ex-ante and ex-post controls will further reinforce the definition of differentiated financial circuits.

A detailed cost and risk analysis report for the migration from SI2 to ABAC was drawn up to ensure the ETF is well prepared to switch from SI2 to the new system without disrupting activities. An ABAC service level agreement was signed in July 2008. The ABAC system is scheduled for introduction in summer 2009.

Human resources

To respond to its evolving environment and mandate, the ETF continued to invest significant efforts in ensuring that staff expertise and skills are developed and maintained in accordance with the current and future business and operational requirements. In 2008, the ETF adopted a staff development policy and reviewed its competence inventory exercise, which was deployed in the last quarter of 2008 (concluding in 2009).

The performance appraisal system was revisited as part of the annual dialogue process including the introduction of an electronic support system.

A number of development actions have been planned to respond to the findings of IAS final audit report on ETF human resources management and in response to the ETF Risk Register 2008-09. These actions are already in the process of being implemented and the overall aim is to streamline processes in the human resources area and make them integrated and coherent.

In 2008, the ETF had to replace its Head of Human Resources following the resignation in early September of the staff member in that position. The new Head of Human Resources was appointed in mid October 2008.

Data Protection

In 2008, the main data protection activities focused both on further ensuring the ETF's compliance with the Regulation (EC) 45/2001 on data protection and on increasing knowledge on data protection among ETF staff with a special attention to the dissemination of information related to the protection of personal data.

Ex post evaluation of programme

The ETF has commissioned nine external evaluations of its activities since 2004 in accordance with the Communications from the Commission (2003 and 2006) on the ETF²³. These evaluations have either focussed on projects or on countries, assessing the quality of all ETF activities within one partner country.

The aim of the evaluations is to measure past performance and provide useful recommendations for continuously improving on-going and future operations. Specific lessons have been learnt related for example to the formulation of intervention strategies, project and activity planning, project cycle

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management and external communication within projects. The ETF reports annually to the Governing Board on the results of the evaluations and their follow-up.

In 2008, the external country evaluation in Egypt was completed. This evaluation adds to the series of country evaluations previously commissioned in Romania, Bulgaria, Turkey, the former Yugoslav Republic of Macedonia. The evaluation dealt with thirteen different accumulated interventions or activities in Egypt. The overall conclusion was that the work of the ETF in Egypt has been relevant with respect to the Egyptian vocational education and training reform process, national priorities and EU policies. The ETF acted as a link between EU policies and national developments in the area of human capital development and in technical vocational education and training in particular, with specific projects such as career counselling, national qualification framework and streamlining developments and policies through advice, projects and continuous assistance. The ETF covered areas that were not addressed and or where the right expertise was not available elsewhere. The ETF's influence has led the government to look at the observatory function as one of the key sources of information on the labour market and introduce guidance and counselling in technical schools. The ETF has supported the creation of an observatory for the first time in Egypt, which provides all relevant stakeholders with a place to exchange ideas and coordinate their activities as well as raising the profile and visibility of technical vocational education and training in the country. Furthermore, as a result the government is undertaking studies never attempted in Egypt before, such as on migration and a stocktaking of qualification systems.

The ETF also commissioned an evaluation of the MEDA Observatory project in Morocco and Jordan that was co-funded by the Italian Trust Fund. An inventory of the whole Meda Observatory Project in the Mediterranean was completed early 2009.

Results oriented monitoring

As part of its response to the Commission's external evaluation and the results of the external assessments of ETF monitoring and evaluation practices commissioned in 2007, at the end of 2008 the ETF designed, contracted and launched a pilot activity on results oriented monitoring (ROM) system. The external evaluators found indeed that the ETF internal monitoring function was less developed than the evaluation function. The ROM exercise is in line with the EC approach for its external assistance projects and the system should start to bear fruit in 2009.

ETF external evaluation (EAC)

The third external evaluation of the European Training Foundation was completed in May 2006. Following the external evaluation, the European Commission published a Communication on the European Training Foundation to the European Parliament, the Council, and the Economic and Social Committee on 19 December 2006. The Communication presented the Commission's opinion on the outcomes of the external evaluation process, and put forward a number of recommendations for improvement. Through the Communication, the Commission invited the ETF to draw up an action plan in response to the recommendations

The Action Plan was adopted by the Governing Board in November 2006 and the ETF committed itself to reporting on the progress of implementation of the Action Plan to the Governing Board in the framework of its meetings. The fourth and final progress report was presented to the Board in November 2008. The final report was endorsed by the Board without comment. The ETF has duly addressed all the action points and successfully followed the recommendations as expected by the Board and the Commission.

European Commission feedback questionnaires

A feedback survey is sent twice a year to the Commission services on the quality of the ETF products and services. For the Mid Year Survey, 18 questionnaires were sent out in July 2008 for requests selected among the ones completed between 20 February and 1 July. A total of 16 responses were received (i.e. response rate of 89%) out of which: 44% assessed the quality of ETF work as very good, 69% considered ETF services very useful and 100% of the respondents deemed ETF provides all the needed expertise in human capital development. The results of the end of year survey are still pending at the time of the Annual Activity Report preparation.

Contracted audit firm for ex post audit

The 2008 external ex post audit campaign focused on:

- Title IV ETF activities related to the Observatory function in the MEDA region under the Italian Trust Funds; and
- A sample of ETF procurement procedures.

The campaign led to the general conclusion that ETF funds were being administered in a lawful and regular manner with sound financial management and recommendations provided useful lessons for the organisation to improve its internal practices and procedures.

European Court of Auditors

In spring 2008, the ETF hosted the European Court of Auditors for an assessment of the 2007 financial statements. In the final report on the 2007 annual accounts, the ETF accounts were defined as reliable, legal and regular. Auditors paid another visit in October 2008 to monitor ETF systems and practices of the 2008 financial year. Three observations on accounting and recruitment issues were received, and the ETF will take put the proposals into practice as soon as possible.

Internal Audit Service

In May 2008, the IAS conducted an audit on ETF human resources management and followed up previously recommendations. The audit was carried out in accordance with the adopted IAS annual work plan and methodological guidelines for 2008.

Based on the results of the audit and in consideration of the stated objective and scope, the IAS reported that the internal control system in place within ETF provides reasonable assurance as regards the adequacy and effectiveness of human resources management except for three findings rated as very important. These recommendations relate to the improvement of ETF human resources planning and reporting processes, the integration of time recording into the framework of annual planning and budgeting and a stronger alignment of objectives for individual staff members with the annual strategic objectives of ETF.

An action plan to address the outstanding points was defined by the ETF and sent to the IAS in autumn 2008.

Moreover, as a result of the IAS follow up audit, six of the nine open recommendations, rated as very important, were considered adequately implemented. These recommendations cover: job descriptions, recruitment, sensitive functions, risk management, internal audit capability and segregation of duties.

As already reported in 2007, recommendations resulting from above mentioned internal, institutional and external audits and assessment feed into the ETF improvement action plan implemented under the responsibility of the Internal Control Co-ordinator. The internal procedure aims at ensuring that identified weaknesses in the ETF management and control systems are systematically and efficiently managed and all resulting improvement actions are monitored. This is an integral element in the ETF's internal control system.

Conclusions

In the course of 2008, the ETF made further progress in reinforcing its control system and mitigating internal and external risks arising from its operating environment. Actions have included measures to identify and manage risks and to strengthen both the organisation's operations and its ability to manage the complexities of its environment.

The ETF has no reservation to report for the year 2008.

PART III: Declaration of the Director

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 2008 gives a true and fair view²⁴.

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.

This reasonable assurance is based on my own judgement and on the information at my disposal as reported in this report, in particular:

- the results of the management supervision activities ;
- the results of internal control standards self-assessment;
- the results of the risk management process;
- the results of the ex-post audits and controls;
- the results of ex post evaluations;
- the observations of the Internal Audit Service; and
- the lessons learnt from the reports of the Court of Auditors 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 Torino date 15/6/09

M. Dunbar (signature)

²⁴ True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.

PART IV ANNEXES

Annual accounts and other financial reports

Annual accounts

a. Economic outturn account - Table 1	31/12/2008	31/12/2007
Operating revenue	20,347,767.99	20,037,779.96
Administrative and operational expenses	-20,275,817.17	-20,387,135.17
Non operational activities	-314.00	-268.90
Outturn for the year	71,636.82	-349,624.11
b		
. Balance sheet - Table 3	31/12/2008	31/12/2007
Intangible fixed assets	2,755,236.60	2,881,652.70
Tangible fixed assets	207,939.84	265,157.93
Stocks	29,105.61	26,528.84
Current assets - Short term pre-financing	987,793.91	856,837.74
Current assets - Short term receivables	260,250.04	517,100.78
Cash account	4,018,619.07	12,806,111.61
	8,258,945.07	17,353,389.60
Capital	944,605.66	872,968.84
Provisions for risks and liabilities	861,000.00	1,001,000.00
Provisions for risks and charges	0.00	154,913.33
Accounts payable	6,453,339.41	15,324,507.43
	8,258,945.07	17,353,389.60
c. Statement of cash flow - Table 4		
	31/12/2008	31/12/2007
Cash at beginning of the year	12,806,111.61	12,156,961.92
Increase in cash	-8,787,492.54	649,149.69
Cash at end of the year	4,018,619.07	12,806,111.61
d		
. Budget outturn - Table 6	31/12/2008	31/12/2007
Revenues	19,186,628.48	20,547,409.86
Expenditures	-21,634,452.42	-23,348,961.35
Outturn for the year	-2,447,823.94	-2,801,551.49
Adjustment for carry forward from previous years	3,230,609.92	4,480,390.37
Appropriations carried forward and cancelled	399,018.75	200,030.54
Changes in capital	0.00	0.00
Exchange gains/losses	1,158.53	-1,057.25
Balance for the financial year	1,182,963.26	1,877,812.17
Balance carried over from previous year	5,313,210.89	3,509,714.65
Amount reimbursed to the EC	-5,313,210.89	-74,315.93
Total amount to be reimbursed to EC	1,182,963.26	5,313,210.89

2008 Budget Execution

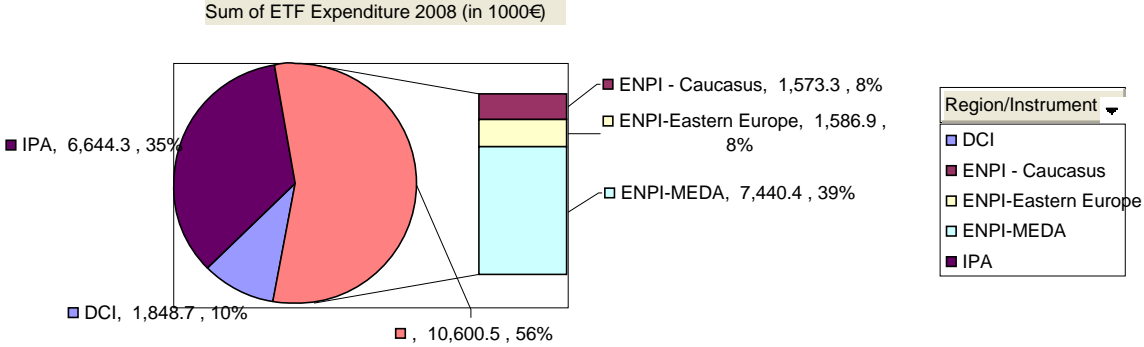
		Final budget available 2008	Budget committed 2008	%	Budget paid 2008	%
Title I		12,945,264	12,711,785	98.2%	12,179,278	94.1%
Title II		1,503,742	1,485,985	98.8%	1,127,135	75.0%
Title III		3,534,994	3,526,461	99.8%	3,008,065	85.1%
ETF Subvention		17,984,000	17,724,231	98.6%	16,314,478	90.7%
Title IV (ITF)	Current year	437,007	331,058	75.6%	366,712	36.8%
	Previous year	559,373	422,657			
Title V - (MEDA ETE)	Current year	0	0	74.2%	1,526,181	60.5%
	Previous year	2,524,464	1,872,595			
Title VI (Tempus) *	Current year	0	0	22.2%	890,616	100.0%
	Previous year	890,616	197,274			
ETF earmarked funds		4,411,460	2,823,584	64.0%	2,783,509	63.1%
ETF budget		22,395,460	20,547,816	91.7%	19,097,987	85.3%

* The amount paid for the Tempus TA conventions includes the amounts not committed but reimbursed to the EC

Breakdown of ETF expenditure in 2008 by country

Country	ETF expenditure in 2008 (in 1000€)	%
Albania	645.4	3.64%
Algeria	117.6	0.66%
Armenia	725.9	4.10%
Azerbaijan	468.5	2.65%
Belarus	216.0	1.22%
Bosnia and Herzegovina	669.1	3.78%
Croatia	1,210.3	6.83%
Egypt	2,037.4	11.50%
Georgia	621.0	3.51%
Israel	96.3	0.54%
Jordan	1,216.2	6.87%
Kazakhstan	425.4	2.40%
Kyrgyzstan	855.7	4.83%
Kosovo	833.8	4.71%
Lebanon	87.0	0.49%
Morocco	1,132.4	6.39%
Moldova	378.3	2.14%
Montenegro	536.0	3.03%
Occupied Palestinian Territory	129.9	0.73%
Former Yugoslav Republic of Macedonia	812.1	4.59%
Russia	600.1	3.39%
Serbia	646.8	3.65%
Syria	255.4	1.44%
Tajikistan	558.2	3.15%
Tunisia	429.0	2.42%
Turkmenistan	134.5	0.76%
Turkey	1,248.0	7.05%
Ukraine	622.9	3.52%

ETF expenditure in 2008 by Region/Instrument



* For each country, data were obtained from the direct costs (both from ETF subvention and assigned revenue), to which direct mission costs, staff salary costs (distributed against instruments according to Time Recording information) and common administrative expenditure (distributed pro-rata) were added

Contracts concluded through direct agreements (negotiated procedure) in 2008 above the value of 5,000 €

Contract/Order Form	Contractor	Value of the contract
CON/08/ETF/0003	Mike Coles	63,000 ²⁵
CON/08/ETF/00028	Turku School of Economics Finland	30,000
OF ETF 57327	Sagat Sp A. Caselle Torinese	33,000

2008 Register of exceptions

In total in 2008, the number of exceptions increased from 11 in 2007 to 24 in 2008 although only one exception exceeded the total value of => € 50,000 (EXC/2008/13 totalling €63,800; this exception is to be considered as an addition to the EXC/2008/3). The quantitative increase in exceptions is due to a higher amount of deviations to article 62 ("commitment a posteriori") of the Financial Regulation and to article 117 of the EC Implementing Rules ("exceeding framework contract"). In 2008, several framework contracts expired and in the absence of a new contractor, these contracts were extended.

The overall value of transactions affected by the exception procedure in 2008 amounts to €201,533 (€223,661 in 2007) representing 0.9 % of the total budget (maximum corporate indicator target 1%).

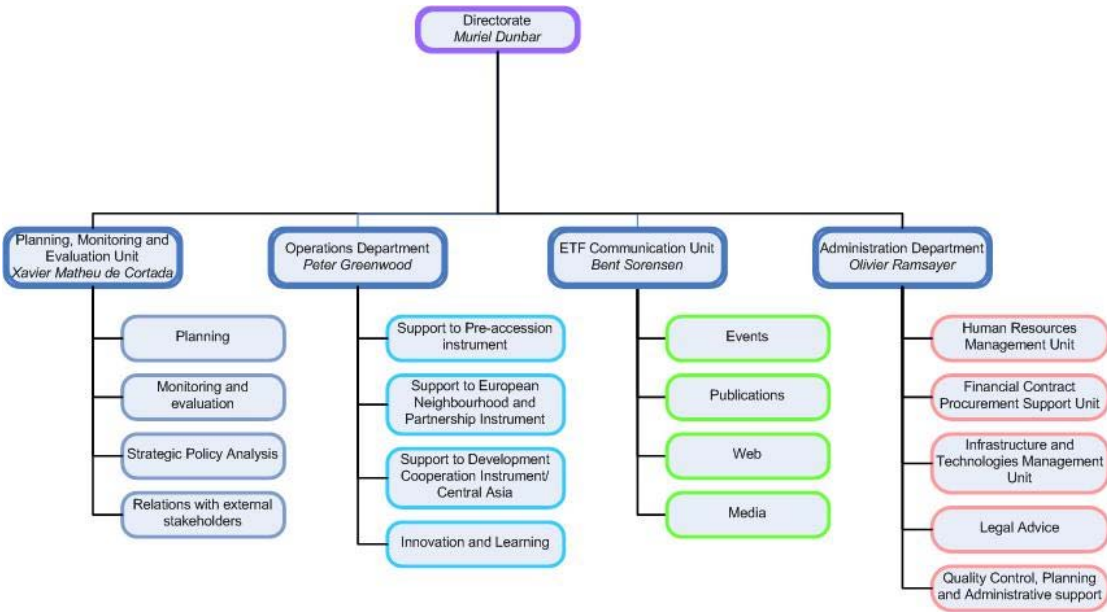
Exceptions per department/unit	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
AD					
AD-QPAS	3	3	0	4	10
AD-ITM	0	1	0	1	2
AD-FINCOP	0	0	0	0	0
AD-LA	0	0	0	1	1
AD-HR	0	2	1	0	3
ECU	2	0	0	1	3
OPS	1	3	0	1	5
PMU	0	0	0	0	0
TEMPUS	0	0	0	0	0
Grand Total	6	9	1	8	24

²⁵ This is the total value of the contract. The amount of the contract with Mike Coles is broken down into two phases, €46,050 in 2008 and €17,750 in 2009.

Exceptions per materiality criterion	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
Significant or repeated deviation	1	2	0	4	7
Financial risk 1,000-10,000	4	4	0	4	12
Financial risk 10,000-50,000	0	1	0	0	1
Financial risk >= 50,000	1	0	0	0	1
Staff Regulation	0	2	1	0	3
Grand Total	6	9	1	8	24

Count of Exception type (deviation to)	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
1. Financial Regulation	6	7	0	8	21
2. Staff Regulation	0	2	1	0	3
3. Data Protection Regulation	0	0	0	0	0
4. Others	0	0	0	0	0
Grand Total	6	9	1	8	24

Organigramme



Staffing structure

Temporary Agents

FUNCTION GROUP	GRADE	Establishment Plan 2008	TAs in post end year
AD	16		
	15		
	14	1	1
	13	3	
	12	7	7
	11	13	12
	10	5	3
	9	12	11
	8	10	7
	7	3	8
	6		1
	5		
Sub-total Function Group AD		54	50
AST	11		
	10	1	
	9	8	5
	8	4	2
	7	8	7
	6	11	8
	5	10	2
	4		3
	3		3
	2		6
	1		
Sub-total Function Group AST		42	36
TOTAL TA posts		96	86

Contract Agents

Contract Agents	
II	12
III	16
IV	3
Grand Total	31

Nationality

TA and CA	Associated levels				
	Nationality	AD	AST	Total	%
A	2		2	2	1.71%
B	2	5	7	7	5.98%
BG	2		2	2	1.71%
CZ	1		1	1	0.85%
D	4	3	7	7	5.98%
DK	5		5	5	4.27%
E	4	1	5	5	4.27%
EE		2	2	2	1.71%
EL	1		1	1	0.85%
F	4	4	8	8	6.84%
FIN	2	1	3	3	2.56%
Fyrom	1		1	1	0.85%
GB	5	5	10	10	8.55%
I	8	35	43	43	36.75%
IRL	1	2	3	3	2.56%
L		1	1	1	0.85%
NL	5	1	6	6	5.13%
P	1		1	1	0.85%
PL	1	1	2	2	1.71%
RO		2	2	2	1.71%
TUN	2		2	2	1.71%
TUR	1		1	1	0.85%

LV		1	1	0.85%
ES	1		1	0.85%
Total	53	64	117	100.00 %

Breakdown of the increase of EC direct requests by country in the ENPI region in 2006 and 2008

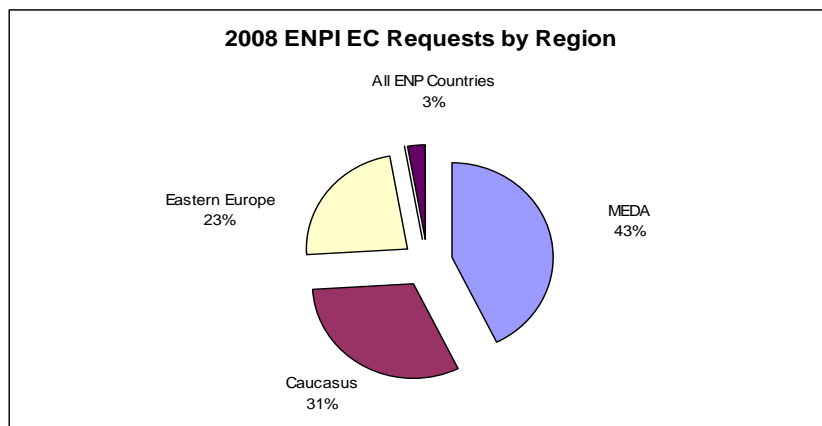
Due to the introduction of the IPA, ENPI and DCI instruments in 2007 the regional aggregation of ETF partner countries is slightly different compared to 2006.

Therefore in order to have comparable data for both years, the 2006 data have been aggregated against the newly introduced regions.

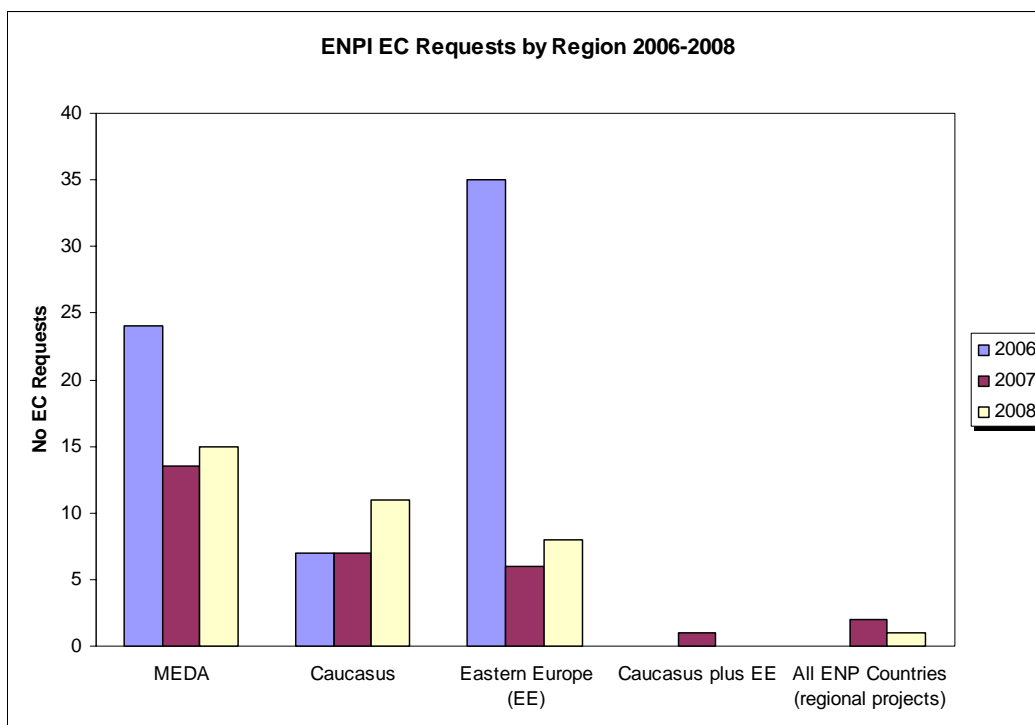
Individual requests are not homogeneous in terms of the human and financial resources necessary to fulfil them.

In fact, EC requests entered into the ETF database do not include the time devoted to carrying out the activities (expressed in full time equivalent (FTE)). As a consequence, each request has a different “weight” depending on the resources used. In 2008 the ETF set up a system to record the weight in terms of FTE of each EC request and from 2009 the system will capture this data.

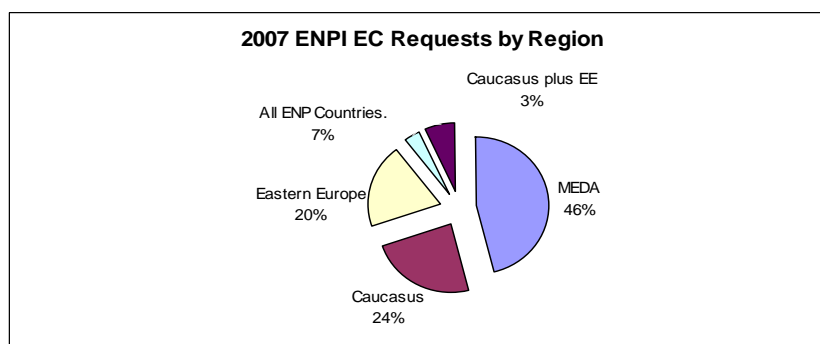
In analytical terms this means that the subdivision of the number of requests per region can illustrate trends, but no conclusions can be drawn from these figures in terms of the “importance” of one region as opposed to the others.



2008 ENPI EC requests by region	
MEDA	15
Caucasus	11
Eastern Europe (EE)	8
Caucasus plus EE	0
All ENP countries (regional projects)	1
Total	35

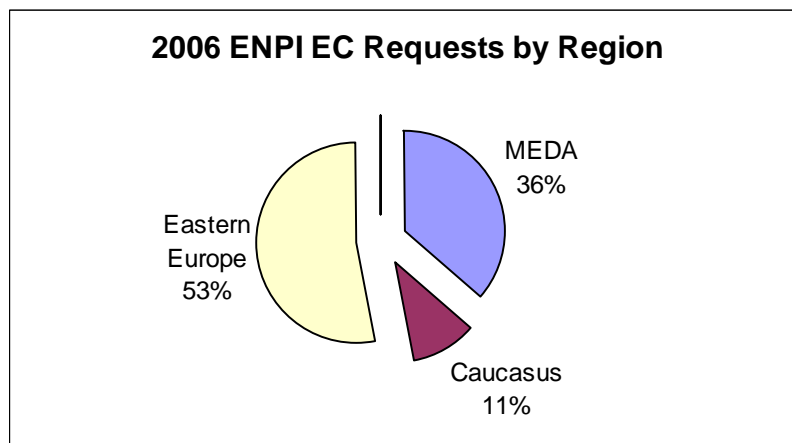


ENPI Regions	2006	2007	2008
MEDA	24	13.5	15
Caucasus	7	7	11
Eastern Europe (EE)	35	6	8
Caucasus plus EE	0	1	0
All ENP	0	2	1
Total	66	29.5	35

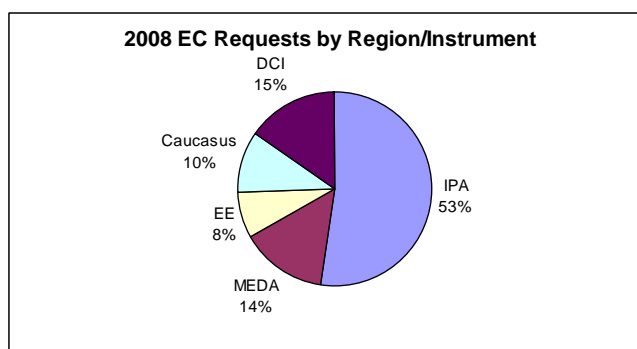


2007 ENPI EC requests by region	
MEDA	13.5
Caucasus	7
Eastern Europe (EE)	6

Caucasus plus EE	1
All ENP Countries (regional projects)	2
Total	29.5

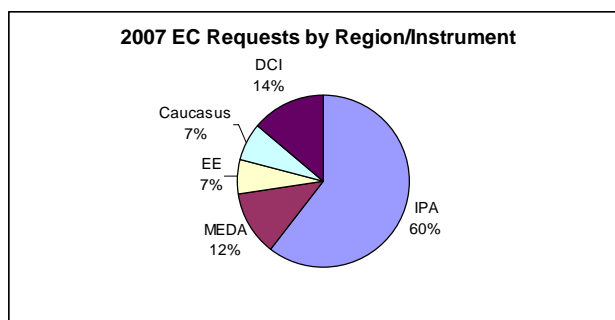


2006 ENPI EC requests by region	
MEDA	24
Caucasus	7
Eastern Europe (EE)	35
Caucasus plus EE	0
All ENP Countries. (Regional Projects)	0
Total	66

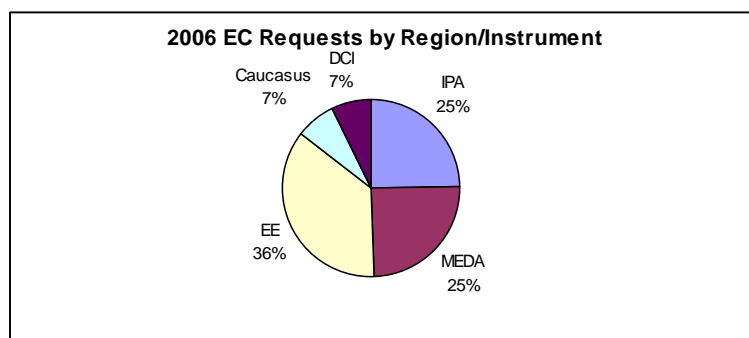


2008	IPA	ENPI MEDA	ENPI East	ENPI Caucasus	DCI	Total
Programming	10.5	1	-	-	1	12.5
Identification	5	2.5	-	3	1	11.5
Formulation	13.5	1.5	-	3	5	23

Financing	-	-	-	-	-	-
Implementation	2	1	1	1	0	5
Monitoring	8	3	0.5	0.5	0	12
Evaluation	1	-	-	-	3	4
Content Review	3	1	-	-	0	4
Dissemination	2	-	-	-	1	3
Policy Advice	13	6	7	4	6	36
Total	58	16	8.5	11.5	17	111
	IPA	MEDA	EE	Caucasus	DCI	Total



2007	IPA	ENPI MEDA	ENPI East	ENPI Caucasus	DCI	Total
Programming	32			1	4	37
Identification	3.5	0.5		1	5	10
Formulation	7.5	1.5		2	5	16
Financing				1	1	1
Implementation	5	2				8
Monitoring	7		2			9
Evaluation	2	0.5	0.5			3
Content Review	1	1				2
Policy Advice	11.5	8.5	5	3	1	29
Total	69.5	14	7.5	8	16	115
	IPA	MEDA	EE	Caucasus	DCI	Total



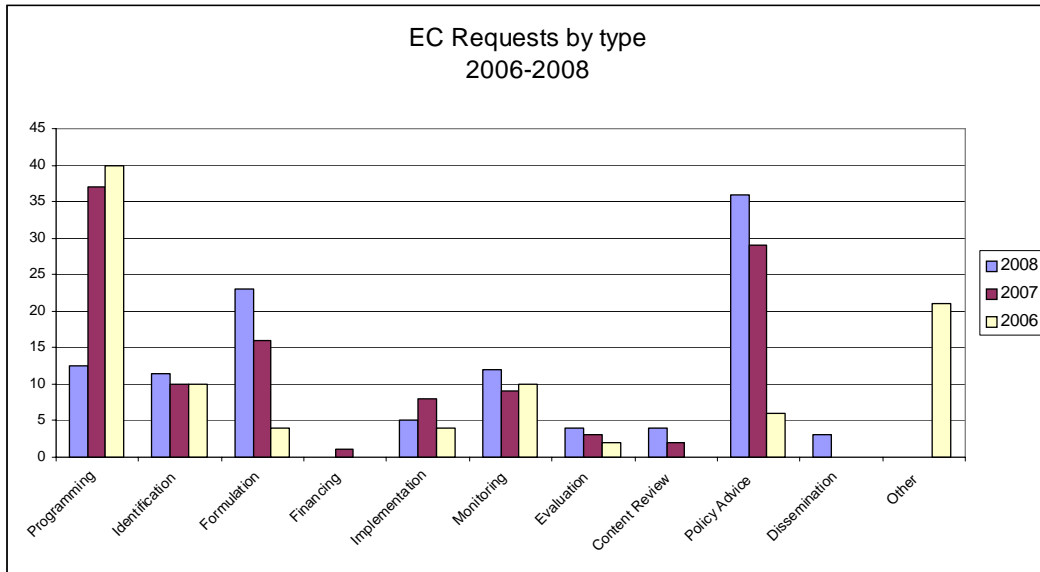
2006	IPA	ENPI MEDA	ENPI East	ENPI Caucasus	DCI	Total
Programming	4	14	14	6	2	40
Identification	4	1	2	1	2	10
Appraisal/Formulation	1	2	1			4
Financing	-	-	-	-		-
Implementation	1	1	2			4
Monitoring	3	2	2	-	3	10
Evaluation	2			0		2
Other	8	4	9			21
Policy Advice	1		5			6
Total	24	24	35	7	7	97
	IPA	MEDA	EE	Caucasus	DCI	Total

Breakdown of the trend of EC requests by project cycle phase in 2006 -2008

We have an evolution of the EC requests through the last three years (2006-2008). During this period we have faced a strong increase of Formulation and Policy Advice (6 times more than in 2006) and decrease in Programming requests (-31.25%), while there is a stable raise of requests regarding Monitoring and Evaluation.

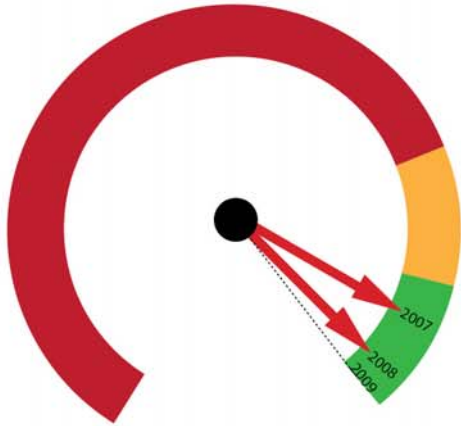
	2008	2007	2006
Programming	12.5	37	40
Identification	11.5	10	10
Formulation	23	16	4
Financing	0	1	0
Implementation	5	8	4
Monitoring	12	9	10

Evaluation	4	3	2
Content review	4	2	0
Policy advice	36	29	6
Dissemination	3	0	0
Other	0	0	21
Total	111	115	97

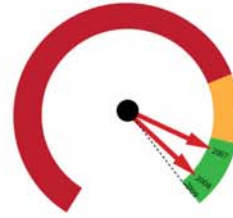


ETF Corporate Indicators 2008

Resources perspective



Overall budget implementation committed %



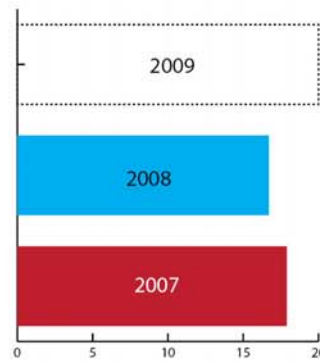
Personnel and building budget implementation committed %



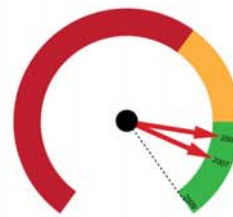
Operational budget implementation committed %



Overall budget execution (paid vs committed %)

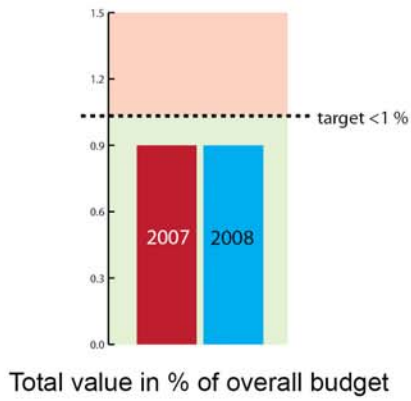


Overall carry forward to next year (vs committed %)

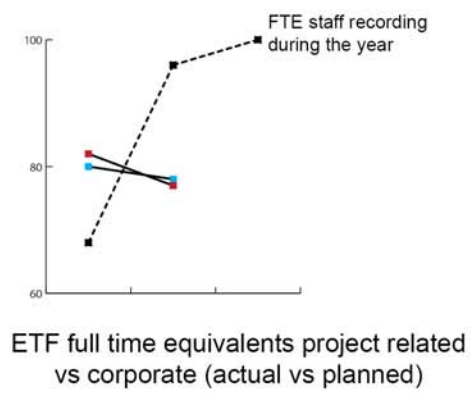


Consumption of budget carried forward (year N-1 to year N %)

Exceptions

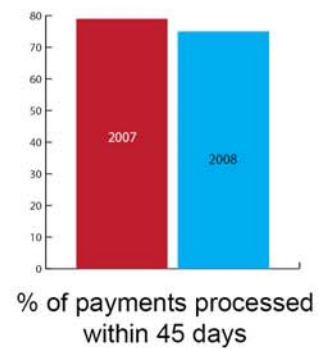
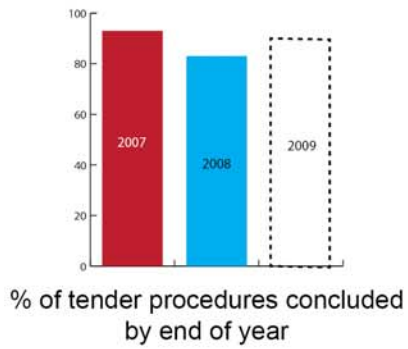


Time recording

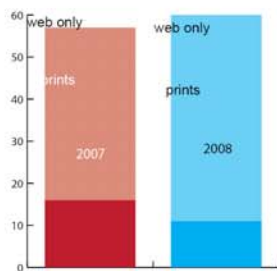


Business perspective

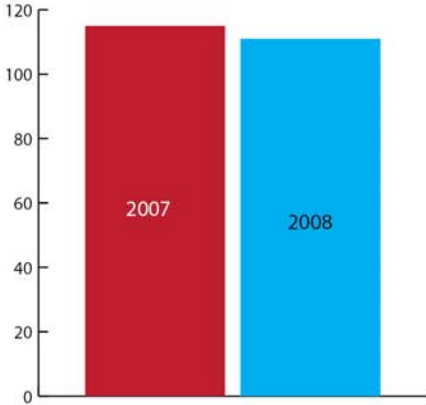
Internal support



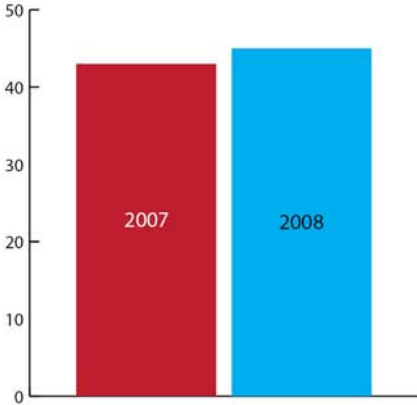
Expertise publications



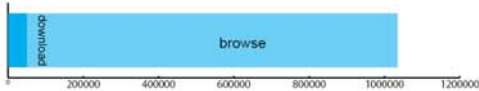
Client perspective



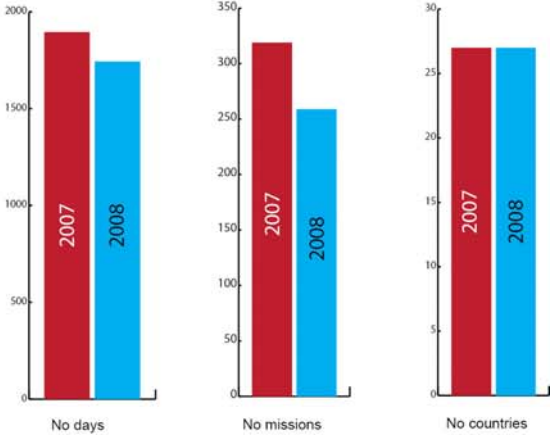
Expertise requests received from the European Commission



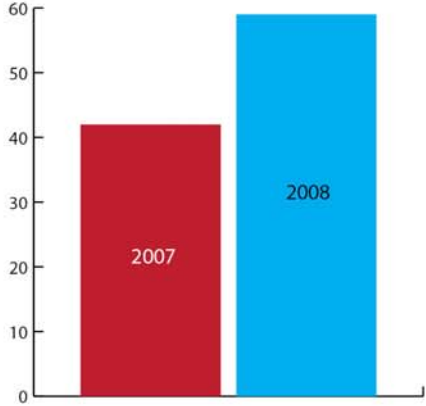
Presentations by ETF specialists at international conferences



Website visits



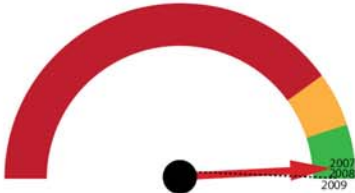
Missions



Conferences and workshops organised in partner countries

Learning and growth perspective

Workforce



% Occupational rate (fte executed/ fte budget planned)

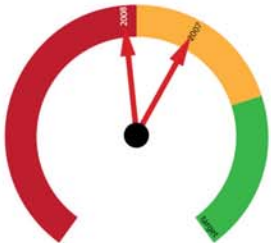


% turnover temporary agents



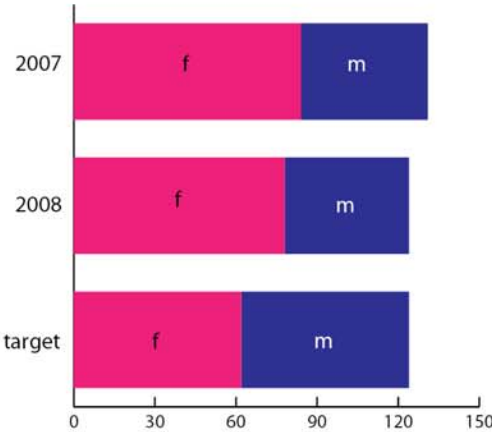
% turnover contract agents

Staff development

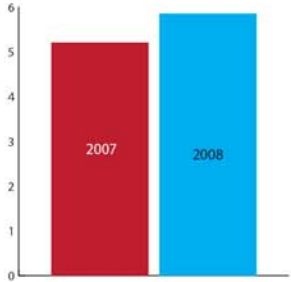


% => 8 days

Gender balance



Absence



Average no days