

ETF MID-TERM PERSPECTIVE

2010-13

TABLE OF CONTENTS

1. CONTEXT	5
1.1 Introduction	5
1.2 The ETF's mandate	5
1.3 Policy context	6
2. VISION AND OBJECTIVES	10
2.1 Vision for 2013	10
2.2 Strategic objectives	10
2.3 Specific objectives	10
2.4 Core themes	11
2.5 Functions	12
2.6 ETF principles of action	13
3. STRATEGIC PRIORITIES	13
3.1 Cross-regional priorities	13
3.2 Pre-accession region priorities	14
3.3 Neighbourhood region	15
3.4 Central Asia	17
3.5 Other countries	18
3.6 Expertise development	18
3.7 Working with other institutions	20
4. CORPORATE COMMUNICATION	21
5. RESOURCES, GOVERNANCE AND MANAGEMENT	21
5.1 Resources	22
5.2 Governance	24
5.3 Management	25
5.4 Human resources management	26
5.5 Financial management	26
5.6 Information and communication technology and facilities management	27
5.7 Interinstitutional and interagency cooperation on administrative matters	27
Annexes	29

1. CONTEXT

1.1 Introduction

The European Training Foundation (ETF) is a specialised agency of the European Union that helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labour markets in the context of the EU's external relations policy.

It supports a range of stakeholders with shared interests in the contribution that EU external assistance can make to human capital development. It also supports the external dimension of EU internal policies¹.

These stakeholders include European institutions such as the European Commission, the European Parliament, the European Council and Presidency, the European Economic and Social Committee, the Committee of the Regions, and related European agencies and EC Delegations. European social partner organisations, such as the Euro-chambers, Business Europe, ETUC (the European Trade Union Confederation), and UEAPME (the European Association of Craft, Small and Medium-sized Enterprises), are also important stakeholders.

Policy stakeholders in the partner countries include governmental institutions, the business community, social partners, and other civil society organisations. The ETF also works with relevant international organisations and donors to exchange information and lessons learned in the assistance field.

In the period covering the mid-term perspective (2010-13), due to the financial and economic crisis, ETF support to the partner countries is more necessary than ever both for short-term initiatives, and for longer-term ones. The ETF will contribute to the development of education and training in a lifelong learning perspective to support economic recovery and minimise the social impact of the crisis by finding the skills necessary to foster productivity and employment and by reinforcing social cohesion through civic participation.

1.2 The ETF's mandate

The ETF recast regulation adopted in December 2008 specifies that the ETF is to contribute, in the context of EU external relations policies, to human capital development, defined as work that contributes to the lifelong development of individuals' skills and competences through the improvement of vocational education and training systems.

This includes the provision of assistance to partner countries in:

- facilitating adaptation to industrial changes, in particular through training and retraining;
- improving initial and continuing vocational training in order to facilitate vocational integration and reintegration into the labour market;
- facilitating access to vocational training and encouraging the mobility of instructors and trainees and particularly young people;
- stimulating cooperation on training between educational establishments and firms;
- developing exchanges of information about and experiences in issues common to the training systems of the Member States;
- increasing the adaptability of workers, particularly through increased participation in education and training in a lifelong learning perspective; and,
- designing, introducing and implementing reforms in education and training systems in order to develop employability and labour market relevance.

To meet its objective, the ETF has the following functions as defined in its mandate:

¹ For example actions in the area of human capital development related to increased coherence, effectiveness and visibility of the EU: Europe in the World COM (2006) 287 Final.

- to provide information, policy analyses and advice on human capital development issues in the partner countries;
- to promote knowledge and analysis of skill needs in national and local labour markets;
- to support relevant stakeholders in partner countries in building capacity in human capital development;
- to facilitate the exchange of information and experience among donors engaged in human capital development in partner countries;
- to support the delivery of Community assistance to partner countries in the field of human capital development;
- to disseminate information and encourage networking and the exchange of experience and good practice between the EU and partner countries and amongst partner countries in human capital development issues;
- to contribute, at the Commission's request, to the analysis of the overall effectiveness of training assistance to the partner countries; and
- to undertake such other tasks as may be agreed between the Governing Board and the Commission, within the general framework of the regulation.

The recast regulation follows the pattern of EU developments since 2000² by placing vocational education and training in the context of lifelong learning involving a holistic view of education and training covering human capital development based on the different sub-sectors of education, including their links with the labour market.

It also places the ETF's activities in the policy driven approach to external assistance contained in the Instrument for Pre-Accession Assistance (IPA), the European Neighbourhood and Partnership Instrument (ENPI) and the Development Co-operation Instrument (DCI). These instruments put greater emphasis on supporting partner countries in the definition and implementation of strategies aligned with national policy priorities.

The recast regulation also introduces potential flexibility in the ETF's geographical scope, to allow the Commission to use the ETF's expertise outside the 30 countries it presently assists³. Over time, in response to specific proposals and the agreement of the ETF Governing Board, this may include other countries⁴.

1.3 Policy context

1.3.1 EU policy context

Since 2000, following the Lisbon Strategy to make the EU the most dynamic and competitive knowledge-based economy in the world, there have been significant developments in EU education and training policies. As a result of the Copenhagen process, Member States, together with the European Commission, have developed an extensive set of tools, references and principles related to vocational education and training systems and reforms. These tools and messages reflect stronger co-operation between Member States and a clearer European perspective in vocational education and training. They contribute to the

² See the joint progress report of the Council and the Commission on the implementation of the 'Education & Training 2010' work programme "Delivering lifelong learning for knowledge, creativity and innovation", Council Report, 5723/08, Brussels, 31 January 2008.

³ Article 1 (c), ETF regulation (recast): other countries (beyond IPA and ENPI countries) designated by decision of the Governing Board on the basis of a proposal supported by two-thirds of its members and a Commission opinion, and covered by a Community instrument or international agreement that includes an element of human capital development, and as far as resources allow.

⁴ Any extension of the ETF's geographical activities beyond those countries covered under its current mandate (article 1 (a) and 1 (b) of the recast regulation) will not be at the expense of the availability of respective appropriations under Heading 4 (grant provided by the Community budget under Heading 4, Budget lines 15-02-27-01/02). Any such activities should be covered by additional appropriations provided by the Commission services that request them.

development of the internal market and to making lifelong learning a reality in the European context.

Furthermore, in the context of wider European cooperation in education and training launched at the Barcelona Council in 2002, the Commission's Communication on an updated strategic framework for European co-operation in education and training is strengthening the process by focusing on four strategic challenges⁵ for the period 2010-20⁶. The ETF is mentioned as one of the instruments for enhancing mutual learning, transfer of innovation and policy development in the field of education and training in third countries.

Since 2007, in the area of external relations, the European Union has introduced new external assistance instruments. These instruments aim to establish clearer relationships between the EU and its partner countries⁷. Candidate and potential candidate countries may move progressively towards accession through support from the Instrument for Pre-Accession Assistance (IPA)⁸. Countries covered by the European Neighbourhood and Partnership Instrument (ENPI)⁹ will develop closer relations with the EU and its internal market through mutually agreed action plans.

Under both of these instruments there is potentially a stronger interaction between the internal approaches of the European Union and the EU's external assistance objectives. Candidate and potential candidate countries following an accession strategy may increasingly take account of internal European co-operative approaches to education in framing their own policies. Similarly, ENPI partner countries working on relevant mutually agreed objectives with the EU, and with the potential for greater integration into the EU's internal market, may also increasingly draw on internal EU approaches. The potential of these closer links between internal and external policies was foreseen in the preparation of the new external assistance instruments¹⁰.

The Union for the Mediterranean¹¹ and the Eastern Partnership¹² together with the Black Sea Synergy Initiative¹³ will be key areas for ETF support in the European neighbourhood region. The ETF will assist in the implementation of the ENPI initiatives, adding value and being complementary to EU interventions. Similarly the Regional Co-operation Council¹⁴ in the IPA region and initiatives in Central Asia¹⁵ are regional platforms with which the ETF expects to work. In line with its regulation, as agreed by the Commission and the ETF Governing Board¹⁶, the ETF may also provide support to the European Commission under other Community instruments or international agreements.

Under the Development and Co-operation Instrument, the EU pursues a policy that fosters cooperation, partnerships and joint undertakings between economic players in the Community and partner countries and regions, and promotes dialogue between political, economic and

⁵ Make lifelong learning and learner mobility a reality; improve the quality and efficiency of provision and outcomes; promote equity and active citizenship; enhance innovation and creativity, including entrepreneurship at all levels of education and training

⁶ COM(2008) 865 final: An updated strategic framework for European cooperation in education and training.

⁷ Communication from the Commission to the Council and the European Parliament: On the Instruments for External Assistance under the Future Financial Perspective 2007-2013, COM(2004) 626 final of 29 September 2004

⁸ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) L 210/82 Official Journal of the European Union 31.7.2006

⁹ Regulation (EC) No 1638/2006 Of The European Parliament And Of The Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument , L 310/1 Official Journal of the European Union 9.11.2006

¹⁰ See COM(2004) 626 final, p.10: 'The external aspects of internal policies' ...the projection of internal policies outside the Union ... it is essential to reconcile the need for policy coherence and thematic visibility for the internal policies concerned (notably education; environment; immigration and asylum; ...), with the need for the overall coherence of external relations"

¹¹ http://ec.europa.eu/external_relations/euromed/index_en.htm.

¹² Communication from the Commission to the European Parliament and the Council Eastern Partnership, COM(2008) 823 final of 3 December 2008.

¹³ Communication from the Commission to the Council and the European Parliament Black Sea Synergy - A New Regional Cooperation Initiative COM(2007) 160 final of 11 April 2007.

¹⁴ The Regional Cooperation Council promotes mutual cooperation and European and Euro-Atlantic integration of South Eastern Europe. <http://www.rcc.int/>.

¹⁵ For example the Central Asia Education Initiative.

¹⁶ Article 1 (c), ETF regulation (recast).

social partners, and other civil society organisations in relevant sectors. When taken together, the instruments reflect the need to pursue a differentiated approach depending on development contexts and needs. The ETF's MTP reflects this approach and supports its partner countries or regions with specific, tailor-made programmes, based on their own needs, strategies, priorities and assets

In line with these instruments the EU has also been developing its perspective on the contribution that the EU can make as a specific actor in the international environment. This perspective emphasises the link between external and internal policies and aims to enhance the EU's standing in the international community¹⁷ by drawing on its policy assets to make the European dimension more coherent, visible and effective in its external actions¹⁸.

This policy development is based on the strength of the EU social model (including the contribution of human capital development to competitiveness and social inclusion in a knowledge-intensive economy), closely linked to the response to globalisation represented in the Lisbon Strategy¹⁹. It includes policies such as the potential external dimension of the European Qualifications Framework (EQF)²⁰, the Small Business Charters and the Small Business 'Act'²¹ in the Balkans or the Mediterranean region, the Mobility Partnerships²² and the Decent Work Agenda²³ as well as the EU's social agenda. It also embraces the EU's contribution to the Millennium Development Goals, Education for All and Education for Sustainable Development²⁴, the European Consensus²⁵, Policy Coherence for Development, the EU agenda with strategic partners built on common values, but also the neighbourhood and enlargement policies, which include both internal (*acquis communautaire*, preparation for future participation in the Structural Funds upon accession) and external aspects (capacity building for closer integration in the internal market)²⁶.

In education and training, this trend was further reflected at the meeting of the European Council of Education Ministers through the Bordeaux Communiqué²⁷ of 2008 which identified the Copenhagen Process as providing "important help for the modernisation of VET systems and for reforms - actively supported by the ETF - in countries concerned by enlargement and the European Neighbourhood Policy".

¹⁷ Reform of the Management of External Assistance. DG Relex Overview; http://ec.europa.eu/external_relations/reform/intro/index.htm

¹⁸ The Bordeaux Communiqué of the European ministers for vocational education and training on Enhanced European Co-operation in vocational education and training, November 26 2008. Section IV: Implementing and reporting.

¹⁹ EU Declaration on Globalisation (14 December 2007), the EU Report on Policy Coherence for Development [COM (2007) 545 final], Europe in the World [COM (2006) 278 final], and the Joint declaration by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the development policy of the European Union entitled "The European Consensus" [Official Journal C 46 of 24.2.2006]

²⁰ EQF Advisory Group Note AG1-5, March 2008; ETF response to consultation on EQF, March 2006; Short conference report on, EQF: Linking to a globalised world, ETF, January 2009

²¹ http://ec.europa.eu/enterprise/entrepreneurship/charter_en.htm; Communication From The Commission To The Council, The European Parliament, The European Economic And Social Committee And The Committee Of The Regions "Think Small First" A "Small Business Act" for Europe Brussels, 25.6.2008 COM(2008) 394 final

²² A comprehensive European Migration Policy: <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/402>

²³ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Promoting decent work for all - the EU contribution to the implementation of the decent work agenda in the world, COM (2006) 249 of 24 May 2006.

²⁴ <http://portal.unesco.org/education>, but also the European Strategy for Sustainable Development, where a explicit contribution of Education and other related topics is highlighted. COM(2005) 658 final. This communication underpinned the adoption of a new EU Sustainable Development Strategy at the Brussels European Council of June 2006.

²⁵ Joint Statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus", Brussels, November 2005

²⁶ Also drawing on the European Employment Strategy perspectives where appropriate.

²⁷ http://ec.europa.eu/education/news/news1087_en.htm

Similarly, the “New Skills for New Jobs” Communication²⁸ foresees the deepening of international cooperation and highlights: “the policy dialogue with Neighbourhood countries and within the Eastern Partnership and the Union for the Mediterranean supported by the European Training Foundation, notably to develop the vocational education and training sector (VET) and national qualifications frameworks”. The ETF is also mentioned in the Council Resolution on better integrating lifelong guidance into lifelong learning strategies, as a tool for fostering the development of lifelong guidance in third countries²⁹.

Even if security concerns remain paramount, the EU approach to migration through the “Global Approach to Migration” and the “European Pact on Immigration and Asylum”, has shown the growing concern and commitment for formulating comprehensive and coherent policies that address the broad range of migration-related issues. They bring together different policy areas: development, social affairs and employment, external relations and justice and home affairs. The ETF’s work on analysing the relationship between migration and skills and its impact on local labour markets, as well as the issue of transparency and portability of skills are fully in line with and rooted in the EU approach to migration.

1.3.2 ETF partner country context

Partner countries in which the ETF is involved represent a wide range of regions, socio-economic backgrounds and human development issues. The situations of the Western Balkans, Turkey, Russia, Eastern Europe, Central Asia and the Southern Mediterranean are very different³⁰, and all are engaged in profound changes linked to specific demographic, economic, social and political contexts.

The financial and economic crisis is affecting all of them and to a greater extent than in the EU where a number of mechanisms can be deployed to limit its social consequences. Recovery can be expected in the mid-term, but the coming years will see limited growth, unemployment, and effects on migration flows, poverty and inequality, informal economy and ethnic issues. The financial and economic crisis is aggravating existing problems in some cases, and creating new ones in others.

Given some countries’ limited fiscal capacities, education reforms run the risk of receiving insufficient funding for their expansion or being suspended altogether. However, this may also provide an additional impetus to spend scarce resources more efficiently and effectively on systemic reform. Reforms in VET will strengthen national ‘turnaround strategies’ and prepare the countries to position themselves better for when the crisis has come to an end.

At the same time, there are efforts with support of the EU to establish functioning market economies and develop democracies, consolidate state institutions for better governance, promote accountable and impartial civil services and fight corruption.

Governments will be faced with the difficulty of increasing their budgets for employment policies to accommodate a higher number of unemployed people, which could be at the expense of active labour policy measures. While governments focus on coping with the crisis in the short-term, new efforts to improve efficiency in budget spending, resource allocation, quality and returns of investments have emerged, in particular for the social sectors.

The key issues arising in all regions in relation to human capital development can be grouped under the areas of:

- education reform with renewed attention to vocational education and training at all levels in the context of lifelong learning,
- labour market management, in particular unemployment and/or skills mismatches and labour mobility,
- employability and entrepreneurship,

²⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: New Skills for New Jobs: Anticipating and matching labour market and skills needs, COM(2008) 868/3, SEC(2008) 3058

²⁹ Council Resolution on better integrating lifelong guidance into lifelong learning strategies, Education, Youth and Culture Council meeting, Brussels, 21 November 2008.

³⁰ Therefore, EU assistance to the partner countries requires a differentiated, progressive, and benchmarked approach, COM(2003) 104 final.

- governance
- access and social inclusion, including gender mainstreaming,
- social partnership, and
- the link between the worlds of education and work.

More detailed information on the situation in each country is available in the regularly updated country information notes on the ETF website. The country situation is relevant for the ETF intervention strategies and the main actions are designed to fit the context of each country.

2. VISION AND OBJECTIVES

2.1 Vision for 2013

The ETF's vision is to make vocational education and training in the partner countries a driver for lifelong learning and sustainable development, with a special focus on competitiveness and social cohesion.

2.2 Strategic objectives

To achieve this ambition, by 2013, the ETF will reinforce its role as a well-established, internationally recognised centre of expertise in human capital development³¹ in order to deliver its two strategic objectives:

1. to contribute to the interplay between EU internal policies and the implementation of its external relations policies in human capital development through vocational education and training reform;
2. to contribute to the development of partner country intelligence and capacities in planning, designing, implementing, evaluating and reviewing evidence based policies in vocational education and training reform.

2.3 Specific objectives

In order to achieve the strategic objective of supporting the interplay between EU internal policies and the implementation of its external relations policies, the ETF's specific objectives are to:

1. improve labour market analysis and forecasting about the partner countries and support them in reviewing vocational education and training systems in this light (New skills for new jobs);
2. support the EU external policy instrument programming cycle;
3. disseminate relevant information and encourage exchange of experience and good practice between the EU and the partner countries and among the partner countries in human capital development;
4. contribute to the analysis of the overall effectiveness of external assistance to the partner countries in the field of human capital development;

In order to achieve the strategic objective of contributing to the development of partner country intelligence and capacities, the ETF's specific objectives are to:

³¹ 'human capital development' shall be defined as work which contributes to the lifelong development of individuals' skills and competences through the improvement of VET systems (ETF mandate, Regulation (EC) No 1339/2008 Article 1, paragraph 2)

5. support relevant stakeholders, particularly the social partners, in the partner countries to increase their involvement in vocational training reforms and develop their capacity for becoming key actors in those reforms;
6. build partner country capacity to analyse and interpret trends and challenges and design, implement, evaluate and review evidence based policies in human capital development;

2.4 Core themes

The ETF's vision and strategic objectives are translated into the content related activities by grouping them into three core themes for the period 2010-13 where considerable support is necessary for the further sustainable development of partner country VET systems.

Overall, the ETF is guided by the principle of ensuring policy coherence between vocational education and training, employment and business as a way of increasing competitiveness and creating inclusive societies in the partner countries.

The core themes are linked and therefore the ETF will work to create synergies between them. Collectively the core themes represent an integrated agenda for reform which links VET systems with business and the labour market.

The ETF's activity based budgeting is also based on these three core themes. The core themes to be addressed in the mid-term have been clustered as follows:

A. Vocational education and training system development and provision in a lifelong learning perspective

The development of vocational education and training policies in a lifelong learning perspective covers the design and implementation of policies in partnership with all relevant stakeholders and in particular with the social partners. This means:

- *The development of vocational training policy in secondary, post-secondary and tertiary education as well as further education for adults including horizontal and vertical pathways with other components of education and training, in line with the needs of the labour market.* It should be supported by efficient counselling and guidance systems and modernised qualification systems. These include learning outcomes and, where necessary, the development of national qualification frameworks, transparent and equitable certification systems and the establishment of systems for the recognition and validation of non-formal and informal learning. The aim is to facilitate access to education and the transition to work, enhance qualification levels, and promote equity, including gender mainstreaming and the social inclusion of disadvantaged groups. This should rely on effective public-private partnerships both in the design of policies and the provision of services, as well as cost sharing schemes.
- *The improvement of the quality of the system with a particular focus on teachers and trainers and innovative pedagogies, as well as updated curricula including the introduction of key competences.* Quality assurance approaches will centre on evaluation and review functions and the use of appropriate indicators. New governance schemes will be needed, for example school autonomy, efficient and effective financing approaches, and specific support to the institutions involved, including the social partners.

B. Labour market needs and employability

This theme focuses on understanding labour market changes and their implications for the employability of individuals. It informs the policy debate on: (a) the development of responsive vocational education and training systems for young people and adults; and (b) actions that enhance the quality of the labour force within the framework of employment policies.

Particular emphasis will be given to: (i) anticipation of skills needs in close consultation with the economic players; (ii) enhancing employability; (iii) matching the supply and demand of skills in the short, medium and long-term in the context of economic restructuring processes taking place in the partner countries; (iv) addressing skills in the informal sector for the promotion of decent work and lifelong learning opportunities. A high priority will be given to

the social dimension including *flexicurity* policies, the activation of people and their participation, including gender mainstreaming, in active labour market policies including formal or non-formal training, counselling and guidance, and support to self-employment, with a particular emphasis on disadvantaged adults.

C. Enterprises and human capital development: education and business partnerships

This theme focuses on four main strands:

1. creation, management and sharing of knowledge and skills in enterprises (in both the public and the private sector), particularly small and medium-sized enterprises.
2. support to enterprise development with a focus on entrepreneurship skills and learning.
3. education and enterprise partnerships to support the transition from school to work
4. building the capacities of enterprise representatives, employers and employees as well as other civil society institutions for their active participation in defining and implementing policy, as well as monitoring and evaluating in the context of lifelong learning.

For all three themes, the ETF will consider cross-cutting issues such as the promotion of equal opportunities, including gender mainstreaming, the involvement of the social partners, lifelong guidance, sustainable development principles and the contribution of skills to poverty reduction.

2.5 Functions

The objectives will be achieved through the delivery of outputs relating to these core themes and the following four main functions³²:

1. **Function 1 - Input to Commission sector programming and project cycle:** support to the European Commission in the design and deployment of external assistance to the partner countries in the framework of EU external policies and assistance programmes. More specifically, the ETF will provide country, regional and thematic background analyses to feed into EU programming, into IPA/ENP reporting exercises and into regional policy dialogue processes, such as the Eastern Partnership thematic platforms and the Union for the Mediterranean. At the request of relevant EC services, the ETF will provide inputs to the EC project cycle and sector policy support programme preparations. (Specific objectives 2 and 4)
2. **Function 2 – Support to partner country capacity building:** support to partner countries to further build their capacity in quality policy development, policy in action and policy progress review. Capacity building includes dissemination of information, networking and exchange of experience and good practice between the EU and partner countries, between partner countries themselves and among different geographical regions will continue to be a priority. (Specific objectives 5 and 6)
3. **Function 3 - policy analysis:** provision of evidence-based analysis on country or cross-country policy reforms to support informed decision-making on partner country policy responses. This will include development of national capacities for the provision of reliable data collection and analysis. As outlined above, this will include national, regional or sub-regional and thematic analysis. (Specific objectives 1, 5 and 6)
4. **Function 4 – dissemination and networking:** facilitation of exchanges of information and experience in the international community (agencies, regional platforms and councils, bilateral and international organisations and donors). This includes exchange of information, joint participation in conferences or workshops, development of joint research or analytical work, and peer review exercises. (Specific objective 3)

³² Defined by clustering the eight main functions in the ETF's mandate, regulation (EC) No 1339/2008 article 2a-h.

These functions are delivered through outputs as presented in Annex 2 and are reflected in the structure of the ETF's activity based budgeting 2010-13.

2.6 ETF principles of action

In defining its activities the ETF will respect the following principles:

- Reform policies and strategies for vocational education and training should not be merely copied from other countries. They must fit a country's context and above all must be owned by their principal stakeholders.
- A fundamental ETF approach is to facilitate policy learning that encourages reflections on national and international experiences and which place a country's own context and needs at the core³³.
- As a centre of expertise, the ETF's main resource is its staff. Analytical work, policy advice and support to the EC programming and project cycles will be carried out by ETF expert teams. These teams may be complemented on a case-by-case basis with external expertise.
- The ETF strives to strengthen mutual learning through a blend of interventions designed on country-by-country or multi-country basis.
- The ETF draws on EU developments in education and training and their links to employment, social inclusion, enterprise development and competitiveness. The ETF encourages partner countries to reflect on the developments of their systems in this light.
- The ETF cooperates with EU institutions and agencies (particularly Cedefop and Eurofound), as well as relevant international organisations in the field of human capital development to ensure complementarity, added-value and value for money. The ETF will also establish close links with the Economic and Social Committee (EESC), the Committee of the Regions and European social partner organisations to support more efficient schemes for vocational training.

3. STRATEGIC PRIORITIES

This section is related to the general and specific objectives, themes and functions contextualised to the different regions. The implementation of the strategic priorities in each country will be highly dependant on the national context, so that the ETF's actions are really tailored to the background, situation and future perspectives of the country and take fully into account the EU priorities.

3.1 Cross-regional priorities

The candidate countries can participate in the biennial policy reporting on the progress of the Copenhagen process. The proposed themes included in the policy report provide a good framework for analysing vocational education and training reforms and may therefore be considered for other ETF partner countries. With the aim of strengthening national capacities on policy reporting and to increase comparability of progress in VET reforms in the partner countries and the EU, the ETF will launch and coordinate a parallel policy reporting process (the 'Turin Process') for its partner countries in 2010 and 2012.

³³ Following the ownership and alignment principles of the Paris Declaration which was endorsed on 2 March 2005, as an international agreement to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. (http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html)

These processes will identify good practice in the ETF partner countries, promote policy learning and the exchange of information, and put forward suggestions for future ETF activities and EU assistance. These cross-country reports will be presented at conferences in 2011 and 2013.

Strengthened capacities, increased policy learning and comparative information are also the main aims for other cross-regional priorities which relate to equity and social inclusion, quality management, lifelong guidance, entrepreneurial learning, qualification frameworks and systems, education-enterprise cooperation, and evidence-based policy development.

3.2 Pre-accession region priorities³⁴

The EU will continue to invest in supporting reforms in education and training and employment in the pre-accession region. By 2013 it is expected that several potential candidate countries will have achieved the status of candidate country and some may have become EU Member States. This also implies that most countries will have decentralised management systems for IPA in place.

In the area of vocational education and training the countries are shifting their focus from legislation and policy development to the development of support institutions and policy implementation. Key areas for the coming period are the development of national qualification frameworks, setting up quality assurance mechanisms and systems and the inclusion of key competences into the curricula. The increased number of secondary education graduates and the need for higher skilled people also brings the role of post-secondary vocational training in the higher education framework on the agenda. Work-based learning and transition from school to work schemes will also be promoted.

In the area of employability, the transition from school to work will be addressed in several IPA projects, focussing on youth unemployment. Boosted by the economic crisis, a more structured approach to adult learning will also be a major challenge for the period up to 2013. As part of the support to ministries of labour and employment services, more attention will be given to analysing and forecasting labour market needs.

The IPA countries, except Turkey, have been involved in progress reporting on the Small Business Charter for several years. Building on this experience there are three key challenges for the coming years: increasing the role of social partners (as well as other civil society organisations) in vocational education and training and enhancing school-enterprise relations; promoting partnerships for lifelong entrepreneurial learning; and analysing training needs and training support for innovation in small and micro-enterprises.

By 2013 the ETF aims to have achieved the following:

- **Capacities of key stakeholders have been strengthened in the abovementioned human capital development areas** through mutual learning activities, facilitating policy learning and sharing good examples of practice. Key stakeholders, such as policy makers and social partners, including other civil society organisations, are expected to have an overview of relevant policy developments in neighbouring countries and the EU. The present three-year mutual learning project, which focuses on quality, adult learning and post-secondary vocational training, will come to an end in 2011 and a new series of activities will be designed in consultation with the partner countries. Also the regional projects on social inclusion and entrepreneurship learning will support this objective.
- **Capacity for the evaluation, design, planning and implementation of human capital development policies developed.** The decentralised management of IPA transfers substantial responsibilities for project design, monitoring and evaluation to the countries. The ETF's experience with the previous candidate countries in preparing for the European Social Fund (ESF) has shown that much time and technical support is required to build the necessary capacities and embrace the principles and mechanisms for an effective and efficient design and implementation of appropriate human resource

³⁴ In the IPA Country Information Notes more detailed information is available about the specific country priorities.

development measures. At the request of the European Commission, the ETF will provide support to the IPA project cycle and in particular through the monitoring of progress in the human capital development reforms.

- **Country intelligence and analysis to strengthen the evidence-base for policy making and implementation developed.** A key priority is the development of analytical capacities in partner countries and the production of quality and timely information, policy analyses and advice on human capital development. To this end, the ETF will engage in collaborative activities with key counterpart organisations in the partner countries, including statistical offices, ministries, education and vocational training agencies, employment services, social partner organisations and others. Existing data and analyses, such as those provided by the World Bank, UNDP or OECD, will feed into the work. The ETF will also support the development of mechanisms and tools for monitoring and evaluating progress in human capital development. Based on the results of previous studies on migration profiles, models to improve labour market mobility and support the better management of migration flows, based on reliable information for matching supply and demand and determining the portability of skills will be promoted in the IPA region.
- **Regional cooperation in human capital development promoted.** The ETF will facilitate the sharing of experience and learning in order to reach a commonly agreed approach to priorities in human capital development at regional level. The development of regional knowledge clusters, such as the Entrepreneurial Learning Centre will be supported.

3.3 Neighbourhood region

The EU commitment to its neighbours was reinforced recently through the introduction of the Union for the Mediterranean (launched in July 2008) and the Eastern Partnership (launched in May 2009) as new regional frameworks. Moreover, in the 2009 Commission Communication regarding the implementation of the European Neighbourhood Policy³⁵ (ENP), the Commission underlined that *“the crisis and the remaining challenges in partner countries have reinforced the strategic rationale for an intensified ENP”* and theETF will continue to provide support to the Commission and inform policy dialogue in human capital development at regional and national levels.

In vocational education and training most countries are seeking more coherence or sustainability in their reform strategies, supported through sector wide approaches or more integrated policies. Countries are introducing new models of governance of education and training systems through interventions aiming at greater school autonomy, optimisation of funding mechanisms and resources' use, development of public-private partnerships involving social partners, other civil society organisations and enterprises at all levels in the system and the introduction of mechanisms for monitoring and evaluating the outcomes of vocational education and training are key elements to be addressed in all countries. Key areas are quality assurance and the reform of qualifications systems across the sub-regions.

Taking into account the different demographic developments among the countries, high numbers of school dropouts coupled with high unemployment among young people require the development of appropriate lifelong learning policies - adapted to the socio-economic and demographic realities of partner countries. Systems have to provide pathways and opportunities to ensure that individuals can continue learning throughout their lives. This includes interventions to strengthen the links between different education sub-sectors and the establishment of transparent and comprehensive qualifications systems enabling better access and mobility of individuals, the development of continuing training systems and the validation of learning in different settings (formal, non-formal and informal).

In the area of employability, skills in the informal sector and in small and medium enterprises remain a priority, including those of potential and returning migrants, with an emphasis on the

³⁵ Communication From The Commission To The European Parliament And The Council Implementation of the European Neighbourhood Policy in 2008 Brussels, 23/04/2009 COM(2009) 188/3

portability of those skills. Unemployment, particularly among young people, is a challenge in almost all countries. Labour market intelligence will need to be strengthened further. The development of mechanisms and tools for better understanding the dynamics of labour markets, (the mismatches between skills supply and demand, the level of efficiency of the matching mechanisms) are the key levers for employment promotion.

The implementation of the EuroMed Charter for Enterprise and continuation of the enhancement of the capacities in the countries to the south on entrepreneurial learning will continue. The Eastern Partnership has also raised attention to the importance of entrepreneurship and entrepreneurial learning. As mentioned above, social partnership is gaining importance across the whole region and the support to the development and implementation of governance models at different levels (national, regional, local and school level) will continue to be a priority.

In 2013, the ETF aims to have achieved the following in Neighbourhood region:

Capacities of public and private key stakeholders strengthened to design, plan, implement, monitor and evaluate human capital development policies at different levels (national, sectoral, regional, local and/or schools levels) in areas linked to:

- public-private and social partnership, including funding mechanisms
- quality assurance
- qualifications
- optimising the use of resources,
- analysing labour market and skills needs
- models to improve labour market mobility and support better management of migration flows, based on reliable information for matching supply and demand and determining the portability of skills.

Intelligence on employment policies has been provided (covering skills mismatches, and the efficiency of matching mechanisms). Key levers for employment promotion have been identified and support has been given to defining policies to fight unemployment (including the relative importance of entrepreneurship, small business development, competitiveness and the productive role of women in the economy).

The policy dialogue on human capital development in the framework of the EU-ENPI partnerships has been strengthened through:

- Better information about EU policies and their relevance for partner countries, including the Copenhagen process for the development of VET, using new forms of cooperation and experiences such as peer learning, virtual platforms and twinning.
- Provision of analysis, interpretation, and dissemination of cross country trends, e.g., recognition of issues in human capital development at high level fora such as ministerial conferences, EU/partner country meetings and high level meetings of social partners and the MERIC network (Mediterranean Recognition Information Centres) in the Mediterranean region.

The relevance of EU interventions in human capital development has improved in evidence-based policy design and programming, facilitated by the ETF through the engagement with partner country institutions and stakeholders, resulting in

- Strengthened human capital development intelligence from the countries,
- Better coordination and cooperation in and between the countries, including the pooling of local resources and expertise, sharing and reporting of experience.

Regional cooperation among countries in the region and sub-regions (east and south) has been strengthened by the provision of sub-regional analysis, exchange of good examples of practice and the promotion of peer review and peer learning. On issues linked to qualifications and entrepreneurial learning, work will go beyond exchanges of experience to the design of similar methodological approaches.

Cross fertilisation with other regions, such as IPA, will also be strengthened on issues where relevant.

3.4 Central Asia

The Development Cooperation Instrument highlights the importance of system reforms in education and training, in particular related to vocational education and training, and the modernisation of higher education and skills development to enhance living standards and reduce poverty. Furthermore, the instrument stresses the role of social cohesion and employment. Since May 2007, the importance of education and training has been underpinned by the Council's Central Asian Strategy for a New Partnership³⁶, which has led to a European Education Initiative for Central Asia³⁷.

The ETF's strategic focus will be on vocational education and training policies and reforms which strengthen the employability of the labour force. This includes the involvement of public and private stakeholders. Substantial capacity development in vocational training institutions and enhanced competencies will be promoted to support employment through lifelong learning and better employment services.

In 2013, the ETF's aim is to have achieved the following:

- Capacities of national stakeholders, including civil society organisations have been strengthened in key human capital development issues, through facilitating policy learning, sharing good practice and experience and peer learning. Key issues cover the establishment of lifelong learning systems, the improvement of vocational education and training governance for better links with labour market developments and opportunities for cooperation between the education and training system and enterprises to increase the adaptability of workers and foster their entrepreneurial skills.
- Key stakeholders have gained an understanding on how the performance level of vocational training institutions can be improved, including a more efficient use of resources, the development of vocational schools into lifelong learning centres and the development of adult learning opportunities. Particular attention has been paid to equitable approaches and the role vocational education and training can play for poverty reduction.
- Employment services have received capacity building support to cope better with the challenges of the labour market. Particular emphasis has been given to the analysis of labour market needs. Furthermore capacity building has enhanced intelligence on progress in vocational education and training reform and its links to the labour market as an input for evidence-based policy making and EU assistance programming.
- EU policies and experiences have been disseminated and inspire vocational education system modernisation and reform. A constant dialogue has been established with decision makers, while targeted activities for capacity building have made key stakeholders familiar with good practice at EU level.

In line with the Council Strategy and the European Education Initiative for Central Asia, the ETF will emphasise the work at a multi-country level and support the dissemination of experiences gained by individual countries and policy learning through networking. It will thus contribute to regional cooperation, while ensuring that multi-country activities remain aligned and relevant to national reform strategies.

Cooperation with strategic partners

In relation to the IPA, the ETF will consult, seek prior authorisation and work in close collaboration with the European Commission including the EC Delegations. In addition, the

³⁶ http://ec.europa/external_relations/central_asia/index_en.htm

³⁷ http://ec.europa/external_relations/central_asia-Joint Progress Report by the Council and the European Commission to the European Parliament on the implementation of the EU Central Asia Strategy

ETF will collaborate with Cedefop on EU membership preparation, and on various priorities with other European agencies and institutions, the World Bank, UNDP, the ILO, OECD, the human capital strand of the Regional Cooperation Council (RCC)³⁸, the Task Force 'Fostering and building human capital' of the RCC, ERISSE, other relevant expert networks and other partner institutions. Cooperation with the OECD and EBRD will continue on issues related to lifelong entrepreneurial learning.

The ETF will seek close partnerships with EU Member States (Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), Agence Française de Développement (AFD), the UK Department for International Development (DFID) etc.), and international organisations (World Bank, OECD, etc.). Partnerships cover joint programmes and intervention, close consultation and knowledge sharing and benchmarking, e.g., in the area of innovation and learning projects.

The ETF will continue to keep abreast of education and training related activities, particularly related to the informal sector, of other donors in Central Asia and share its experience with bilateral donors, the World Bank, the ILO and the Asian Development Bank.

3.5 Other countries

In other countries the objective is to enable the ETF to respond to potential requests from the Commission to provide support to countries outside its present group of partner countries once approved by the Governing Board³⁹.

Geographical diversification could support the increasing effectiveness of the EU as a contributor to human capital development internationally. By providing ETF expertise and approaches beyond its current country partners, the ETF can enhance the visibility of the EU in human capital development. This implies that diversification should build on the ETF's core business area and/or areas in which strong expertise has been developed.

Any geographical expansion should concentrate on the ETF's strategic core themes.

Accordingly, any such diversification⁴⁰ will focus on services to the European Commission and the EU on demand (e.g. technical support to DG Education and Culture or other services on thematic issues).

3.6 Expertise development

3.6.1 Thematic expertise development

Although innovation and learning is part of all ETF activities, a specific innovation and learning programme was established in 2006 to support expertise development in new thematic areas and new approaches to policy development. The ETF allocates approximately 20% of its resources to innovation and learning on average annually.

The innovation and learning programme will contribute to the (i) development of ETF expertise in line with the new mandate; (ii) integration of this expertise into regular ETF operations in countries and regions, and (iii) recognition of the ETF as centre of expertise in partner countries and among international partners. This will be done through new innovation and learning projects and communities of practice.

The approach of the *innovation and learning projects* is to (i) understand and conceptualise developments in our partner countries through analysis and research and (ii) apply and refine existing concepts through reality checks.

³⁸ The Regional Cooperation Council promotes mutual cooperation and European and Euro-Atlantic integration of South East Europe in order to inspire development in the region to the benefit of its people - see www.rcc.int.

³⁹ Article 1 (c), ETF regulation (recast): other countries (beyond IPA and ENPI countries) designated by decision of the Governing Board on the basis of a proposal supported by two-thirds of its members and a Commission opinion, and covered by a Community instrument or international agreement that includes an element of human capital development, and as far as resources allow.

⁴⁰ Any extension of the ETF's geographical activities beyond the countries covered under its current mandate (article 1 (a) and 1 (b) of the recast regulation) will not be at the expense of the availability of respective appropriations under Heading 4 (grant provided by the Community budget under Heading 4, Budget lines 15-02-27-01/02). Any such activities should be covered by additional appropriations provided by the Commission services that request them.

Ending in 2010 there are four running innovation and learning projects. In the VET area there is the HCD review project, which intends to develop a methodology for analysing progress in vocational training in the partner countries. In the employability field the flexicurity project analyses how relevant this EU concept is for a number of partner countries. The competitiveness project aims at developing a methodology to analyse the links between skills and economic competitiveness. Finally a cross-cutting gender project analyses national gender policies and socio-economic barriers to the female transition from education to work.

The approach of the *communities of practice* is to: (i) keep abreast of EU and international developments in their field; and (ii) mobilise their expertise by acting as help desk for ETF colleagues and partner countries and providing input to ETF projects.

Since 2008 there are five communities of practice at the ETF. In the area of vocational training they cover national qualification frameworks and tertiary education. For employability there are communities for employment and labour market issues and for transition from school to work. Finally there is a community of practice on indicators and data for evidence-based policies

By 2013, the aim of the innovation and learning programme is to have achieved the following:

- ETF intelligence and analysis developed in line with the new mandate in order to strengthen the evidence-base for policy making and implementation in the ETF core areas of vocational education and training, employment and entrepreneurship. Methodological instruments that permit an in-depth analysis of partner country realities for evidence-based policy development in vocational education and training reform will be developed. The relevance of EU policies in human capital development in the context of the ETF partner countries will be assessed along with their implications for national policymaking. New policy trends in human capital development, and notably the contribution of skills to the growth of new industries and jobs, sustainable development, and their economic, social and environmental dimensions will be identified.
- This expertise will be integrated into regular ETF operations to contribute to the strengthening of the capacities of key stakeholders. The results of innovation and learning projects and the communities of practice are used to support the quality of the ETF's main functions of policy advice, capacity building and support to EU programming. In most cases the projects will support cross-regional cooperation.

In 2010 the effectiveness of the current innovation and learning programme will be assessed and a new selection of projects and communities of practice could be selected from the following broad areas:

- Schooling for the 21st century, covering governance, efficient management of education centres; partnerships, funding, and learning innovations, student attainment and the development of entrepreneurial learning.
- Equity and active citizenship through access to quality education and employment including gender, social cohesion, participation, expenditure and efficiency;
- New skills for new jobs, as a framework for the ETF's labour market analysis work, including the interaction of technological and demographic change in the context of the sustainable development of a knowledge society;
- Lifelong learning and learner mobility comprising (i) pathways and transitions through different sectors of the education system and into the labour market, and (ii) transparency and portability of skills (in particular for migrants); this theme comprises work on frameworks for qualifications and the recognition of learning, including post-secondary participation, higher education, non formal learning, credit transfer.
- Enterprise action for enhancing skills of the labour force including the social responsibility of enterprises in re-training their staff, facilitating labour market integration of redundant workers and contributing to the education and training of young and adult people.

The innovation and learning programme is supported by:

- knowledge management processes that integrate activities across the ETF functions, including ongoing staff development;
- cooperation with DG Development and European Community agencies (in particular Cedefop and Eurofound), as well as international development agencies; and
- external communication including flagship publications and the organisation of thematic conferences.

3.6.2 Knowledge sharing and management

Knowledge creation, management and sharing are paramount to the ETF's success as a centre of expertise. The ETF will dedicate resources to explore, define and implement the most appropriate strategy and responses. These will be designed to ensure that existing knowledge is accessible, used and continuously enriched in the ongoing realisation of the organisation's mission.

Building upon the work of 2009 to establish a vision and strategy for knowledge transfer, the ETF will proceed with the implementation of the strategy. A knowledge management team will coordinate an organisation-wide response to identified knowledge sharing and knowledge management needs.

By 2013 this will:

- Result in ETF knowledge management needs being matched and strategically aligned to the ETF's mission, knowledge areas, and available human and resources.
- Help to develop the ETF as a learning network / organisation, with the circulation of knowledge as an indicator of success, resulting in a richer capture of field experience and expert knowledge.
- Knowledge management practice will take place in specific projects and all phases of the ETF lifecycle: including consultation and programming.
- Knowledge tools and systems will capture and analyse data directly, providing improved understanding and insight. The ETF library will be re-designed as a knowledge resource hub "fit for purpose" in a centre of expertise.
- Knowledge management will be monitored and the attainment of performance objectives reported as for other activities.

3.7 Working with other institutions

In line with function (d) of the ETF Regulation ("to facilitate the exchange of information and experience among donors engaged in human capital development reform in partner countries")⁴¹, the ETF will need to call upon the experience gained within and outside the EU in relation to education and training in a lifelong perspective and upon the institutions which are involved in this activity⁴²⁴³.

The ETF will seek increased collaboration with agencies in related policy areas, including the EP Committee on Employment and Social Affairs

It will cooperate in particular with Cedefop in the framework of a joint annual work programme. Cooperation with the European Foundation for the Improvement of Working

⁴¹ Art. 2 (d) EC Regulation 1339/2008.

⁴² Following the spirit of the Paris Declaration, in particular the Harmonisation principle ("*Donor countries coordinate, simplify procedures and share information to avoid duplication*") (http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html).

⁴³ Within the framework of existing EU agreements with international organisations, in particular the international financing institutions and United Nations organisations, the Governing Board will be asked to adopt formal agreements for collaboration between such organisations and the ETF on the basis of a Commission opinion.

Conditions, and ECOSOC, Euro-chambers and other EU social partner organisations is also foreseen.

Similarly, the ETF will seek co-operation with bilateral aid in its partner countries, through the EU Member State representatives in the Governing Board, as it has been doing in the past with the Italian Ministry of Foreign Affairs. The ETF will also seek opportunities for the direct involvement of Governing Board members in its activities in the field or in organising study-visits or other related activities in the EU Member States.

ETF co-operation with other partners and institutions follows strategic considerations: co-operation should be envisaged if it provides synergetic benefits and advantages for the partner country vocational education and training systems and labour markets.

4. CORPORATE COMMUNICATION

ETF communication activities aim to ensure a clear and common understanding of the role of the ETF and its expertise in supporting human capital development within the context of the EU external relations policies.

The ETF has a comprehensive communications policy that addresses key stakeholders and other relevant audiences.

The ETF will design a new set of communication tools tailored to the needs of different target groups in line with the mandate. These tools will be continuously reviewed to target information and communication to deliver the right products and services at the right time to the relevant target groups.

New technologies will be identified and implemented to effectively communicate ETF messages - primarily by further improving the ETF website, integrating social media, multimedia and audiovisual tools.

To be successful, the information and communication activities of the ETF will be distinct, visible, proactive, regular, multi-lingual and transparent. The ETF will stand out as an EU body which is open to politicians, authorities, organisations and the public. It will ensure the information it gathers for publication is made freely available to the European Union, its Member States, partner countries and all other interested parties.

All staff are responsible for communication within their areas of work and in line with the institutionally agreed instructions, and they operate as ETF ambassadors in all their activities. The ETF Communication Unit will coordinate and provide guidance to staff in their communication activities.

The ETF will organise a minimum of two corporate events each year for a broad audience (participants from most of the stakeholder-types that the ETF works with in the partner countries and in the EU) on themes particularly relevant to the main policy priorities included in this mid-term perspective or the respective agendas of the EU or the partner countries. The ETF will present its contribution to the main themes identified by the EU (2010: Combating Poverty and Social Exclusion; 2011: European Year of Volunteering etc.) or the key priorities established by the EU Presidencies of the Council.

5. RESOURCES, GOVERNANCE AND MANAGEMENT

The ETF environment is constantly changing. The ETF must be innovative, creative and responsive to the needs of its stakeholders in meeting changing demands for its services resulting from policy developments and the evolving situation of its partner countries. The ETF must also continually enhance its compliance with the requirements of sound management of its financial, human and technical resources in line with EU standards, at the same time as keeping overheads to a minimum.

This will involve the continuous refinement of its planning and resource management practices, including its processes for monitoring and evaluating the quality, relevance and effectiveness of its work in order to reach its strategic objectives and deliver the expected results.

Furthermore, in the context of global warming and climate change, the ETF must also take responsibility for and act upon environmental issues.

By 2013, the ETF is committed to having an environmental management system in place based on the outcomes of the Initial Environmental Audit carried out in 2009, and respecting European and global regulations and standards governing environmental management.

5.1 Resources

5.1.1 Financial resources

For the period 2010-13, the ETF expects to receive a total of €79.223 million from the Community Budget.

(m€)	Budget 2010	Fin. Prog. 2011	Fin. Prog. 2012	Fin. Prog. 2013	Total
ETF Subsidy Title 1 & 2	15.531	14.328	14.618	14.917	59.394
ETF Subsidy Title 3	3.929	5.200	5.300	5.400	19.829
	19.460	19.528	19.918	20.317	79.223

Of this subsidy, 75% corresponds to Titles 1 and 2 (staff expenditure and building, equipment and miscellaneous operating expenditure), while 25% corresponds to Title 3 (expenses relating to performance of specific missions)⁴⁴. This reflects the ETF's profile as a centre of expertise, whose main asset is the expertise of its staff.

Other project-related revenue may be added to this budget from other EC funds, bilateral aid or international organisations⁴⁵.

Despite a reduction in its 2010 budget⁴⁶, the ETF intends to fulfil its mandate, prioritising its activities in a result-oriented perspective in line with the expectations of its stakeholders and making efficient use of all its financial resources.

Resources breakdown by function

ETF experience and the planning assumptions are that the provision of policy analysis and advice and input to EU assistance are the main functions: capacity building, dissemination, information exchange and the evaluation of training assistance contribute to these. The ETF's distribution of resources according to these functions is as follows:

Function	Budget %
Input to Commission sector programming and project cycle	42.5%
Support to partner country capacity building	24%
Policy analysis	20%
Dissemination and networking	13.5%

⁴⁴ See table in the Annex relating to regions, functions and titles.

⁴⁵ See art. 15.3 and 15.4 of the Council Regulation (EC) no. 1339/2008

⁴⁶ Under-execution of the budget in 2007 and 2008 due to instabilities in the political and organisational context of ETF (postponed repatriation of Tempus, postponed adoption of new mandate) led the budget authority to reduce the 2010 budget by 4% with respect to the amount foreseen in the financial perspective.

Resources breakdown by theme

As a reflection of the thematic approach, the ETF plans to allocate its resources among the three core themes in the following way:

Theme	Budget %
Vocational education and training system development and provision	62%
Labour market needs and employability	21%
Enterprises and human capital development: education and business partnerships	17%

Resources breakdown by area of support

Annually, in line with the Commission's Communication⁴⁷, the ETF's resources will provide support indicatively as follows:

Area of support	Budget %
Pre-accession Region	32.5%
European Neighbourhood Region	32.5%
Central Asia	15%
Innovation and Learning Programmes	20%

The breakdowns by core function, theme and area of support should be considered as orientations, developed in the current context. The ETF will follow changes in the organisational and political environment and adapt accordingly, prioritising its activities to ensure most efficient results in line with its mandate.

Considering the changes in approach towards country assistance aiming at greater integration and system level impact, any reduction to the current budget allocation could jeopardise the achievement of these objectives.

5.1.2 Human resources

The ETF's focus will be on the constant fine-tuning of the quality and quantity of the competences needed to deliver the mandate over the next three years.

In 2010, the ETF will have the following posts available:

- 96 temporary agents,
- 33 contract and local agents and
- 6 seconded national experts.

The ETF's 2010 establishment plan reflects the need for expertise reinforcement, with a shift of five posts from AST to AD levels resulting in a total of 59 AD and 37 AST compared to the previous 54 AD and 42 AST⁴⁸. Staff leaving the ETF at higher grades will be replaced by staff recruited at entry grades, which are now defined in the staff policy plan as AD7 for specialists and AD9 for senior specialists⁴⁹.

⁴⁷ Proposal for a regulation of the European Parliament and of the Council establishing a European Training Foundation (recast), COM(2007) 443 final of 25 July 2007, 2007/0163 (COD).

⁴⁸ As per article 32 of ETF financial regulation, in November 2008 the Governing Board approved the new establishment plan function group shifts.

⁴⁹ The ETF will adopt the staff policy plan guidelines issued by the Commission on the basis of article 31 of the Staff Regulations.

In the mid-term, the overall distribution of grades in the establishment plan will naturally evolve, to take account of real occupations, reclassifications and planned departures and replacements and therefore further adaptations will need to take place on a yearly basis.

At the same time, the ETF competence model will mainly focus on lifelong learning and its links with the labour market, with a stronger emphasis than in the past on capacity building and policy analysis, including skills for more specialised assistance to the Commission and the partner countries in the definition and implementation of strategies aligned with national policy priorities.

This will ensure that ETF staff have the abilities and knowledge to support the shift of EU external assistance from project assistance to policy support within the Instrument for Pre-accession Assistance, the European Neighbourhood and Partnership Instrument, Development Co-operation Instrument and a sector programme based approach to international aid in general.

The main focus of staff development activities will be expertise development and knowledge management competences.

Aggregated information is available in the annexes.

5.2 Governance

The ETF is governed by a Board consisting of one representative of each Member State, three representatives of the Commission, including the Director-General of DG Education and Culture (DG EAC) who chairs the Board. The Board also includes three non-voting experts appointed by the European Parliament⁵⁰. In addition, three representatives of the partner countries may attend the meetings of the Governing Board as observers.

The main responsibility of the Governing Board is the adoption the draft annual work programme of the ETF, the annual activity report and the budgets, subject to the approval of the European Parliament in the context of the overall European Union budget. With the aim of increasing the contribution and involvement of Governing Board members in ETF planning and evaluation exercises, two working groups will be set up to provide inputs to the organisational planning cycle.

The ETF aims at taking advantage of technical expertise of its Board members through direct participation in events and support in organising study missions to Europe. Their support will also be sought to ensure ETF participation in the EU Presidencies' most relevant initiatives.

Seeking a flexible and proactive approach towards the different stakeholders, the ETF governance processes include regular meetings with:

- the European Commission Directorate Generals represented in its Governing Board
- its parent DG (DG Education and Culture), ,
- the different DGs requesting services for operational matters, notably DG Enlargement, DG External Relations, EuropeAid, DG Development, DG Employment, Social Affairs and Equal Opportunities, DG Enterprise, DG Justice, Freedom and Security and others.

The ETF also works with the European Parliament, particularly the Committee on Employment and Social Affairs, the Budgetary Committees and others (e.g. Education and Culture). It can also be asked to participate in the European Council committees, such as the Education and Culture Committee.

The ETF cooperates regularly with EU economic and social partners and their different institutions, as well as other EC agencies for sharing knowledge, e.g., the European Food Safety Agency in Parma (EFSA)

The ETF is also accountable to the European Court of Auditors which promotes accountability and transparency by assisting the European Parliament and Council in overseeing the implementation of the ETF budget, particularly during the discharge procedures, and brings added value to EU financial management through its report and opinions.

⁵⁰ Article 7 of the Regulation (EC) № 1339/2008.

5.3 Management

5.3.1 Planning cycle

The ETF's annual planning and programming cycle starts with the institution's dialogue with its main stakeholders and policy assessments and environmental analyses. This provides the organisation with inputs for an annual work programme drafted within the framework of a four-year multiannual development strategy.

A critical challenge for the ETF is to continually improve the relevance and measurability of its objectives and indicators. This involves further enhancing the planning mechanism, methodology and process within the ETF programming cycle. Being aware of its resources and changing environment, the ETF aims in the current planning period at a coherent integration of the programming, budgeting and management processes with the objective of helping the organisation to:

- deliver better results and to improve planning process;
- ensure that all members of the organisation work to the same shared objectives;
- optimise the use of ETF resources;
- ensure political decisions when objectives are in conflict with each other, or, when resources are too limited to achieve them all;
- assess and adjust the organisation's direction in response to the changing environment and to be more accountable to European citizens.

To this end the ETF will review its planning cycle and implement improvements over the course of this mid term perspective.

5.3.2 Monitoring and evaluation

Monitoring and evaluation aims at measuring the degree of achievement of the ETF's operational objectives on the basis of output targets and indicators. The ETF's monitoring and evaluation function forms a basis for informed decision-making in planning and implementation. Further developments of this key function during the planning period aim at reinforcing ETF capacity to manage its effectiveness and efficiency by:

- reinforcing the on going analysis of projects and activities progress towards achieving planned results. The results for the mid term period are in annex 1. On an annual basis this will be broken down by region and clustered by theme and function.
- allowing ETF management to identify any factors that might hinder the achievement of objectives in good time;
- assessing ETF activities in a comprehensive way, taking into consideration the feedback and expectations of different stakeholders and its own needs for improvement;
- developing performance measurement processes to assess results at all levels of ETF operations.

In this perspective, the ETF will continue to improve and adapt its monitoring and reporting system, in particular the annual activity report and the quarterly progress reports. The ETF will continue to monitor and evaluate the progress of the implementation of the mid-term perspective through the annual work programmes.

5.3.3 Quality assurance and control framework

Internal control standards

Since 2004, the ETF has made progress in complying with internal control standards and managing its risks.

The changes brought about by the expected evolution of the agency in line with the new mandate and the adoption, in 2009, of the revised ICS framework for effective management, requires the organisation to move to an integrated quality and risk management system which supports planning decisions and cost effectiveness choices, strengthens communication process and solutions, and provides useful information for establishing proportional and efficient control strategies.

Risk management

The 2010-13 objective is to make quality and risk management an integral part of the planning and management cycle and processes and organisational culture through the implementation of lessons learned from the monitoring and evaluation process, annual internal reviews, self assessment exercises and audit recommendations. To this aim the ETF has decided on a threefold approach:

- effective integration of risk management into the ETF planning and programming cycle;
- continuous cycle of quality and risk and assessment exercises; and
- effective integration of risk management as key part of internal control.

An effective integrated quality management system will enable the ETF to better exploit the results of any monitoring, evaluation and performance assessments.

Internal audit

The Internal Audit Service of the Commission (ETF internal audit capability) audits the ETF's organisational management and control system by providing an independent and objective assurance and consulting service to add value and improve ETF operations. The ETF values the constructive role of its internal auditor to ensure that any weaknesses in ETF management and control system are identified and systematically addressed by proportional improvement actions. Improvement actions will support the achievement of the ETF's overall mission in the mid-term period while complying with its regulatory framework and demonstrating the effectiveness of its internal management.

5.4 Human resources management

Human resources management in the next four years will focus on deploying a full competency-based approach and the constant fine-tuning of the quality and quantity of the competences needed to deliver the new mandate over the next three years.

Indeed, the four strategic priorities will be to:

1. focus on workforce planning to maintain an adequate balance between workload and the number and mix of jobs to be deployed
2. reinforce individual objective setting to strengthen alignment with the ETF's strategic objectives,
3. keep the ETF competence catalogue updated over the period and to ensure that key skills to deploy the new mandate are identified and developed,
4. reinforce human resource practices to maintain positive links between the development of ETF staff and organisational performance (in particular career and promotion policies).

These objectives will be reached using best-in-class practices and the regulatory framework.

5.5 Financial management

The ETF will introduce a revised activity based budgeting model which will integrate its planning, budgeting, management and reporting processes.

The ETF will optimise its budget execution by improving the planning and monitoring system, and introducing risk-based proportionality in financial and procurement processes.

The ETF will increasingly deploy European Commission financial management systems, providing further guarantees of compliance with its regulatory framework.

5.6 Information and communication technology and facilities management

Over the mid-term perspective, information and communication technology and infrastructure management will ensure the continued evolution of systems and services supporting the operations and administration of the ETF.

The ETF will enhance systems efficiency and working flexibility through the deployment of server and desk-top virtualisation, wireless networks, and mobile computing, while web-based conferencing will improve networking with stakeholders and partner countries.

Specific projects will address emerging knowledge, document and information management needs, including the ETF's web presence, and support the enhanced efficiency of its administrative systems in the area of financial management and human resources.

A contribution to environmental improvements and economies will be made through an ETF-wide effort. The ETF will continue to give high priority to health and safety at work, in particular the safety of staff on mission.

5.7 Interinstitutional and interagency cooperation on administrative matters

The ETF will continue to work closely with the European institutions, the interinstitutional bodies (EPSO, PMO, EAS, OIB) and the other agencies to share experience and good practice on management and administrative issues and to make efficiency gains through joint action, especially in the areas of training, recruitment and procurement. Over the 2010-13 period, the ETF will seek to intensify such cooperation in particular with its sister agency Cedefop and with other EU bodies located in northern Italy (EFSA, JRC Ispra).

Annexes

Annex 1

Number of outputs in the financial perspective⁵¹ per year, region and function.

Type of Output	Region	2010	2011	2012	2013	Examples of specific outputs
HRD policy review	Pre-accession	4	4	4	4	Data collection and analysis: - Surveys and questionnaires Review and analysis of country data - Comparative analysis of education and labour market and social data Analysis and review of human capital development options and priorities in context of specific policy problems: - identification of human capital related problems requiring policy - presentation or analyses of evidence relating to problems - identification of alternative courses of action appropriate to the country to address the problems - identification and agreement of criteria for the selection of approaches to addressing problems - Identification of outcomes arising from approaches and trade offs associated with different approaches Implementation assessment - Review of progress of implementation of reforms
	Neighbourhood	4	4	4	4	
	Central Asia	2	2	2	2	
Total 1		10	10	10	10	

⁵¹ COM(2007) 443 final, Annex 8.1 Objectives in terms of their financial cost.

Type of Output	Region	2010	2011	2012	2013	Examples of specific outputs
Capacity building actions	Pre-accession	33	30	30	30	Peer learning Peer reviews Training Seminars - Training related to specific methodologies or themes associated with developing the skills of institutions, groups of institutions, stakeholders and individuals Action research projects - aimed at either a specific area, problem or at system level
	Neighbourhood	41	37	37	37	Case studies - Development of examples of policies and their implementation in relevant human capital areas – usually involving publications Focus groups - Short duration discussion groups related to specific issue – usually leading to a report aimed at providing insight to a problem that can be included in a policy response or action
	Central Asia	19	17	17	17	Thematic groups - Establishment of group in country or at multi-country or regional level – possibly supported by international experts or linked to assistance project to deal with a specific technical theme, e.g., teacher training or statistics or labour market Structured dialogue with partner country stakeholders - Establishment of group in country to follow an issue or problem over a period of time with a view to generating an appropriate approach to the issue in the country– possibly supported by international experts or linked to assistance project to deal with the development or implementation of a policy issue
Total 2		93	84	84	84	Training networks - Linking up groups of individuals and stakeholders that have participated in ETF capacity development actions and maintenance of connections between them through the distribution of information and meetings

Type of Output	Region	2010	2011	2012	2013	Examples of specific outputs
Support to programming cycle	Pre-accession	9	8	8	8	Contributions to development of sector programmes, and contributions to Commission project management cycle, e.g., project identification; monitoring and evaluation - SWAp support and preparations - Project identification - Logframe analysis Activities promoting collaborations between partner countries or partner countries or between donors or combinations of these
	Neighbourhood	11	10	10	10	
	Central Asia	5	4	4	4	
Total 3		25	22	22	22	

Dissemination and Networking	Pre-accession	8	7	7	7	Study tours Regional meetings Donor meetings Publications, Conferences, Audio-visual content development and distribution - Social Networking actions to create communities of interest, eg, through the use of internet – such as Facebook/You Tube and similar/wikipedia - Collaboration with related international agencies - Conferences - International working groups - Publications - Audio-visual content development and distribution through the web Workshops - at national or regional level related to a specific topic
	Neighbourhood	8	7	7	7	
	Central Asia	4	4	4	4	
Total 4		20	18	18	18	

Type of Output	Region	2010	2011	2012	2013	Examples of specific outputs
Innovation and learning		10	10	10	10	ILP projects Communities of practice
Total 5		10	10	10	10	
TOTAL		158	144	144	144	

Annex 2 - Estimated outputs by region, core theme and main function

		Main functions				
2010-2013		Core Theme	Policy review	Capacity build	EC programme	Dissemination and networking
Strategic priorities	Time					
Cross-regional						Total
Policy Report	2010, 2012	1	2	30		32
Equity and social inclusion	2010	1	1	1		3
Quality management	2010	1	1	3		7
Entrepreneurial learning	2011	3		3		6
Qualification frame and syst	2011	1	1	4	3	12
Education-enterprise cooperation	2012	3	1	5	3	13
evidence-based policy development	2013	1	1	3	3	10
Total cross-regional			7	49	9	83
Preaccession						
Country intelligence	2010-2013	1	8	20	8	36
Mutual learning	2010-2013	1		9		17
Capacities human capital development	2011, 2013	1		20		20
Capacities absorption	2010, 2012	2		20	8	28
Entrepreneurial	2010-2013	3	7	20	8	43
Employment services	2011-2013	2		20	8	28
Regional cooperation	2010-2013	1			1	7
Total pre-accession			15	109	33	179

Neighbourhood							
New governance	2010-2012	1	3	20			23
Vocational training lifelong learning adapted	2011-2013	1, 2		20	10	8	38
Labour mobility	2010-2012	2	3	20			23
Labour market and skills	2011*2013	2	3	20	10		33
EU policies	2010,2012	1		20		8	28
Info for dialogue human capital development	2011,2013	1,2,3	3	12	9	8	32
Relevance	2010-2013	1,2,3		20	9		29
Total Neighbourhood			12	132	38	24	206
Central Asia							
Build lifelong learning capacities	2010-2013	1		11	3	2	16
Intelligence vocational education and training	2011-2013	1	3	11	3	2	19
Build employment capacities	2010-2012	2	3	11		2	16
Cooperation with enterprises	2010-2013	3		11	3	2	16
Dissemination EU policies	2011,2013	1		11	2	2	15
Total CA			6	55	11	10	82
ILP							
Projects	2010-2013	1,2,3					16
Communities	2010-2013	1,2,4					24
Total ILP							40
Total			80	345	91	74	590

Annex 3 MTP ABB by main functions, budget titles and regions

	Pre-accession				Neighbourhood				Central Asia				ILP				TOTAL
2010-2013	T1	T2	T3	Total	T1	T2	T3	Total	T1	T2	T3	Total	T1	T2	T3	Total	
Input to Commission sector programming and project cycle	7269	829	2845	10942	7269	829	2845	10942	3355	383	1313	5050	4473	510	1751	6734	33669
Support to partner country capacity building	4105	468	1607	6179	4105	468	1607	6179	1894	216	741	2852	2526	288	989	3803	19013
Policy analysis	3420	390	1339	5149	3420	390	1339	5149	1579	180	618	2377	2105	240	824	3169	15844
Dissemination and networking;	2309	263	904	3476	2309	263	904	3476	1066	122	417	1604	1421	162	556	2139	10695
Total	17102	1950	6694	25747	17102	1950	6694	25747	7893	900	3090	11883	10525	1200	4119	15844	79220

Amount in €1000

Annex 4 Mid-term perspective activity-based budget and human resources

MTP ABB by Region and Theme

	IPA	ENPI	DCI	ILP	Total
Theme A	18,797,966	13,292,847	7,116,373	9,801,797	49,008,983
Theme B	2,685,424	6,579,288	2,416,881	4,833,763	16,515,356
Theme C	4,296,678	5,907,932	2,282,610	1,208,441	13,695,661
Total	25,780,068	25,780,068	11,815,864	15,844,000	79,220,000

MTP ABB by Region and Title

	Title 1	Title 2	Title 3	Total	
IPA	17,102,410	1,950,000	6,694,090	25,746,500	33%
ENPI	17,102,410	1,950,000	6,694,090	25,746,500	33%
DCI	7,893,420	900,000	3,089,580	11,883,000	15%
ILP	10,524,560	1,200,000	4,119,440	15,844,000	20%
Total	52,622,800	6,000,000	20,597,200	79,220,000	

MTP ABB by Theme and Title

	Title 1	Title 2	Title 3	Total	
Theme A	32,554,783	3,711,864	12,742,336	49,008,983	62%
Theme B	10,970,516	1,250,847	4,293,993	16,515,356	21%
Theme C	9,097,501	1,037,288	3,560,872	13,695,661	17%
Total	52,622,800	6,000,000	20,597,200	79,220,000	

Human resources in FTE by region

	OPS	ECU	PME-DIR	AD	Total FTE
IPA	22.1	10	10.5	39.5	41.7
ENPI	22.1				41.7
DCI	10.1				19.1
ILP	13.6				25.6
Total	68	10	10.5	39.5	128

Human resources in FTE by theme

	OPS	ECU	PME-DIR	AD	Total FTE
Theme A	42.1	10	10.5	39.5	79.2
Theme B	14.2				26.7
Theme C	11.8				22.1
Total	68	10	10.5	39.5	128

HR by region and theme

	IPA	ENPI	DCI	ILP	Total
Theme A	30.4	21.5	11.5	15.8	79.2
Theme B	4.3	10.6	3.9	7.8	26.7
Theme C	6.9	9.5	3.7	2.0	22.1
Total	41.7	41.7	19.1	25.6	128

Annex 5

Organigramme

