

MINUTES GOVERNING BOARD MEETING 6 JUNE 2014



1. Introduction

The ETF Governing Board meeting was held in Turin on 6 June 2014 and chaired by Jan TRUSZCZYŃSKI, Director General for Education and Culture, European Commission (EC).

New members of the Board were welcomed: Edel CASSAR, member representing Malta, Ian PEGG member and Pamela WILKINSON alternate representing UK, Katalin ZOLTAN, alternate representing Hungary, Luis RIERA FIGUERAS representing DG DEVCO (European Commission) and Mariem LISSARI, the observer from Tunisia. From the EC, Gerhard SCHUMANN-HITZLER (Director, DG Enlargement), Luis RIERA FIGUERAS (Director, DG DEVCO), António SILVA MENDES (Director DG Education and Culture), João SANTOS (deputy head of unit, DG Education and Culture), Donatella GOBBI (DG DEVCO), Maria TODOROVA (DG Education and Culture) were present. The ETF staff committee was represented by Mircea COPOT.

Representatives from Bulgaria, Greece, Ireland, Latvia, Romania, JF MÉZIERES, independent expert nominated by the European Parliament and the observer from Turkey did not attend.

2. Adoption of the agenda

The ETF requested the addition of an information point under the *any other Business* on the requests of the European Parliament as regards the possible conflict of interest, requests formulated in the European Parliament Resolution of 3 April 2014 on the 2012 budget discharge of the EU agencies regarding performance, financial management and control.

The agenda was adopted by the Board.

3. Follow-up to previous meeting

i. Minutes of previous meeting

The minutes of the previous meeting held on 22 November 2013 were adopted.

ii. Follow up on action points and written procedures

Xavier MATHEU, ETF, presented the actions carried out as a follow up to the November 2013 meeting:

- A working group on governance costs and communication was established and the recommendations presented under point 8 of the agenda;
- The ETF will reduce the length of planning documents;
- During the Board meeting of November 2014, as a response to a request from the working group, the ETF will present its communication policies and approaches to increase its visibility;
- The ETF staffing situation will continue to be presented at future Board meetings.

The following written procedures have been performed since the last meeting:

- Transfer of 2013 ETF budget appropriations (GB13DEC013) was successfully concluded with a majority of members in favour and one objection from Germany.
- ETF Financial Regulation 2013 (GB13DEC014) was successfully concluded;
- Implementing rules on Temporary Agents 2f (ETF-GB-13-030 - GB/07/DEC/011_REV2) was successfully concluded;

- Implementing Rules of the revised Staff Regulations: Commission rules applicable by analogy;
- Amendment to the Annual Procurement Plan 2014 for Title 3 activities was successfully concluded;
- Translation of the draft 2013 Annual Activity Report (AAR) and the draft 2013 Analysis and Assessment of the Annual Activity Report. Further discussions will take place under point 8 of the agenda;
- Implementing Rules of the revised Staff Regulations: New Commission decision on working time applicable by analogy was successfully concluded;

4. 2013 Annual Activity Report and its analysis and assessment

Madlen SERBAN and Xavier MATHEU presented the 2013 Annual Activity Report.

The 2013 Annual Activity Report (AAR) records the achievement of the ETF's objectives for 2013 as set out in its annual work programme. 2013 was the fourth and the last year of the Mid-term Perspective 2010-13.

The Highlights document made available in the Governing Board restricted area before the meeting complements the AAR with additional information on operational activities.

The AAR details the results-related corporate outputs achieved in 2013 with annexes outlining areas of expenditure by function, theme, region and country. For the period 2010-13, the initial target was 590 outputs. In fact, 610 were achieved exceeding the target by 3.4%. However, the 2013 annual Work Programmes over the period refer to 616 outputs to be achieved (in terms of quantitative concrete targets), in other words an achievement rate of 99%. The outputs were cancelled due to the situation in the country (Egypt, Lebanon); at the request of the counterpart (the partner country organisation, e.g. participation of candidate country representatives in ACVT DGVT or the EU Delegation, Support to Serbia IPA programming in 2010); due to the negative priority given to those activities (event on sustainable development and VET).

An external evaluation of the Torino Process concluded that it contributes to facilitating ownership and stakeholder participation in the partner countries, while a DG DEVCO study appreciates how VET systems benefit from the ETF's technical competencies *"it was possible to appreciate how the supported TVET systems benefited from the technical competencies of the ETF staff and the structured, consultative process of key VET stakeholders in the countries. In addition, the networks established in the countries and among countries via regional, sub-regional and thematic consultations and capacity building, as well as the 'practice' communities that complement the ETF's internal capacity and capability were also of added value."*

Part I of the report summarises the country-based and regional achievements in each of the four regions as well as the methodological expertise developed to support the achievements.

In South Eastern Europe and Turkey (SEET) and in the period from 2010 to 2013, all countries have put skills for growth high on their agendas and acknowledge the critical role education and training play in competitiveness, sustainable growth and social inclusion.

Governments throughout SEET have taken measures to tackle the economic crisis and adapted their socio-economic policies to deal with the dynamic environment and to make progress on the path to European integration. The 2012 Torino and Bruges Processes and the Human Resources Development reviews have highlighted the following: on-going reforms in lifelong learning with national qualifications frameworks and quality assurance systems under development, alongside

entrepreneurship, work-based learning and teacher/trainer training; ensuring inclusive education is on the reform agenda of governments; governance of the system and developing capacity to gather and analyse data and translate them into policies.

The situation in the Southern and Eastern Mediterranean region has been highly unstable in the 2010-13 period. ETF work focused on employability, particularly for young people, VET governance and the development of qualifications in certain economic sectors.

Since 2010 all seven Eastern European countries have developed VET policies and introduced systemic changes which focus strongly on national contexts. The ETF has supported the countries in this development and in continuing training, qualifications, validation of informal and non-formal learning and the skills dimension of mobility and migration.

In Central Asia, the 2012 Torino Process identified significant progress in the development of strategies and legislation in all countries. The ETF contributed to this through its school development regional project and with country projects supporting VET centre-business cooperation, tracer studies and policy dialogue.

In addition to the work carried out at country level, improving policy analysis based on evidence was achieved through the identification of five actions to move skills forward. These are summarised in the 2013 Torino Process Declaration and include broadening participation in policy making; bridging the gap between policy formulation and implementation; monitoring progress through national and EU benchmarks; fostering innovative, learner centred education; and increasing the use of evidence in policy making. These five actions were identified at a major knowledge sharing and decision making event, called 'Moving Skills Forward' held in Turin on 7-8 May 2013 which concluded the second round of the process. The event gathered high level participants from all partner countries, EU institutions, Member States and leading international partners. The results of the 25 national Torino Process reports were shared through a cross country analysis carried out by the ETF. The event provided an opportunity to identify trends in VET across the countries since the first round in 2011. It looked in detail at the conditions which facilitate or constrain the implementation of reform in priority areas common across partner countries including vision and innovation, multilevel governance, quality, skills policies for competitiveness and sustainable growth.

Part II describes the developments that improved and reinforced management supervision and control of ETF activities. In 2013, the implementation of a comprehensive system of internal controls, quality and risk management continued, ensuring compliance and the effectiveness of internal procedures.

The report records very good results from a resource management perspective:

- Of the €20,143,500 received as its subvention in 2013, the ETF committed 99.78%, maintaining the good track record of previous years (99.91% for 2012), which demonstrates how the ETF has optimised its budget execution, as underlined by the European Parliament in the latest discharge for 2011;
- Similarly, the 87.11% ETF paid (from the subvention funds) during 2013 represents a further step forward compared to 2012 (85.9%), while the consumption of differentiated Title 3 payments reached 99.81% again in line with good achievements of previous years (99.92% in 2012 and 99.72% in 2011). The high consumption of payment appropriations is a sign that the efforts made in planning the transfer of payment appropriations and prioritising payment requests was successful. Additionally, the ETF significantly improved its already good performance in compliance with payment time-limits: 84.07% of payments were made within the legal due date in 2013;

- The payment of funds carried forward from 2012 was 90%, in line with previous years (89.7% in 2012 and 90% in 2011)
- In Title 3, outstanding commitments (reste à liquider) decreased both in percentage (from 35% in 2012 to 34% in 2013) and in absolute value from €1.95m in 2012 to €1.8m in 2013). This means that 66% of operational appropriations were paid within the year and the remaining 34% is linked to the regular implementation of operational projects.

Part III details the building blocks towards the Director's declaration of assurance that the resources assigned to the activities described in the report were used for their intended purpose and in accordance with the principles of sound financial management. This section also describes the control procedures put in place to give the necessary guarantees concerning the legality and regularity of underlying transactions (part IV).

The criteria for the ETF Director to decide whether a reservation should be included in the annual declaration of assurance were drawn up on the basis of an IAS recommendation issued in 2009. In the light of this, the ETF has no reservation to report for the year 2013.

Part IV is Director's Declaration of Assurance. The information provided in the report gives the director reasonable assurance that the resources assigned to the ETF in 2013 were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

Saulius ZYBARTAS (Lithuania) on behalf of the Troika welcomed the ETF Annual Activity Report 2013 and expressed the Board members' satisfaction for the results achieved by the ETF in 2013. The AAR 2013 Analysis and Assessment reflects this. The information provided in the report gives the Governing Board reasonable assurance that the resources assigned to the ETF in 2013 were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

In the light of the above analysis and assessment, **the Governing Board adopted the ETF Annual Activity Report 2013 and the Annual Activity Report 2013 Analysis and Assessment**, which will be submitted to the European Parliament, the European Council, the European Commission, the European Economic and Social Committee and the Court of Auditors.

5. ETF 2013 Annual Accounts

Martine SMIT ETF, accounting officer, presented the 2013 accounts.

The accounts were prepared and presented in accordance with Title VII of the Financial Regulation. The standards applied are identical to those applied by the EC and all other EU bodies.

The accounts have been audited by the Court of Auditors and the ETF received their draft preliminary observations adopted by the Court on 21 May 13. A copy of the report was distributed.

Alastair MACPHAIL (ETF) presented the Court's report that states that the ETF's Annual Accounts present its financial position fairly as of 31 December 2013 and the results of its operations and cash flows for the year are in accordance with the provisions of the Financial Regulation. The opinion of the Court is the basis for discharge by the European Parliament (EP). The EP is currently preparing the discharge for the financial year 2012.

The Declaration from the Director and her expression of confidence in the checks and operations of the ETF are included in the 2013 Annual Activity Report.

The main elements of the report are the following:

Balance: The total value of the balance is more than double compared to 2012. This is mainly due to an increase in cash equivalents. This increase is due to first instalment of the 2014 subvention received on 31 December and the pre-financing for the GEMM and FRAME projects received in 2013.

Economic Outturn: The economic outturn indicates a surplus, which includes all possible upcoming events and is not the amount to be paid back to the EC. The result of the economic outturn will go under the accumulated net assets of the next year. The main change is due to the reversal of provisions. The outstanding legal cases are closed and have been won by the ETF and the provision for the salary adaptation has been cancelled as this has now been accepted by the Council with the result that salaries have to be paid back.

Statement of changes in net assets: the only change in net assets is the economic result. This leads to a change in the net assets in the balance sheet

Cash flow: Despite continuous monitoring and the overall high percentages of payment appropriations executed (95.72%), there is a large increase due to the fact that the ETF received the first instalment of the 2014 subvention on 31 December. In addition, pre-financing for the GEMM and FRAME projects was received in 2013.

The budget consists of commitment and payment appropriations. Commitments cover legal obligations. The earmarked funds consist of re-use of funds for Titles 1,2 and 3 through recovery of expenses, GEMM project (DG DEVCO), FRAME project (DG ELARG), Italian Trust Fund – Italian Ministry of Foreign Affairs.

Of the €20,143,500 received as its subvention in 2013, the ETF committed 99.78%, maintaining the good track record of previous years (99.91% for 2012).

According to the regulation, the interest gained on the ETF subvention is to be paid back to the EC. The interest the ETF gained in 2013 is €40,686.73 (ETF subvention: €32,372.07, GEMM project: €3,514.02, FRAME project: €4,377.02.). For all other earmarked funds, this depends on the individual convention. The interest from the Italian Trust Fund: €314.66 and it will be re-used in the 2014 budget.

Micheline SCHEYS (Belgium) asked if the ETF could keep and use the interest gained from the EU subvention. António SILVA MENDES (DG EAC) replied that in accordance with the new financial regulation from 2014 the ETF will be able to keep the interest. He also added that the subvention is paid in instalments and not much interest is actually gained.

The ETF 2013 Annual Accounts were approved by the Board.

6. 2014 amending budget

Alastair MACPHAIL (ETF) presented the 2014 amending budget, which incorporates existing and new assigned revenue undefined at the time of the adoption of the budget (November 2013 for the 2014 budget) as well as the one budget transfer carried out in 2014.

There are no modifications to the subvention that the ETF receives from the European Commission.

The amending budget integrates €24 682.22 available from previous years, assigned to the ETF by the Trust Fund of the Italian Ministry of Foreign Affairs. The interest accumulated in 2013 amounts to

€314.66 and will be included as new appropriations in a future amending budget following the agreement of the Italian Ministry.

The Governance for Employability in the Mediterranean (GEMM) project has a budget of €3 130 000 (out of which the ETF's contribution is €1 130 000). The project started in 2013 and is expected to be finalised in 2015. The amending budget integrates the amount of €472 663.40 remaining from the 2013 pre-financing for the GEMM project, which amounted to €594 721.60. It also includes the €952 520.00 received from DG DEVCO in April 2014 as the second instalment of pre-financing.

The Frame Skills for the Future (FRAME) project has a budget of €1 400 000. It started in 2013 and is expected to be finalised in 2014. The amending budget integrates the amount of €788 355.23 remaining from the 2013 instalment for the FRAME project, which amounted to €1 249 800. The last instalment for this project of €150 200 is expected to be received later in 2014 and will be included in a future amending budget.

During the first months of 2014, the ETF carried out only one budgetary transfer under the authority of the Director to adapt the budget to actual needs. The proposed redistribution of expenditure covers modifications in training, social activities and canteen, interim services linked to staff absences, recruitment costs, increased garbage tax and the organisation of the IALN Working Group meeting, for a total of €172 170 (0.85% of the total subvention).

The €24 682.22 available from previous years of funding from the Italian Ministry of Foreign Affairs will support the finalisation and payment of agreed activities in Lebanon.

In 2013, the ETF received €594 721.60 as the first pre-financing for the Governance for Employability in the Mediterranean project (GEMM). The €472 663.40 included in this amending budget as funds available from previous years are part of this first pre-financing and are used to conclude and pay the activities committed in the 2013 phase of the project. The €952 520.00 received as the second pre-financing for the GEMM project will be used for the activities foreseen for the 2014 phase of the project.

In 2013, the ETF received €1 249 800.00 from DG ELARG as pre-financing for the €1 400 000 foreseen for the Frame Skills for the Future (FRAME) project, to be implemented in 2013-14. The €788 355.23 included in this amending budget are part of this first instalment and are used to conclude and pay the activities committed in the 2013 phase of the project.

The Governing Board adopted the ETF 2014 amending budget.

7. 2015 Draft work programme

Xavier MATHEU and Madlen SERBAN (ETF) presented the 2015 draft Work Programme.

This document is part of the ETF's 2020 strategy and the objectives proposed contribute to the achievements of the two goals set, the first on evidence-based policy making (to support partner country intelligence and capacities at all stages of the VET policy cycle, bringing innovation and sustainable development) and the second related to the EU policy support (to support the external dimension of EU policies in human capital development). As a result, the ETF will contribute to the following long-term results in the partner countries: more effective VET policy making with better governance and increased employability, and enhanced social and territorial cohesion.

The 2015 work programme enhances the strategic objectives included in the Mid-term Perspective 2014-17. This is complemented with Multi-annual Country Strategy Perspectives, which provide details on the challenges, priorities and modalities of intervention, time perspectives and expected results.

The ETF policy-driven approach starts from three strategic objectives i) reinforce evidence-based VET policy analysis, ii) modernise VET systems and iii) increase the relevance of VET provision in respect of labour markets and economic and social cohesion; seven thematic areas as well as evidence-based policy analyses.

In 2015, the ETF will continue to build and reinforce capacity for human capital development policy-making by using the VET system analyses such as the Torino Process policy analyses and the PRIME (Projecting Reform Impact in VET) initiative. At the request DG EMPL, the ETF will continue to prepare employability reviews in for South Eastern Europe and Turkey (SEET), the Southern and Eastern Mediterranean (SEMED) and Eastern Europe (EE). In cooperation with DG ENTR, the OECD and EBRD, the ETF will carry out the Small Business Act assessment in SEET and EE and will support the EC in IPA II, ENI or DCI programming and in project identification and formulation.

A total of 27 countries are participating in the 2014 Torino Process (with the exception of Iceland, Syria and Turkmenistan). The exercise has already been launched in 19 countries and diagnostic meetings have taken place. An event was planned in Libya for 19 June but due to the situation in the country, it has been postponed. In SEET, the Torino Process takes into account findings from the FRAME project and Bruges reports, offering a comprehensive vision on vocational education and training. The validation meetings are to be organised from September. In all 19 countries above mentioned at this stage 31 priorities have been provisionally confirmed and nine emerging needs identified. These are in line with the 2012 Torino Process country and regional reports.

The results of the Torino Process will have an impact on the Multi-annual Country Strategy Perspectives at the level of activities rather than multi-annual objectives or results.

The ETF also looks at partner countries' increased internal and external VET efficiency.

In 2015 the objective is to increased *internal VET efficiency* in the partner countries through VET system multi-level governance, quality assurance, learning and teaching, and support to the implementation and monitoring of related EC programming and projects.

The increased *external efficiency of VET* in partner countries is to be supported through qualifications, employment and employability, skills and migration, entrepreneurial learning and enterprise skills and support to the implementation and monitoring of related EC programming and projects.

Xavier MATHEU (ETF) presented the main interventions foreseen in 2014, clustered according to the strategic objectives and regions. The Work Programme describes how each thematic area will be addressed at regional and country level and includes concrete actions/projects and expected results for the projects/interventions according to the region/country.

The annual objectives are defined on the assumption that the resources and staff foreseen in the EC proposal for a Multi-annual Financial Framework for the ETF will be available, i.e. 133 posts for 2015 (134 in 2014) and €20,144 million (€4.443 million for title 3, €4.983 million in 2014) made up of contributions of €19.944 million from the subvention and €0.2 million from DG EAC, which corresponds to the amount reimbursed by the ETF in 2013.

The ETF is concerned about achieving impact at country level as a result of the severe decrease of the resources. Therefore countries will be prioritised and those ranked by the EU as having a high priority will be the ones for which the budget allocation will allow impact achievement.

A new version of the Work Programme will be prepared by 30 June for inter-service consultation and the Commission opinion, which will include, together with the orientations given by the Board, the country priorities and related budget allocation, a presentation of donors acting in each country, a list of events and publications, the first findings of the 2014 Torino Process, and the country policy

priorities and needs of support from the ETF. In addition, impact indicators on country progress in the different policy areas will be proposed.

Ingrid MÜLLER-ROOSEN (Germany) thanked the ETF for the draft document and the presentation and commented on the need to ensure a good balance between the requests for high quality work and the availability of resources. She recommended that discussions should continue on this issue. She requested clarification on the criteria used by the ETF to rank the priority countries. In response she was informed that two criteria are used: the willingness of the partner country to work with the EU and their interest in working in the area of human capital development. By way of example, Turkmenistan refused to join the Torino Process. ETF interventions in the partner countries are based on a diagnosis and are designed in coordination with other actors active in human capital development.

Micheline SCHEYNS (Belgium) proposed that based on the 2014 Torino Process partner countries could be invited to an event linked to the DG VET meetings in order to benefit from the member state policy learning clusters to be established as discussed during the last DG VET meeting. Welcoming the proposal, the Director explained that the Torino Process uses a building block framework that follows the short-term deliverables formulated in the Bruges Communiqué. Policy learning with the partner countries is not the same as it is in the member states, but member state representatives from the clusters could be invited to share their experiences in the respective policy area. The ETF also offers opportunities to candidate country representatives to take advantage of their presence at the DG VET and ACVT meetings by organising preparatory meetings, as initiated by the ETF in May 2014.

Tarja RIIHIMÄKI (Finland) expressed her appreciation of the Performance Based Management system used by the ETF described in chapter 3.1 of the draft work programme. She suggested a more detailed presentation at the next Board meeting and this was agreed.

António SILVA MENDES (DG EAC) reiterated the fact that the candidate countries had been invited to and attended that last DG VET meeting although he indicated that it might be difficult to extend the cluster invitations to other partner countries. He suggested that might be important continue discussing on the future role of the ETF within its current mandate and considering the reduction of resources. Indicating the importance of performing efficiently, Mr SILVA MENDES considered that the ETF is the EU arm that should support the policy implementation in the partner countries. The EC could present some concrete proposals at the next Board meeting. He encouraged further reflections on the Work Programme which is an excellent basis to start from.

Gerhard SCHUMANN-HITZLER (DG ELARG) congratulated the ETF for its work on drafting the document, which demonstrates how the ETF reacts and responds to requirements and needs on the ground. He agreed with the proposed 2015 objectives but suggested to better explained the concepts of *internal and external efficiency of VET* which could be confusing for non-specialists. He welcomed the shift from policy design to policy implementation and suggested that this be highlighted up front. This will mean moving towards policy monitoring and policy implementation in the partner countries. He underlined that cooperation between DG ELARG and the ETF will continue and that IPA II funds may be made available for follow up actions to the current FRAME project. The new FRAME II project actions should be developed in the context of the new priorities of the region which focus on economic governance, which is linked with the need to use public funds to ensure competitiveness and growth, with more jobs and sustainable development. DG ELARG intends to support the candidate countries to put in practice sector reform plans and in the future, the *Country Specific Recommendations* will be discussed with the ministers of economy and finance since the EC is seeking a coordination of actions. In this context, education and training is not an objective in itself - the idea is to provide people with the right skills to take advantage of what is offered by the labour market. In this respect, the ETF has a role to play together with the Regional Cooperation Council (RCC) under the framework of the South East Europe 2020 Strategy, in monitoring implementation and in sharing results and

information as well as within the EU Danube Strategy. At the same time, the ETF should continue to focus on real impact to bring change for the better and he emphasised that the dialogue with the Commission services on indicators is progressing well.

Luis RIERA FIGUERAS (DG DEVCO) also congratulated the ETF for the draft 2015 Work Programme, mentioning that is a key document for working more closely together. To date DG DEVCO has focused its attention on basic education, in view of meeting the MDGs. However, education also has the role of ensuring employability, growth and cohesion. In this context, the ETF's work is increasingly relevant. He also supported the suggestion that the ETF should continue to move towards impact and relevance, although in the case of education and training, impact takes time. Nevertheless, the ETF should be ready to show impact of its activities.

DG DEVCO took the decision to limit the areas of intervention to three focal sectors per country. Among the focal sectors offered is the one of employment and employability. Following the dialogue with the partner countries, a number of 30 countries have chosen employment and employability as one of the focal sectors, and from these 30 countries, 11 countries are also ETF partner countries from the Neighbourhood East, Neighbourhood South and Central Asia. For DG DEVCO, priority is driven by the decision of the countries to work in the area of employment and employability. DG DEVCO will continue discussions with the member states on bilateral programming and following this, they will invite also the ETF and interested member states for a coordination meeting on employment and employability. It is also important that the EU Delegations and member state bilateral cooperation bodies work together in this area at local level.

Torben Kornbech RASMUSSEN (Denmark) was a member of the Board working group on the work programme. He stated that the draft presented at the meeting was an improvement on the earlier version and reflects the working group's recommendations. He welcomed the structure and content of the document, particularly the chapters on the context of EU policy and the partner countries. He also appreciated the shift of the focus on policy implementation and monitoring and endorsed the need for a proportion of senior staff.

Sara PARKIN (independent expert nominated by the European Parliament) asked the Board to reflect on the concept of resilience in the draft Work Programme 2015. She suggested that it might be the right time for the ETF to consolidate the idea of helping countries to become resilient. If information on how employment will look and what skills are needed to provide economic resilience would be available, then knowing how to invest would be easy. Resilience of institutions in view of diversity of opportunities is equally relevant.

Saulius ZYBARTAS (Lithuania) as member of the Troika, informed the Board about the discussions at the informal meeting. He highlighted a request from Poland to introduce changes in the context of the partner countries in relation to Belarus and Ukraine.

8. Report on the ETF Governing Board working group on the ETF governance costs and communication policy

In accordance with article 7 of the ETF Governing Board Rules of Procedures (ETF-GB-09-015) at the meeting held in Turin on 22 November 2013, the Governing Board agreed to create a working group to continue to analyse and assess ETF governance costs and to find out more about the ETF communication policy. The working group is composed by Reinhard Nöbauer (Austria), Michel LEFRANC (France) and Ingrid MÜLLER-ROOSEN (Germany). The group met in Turin on 20 March 2014.

The context of the discussion on governance costs is one of budget reduction. Although the ETF has put a lot of effort into reducing governance costs, there is still need to do more as the cuts may mean reducing the number of meetings per year to one.

Translation and interpretation costs remain high. The proposals put forward are not intended to change the official linguistic regime as set out in art.8.2 of the Regulation and art.10 of the Rules of Procedure.

The proposals were put forward:

- Document structure: Each planning document should be accompanied by a summary of maximum five pages covering all key elements.
- Interpretation will continue to be provided in five languages unless the representative requiring a language does not register for the GB by the deadline.
- All planning and reporting documents will be prepared in English. Only the summaries, budget documents like the annual accounts and the Annual Activity Report Analysis and Assessment will be translated into the other four Governing Board languages.

In relation to the organisational aspects of Governing Board meetings, the group suggested including key aspects of ETF activities for discussion at the informal meeting in the invitation letters. For better visibility of the ETF's work in the partner countries, they proposed a presentation on a concrete current ETF work topic the day before the Governing Board meeting. The presentation on EU developments should be more ETF driven.

As regards ETF communication policy, the group suggested the production of a short video on ETF communication activities, a presentation on the ETF communication policy at the next Board meeting and a short document describing the ETF communication policy.

Several recommendations to increase the visibility of the ETF's work were made:

- to identify and promote the visibility of the agency in the member states by organising events in the member states, with priority given to the EU Council Presidencies;
- to extend its communication network by making use of EC Representations, Cedefop ReferNet contact points (if agreed by DG EAC and Cedefop), the European Lifelong Guidance Policy Network, (ELGPN), etc;
- an ETF poster and a one page communication document presenting the differences between the ETF and Cedefop;
- donor coordination meetings in the partner countries organised by the EU Delegations and/or national authorities with the support of the ETF. This would ensure a better articulation of donor interventions, give a long-term vision and contribute to EU programming in human capital development.
- more information on EU funding possibilities for vocational education and training.

György SZENT-LÉLEKY (Hungary) thanked the members of the group for their work and endorsed the proposal for documents in English with translated summaries in the other four languages. He recommended maintaining two meeting sessions per year. In his opinion ETF communication is excellent, but also new approaches can always be added.

Torben Kornbech RASMUSSEN (Denmark) commented on the positive work in reducing governance costs to date. The initial recommendations were originally made during the Danish Presidency. He supported the idea of having two meetings of the Board per year as well as having only document summaries translated in the other four languages.

Micheline SCHEYS (Belgium) thanked colleagues for their work and considered the recommendations a good basis for reaching consensus. She also supported the translation of only document summaries and recommended maintaining two meetings per year. As regards communication, she stressed that it is important to better communicate the differences between the ETF and Cedefop and how ETF work affects the lives of ordinary citizens.

Daniele RAMPAZZO (Italy) thanked the working group for the proposals. He underlined that the linguistic regime is a sensitive issue and goes beyond budgetary problems. He suggested asking the EC for advice in this regard. In terms of communication, the Italian Presidency is ready to cooperate with the ETF. He supported the idea of addressing a wider target public to help them understand what the ETF is doing.

Ian PEGG (UK) congratulated the ETF for its excellent work and encouraged more celebration of ETF successes. In his opinion, the work of the ETF has an impact and this should be more visible when communicating. He also congratulated the ETF communication team for the Gold Quill communication award.

Gema CAVADA (Spain) thanked the working group for the work done and hoped that they were not offended by the Spanish position which does not partially accept their proposals. She informed the Board members that the Spanish Ministry of Foreign Affairs believes that the linguistic regime should not be decided at Board level, but higher up. The official position of Spain has been sent to all members with the support of the Governing Board Secretariat. She stressed that it is needed to find a formula to improve communication efficiency but not to eliminate the translation of official languages but to find a solution that is acceptable for all.

The Chair reminded the Board members on the need for unanimity in approving the proposals put forward by the working group. He believes that there is also a need for consultation in the capitals but underlined that the final decision belongs to the Governing Board. He offered examples of the situation of the Commission which has three working languages but the majority of working documents are prepared in English, some in French and almost none in German. In some of the events organised by DG EAC interpretation is provided in 3 or 5 languages or 5 languages plus one language of the Presidency and sometimes in 8-10 languages. It is important to make clear that the Board needs to be more efficient and to be able to work in a collegial manner. To this extent he favours the opinion of having two meetings per year. He recommended the Board members to continue the discussions but in a much targeted way in order to ensure the efficiency of their work.

Lukas ZAHILLAS (observer from Cedefop) welcomed the comments and proposals for making the ETF and Cedefop's work more visible and showing the differences between the two organisations, which work closely together on some projects, exploiting available resources but keeping their own identity. Two joint seminars are organised per year and one topic for knowledge sharing for 2014 is communication policy.

Sara PARKIN (independent expert nominated by the European Parliament) congratulated the working group for their work and the ETF communication team for their strategy. She strongly recommended a more detailed presentation at the November meeting of the Board as well as the use of a range of instruments to get better outcomes.

Karl WIECZOREK (Austria) asked if the documents translated are used in relation with other institutions or are just for the Board. It was confirmed that the documents are translated solely for the Board members since correspondence with the EP and the EC is in English.

Gerhard SCHUMANN-HITZLER (DG Enlargement) appreciated the ETF's communication work and highlighted the importance of identifying the audience and showing practical examples of work. He suggested that in preparation for the 20th anniversary, some examples of best practice, success stories and examples could be shared with different target groups. He also recommended providing a clear explanation of vocational training and producing materials showing what the ETF does, for whom and with which results. As regards the linguistic regime he recommended a pragmatic approach and to seek ways of reducing the volume of documents. The idea of providing executive summaries with short and clear information for long and strategic documents is appreciated.

Juraj VANTUCH (Slovakia) recommended targeting also the professionals when providing communication because they are also an important target groups together with the ordinary people. He supported the idea of having short documents but imagined that this might put pressure on the ETF to offer more information. He opined that the Board should decide on the linguistic regime and although it might take a long time, a decision should be reached in view of the new situation determined by the budget reductions.

The Chair observed that unanimity had not been reached and he recommended the issue to be discussed in the member states with the responsible authorities. He reiterated the fact that the linguistic regime was a matter for the Board to decide upon. He also noted the pragmatic approach to reduce translation costs. The analysis of the working group identified translation of the documents for the Governing Board meeting as one of the areas where potential savings, which would have a substantial impact on the overall cost of organising these meetings could be made. He reminded the members that the working group, bearing in mind the overall ETF budget constraint, showed that maintenance of the current translation regime would require savings on other Governing Board cost items, resulting in the limitation of the Governing Board sessions to one per year. Translating summaries is a very good approach because it addresses financial constraints, helps communication and ensures more visibility among different decision makers from the EU and the partner countries. He reminded that translations are made exclusively for the members of the Board and not for the budgetary authority or the Commission, who are only receiving the English version.

In his opinion, the working group should continue and following consultations at national level, another meeting of the group could take place to decide on proposals that could be unanimously agreed by the Board.

The Chair observed the commitment of the Board members to share information on the proposals with their national authorities and to act in favour of reducing the governance costs. It was agreed that the Chair would send a letter to all Governing Board members asking them to present the working group proposals to the relevant national authorities in order to reach a decision at the next Board meeting.

9. Oral Reports

The synthesis of the presentations is included in the Annex to this document.

10. Any other business

Madlen SERBAN (ETF) informed the Board that the EP resolution of 3 April 2014 on the discharge of the EU agencies for the 2012 financial year, point 76 requires Governing Board members of all agencies to publish their CVs and a declaration of interests by 1 December 2014. In order to do this,

members were asked to send a brief CV and a declaration of interests to the secretariat by 3 November 2014. The information will be published on the ETF website.

Since it was the last meeting Chaired by Jan TRUSZCZYŃSKI, Madlen SERBAN (ETF) on behalf of the ETF and the Board members took the opportunity to thank the Chair for all his support during his mandate and wished him a long, healthy and good retirement.

11. Date of next meeting

The next meeting of the Governing Board will be held in Turin on 21 November 2014. For 2015, it is proposed that the first meeting takes place on 5 June.

Follow up actions:

- ETF to address the proposals and observations made during the meeting as regards the draft ETF 2015 work programme;
- The ETF is to present its Performance Based Management system at one of the next meeting of the Board;
- The ETF is to present its Communication policy at one of the next meeting of the Board;
- The Chair will send a letter to all Governing Board members asking them to present the proposals of the working group on governance costs and communication policy to the relevant national authorities in order to reach a decision at the next meeting;
- The proposals of the working group on governance costs and communication policy are to be included in the agenda of the next meeting;
- By 3 November 2014, the Board members should provide the ETF Secretariat with their CV and declaration of interest for publication on the ETF website.

ANNEX

9. Oral reports

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

António SILVA MENDES and João SANTOS (DG EAC) presented the latest European Commission policies and programmes. They focussed on a few issues due to the fact that the presentation had already been distributed.

Education in the EU strategic agenda. At present a public consultation is ongoing on the **EU 2020 Strategy** from 5 May to 31 October 2014. This is in preparation for a review of the strategy and a means of gathering the opinions of the public on its further development. Education and training are expected to continue to be a centrepiece of the “Europe 2020” Strategy, in a more coherent and holistic manner.

As regards vocational education and training in Europe 2020, the key areas of intervention foreseen include excellence in growth, innovation and productivity embedding VET in economic development and innovation strategies, developing VET in higher education, new types of partnership involving all relevant players at local and regional levels (smart specialisation); reducing skills mismatch; preparing for future jobs; and supporting job creation.

Upcoming Bruges review. The VET Monitoring Report prepared by Cedefop in cooperation with the ETF is expected to be ready in September and will be followed in early 2015 by a review and definition of VET priorities, as well as a new set of short-term deliverables for 2015-17. The Communiqué should be adopted in mid-2015 in Riga and will link to the VET priorities in the EU2020 and ET2020 strategic frameworks.

VET focus for 2015-17. The general priorities put forward by stakeholders and foreseen by the Commission for 2015-17 are the following: quality (including quality assurance) and employability, attractiveness as an “end result” of reform measures, learning outcomes and the effective and meaningful use of tools, efficiency including funding and VET governance (partnerships with social partners at all levels; commitment of social partners). There will also be a thematic focus on: work-based learning, labour market relevance, monitoring of VET outcomes for evidence-based policies, teachers and trainers, English as a second language in VET and a stronger focus on continuing training. Mobility will continue to be a focus but as a tool for modernisation rather than a policy objective.

European area of skills and qualifications. The conference “Towards a European Area of Skills and Qualifications” was organised on 17 June 2014 in Brussels. It addressed the problems faced by learners and workers, the challenges in ensuring transparency and recognition of qualifications to support European mobility, and the progress in the implementation of existing tools and how they contribute to the European area of skills and qualifications.

A public consultation was organised by DG EAC at the beginning of 2014. By the closure on 15 April, they had received 83 position papers and 284 replies to a questionnaire (160 from organisations and 124 from individuals). They also carried out a Eurobarometer survey in April –May 2014.

International activities. On 26 May letters were exchanged between the Director General of DG EAC and representatives of the former Yugoslav Republic of Macedonia on the Erasmus + programme. On 5 June, the former Yugoslav Republic of Macedonia became an official member country of the programme.

A meeting of the inter-agency working group led by UNESCO was organised in Brussels and focussed on the latest developments in VET worldwide. UNESCO is currently preparing a new recommendation on TVET for adoption in 2015.

Furthermore, DG EAC has contracted a study which maps the state of play of existing policy measures and practices on internationalising VET implemented by EU/EFTA countries.

Gerhard SCHUMANN-HITZLER (DG ELARG) presented the latest developments in the area of enlargement.

The EU recently celebrated the tenth anniversary of the EU enlargement of 2004. There is general recognition that this enlargement was a great. The ETF played an important part in that process. For the current candidate and potential candidate countries, the situation is as follows:

Montenegro reached an important milestone by completing the screening process of all policy areas. Negotiations are ongoing on nine chapters out of 35. Two chapters are provisionally closed.

Serbia has made good progress since starting negotiations. The new government is very committed to EU integration and modernisation. The serious flooding in the spring however has resulted in setbacks.

Albania has been made progress in combating corruption but not all the member states are currently in agreement with granting candidate country status to Albania, following the recommendation of the European Commission.

Kosovo^{*1} finished negotiations on the Stability and Association Agreement and the document is ready to be signed. There is still an open question as to whether the five EU member states who do not recognise Kosovo's independence will accept the signature of the document by Kosovo alone or if the formula with UNMIK acting on behalf of the country should continue.

The former Yugoslav Republic of Macedonia is at a relative standstill. The last high level meeting on accession was cancelled because there is not enough willingness among the political parties to speed up the process.

In **Bosnia and Herzegovina** no progress has been registered on institutional structures, which involve many actors in very complex structures. The need to act on the flooding of the spring might help improving cooperation between the numerous parties involved. The new focus on competitiveness and employment where VET also plays an important role, might also bring new momentum.

In **Turkey** there is no progress on the political criteria. However, an evaluation of the customs union shows a positive impact for both Turkey and the EU and a shift of the focus towards trade and economic issues could bring fresh impetus to the dialogue between Turkey and the EU.

On 8 May, the Greek Presidency organised an EU-Western Balkans ministerial conference in Thessaloniki, which confirmed that all the countries of the region have a European perspective. In this context, it is important to improve the links between the EU member states and the countries of the region, especially in areas such as transport and energy.

As presented at the last meeting of the Board, the enlargement strategy is based on the idea of "fundamentals first": from the outset, the countries need to comply with key principles such as the functioning of democratic institutions, respect of fundamental rights, minorities and respect of the rule

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

of law. The second pillar of this approach is the economic governance. At the investment conference organised by EBRD in February, Commissioner Füle presented what is expected from the enlargement countries in terms of economic governance. This approach will be included in the enlargement strategy paper to be presented in October 2014. Under this approach the countries are requested to present every year National Economic Reform Programmes. These programmes will be assessed by the Commission and the Council will issue country specific recommendations. Every second year, countries will have to present Competitiveness and Growth Programmes including the sector reforms necessary for sustainable growth. The benchmarks for these reforms are those set out in the SEE 2020 Strategy. The ETF has an important role to play in monitoring those concerning education and training.

Financial assistance under the new Instrument for Pre-Accession Assistance for the next seven years (IPA II) follows a more strategic, long-term and comprehensive approach. This approach will be reflected in the strategic planning documents. In this respect, a Multi-country Strategy Paper has been approved recently by the member states and will be finalised in July. This document also includes a reference to the ETF and reflects the intention to continue cooperation within the framework of the FRAME II programme. The Country Strategy Papers will be presented to the member states in July during the IPA Committee and the intention is to present the approved country priorities at the next Board meeting.

Luis RIERA FIGUERAS (DG DEVCO) presented the latest developments in the area of development policy. Increasing importance is being paid to employment and employability issues in development cooperation overall, as well as specifically with the ETF in the Neighbourhood and Central Asian regions.

Programming

Of the 30 countries which will focus their programmes on employment and employability, 11 are ETF partner countries. Once the programming process is finalised, DG DEVCO intend to organise a coordination meeting with DG EAC and the ETF to discuss the different strategies in the countries in depth. DG DEVCO aims to have the programmes approved by the end of 2014 so that they can become operational as of 1 January 2015. Several meetings have already been organised with the member states, and once the new European Parliament becomes operational, its approval will also be sought.

Regional aspects

DG DEVCO is supporting the idea of a follow-up to the GEMM project managed by the ETF in the Southern and Eastern Mediterranean. The ETF's support for the SME entrepreneurial learning assessment in Eastern Europe and in the Central Asia Education Platform was also mentioned.

Sectors

In the development area, some sectors have recently gained a higher priority. These include food security and governance issues. The latter may cover public financing, the reform of the judicial system as well as education, both basic and in terms of employability. DG DEVCO is considering mainstreaming VET in all sectors.

Migrant skills

Recent years have seen an increase in fragility and lack of resilience along with displaced populations and refugees. In this context, DG DEVCO believes that the employment situation of such migrants should be tackled immediately, giving the example of Jordan where the high number of Syrian refugees requires an urgent response, especially in terms of employability.

Predictability and sustainability

An approved seven year budget sends a powerful message to countries, although the sectors selected for investment should also be indicated. In development, priority is given to fragile situations, to mobilising resources to ensure sustainability as well as exit strategies. In terms of VET it is important to work on different models of financing to ensure sustainability.

Budget support

The approach to the budget is shifting from a general one to sectoral contracts which focus on a particular sector. This could include VET.

Trends and developments at the ETF

The ETF prepared a complete summary of updates and developments which was tabled at the meeting and made available on the Governing Board area of the ETF website.

Madlen SERBAN (ETF Director) focussed her presentation on the selection process for the deputy director of the ETF, which has a new deadline for applications of 5 September. Interviews will be held on 3 October and the Board is asked to select a volunteer to act as an observer during the selection process. Information will be sent in a separate communication to the Board.

Following the suggestions of several members of the Board, the ETF invited a representative from Azerbaijan to present the latest developments in vocational education and training as well as the work they are doing with the ETF in the country.

Seymur IZMAYILOV, adviser to the Minister made the presentation, offering the apologies of the Minister of Education who was unable to attend in person.

The Ministry of Education of Azerbaijan rates its cooperation with the EU and the ETF very highly. Over the past 10 years the country has witnessed decreasing poverty and unemployment and an increase in GDP. VET has started to play an increasingly important role in the education systems. The ministry coordinates 107 public vocational schools and almost 26,500 students are enrolled in VET. However, the perception of VET is not very satisfactory, with only 11% of school graduates continuing their education in VET and only 10-12% of those continue to the upper level.

The VET system faces a number of challenges including the weak partnership between vocational schools and industry, outdated curricula, poor infrastructure and equipment, low levels of public funding, a lack of interest of applicants, quality assurance and insufficient training for administrators and instructors.

Several pilot projects are promoted by the Ministry of Education aiming to identify good working models:

- the modern Azerbaijani craftsmen project in cooperation with Khauf, Bosch, the Japanese and Belarus governments, and the Eldar Studio. Five vocational schools are involved and more are planned;
- the vocational training centre project developed with the Korean EximBank;
- training centres for different trades with Consolidated Construction Company, GIZ, Rogaland Training and the Education Centre, etc.

Cooperation between the ETF and the Ministry of Education in Azerbaijan started in 1995, with the ETF offering capacity building and policy advice, supporting the development of the NQF, supporting two rounds of the Torino Process, ensuring policy advice and support on shaping and consolidating

the results of EU funded projects. In cooperation with the Ministry of Labour and the Ministry of Education, the ETF contributed to the development of Sectoral Committees (MoLPP). The ETF in cooperation with the ILO provided input for skills anticipation and in cooperation with OECD they are supporting the assessment of skills for entrepreneurship.

The ETF and the Ministry of Education are also working together for the evaluation of the State Program on TVET 2007-12.

The Azerbaijan Qualifications Framework (AzQF) is expected to be adopted soon by the Cabinet of Ministers. The Ministry of Education, in cooperation with the ETF and the EU Delegation, is supporting the training of national stakeholders for the AzQF and seeking to raise awareness and build capacity; as well as reviewing and updating the draft implementation plan and working on the content.

The ETF is also supporting the Ministry of Labour to strengthen the role of the private sector in VET, particularly Sector Skills Councils. Together they are examining and simulating the use of occupational standards from other countries in selected sectors. In this respect, a mapping of the social partnership initiatives is ongoing with a view to developing a roadmap for social partnership in the future.

Furthermore, in the 2014-17 period, cooperation with the ETF will focus on supporting, developing and implementing VET reform, developing institutional structures and examining policy options and solutions.

Updates on the upcoming Italian Presidency

On behalf of the Italian Presidency, **Daniele RAMPAZZO** (Italy) presented the main focus of the upcoming presidency. The semester will focus on growth and jobs in view of the response requested by the 26 million unemployed people in the EU. The Presidency will also foster cooperation between the Council, the Parliament and the Commission. It will start with a summit in Turin on 11 July on Youth Employment.

The consolidation of the governance of economic and monetary union will be continued, while other aspects include the revision of the EU 2020 Strategy with contributions from most member states to be ready for the European Council in December and for the European Commission.

The climate and energy package will be also in focus due to the fact that the EU has to elaborate a position for the UN Summit on climate change to be organised in September in Lima and for the follow-up in Paris in 2015.

As a contribution to sustainable development, during their July meeting in Milan, the Ministers of environment and employment will approach the issue of green jobs.

The enlargement policy as well as the neighbourhood policy will also be part of the agenda of the Italian Presidency.