

EUROPEAN TRAINING FOUNDATION

SINGLE PROGRAMMING DOCUMENT 2017–20

**Annual Work Programme 2017 and first indications
for Work Programme 2018**

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FOREWORD

The ETF is the EU agency tasked with supporting human capital development among the countries on the EU's borders. This mission is increasingly complex as the EU faces considerable challenges in this area. Many of the EU's neighbouring regions are poor, economically fragile, and affected by social and political unrest. The enlargement process has become more demanding and comprehensive in all sectors, including the human capital field. To the south and the east of the EU, armed conflicts have unsettled countries and, among other things, prompted a spike in migration towards the EU.

The EU's response is driven by the Juncker Commission's Global Europe priority. The EU reviewed its external relations policies and strategies for the Enlargement and Neighbouring countries in 2015. Likewise, the EU's internal policies and priorities for human capital have been reinforced through the review of the Education and Training 2020 strategy, and objectives for EU cooperation in the field of vocational education and training agreed in Riga under the Latvian Presidency. Both the external and internal policies highlight the role of human capital in building prosperous, democratic, and stable societies within the EU as well as on its borders. Similarly, from an international perspective, the UN Sustainable Development agenda places greater emphasis than ever before on the expected contribution of technical vocational education and training as a catalyst to be fully integrated into human and economic development processes across all sectors.

In this volatile context, with rapidly changing external conditions and new emerging policy approaches, the ETF has developed its programme for 2017-20. It is rooted, above all, in the ETF's mission to contribute to improving human capital development in the context of the EU's external relations policies. The ETF is ready to support the EU as a global actor through the contribution of EU human capital development to economic and social development in partner countries. The ETF's programming support for the European Commission and the European External Action Service (EEAS) aims at ensuring EU assistance in human capital is accurately focused and differentiated in order to deliver sustainable transformation of human capital development in the partner countries.

The ETF's specific policy focus derives from regular analysis of partner country needs carried out together with the partner countries themselves and with the active participation of EU and international and bilateral partners. The ETF Programming Document 2017-20 takes the ETF 2014-20 strategy forward and builds on the progress made in the 2014-17 Mid-Term Perspective. This gives continuity of focus essential for sustainable change in partner countries.

For the period 2017-20, the ETF has set itself the objective of contributing to human capital development in the context of EU external relations through improved VET systems and policies and improvements in labour market integration and re-integration. Although much has been achieved in recent years, as signalled by the preliminary findings of the ETF external evaluation in 2016, there are still substantial challenges facing the partner countries and their relations with the EU where more efficient and effective human capital development will improve stability and prosperity. The ETF is proposing to keep its policy focus on levers for long-term transformation by developing capacity for evidence-based policy making and multilevel governance systems and supporting policy and system development in areas of VET provision, qualifications, labour market intelligence and entrepreneurial learning. This will be achieved above all by supporting EU assistance in the countries and through strategic alliances with other development actors.

I am confident that this new strategic framework will enhance the ETF's capacity to deliver added value to the EU and impact in its partner countries.

Madlen Serban
ETF Director

EXECUTIVE SUMMARY

The 2017-20 programming document has been prepared according to the guidelines and common programming template for all EU decentralised agencies. It is structured around three components: the multiannual policy context; the multiannual objectives and strategic areas of action for the period 2017-20 as well as the annual objectives and activities for 2017. It includes a series of annexes, required by the template, which provide detailed mid-term and annual information on budget and human resources, the ETF's premises, evaluations and indicators.

The ETF's programme for 2017-20 has been established in a period of high volatility within the EU as well as within the countries on its borders. The EU has reviewed both its internal human capital policies, as well as its Enlargement and Neighbourhood policies and instruments.

With these changes in the policy context, the multiannual and annual objectives and priorities proposed by the ETF are bound to evolve during the 2017-20 period. There will need to be some flexibility in the ETF programming framework so each annual programme can be adapted to the evolving situation under the guidance of the ETF Governing Board and according to the requirements of its founding regulation.

The programming document opens with a reminder of the agency's mandate, mission and vision. It specifies that the ETF's main purpose is to contribute to improving human capital development in the context of the EU's external relations policies.

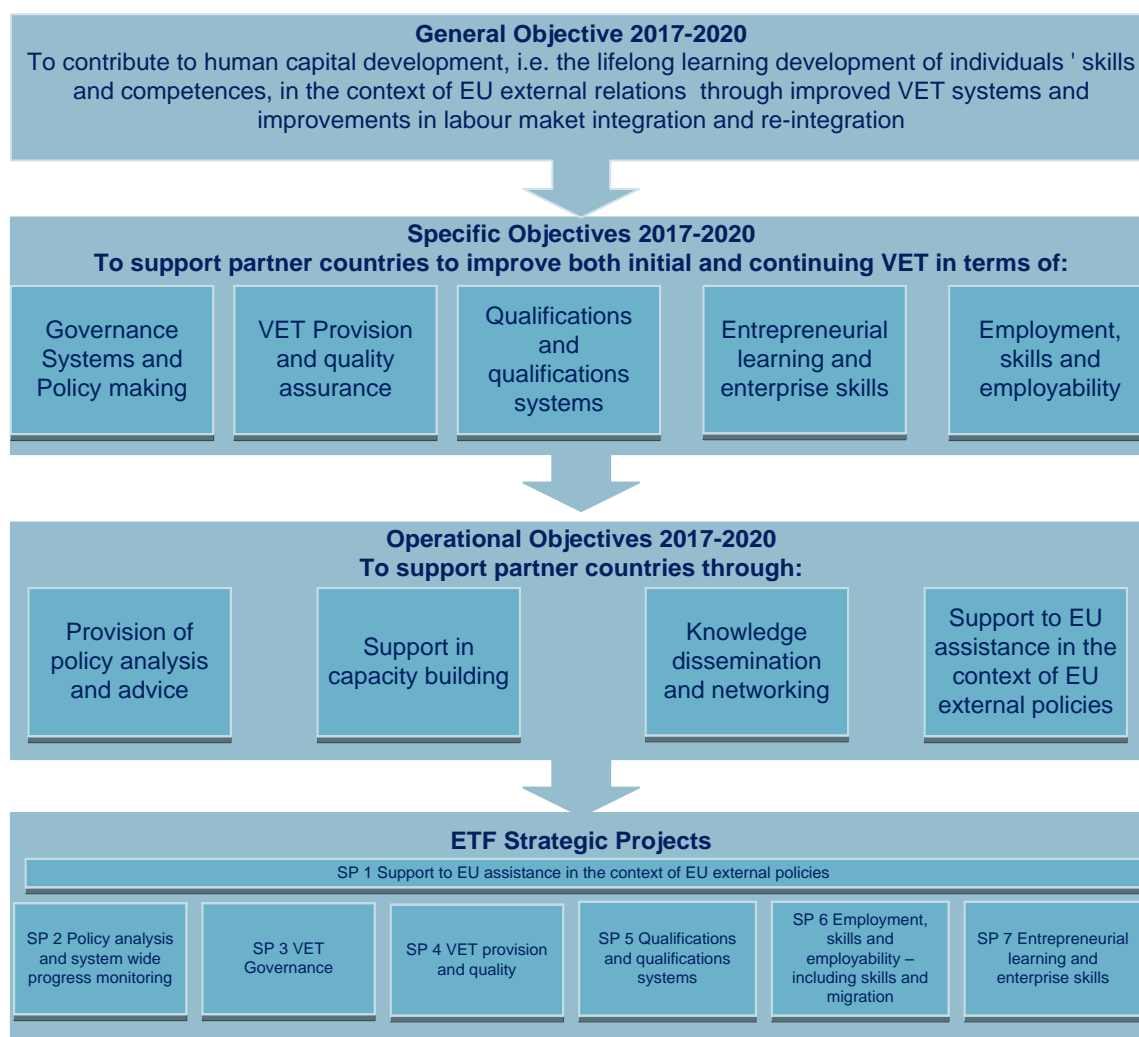
The first section sets out the ETF's constantly evolving context, framed by high-level policy initiatives, such as President Juncker's political guidelines 2014-19 and the European Parliament's concern for external solidarity. It assesses the EU's internal policies, in particular Education and Training 2020, the EU Employment Strategy, migration and the role of entrepreneurship in industrial development. A key reference for ETF work during 2017-20, will be to adapt the new European Skills Agenda with its emphasis on VET as a pathway to excellence through enhancing quality, attractiveness and streamlined governance to the context of partner countries. The ETF policy context also considers key external relations policies governing EU assistance, including the implications of the Enlargement Strategy and the review of the European Neighbourhood Policy, both adopted in November 2015, as well as the development cooperation policy as regards Central Asia. The analysis also covers the changing needs and circumstances in partner countries, largely informed by the Torino Process. It also introduces the international development policy context and, in particular, the expectation that the Sustainable Development Agenda will play an increasing role in shaping human capital development in ETF partner countries.

Building on the analysis, the second section presents the ETF operational principles, multiannual objectives and main lines of action 2017-20. This is held together through a structured logic of intervention, which cascades the objectives, expected outputs and outcomes towards expected intermediate impact over the four years of the SPD to the long-term impact over the ETF strategic programming horizon of seven years.

In preparing the SPD, ETF has also taken into account the preliminary findings from the 2016 external evaluation, which has provided timely inspiration in particular for the new ETF intervention logic connecting objectives with the cascade of outcomes, intermediate and long-term impact, as well as in terms of sustainability, effectiveness and efficiency of ETF's work.

The ETF objectives and strategic projects 2017-20 are outlined below as an extract from the full intervention logic in Annex XII. The project actions and outcomes are presented in section III below

and are designed to create progressive improvements in the functioning of the VET systems, which are measured through outcome indicators. Over the four years of SPD, inspired by the New Skills Agenda approach, the ETF expects to enhance access, attractiveness and improve quality standards in the overall provision of VET as well as to improve the system's capacity for policy making and good governance. Over the ETF strategic horizon of seven years, the ETF's impact can be measured through the contribution of the VET system to generating graduates with employability skills and eventually gaining employment as a contribution to competitiveness, stability and social cohesion in partner countries as measured by dedicated long-term impact indicators.



The second section establishes the principles and assumptions underlying the ETF's interventions. These relate in particular to the importance of following EU priorities towards partner countries; differentiation according to the context of each partner country; focus on a limited number of actions, each bringing a critical mass of resources to achieve results; ownership as regards the partner countries' readiness to take action on HCD reform; and expected impact/added-value and the long term sustainability of ETF actions.

These principles are fundamental for shaping the ETF's logic of action and identification of specific actions and outputs in each partner countries. Here it should be stressed that the ETF's actions in each are the result of a structured evidence based policy analysis and needs assessment owned and driven by the partner countries, largely through the Torino Process. The main ETF focus for the SPD

period is on supporting countries develop capacities, tools and instruments for the implementation of their VET policies and overall system development. With this system wide approach, the ETF carries out small pilot actions and identifies good practice which can be scaled up through national actions, EU assistance and/or through cooperation and complementarity with other international or bilateral actors. ETF itself, given its limited resources is not able to deliver the scaling up unless in exceptional circumstances such as the EU GEMM¹ project.

In terms of prioritisation, the section indicates that for 2017-18, the ETF gives high priority to Enlargement countries, Eastern Partnership countries with Association Agreements (Georgia, Republic of Moldova and Ukraine) and EU priorities in the Neighbourhood South (Jordan, Morocco and Tunisia). Other Neighbourhood countries will have medium priority, while the countries of Central Asia will be given low priority and engaged in regional rather than bilateral ETF activities. Low priority is also given to Russia and Israel according to the bilateral EU cooperation agreements with these countries while no actions are foreseen in Syria and Libya at present.

The ETF will engage with all partner countries in the Torino Process policy analysis as the basis for its further actions. In addition, the ETF will respond to EU requests for support either through its specific thematic projects or through the operational objective of support to EU assistance as appropriate.

It should be stressed that even with the above negative priorities, the ETF will not be able to fully support the priority partner countries according to its mandate and reach the critical mass needed to deliver effective transformation. Managing the priorities and spread of ETF effort will require hard choices guided by regular consultation with the EU institutions and the ETF Governing Board.

The multiannual programming section presents the ETF's general objective 2017-20 as contributing to human capital development in the context of EU relations through improved VET policies and systems as well as better labour market integration and reintegration. This represents continuity in the ETF strategic goals for the period 2014-20, which is also fundamental for achieving long-term transformation in the partner countries.

Under this general objective, the ETF presents its specific objectives for 2017-20. These aim at supporting countries to improve their initial and continuing VET policies and systems in the areas of policy making and governance; VET provision and quality assurance; qualifications and qualifications systems and; entrepreneurial learning and enterprise skills; and employment, skills and employability including skills and migration.

This section also outlines the operational objectives that derive from the ETF's functions as defined in the founding regulation. This includes above all the ETF's support to EU assistance in the context of EU external relations policies; provision of policy analysis and advice; support to capacity building and knowledge dissemination and networking. A key success factor is the full integration of ETF communication efforts on delivering the ETF operational objectives, within the strategic projects.

Finally, the section also outlines the main objectives for ETF's horizontal objectives designed to ensure the ETF's organisational performance through efficient and effective support activities.

Finally, section 2 presents the financial and resource assumptions for the ETF in the period 2017-20.

¹ Governance for Employability in the Mediterranean

Resources	Planned budget 2016	Planned budget 2017	Planned budget 2018	Planned budget 2019	Planned budget 2020
Title 1 Staff Expenditure	13,867,400	13,747,600 (-0.9%)	13,731,200 (-0.1%)	13,762,300 (+0.2%)	13,827,400 (+0.5%)
Title 2 Infrastructure and operating expenditure	1,589,100	1,808,600 (+13.8%)	1,844,450 (+2.0%)	1,628,200 (-11.7%)	1,689,200 (+3.7%)
Title 3 Operational expenditure	4,688,500	4,587,800 (-2.1%)	4,568,350 (-0.4%)	5,155,500 (+12.9%)	5,440,400 (+5.5%)
TOTAL EXPENDITURE	20,145,000	20,144,000 (-0.0%)	20,144,000 (0%)	20,546,000 (+2.0%)	20,957,000 (+2.0%)

Overall, the ETF's resources are aligned with Commission Communication COM(2013)519 final of 10/07/2013 entailing a freeze in the EU contribution until 2018, followed by a 2% increase until 2020. Title 1 is kept at a minimum throughout the period covering basic staff costs only. An increase in the planned budget for Title 2 covers the costs of renewing the utilities systems, the acquisition and implementation of a new customer relationship management tool and the continued digitalisation of the delivery of the ETF's core services. The majority of the overall budget increase from 2019 has been assigned to Title 3 to further strengthen the ETF's operational work and in particular to fund preparatory actions for reporting on the Copenhagen/Riga process as part of the EU Education and Training Agenda 2020.

As regards human resources, the programming document builds on the Commission's proposal to implement a 10% reduction in the establishment plan to reach 86 posts in 2018. The resources section confirms the positive and negative priorities for the ETF's operational expenditure following guidelines from the EU institutions and the ETF Governing Board². As stressed in the 2016 External Evaluation, the systematic reduction of ETF resources, and in particular its staff and expertise will limit the ETF's capacity to fully implement its mandate and ensure a critical mass of support for transformation in partner countries.

In section 3, the programming document provides an outline of the background, objectives, geographical focus and main actions for operational activities in 2017-18. Further detail on the activities as well as individual country strategic perspectives 2017-20 for each partner country will also be available in advance of the final adoption of the annual work programme by November 2016 as per the ETF founding regulation.

The strategic project on **Support to EU assistance in the context of EU external relations** will focus on different phases of the programming cycle, both for VET/skills programmes (or components within broader programmes) as well as sector programmes in the ETF's field of action. Human capital and skills development issues feature strongly in 2014-20 programming. The ETF will also provide inputs to external assistance-related bilateral and regional policy dialogue. It will also provide a contribution to the EU reporting process linked to external relations policies through regular inputs to the light European semester (ERP assessments) in the SEET countries, ENP progress reports, etc.

² Following input from the EU Agencies Coordination network, the European Parliament Budget Committee has proposed two draft amendments to reinstate two posts in 2017 and to allocate the budget needed to cover the respective costs. If the amendments are accepted, the current SPD will be amended to reflect the changes.

The strategic project on **Policy analysis and system wide progress monitoring** will contribute to effective policy making in VET for economic development and social cohesion by facilitating an evidence-based approach to policy making. Completing the current Torino Process round, 2017 will see the finalisation of all the country and regional reports as well as the cross-country synthesis. Particular emphasis will be placed on reinforcing capacity in partner countries for policy making through collective analysis and action among partner countries and the EU and international community on the findings of the Torino Process analysis through an international conference in Turin involving all the ETF partner countries, the EU institutions, and the international community. The ETF will continue to develop the capacity of its partner countries to collect and analyse data for use in participatory policymaking. The ETF will also support candidate countries (Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Turkey) in monitoring and implementing the mid-term deliverables as set out in the Riga conclusions of the Copenhagen Process. A key instrument will be the further development and deployment of the ex-ante impact assessment methodology building on ETF work in 2015.

In 2017, the strategic project on **VET Governance** aims at supporting partner countries to improve the multilevel governance of their initial and continuing VET systems. The focus will be on strengthening the overall governance of VET systems and the local dimension of skills and VET governance. This will include support to VET regionalisation processes and, where relevant, to integrated territorial development that builds on human capital and innovation in context of smart specialisation policies; and institutionalising and strengthening the role of social partners at national, territorial or sectoral level. Strengthening selected social partner institutions on their role and function in VET councils, tripartite governance structures, etc. is also an area that will be covered.

The strategic project on **VET Provision and Quality** will focus on assisting partner countries to enhance work-based learning, improve their quality assurance mechanisms and make continuing professional development of teachers and trainers in VET more effective. This will focus inter alia on relevant medium-term deliverables (MTDs) in the candidate countries. Enhancing work-based learning will be addressed in the SEET, EaP and SEMED regions. In the field of quality assurance (QA), the transnational policy learning forum will become operational in 2017. It will be the vehicle to support participating partner countries in developing systemic and systematic quality assurance in VET and monitoring QA improvement to enable them to progress in planning and/or implementing policies and practices. In the field of the continuous professional development (CPD) of teachers and trainers IN VET, the focus will be on the SEET region. In 2017, the ETF will complete the initiative with another round of demonstration projects and recommendations to further develop, implement and monitor policies and practices bringing CPD closer to the needs of schools, teachers and trainers to improve VET delivery.

The strategic project on **Qualifications and Qualifications Systems** will continue to support countries on how to move their NQFs through the development stages to make them a tool for modernising VET for lifelong learning, employability and competitiveness. Policy advice and capacity building will focus on countries with an internal policy focus on qualifications, as well as those where EU projects are supporting the modernisation of qualifications and qualification systems. Following EQF developments, the ETF will support SEET countries in their efforts to reference with the EQF, and partner countries in general in the recognition and portability of qualifications including their application to support legal migration. Finally, the ETF will maintain the international Qualifications Platform.

The strategic project on **Employment, Skills and Employability** will continue to support countries in developing their skills intelligence. This implies assisting countries in the progressive development of policies and measures for skills identification and matching and the efficient use of migrants' skills, as

contributions to the modernisation of VET for employability and competitiveness. This will start with priority countries and gradually be extended to other ETF partners over the SDP period. In SEET, the ETF will continue to build capacity on monitoring the skills requirements of key economic sectors in the short to medium term as part of the Economic Reform Programmes. The ETF will also provide expertise input to the Employment and Social Affairs Platform managed by the Regional Cooperation Council (RCC) on issues related to skills development. In the EaP, the ETF will help countries develop approaches to skills intelligence through the regional initiative “Make it Match”, which started in 2015. In the area of skills and migration, the main action will aim at mainstreaming migration in the human capital development policies of partner countries engaged in a Mobility Partnership. Finally, the ETF will launch new initiatives to build capacity in partner countries on policy options for enhancing youth employability and transition to work. In the framework of the review of ENP, the ETF will support the establishment of a panel on youth employment and employability within the EaP and encourage exchanges between SEMED countries on youth policies.

The strategic project on **Entrepreneurial Learning and Enterprise Skills** will build capacity and develop tools and instruments for policy implementation in human capital areas linked to the Small Business Act for Europe. The ETF also encourages partner country policymakers and training providers to improve policy and practice by identifying and disseminating quality-assured good practice in the field of entrepreneurship training (formal and non-formal). Reinforcing the interface between the ETF’s Small Business Act policy assessment and follow-up support at country level and good practice development will be a key focus in the period 2017-20. The purpose is, in particular, to improve policy implementation by closing the gap between practitioners and policymakers through dialogue and knowledge sharing. Particular attention will be given to promoting entrepreneurship in vocational education and training.

Embedded in all the above strategic projects is the function of communication to ensure the achievement of ETF operational objectives communicating policy advice, capacity building, knowledge dissemination, networking and as a tool within ETF support to EU assistance.

The horizontal activity on **organisational efficiency and effectiveness** will focus on two main strands. The first covers the actions the ETF carries out to reinforce the engagement of stakeholders within ETF work. The second comprises specific actions to coordinate organisational performance including the implementation of its performance management framework. This includes how the ETF organises its support functions of human resources, finance and procurement management, resource management, information and communication technologies and facilities management to deliver high quality and efficient core business. These are measured through the ETF key performance indicators, which are given in Annex XI.

LIST OF ABBREVIATIONS

AAR	Annual activity report
ABAC	Activity-based accounting system
ABB	Activity-based budgeting
ADB	Asian Development Bank
AFD	Agence Française de Développement
ALMPs	Active Labour Market Policies
BC	British Council
BTC	Belgian Development Agency
CEDEFOP	European Centre for the Development of Vocational Training
CG	Career Guidance
COM	European Commission
CPD	Continuous Professional Development
CVT/CVET	Continuing vocational training /Continuous vocational education and training
CORLEAP	Conference of Regional and Local Authorities for the Eastern Partnership
DCI	Development Cooperation Instrument
DG	Directorate General
DG DEVCO	Directorate General International Cooperation and Development - EuropeAid
DG EAC	Directorate General Education and Culture
DG EMPL	Directorate General Employment, Social Affairs & Inclusion
DG GROW	Directorate General Internal Market, Industry, Entrepreneurship and SMEs
DG HOME	Directorate General Home Affairs
DG NEAR	Directorate General Neighbourhood and Enlargement Negotiations
DG REGIO	Directorate General Regional and Urban Policy
DG SG	Directorate General Secretariat-General
DG TRADE	Directorate General Trade
DOL	Distance and open learning
ET 2020	Strategic framework for European cooperation in education and training
EaFA	European Alliance for Apprenticeship
EBPM	Evidence-based policy making
EBRD	European Bank for Reconstruction and Development
EaP	Eastern Partnership

EC	European Commission
EEAS	European External Action Service
EESC	European Economic and Social Committee
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualifications Framework
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
EPSO	European Personnel Selection Office
EQARF	European Quality Assurance Reference Framework
EQF	European Qualifications Framework
ERI SEE	European Reform Initiative of South East Europe
ERPs	Economic Reform Programmes
ESAP	Employment and Social Affairs Platform
ETF	European Training Foundation
EU	European Union
Euromed	Euro-Mediterranean Partnership
FTE	Full-time equivalent
Function 1 (F1)	Supporting EU external assistance and policy dialogue with partner countries
Function 2 (F2)	Supporting partner country capacity building in human capital development, policy in action and policy progress reviews
Function 3 (F3)	Providing policy analyses through evidence-based analysis on country or cross-country policy reforms to support informed decision-making on partner country policy responses
Function 4 (F4)	Disseminating and exchanging information and experience in the international community (agencies, regional platforms and councils, bilateral and international organisations and donors)
GDP	Gross domestic product
GEMM	Governance for Employability in the Mediterranean
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
HRD	Human resources development
HCD	Human capital development
ICT	Information and communications technology
ILO	International Labour Organisation
IPA	Instrument for Pre-accession Assistance
LuxDev	Luxembourg Development Cooperation

MISMES	Migrant Support Measures from an Employment and Skills Perspective
MTD	Medium-term deliverables
MTP	Mid Term Perspective
NEET	Not in education, employment, or training
NQF	National qualifications framework
OECD	Organisation for Economic Co-operation and Development
OIB	Office for Infrastructure and Logistics in Brussels
OSHA	European Union information agency for occupational safety and health
PET	Western Balkans Platform on Education and Training
PMO	Paymaster Office
PRIME	Projecting reform impact in vocational education and training
PSD	Private Sector Development
QA	Quality assurance
RCC	Regional Cooperation Council
RCI	Regional Competitive Initiative
SBA	Small Business Act for Europe
SEE	South Eastern Europe
SEECCEL	South East European Centre for Entrepreneurial Learning
SME	Small and medium-sized enterprise
SP	Strategic Project
SPD	Single Programming Document
SRC	SRC Sector Reform Contract
VET/TVET	(Technical and) vocational education and training
UfM	Union for the Mediterranean
UNESCO	United Nations Educational, Scientific and Cultural Organization
VNFIL	Validation of non-formal and informal learning
WBL	Work-based Learning
YEP	Youth Employment Programme

ETF PARTNER REGIONS AND COUNTRY ACRONYMS³

South Eastern Europe and Turkey **SEET**

Albania	AL
Bosnia and Herzegovina	BA
Kosovo ⁴	XK ⁵
the former Yugoslav Republic of Macedonia	MK ⁶
Montenegro	ME
Serbia	RS
Turkey	TR

Southern and Eastern Mediterranean **SEMED**

Algeria	DZ
Egypt	EG
Israel ⁷	IL
Jordan	JO
Lebanon	LB
Libya	LY
Morocco	MA
Palestine ⁸	PS
Syria	SY
Tunisia	TN

³ These acronyms are taken from International Standardisation Organisation (ISO) and based on practice by the European Commission. <https://www.iso.org/obp/ui/#search>

⁴ 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.

⁵ 'XK' is a code used for practical reasons and not an official ISO country code.

⁶ 'MK' is a provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place on this subject at the United Nations.

⁷ ETF support to Israel takes place in the context of EU-Israel cooperation and related Guidelines on eligibility of Israeli entities and their activities in the territories occupied by Israel since 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards

⁸ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

Eastern Partnership**EaP**

Armenia	AM
Azerbaijan	AZ
Belarus	BY
Georgia	GE
Republic of Moldova	MD
Ukraine	UA

Central Asia**CA**

Kazakhstan	KZ
Kyrgyz Republic	KG
Tajikistan	TJ
Turkmenistan	TM
Uzbekistan	UZ

Other Partner Countries

Russia ⁹	RU
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⁹ ETF support to Russia takes place in the context of EU-Russia cooperation and with respect to Council Decision 833/2014 and subsequent acts

THE ETF'S MANDATE, VISION AND MISSION

The European Training Foundation (ETF) is a specialised European Union (EU) agency with a mandate to contribute to improving human capital development in the context of EU external relations policies.

Its mission is to support its partner countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policies. It cooperates with partner countries engaged in the EU's enlargement and neighbourhood policies, as well as Central Asia.

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

The ETF supports the EU as a global actor with particular emphasis on the contribution of human capital development to economic and social development in partner countries. Helping partner countries give their citizens skills for life contributes to peace, stability, prosperity and progress in neighbouring countries which in turn fosters stability and progress in the EU itself. At EU level, the ETF cooperates with the European institutions, the business community, social partners and other civil society organisations and networks. In addition, the ETF actively seeks information exchange and strategic alliances with relevant international and bilateral organisations and donors to foster complementary approaches and frameworks for joint action and enhance the overall impact from the international community on human capital development in partner countries.

Through its policy analysis, advisory and capacity building actions, the ETF improves knowledge dissemination and policy management to promote realistic priority and objective setting, policy implementation and monitoring of progress. The ETF's programming support for the European Commission and the European External Action Service (EEAS) helps to ensure that assistance is accurately focused and differentiated to fit EU and partner country priorities and capacities.

The ETF respects the values of loyalty, diversity, development and integrity in its work.

DOCUMENT STRUCTURE

The ETF Single Programming Document has been drawn up on the basis of the standard template provided by the Commission services for EU agencies. Section I presents the overall context in which the agency operates; section II defines the multiannual objectives, logic of action and resource assumptions. Section III presents the activities in detail in terms of strategic projects with their rationale, objectives, outcomes and indicators for 2017-20, as well as the ETF actions to organise its support services with core business priorities and improve its performance as an organisation. The content of the SPD is influenced by the ETF mandate, guidance from EU institutions and the ETF Governing Board, the needs and priorities of ETF partner countries and opportunities for cooperation and complementarity with international and bilateral stakeholders. Finally, the SPD has been strongly influenced by the preliminary results of the ETF 2016 external evaluation specifically in terms of the logic of intervention and operational actions.

SECTION I – GENERAL CONTEXT

This section presents the context that shapes the ETF's objectives and activities for the 2017-20 period. It analyses overall needs in ETF partner countries across the four main operating regions, as well as developments in relevant EU internal and external relations policies, and in international development policy. Out of these overall needs, depending on EU priorities, and the work of other donors and international organisations, and resource capacity, the ETF then proposes its own operational objectives and activities.

Although the ETF's overall mission and policy context remain constant, there are continuous changes in the partner countries and a steady evolution in EU internal and external policy according to EU 2020 objectives, as well as in relevant international development policy.

Where relevant, this contextual analysis may be updated during the annual programming exercise between 2017-20 to take account of such changes.

1.1 Partner countries

The analysis of the partner country context is based on the outcomes from the 2016 Torino Process. It briefly presents the progress made over the current strategic period since 2014 and the overall needs and priorities of the countries over the next mid-term programming period 2017-20.

South Eastern Europe and Turkey

Against a challenging European economic backdrop, the countries of South Eastern Europe and Turkey (SEET) have experienced mixed economic and labour market trends in recent years. Most countries' economies are still characterised by low productivity, low skills, high levels of informality and precariousness. SEET countries face negative demographic trends (e.g. ageing populations and outward migration). Employment rates in SEET lag behind EU benchmarks. At the same time unemployment indicators are high in all countries, with the exception of Turkey, but all have very high NEET rates. Young people are among the most affected by unemployment, informal employment and a mismatch between education and training outputs and labour market demand.

SEET countries share a common vision within an enlarged European Union (EU). The perspective of EU membership has a direct effect on their economic, employment, education and social inclusion policies that are framed by the broader policy objectives and targets of the EU 2020 strategy and the

SEE 2020 strategy and reinforced by the Paris Summit Declaration 2016 (Berlin Process). Skills development to support socio-economic development and inclusive growth is a priority for all countries of the region. The focus is on shifting from supply-driven education and training provision to systems that are more responsive to the needs of learners and the economy. With substantial support from EU pre-accession funds and other donor contributions, ETF progress reports from 2015 show that countries have improved in one or more of the following areas: adapting governance, reforming qualifications systems, modernising curricula and introducing forms of entrepreneurial learning, SME training, work-based learning and teacher training. Although the countries are at different stages of implementing policies, they all need to enhance institutional capacity, including consistent governance and legislative frameworks.

In the region, the ETF works through country activities, regional operations that cover all the countries and others which only cover candidate countries. Based on the emerging findings of the 2016 Torino Process, the results of the FRAME project, the Bruges process for the candidate countries, and the assessment of the 2015 Economic Reform Programmes, the ETF has identified the following priority areas:

- **National Qualifications Framework (NQF) implementation:** Countries have conceptualised and designed their qualifications frameworks. Priorities are: (i) to develop new relevant outcomes-based qualifications, including qualifications for adult learning, to develop levelling methodologies and populate frameworks; (ii) to improve transition to the labour market from initial VET; (iii) to develop mechanisms for the validation of non-formal and informal learning; (iv) to implement the process of referencing to the European Qualification Framework (EQF) and; (v) to determine institutional arrangements and responsibilities, strengthen institutional capacities and adopt or revise legislation.
- **Teaching and learning processes and the quality of provision:** The priority is to enhance the quality and attractiveness of VET. This will require the modernisation of (i) qualifications and training programmes, (ii) the diversification of VET provision, including increased investment in work-based learning, continuing vocational education and training (CVET) and distance and open learning (DOL); (iii) more emphasis on entrepreneurship and entrepreneurial learning and (iv) the improvement of the continuous professional development of vocational teachers and trainers to implement modern teaching and learning processes; and (v) the further development of quality assurance mechanisms.
- **Policy monitoring:** To ensure the sustainability of reforms it is necessary to monitor progress in the implementation of policies. This will require capacity building to use monitoring as an instrument for improving policy making processes. For the candidate countries, in particular, there is a need to explore different options for setting up mechanisms to achieve the EU medium term deliverables.
- **Skills gaps and mismatches:** Countries have made efforts to enhance the responsiveness of education and training systems to labour market demands. The priority is now to establish the institutional setting and develop technical capacity to analyse skills demand and feed the results into skills development processes.

Eastern Partnership

In recent years, the countries of the EaP (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine) have formalised or started to prepare comprehensive VET sector strategies. A common feature is that the new strategies link to national development strategies, which invariably identify

human capital as the country's key asset, and include improving education and training as a policy priority.

Between 2010 and 2013, EaP countries showed solid growth of 3-5% on average. The economic crisis in Eastern Europe and the conflict in Ukraine combined with economic sanctions on Russia, has negatively affected growth rates since then. The profiles of national economies show that low productivity sectors continue to be significant in the composition of gross domestic product (GDP). Low added-value trade and agriculture provide employment, while employers in advanced sectors seek high-level skills and recruit young people with high educational attainment.

Participation in the labour market is generally high in the Eastern Partnership, with the exception of the Republic of Moldova. Female rates are slightly lower than the male ones. Since 2011, employment rates have increased in all countries except Armenia and Ukraine. Unemployment is relatively low: the levels are high only in Armenia and Georgia (14-17%). In Ukraine, unemployment rates have gone up in the last years. Youth unemployment rates are higher than overall ones and again Armenia and Georgia stand out with around 35%. All countries are characterised by a decrease in the total employment rate and new jobs are emerging slowly.

'Over-qualification' is a particular issue with more and more university graduates finding jobs below their level of education. At the same time, unemployment among university graduates, in particular in law and economics, is growing, which may also be due to the limited quality of higher education provision. Although participation in education is declining, the population is well-educated and illiteracy is close to zero. The participation of adults in training is low, though adult training opportunities are increasing.

Based on ETF's ongoing work and the emerging 2016 Torino Process findings and the 2015 Torino Process Declaration, the key priorities for the modernisation of VET in the EaP are:

- **Modernisation of qualifications and qualification systems:** All countries have started to design and implement national qualifications frameworks to improve the transparency, trust and relevance of their qualifications. The focus is on implementation methodologies and the institutional infrastructure.
- **Private sector involvement in VET:** Policy makers are seeking higher private sector engagement in the design and delivery of vocational education and training. Most countries are establishing sector skills councils to align occupational and qualification requirements; they aspire to improved school-business cooperation and more and better work-based learning.
- **Skills anticipation and matching:** The countries have developed information on the skills needs of the labour market in an unsystematic way and aim to introduce a more coordinated approach to labour market information. There is a growing interest in skills anticipation to adjust VET programmes, including continuing training, to labour market needs and student demand. Building closer relations between initial and continuing VET remains a target.
- **VET attractiveness:** In several countries, VET participation is declining. To make VET a real option for students, the countries emphasise the need to raise quality and improve quality assurance mechanisms and transparency and permeability of their systems. Most countries are giving shape to VET Centres of Excellence at sectoral or regional level.

Russia¹⁰

Russia's annexation of Crimea has led to a suspension of most EU-Russia cooperation programmes as well as sanctions. ETF cooperation with Russia is guided by the EU's relations with the country.

Southern and Eastern Mediterranean

Although the situation varies from country to country, the region as a whole remains highly unstable, particularly on the political and security fronts. Instability and political turbulence contributed to a decline in economic activity. Vulnerable economies lag behind in job creation and there is a large informal sector with a low-skilled labour force and low productivity. The region has persistently very low activity rates (on average less than half the working age population is economically active) mainly due to the low participation of women in the labour market. Youth unemployment is of great concern, with peaks above 25% in a demographic situation where 60% of population is under 30 years of age. While the region has made very good progress in attaining universal enrolment in education (with few exceptions), the existence of dropouts, in particular after lower secondary education, is of high concern. NEETs are estimated at 32% of the population aged 15-29.

All countries in the region have prioritised tackling the problem of youth unemployment. Countries have progressed in developing employment strategies, although more attention has been devoted to emergency measures than to sustainable job creation policies. In response to the pressing need to boost employment, VET and employability have been rising on the political agenda in recent years. The countries have made significant efforts to develop legislation, strategies and action plans for VET reforms. However, the pace of implementation is still slow, with many countries reporting challenges in the ownership, coordination and leadership of the reforms.

Based on its ongoing work and taking into account the emerging findings from the 2016 Torino Process, the ETF has identified the following priorities for human capital development in the SEMED region:

- **Holistic evidence-based and integrated policies:** in 2016, for the first time in SEMED, the Torino Process will be applied at territorial level in three regions of Tunisia (Gabes, Medenine and Sfax) to support policy development at local level.
- **Multi-level governance in VET:** the EU GEMM project has contributed to strengthening multilevel-level governance and empowering social partners and social dialogue, especially at local level and making countries aware that shifting from supply-driven to demand-driven VET systems implies a participatory approach to skills development. Priorities include further support both in achieving greater coordination among key partners and in devolving responsibilities to the regional level. Partnership between education and business constitutes another important area of ETF work in the countries. The ETF will focus on Egypt, Jordan, Morocco and Tunisia in particular.
- **Employment and youth employability:** drawing on its methodological tools, learning programmes and experience acquired in the field through the EU GEMM project, the ETF provides guidance and support on skills anticipation and matching both at local and national level with a targeted capacity-building programme for policy decision makers and actors at local level. In the framework of the mobility partnership declarations, and through a special project on migrants and refugees (MISMES), the ETF supports selected SEMED countries.

¹⁰ ETF support to Russia takes place in the context of EU-Russia cooperation and in particular Council Decision 833/2014 and subsequent decisions

- **Modernisation of qualifications and qualification systems:** NQFs are on the agenda of most countries in the region, but progress is generally slow. Priorities include passing necessary legislation, agreeing concepts, defining technical elements such as level descriptors, establishing required institutional structures and associated quality assurance systems, which are currently either absent or partial.
- **Promotion of entrepreneurial learning and skills for small and medium-sized enterprises (SMEs):** Job creation in the private sector has become a high priority in all countries which have started to introduce a wide array of schemes to support financing, training and support to SMEs. More attention to specific groups, such as young people and women, and SMEs with job-generation potential is needed.

Central Asia

The CA region is characterised by its diversity of resource-rich and resource-poor economies. The countries' economies face a structural adjustment with the relative decline of agriculture as a proportion of Gross Domestic Product (GDP) (except Tajikistan) and an increase in the service industries (tourism, retail, business services and transport and distribution). A growing small business sector is a strong trend across the region. However, total employment growth is one of the biggest challenges. Weak job creation is a particular problem for Kyrgyzstan and Tajikistan. Overall, the countries face strong demographic pressure with growing youth populations. Labour migration is an important trend. The economic problems in Russia and Kazakhstan have increased the number of migrants returning to Kyrgyzstan, Tajikistan and Uzbekistan.

Despite very different socio-economic realities, all CA countries have put a strong emphasis on education and VET reform driven by a combination of socio-economic pressure and growing policy engagement on the part of stakeholders. VET has been evolving from a sector that frequently addresses social protection issues to one with the potential to make a broader contribution to social and economic development. Across the region, the sector is becoming more complex and the countries have developed and consolidated their capacity to develop and manage VET.

Based on the findings of the 2016 Torino Process, the ETF has identified the following priority areas for the region:

- **Labour market relevant VET:** Labour market analyses are weak and with the exception of Kazakhstan, ministries still drive curriculum developments with little engagement of business. There is a need to increase the relevance of the VET system and to enhance the involvement of enterprises and social partners in VET policy development and implementation both at national and regional/provider level including operationalisation of sector councils and development of coherent policies for education-business cooperation. The initiatives in several countries to develop National Qualifications Frameworks with the involvement of the private sector will impact on the relevance of VET.
- **Quality VET provision:** Countries have started to introduce a more systemic approach to quality assurance and management, and the capacity of schools to monitor VET quality is slowly improving. There is a need to adapt programmes to the needs of the labour market and provide continuous professional development (CPD) to vocational teachers and trainers to ensure the implementation of new approaches foreseen by VET reform.

1.2 EU Policy

This section outlines how EU internal and external policies and instruments will influence and shape the priorities and activities of the ETF over the period 2017-20.

As defined by its mandate, the European Training Foundation (ETF) is a specialised European Union (EU) agency with a mandate to contribute to improving human capital development in the context of EU external relations policies. Within this remit and in line with President Juncker's political guidelines, the ETF contributes to the EU's role as a global actor.

The ETF is well positioned to support its partner countries to develop their human capital by using EU policies and instruments suitable to the needs and complexities of the countries.

The ETF actively draws on EU internal human capital development policies in its support to partner countries. It disseminates and adapts EU internal policy approaches, tools and instruments to meet the different contexts of the partner countries according to the geopolitical priorities set by EU external relations policies. In particular, the ETF makes active use of EU human capital development policies in key areas for partner country development, notably: effective policy making in VET for economic development and social cohesion; modernisation of VET for employability and competitiveness; VET as a tool for effective transition to work as structured below.

Effective policy making in VET for economic development and social cohesion

The main EU policy framework in education and training is provided by Education and Training 2020 (ET 2020), which addresses challenges such as skills deficits in the workforce and global competition and establishes policy priorities¹¹. As partner countries largely share similar challenges, ET 2020 (and its review) continues to represent a valuable reference for the ETF's work, even if the priorities and solutions need to be adapted to national or local contexts.

As regards VET, the new set of medium term deliverables (MTDs), as defined in the Riga conclusions of 22 June 2015, have sharpened the focus of VET reforms with 2020 as a horizon. The new set of five medium term deliverables will shape the work and priorities of the ETF in the candidate countries and beyond, drawing lessons from the follow up of the 22 short-term deliverables under the Bruges Communiqué. The ETF will support candidate countries to implement these medium term deliverables and monitor progress to achieve the objectives set by Copenhagen Process. Furthermore, the ETF will continue supporting capacity building within relevant ministries to make results more impactful in the implementation and monitoring of the medium term deliverables.

The Joint Report on ET 2020 also renewed the priorities of the European Agenda for adult learning, as it is seen as the basis for up-skilling and re-skilling. Recent trends in low basic skills of adults and high unemployment rates made it necessary to reinforce the implementation of the European Agenda for Adult Learning. Priorities include more effective governance, significant increases in supply and take-up, more flexible supply, broader access, closer monitoring and better quality assurance.

The Open Method of Coordination provides a methodological approach and source of inspiration for ETF-facilitated mutual learning and exchange of good practice. The Riga Conclusions¹² also indicate

¹¹ Making lifelong learning and mobility a reality; Improving the quality and efficiency of education and training; promoting equity, social cohesion, and active citizenship; Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

¹² http://ec.europa.eu/education/policy/vocational-policy/doc/2015-riga-conclusions_en.pdf

that progress in the area of VET will be monitored and analysed by the European Centre for the Development of Vocational Training (Cedefop) and the ETF. It will be done through a streamlined monitoring framework using newly developed indicators and available VET-specific statistical data, adapted to the new medium term deliverables. Both agencies will cooperate to enhance better links between the Riga conclusions and the new European Skills Agenda.

The Europe 2020 strategy and other EU policy documents set up a framework of indicators and benchmarks in the field of employment and education and training that the ETF uses to monitor reform progress of partner countries under the Torino Process.

Modernisation of VET for employability and competitiveness

The ministers in charge of vocational education and training of the EU Member States, the candidate countries and the European Economic Area met in Riga in June 2015 and agreed to promote investment in work-based learning by involving social partners, companies, chambers of commerce and VET providers, as well as by stimulating innovation and entrepreneurship; to further develop quality assurance mechanisms in VET; to enhance access to VET and qualifications for all through more flexible and permeable systems; to further strengthen key competences such as language skills and digital literacy in VET curricula; and to introduce systematic approaches to, and opportunities for, the initial and continuous professional development of vocational teachers, trainers and mentors in both school and work-based settings.

Under the framework of ET 2020, instruments and tools have been developed together with approaches to foster effective partnerships that are also relevant to the ETF partner countries as potential reference systems. For example, the Council recommendation on the validation of non-formal and informal learning (2012) and the European Quality Assurance Reference Framework (EQARF)¹³.

The new European Skills Agenda that was launched in June 2016 puts a new emphasis on VET as a pathway to excellence by increasing its attractiveness, revising quality standards and streamlining governance for cooperation in VET. It calls on EU countries and stakeholders to improve the quality and relevance of skills formation, make skills, including digital skills, more visible and comparable and improve skills intelligence and information for better career choices. It launches a number of actions to ensure that the right training, the right skills and the right support is available to people in the European Union. The agenda will have an impact on ETF work with the partner countries. The work of the ETF under different strategic projects will be shaped to ensure complementarity with the new Skills agenda. Within the remits of the new skills agenda, the ETF will support and promote the VET Skills Week initiative in all partner countries with a special emphasis on candidate countries.

In qualifications, the EQF recommendation (2008) has had a far-reaching and rapid impact on partner countries' policies and instruments. Most are developing or already implementing national qualifications frameworks using the EQF as a technical model. Additionally, the EQF has become a reference to which partner countries wish to link their qualifications systems or frameworks. The five candidate countries are already part of the formal EQF process. In 2017, the ETF will continue to advise countries on NQF-driven qualifications reform also in the frame of the future revision of the EQF recommendation. The Skills Agenda package encourages coordination of the EQF with third countries and in particular Enlargement and Neighbourhood countries, and advocates its potential to inform legal migration through the skills tool kit.

¹³ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:c11108>

The EU skills agenda package also stresses the role of skills intelligence and information for making better career choices and for more effective skills strategies in key economic sectors. In terms of matching and anticipation, the ETF, Cedefop and the International Labour Organization (ILO) have developed comprehensive guidelines, which are practice-oriented tools for policy makers and experts of non-EU countries and apply the latest knowledge and experience of relevant EU experience and initiatives including those included in the repository of the EU Skills Panorama.

Work-based learning (WBL) has been recognised at EU level as a fundamental aspect of vocational training, being directly linked to the mission of VET to help learners acquire knowledge, skills and competences that are essential in working life, the Policy Pointers on work-based learning, the Quality Framework for Traineeships and the Guidebook on Key Success Factors for Apprenticeship and Traineeship Schemes in the EU.

The European Employment Strategy (EES) provides a framework (the "open method of coordination") for EU countries to share information, discuss and coordinate their employment policies. It constitutes part of the Europe 2020 growth strategy and is implemented through the European semester. The implementation of the EES involves the following four steps: employment guidelines, joint employment report (JER), national reform programmes (NRPs) and country-specific recommendations (CSRs). The employment guidelines, proposed by the Commission and approved by the Council, present common priorities and targets for the national employment policies. In March 2015, the Commission adopted a proposal for a new package of integrated policy guidelines. Overall, the EU employment strategy represents a key reference for policy objectives and organisation of effective policy making in partner countries.

The ETF's policy support tools and indicators in entrepreneurship and enterprise skills draw specifically on the human capital principles of the Small Business Act for Europe (SBA), as well as on "Rethinking Education" and its focus on entrepreneurship key competences and on the wider entrepreneurship skills promotion drive of Education and Training 2020. Further, the emphasis given to skills intelligence within the New Skills Agenda reinforces the SBA commitment to tracking SME skills data and business-education cooperation.

The Communication and the Council conclusions on the "Global Approach to Migration and Mobility" (GAMM), mentions the importance of the skills dimension of migration, which is another area of ETF work. The European Agenda on Migration (2015) indicates that migration is both an opportunity and a challenge for the EU. The medium to long-term priorities consist of developing structural actions that look beyond crises and emergencies and help EU Member States to manage all aspects of migration better.

Transition to work

The EU Youth Employment Package (2012), which includes the Youth Guarantee (2013), the Quality Framework for Traineeships and the European Alliance for Apprenticeships, is a key reference for the ETF's work, especially given the high levels of youth unemployment that plague partner countries. In addition, the ETF takes into account the Youth Employment Initiative (2013) and the Communication "Working together for Europe's young people – A call to action on youth unemployment" (2013).

The Youth Guarantee Scheme (2013) increasingly inspires the ETF partner countries in view of uncertain labour markets and weak institutional settings. The Youth Guarantee is a new approach to tackling youth unemployment by ensuring that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within four months of leaving formal education or becoming unemployed. A good-quality offer should be a job, an apprenticeship, a traineeship, or continuing education, which should be adapted to each individual's needs and situation.

Developing and delivering a Youth Guarantee scheme requires strong cooperation between all the key stakeholders: public authorities, employment services, career guidance services, education and training institutions, youth support services, business, employers, trade unions, etc. Early intervention and activation are key and, in many cases, reforms are needed, such as improving VET systems.

Equally, long-term unemployment, economic restructuring and social vulnerabilities greatly affect the adult population of ETF partner countries. Timely and demand-relevant upskilling and reskilling of jobseekers, low skilled and other groups at social risk, coupled with sound support for activation are EU recommended priorities (e.g. Employment Guidelines, and the Commission initiative on long-term unemployment) which the ETF will follow in its advice and support to partner countries.

EU external relations policies

In addition to internal policies, human capital development is a driver for reaching the common policy goals for EU external relations, such as economic development and prosperity through employment, social cohesion and stability, strong and democratic governance, the rule of law and enhanced trade.

The ETF supports EU cooperation under the specific policies and instruments established for each region, and according to the geopolitical priorities and cooperation agreements defined by the EU with each partner country. EU cooperation also establishes key principles that guide the ETF's work, such as differentiation, focus, ownership and broad participatory approaches including social partners and civil society.

In this context, the ETF provides direct support to EU cooperation on request in such areas as the programming of assistance, the implementation of projects, monitoring and evaluation, expert input to bilateral policy dialogue and the review of policy progress.

Enlargement Strategy

The EU's Enlargement Strategy and Main Challenges 2014-15, published on 10 November 2015, confirms an approach based on three priorities: the promotion of fundamental rights and freedoms, the reform of public administration and economic governance, which is the most relevant for the work of ETF.

Economic governance is key to addressing the concerns of citizens in a persistently difficult economic environment, with high unemployment and low investment. Building on the experience of EU Member States in the European Semester, the Economic Reform Programme (ERP) process provides the framework for improving economic governance in the Enlargement countries. The Enlargement Strategy refers to the importance of regional cooperation and progress in the context of the Berlin Process, where youth and education is a key priority as well as the Smart Specialisation Strategy, which can encourage further investment in innovation and VET. The ETF will provide input to the Commission's analysis and assessment of Economic Reform Programmes and the Employment and Social Reform Programmes in the Enlargement countries and will follow policy guidance issued under these processes in its country and thematic work. The ETF will also contribute to the bi-lateral dialogue between the countries and the Commission through the Sub-Committees. It will provide expertise input to the Western Balkans Platform on Education and Training and the Employment and Social Affairs Platform. With the objective to maximise investment in human development in the region, the ETF continues to cooperate with regional bodies like RCC, ERI SEE and SEECEL in areas of relevance for the ETF.

Neighbourhood Policy

The revised Neighbourhood Policy promotes stability on Europe's external borders and helps neighbouring countries develop and support deep democracy, partnership with society and sustainable economic and social development with a view to becoming stable and prosperous neighbours. The

policy has created close cooperation between the EU and eligible countries, particularly those with Association Agreements or Advanced Cooperation Status (Jordan, Morocco, Tunisia, Georgia, Republic of Moldova and Ukraine).

The EC conducted a review of the Neighbourhood Policy which was published in a Communication on 18 November 2015. The review enhanced the focus on stabilisation and resilience in the eligible partner countries and has led to greater focus on key priorities including those relevant for ETF work such as governance of reform; economic diversification including integration with trade agreements; improving the business climate including entrepreneurship; outreach to civil society; enhancing job opportunities in particular at local level; and migration. Both in the South and the EaP it has led to a stronger focus on youth employment and employability with new regional programmes and a Youth Employment Panel in the East.

The ETF's contribution to the Neighbourhood focuses on human capital development for sustainable economic and social development and good governance. The ETF supports EC programming and regular monitoring of progress through instruments such as the employability fiches and SBA assessments, as well as through participation in bilateral subcommittees.

In Eastern Europe, the ETF's work supports the platforms of the EaP in its objective of inclusive economic development in the EU's neighbouring countries, with an emphasis on youth employment, entrepreneurship key competence development, SME skills and skills intelligence. To the south, the ETF supports the EU-Mediterranean dialogue on employment, the dialogue with the Southern Mediterranean on education, the Euro-Mediterranean Industrial Cooperation Working Group and the EU's involvement in the Union for the Mediterranean.

Development policy

The EU Development Policy focuses on good governance and human and economic development. ETF activities focus on human capital development policy, governance at school or local levels, as well as the contribution of human capital to economic progress for example through school-business cooperation and entrepreneurship. In Central Asia, the ETF's input is framed by the EU Strategy for a New Partnership with Central Asia (2007), in particular through the EU-Central Asia Education Platform. The Council conclusions on the EU Strategy for Central Asia (2015) stressed that the main objectives and priority areas of the 2007 strategy remain pertinent. The Council emphasises the fundamental importance of democratisation, respect for human rights and the rule of law, and socio-economic development, all of which are essential elements of the strategy.

1.3 International policy developments

This section outlines changes in international development policy and initiatives of key multilateral and bilateral actors that are expected to influence ETF work over the period 2017-20.

The principal international policy initiative which will influence ETF priorities is the Sustainable Development Agenda adopted in September 2015. The agenda, inter alia, confirms the key role of economic growth strategies in fighting poverty, tackling climate change and environmental protection. It advocates a multi-policy approach bringing together a range of social policy areas including education, health, social protection, and job creation and employment.

The agenda was followed by the publication of the 17 Sustainable Development Goals (SDGs) in January 2016 intended to define targets and provide indicators to measure progress in putting the agenda into practice. Governments play a lead role in establishing national frameworks for the

achievement of the 17 Goals, However, the Agenda and the Goals attribute importance to defining a strong global collaboration, cooperation coordination and monitoring progress. In this context, the SDGs that most relate to the ETF's mandate and work are the following:

- Goal 4: Ensure inclusive and quality education for all and promote lifelong learning;
- Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all;

Beyond these two specific goals, under the Sustainable Development Agenda, VET is seen as a transversal policy area, which contributes to the overall objectives and a multiplicity of other goals which are highly compatible with the expected contribution of human capital within the EU external assistance. .

The ETF strategy will be to actively engage in dialogue and information and seek strategic alliances with major international partners and support countries in ensuring that their VET reforms contribute to the overall international policy framework. In this respect, the ETF's active participation in the Inter Agency TVET Group, in close coordination with the Commission, continues to be an effective mechanism for strengthening international and regional cooperation, conducting a review of global TVET trends and issues as well as positioning TVET and skills in the 2030 Agenda for Sustainable Development.

The ETF will continue to contribute actively to conceptual and operational actions in particular in the working groups on TVET indicators with a focus on the indicators for the relevant Sustainable Development goals; greening TVET and skills development and work-based learning. In addition, the ETF will continue to work closely with main bilateral actors active in human capital development in partner countries. In particular, it will seek opportunities for dialogue on country and thematic priorities and methodologies to ensure complementarity in approaches and, where possible, joint action to scale up and maximise collective impact in partner countries.

1.4 External evaluation

The SPD context has been influenced by the preliminary outcomes from the 2016 External Evaluation. This has inspired ETF to revise its Intervention Logic as presented in Annex II with a consistent cascade of objective, outcomes, actions/outputs in line with the ETF mandate and EU internal and external policy priorities. These are intended to achieve intermediate impact in terms of progressive improvements in system performance, policy making and governance, and long term impact in the partner countries in terms of the VET system's contribution to economic and social development through improvements in employable skills, employability and labour market integration/reintegration. Both the intermediate and long term impact are measured through indicators in the intervention logic, which ensures that ETF is impactful and can help capture the ETF impact even when operating in a complex, multi-actor context which makes the chain of influence and specific attribution of impact challenging.

In addition, the external evaluation has influenced the ETF operational activities for 2017-20 by enhancing ETF focus on the identification of partner country priorities; tailoring of actions to the level of development in each country; and a more structured approach the sustainability of its action in particular through closer integration with EU and international reform efforts.

SECTION II – MULTIANNUAL PROGRAMMING 2017-20

ETF multiannual programming for 2017-20 is driven by an intervention logic with a cascade of general, specific and operational objectives. These are delivered through annual work programmes intended to lead to outputs, outcomes and intermediate impact over the four-year period, and long term impact over a seven-year strategic horizon.

This is fundamental for shaping the ETF's logic of action and identification of specific actions and outputs in each partner countries. Here it should be stressed that the ETF's actions in each are the result of a structured evidence based policy analysis and needs assessment owned and driven by the partner countries, largely through the Torino Process. The main ETF focus for the SPD period is on supporting countries develop capacities, tools and instruments for the implementation of their VET policies and overall system development. With this system wide approach, the ETF carries out small pilot actions and identifies good practice which can be scaled up through national actions, EU assistance and/or through cooperation and complementarity with other international or bilateral actors. The ETF itself, given its limited resources is not able to deliver the scaling up unless in exceptional circumstances such as the EU GEMM¹⁴ project.

This approach is consistent with the principles of action established during the current 2014-17 MTP namely:

- **Geographical prioritisation:** The ETF's interventions reflect the priority and interventions of the EU in each partner country, with particular reference to the human capital development (HCD) sector. These priorities are dynamic and subject to change according to EU and international developments, the context in partner countries and decisions of the ETF Governing Board. At the beginning of the SPD period, the ETF gives high priority to Enlargement countries, Eastern Partnership countries with Association Agreements (Georgia, Republic of Moldova and Ukraine) and EU priority countries in the Neighbourhood South (Jordan, Morocco and Tunisia). Other Neighbourhood countries will have medium priority, while the countries of Central Asia will be given low priority and engaged in regional rather than bilateral activities. Low priority is also given to Russia and Israel according to the bilateral EU cooperation agreements with these countries, while no activities are currently considered in Syria and Libya. However, even with the above negative priorities, the ETF will not be able to fully support the priority partner countries according to its mandate or reach the critical mass needed to deliver effective transformation. Managing the priorities and spread of ETF effort will require hard choices guided by regular consultation with the EU institutions and the ETF Governing Board.
- **Differentiation:** the ETF's interventions are differentiated according to the EU priorities as well as the context of each partner country as identified through regular policy analyses such as the Torino Process. The logic of intervention in each partner country is differentiated according to the strategic importance of human capital development in EU assistance for the country, including both the overall strategic importance of the country for the EU (i.e. existing contractual relations) and the role of human capital development in the respective EU development cooperation envelope.
- **Focus:** the ETF focuses on a limited number of actions to mobilise a critical mass of resources within the agency. In this respect the ETF has identified seven strategic projects for its work across all partner countries;

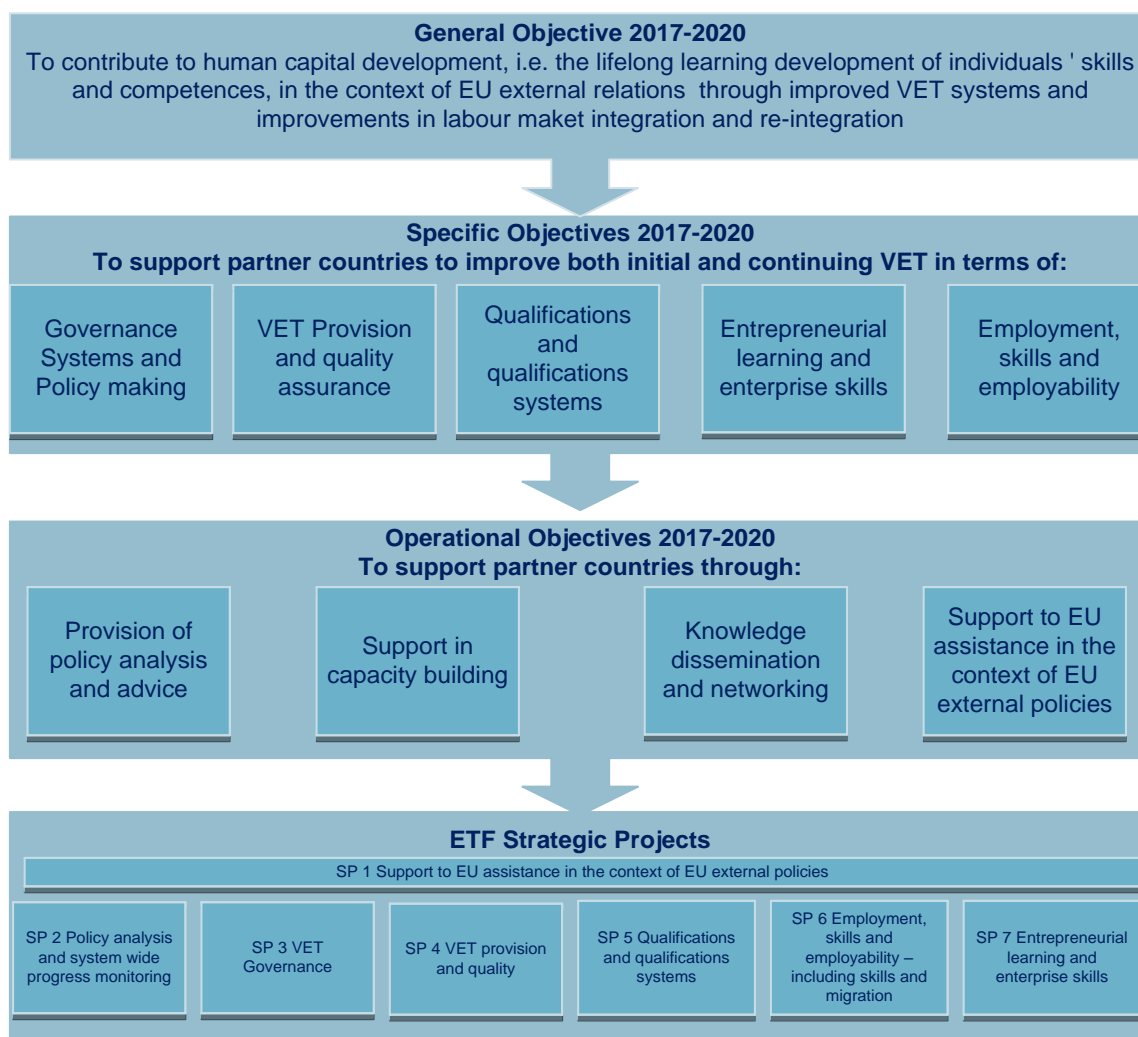
¹⁴ Governance for Employability in the Mediterranean

- **Ownership:** the ETF's interventions take into account the partner countries' readiness and willingness to engage in HCD reform. This includes consideration of the prominence of HCD in national policies and the respective commitment of stakeholders which are also fundamental for sustainability;
- **Cooperation and complementarity:** ETF activities are designed to maximise opportunities for cooperation and complementarity through strategic alliances with other international and bilateral actors engaged in human capital development in partner countries in the interests of scaling up ETF work to achieve greater overall impact;
- **Expected impact:** ETF strategic projects are impact oriented. Each project has defined outcomes to achieve over the duration of the project. The outcomes are measured by indicators which track the regular improvements in partner country policies and systems. The expected outcomes and indicators are included in section III. The intermediate impact over the four year SDP is measured by improvements in the performance of VET systems in terms of access, attractiveness and relevance as well as capacity for policy making and good governance. These are measured through: participation in VET; work based learning; individuals taking NQF qualifications and, finally, individuals engaged in entrepreneurial learning. While the long term impact can be measured over the seven-year ETF strategic planning horizon in terms of the contribution of the VET system to developing employability skills and gaining employment. The full intervention logic and related intermediate and long term indicators can be found in Annex XII.
- **Added-value:** The ETF's added value comes from its neutral, non-commercial and unique knowledge base consisting of expertise in human capital development and its links to employment. This includes expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries
- **Organisational performance and development:** the ETF has put in place a performance management framework to ensure efficient and effective organisational performance and proactive organisational change. The PMF is based on a cascade linking corporate objectives with departmental and individual objectives and is monitored through a set of Key Performance Indicators included in the SDP and the ETF's progress monitoring and reporting (see Annex XI).

Assumptions

The ETF multiannual objectives have been proposed under the assumption of:

- consistent priorities, objectives and actions over the single programming period – a precondition for transformation;
- continued commitment and engagement in reform among partner country stakeholders;
- continuity in principles of intervention: differentiation; focus; evidence base; long term impact and added value;
- a continued level of financial and human resources for the ETF from the EU budget;



2.1 General objective

Evidence from the Torino Process suggests that the main reform needs and priorities for the partner countries have remained constant over the period of the ETF 2014-20 strategy, despite volatility in some partner countries. This enables the ETF to maintain its strategic support framework over the long term. This continuity of effort is fundamental for substantial system wide and system deep transformation in the partner countries.

As a consequence, in 2017-20 the ETF will continue to support partner countries in modernising their VET systems for improved employability as a means of increasing competitiveness, social and territorial cohesion through the goals set in its 2014-20 strategy, namely:

- Goal 1 - Evidence-based policy making: to support partner country intelligence and capacities at all stages of the VET policy cycle, bringing innovation and sustainable development
- Goal 2 - EU policy support: To support the external dimension of EU policies in human capital development

To this end, the ETF has fixed the following general objective for its work in 2017-20, which is 'to contribute to human capital development in the context of EU external relations through improved VET policies and systems, including improvements in labour market integration and reintegration. Based on

the analysis of progress in the partner countries and the EU policy context. This will be done by providing targeted assistance to the partner countries taking into account their needs and priorities as well as by providing expertise to the EU for improved EU programming and policy dialogue.

2.2 Objectives 2017-20

According to the implementation logic, the ETF's work in the period 2017-20 will combine specific and operational objectives.

2.2.1 Specific objectives 2017-20

Drawing on the general objective, and building on the core themes from 2014-17, the ETF proposes five specific objectives to support partner countries to improve both initial and continuing VET policies and systems in the following fields:

Specific objective area 1: Evidence based policymaking and governance systems:

As demonstrated by the 2014 Torino Process reports, in recent years, ETF partner countries have made efforts to improve their policy making processes to make vocational education and training more effective in generating skills that support economic development and social cohesion. The key issues have been to make VET more proactive, more participatory and more attractive for citizens.

The ETF has supported partner countries in these efforts along two lines of action. The first has been to work towards evidence-based policy making and, in particular, to develop a culture of policy analysis building on a deep understanding of the challenges to be addressed as well as of monitoring progress in the implementation of policies for feedback and policy adaption. The second has been to work towards multilevel governance in VET promoting the active participation of key stakeholders across the different functions of the VET system, the existence of institutional settings that ensure clear roles and accountabilities, and that decisions are taken at the right level according to the principle of subsidiarity.

Although progress has been made in both lines of action, further efforts are needed and the ETF will continue to work with the partner countries to address the remaining gaps, according to the stage of development of each country.

Policy analysis and system wide monitoring

Since 2010, the ETF has supported partner countries through the Torino Process in undertaking system wide policy analysis and monitoring the progress of their VET policies. The aim has been to help countries to identify achievements and gaps and provide feedback for policy adaptation. Three cycles of the Torino Process have been implemented (2010-11, 2012-13, 2014-15) and its fourth cycle is ongoing (2016-17). Through the years, ETF partner countries have gained ownership of the process, and more countries have taken full responsibility for implementing the process and drafting self-assessment reports. Moreover, many countries have improved their evidence base and policy analysis capacity, as well as the participation of stakeholders in monitoring progress.

In the 2017-20 period, the Torino Process will close its fourth cycle and undergo its fifth cycle in 2019-20. The fifth round will have the specific aim of evaluating countries' progress in enhancing the responsiveness of their VET systems to the economic and social demand for skills, as well as in implementing policies decided previously, bearing in mind the results and recommendations previous Torino process cycles.

The ETF's experience during previous editions demonstrates that the Torino Process provides a wealth of information and experience for mutual learning and knowledge sharing across ETF partner countries including the process of policy analysis and decision making. The results of the Torino

process will therefore continue to be analysed for cross-country monitoring and reporting as well as used for policy learning not only at national level, but also through regional and cross-country policy dialogue. This will include cross-country analyses, capacity building through regional and international policy learning actions both face-to-face and via online means.

The ETF will implement supplementary actions, based on country specific needs and development, to enhance evidence-based policy making and monitoring capacity in partner countries for more effective implementation. These include country specific support for coaching policy makers and professionals in (i) generating and/or analysing targeted quantitative and qualitative evidence for decision making; (ii) designing and setting up better monitoring and evaluation systems and processes; and (iii) undertaking ex-ante impact assessment when new policies are to be developed.

In candidate countries, the ETF will focus in particular on monitoring and analysing progress towards the achievement of the Riga Medium Term Deliverables (MTDs) and on linking it to the European Skills Agenda. In this context candidate countries will be targeted by specific capacity building actions, in accordance with their needs, in particular aiming at the sustainable institutionalisation of national networks for evidence-based policy analysis and monitoring of the system and in particular of the MTDs.

VET governance

ETF partner countries recognise that participatory and anticipatory governance can lead to more efficient and effective VET. The majority of partner countries have reviewed the functionality of their institutional arrangements and identified areas for improvement. These institutional reviews have been made between 2013 and 2016, through the Torino Process, the EU funded Governance for Employability in the Mediterranean (GEMM) project in the SEMED region and FRAME project in the SEET region, along with other ETF-initiated actions.

The governance of VET systems in all countries is evolving alongside system reforms. A significant number of countries have started improving VET governance, moving towards more decentralised responsibilities and engaging multiple stakeholders in VET policy design and implementation. VET is considered as an area of shared responsibility, implying both coordination between governmental institutions, and cooperation with social partners and other civil society organisations. Albania, Egypt, Jordan, Kosovo, Republic of Moldova, Morocco, Serbia, Tunisia and Ukraine, in particular, are currently working on overall institutional arrangements, inter-governmental coordination, productive partnerships with non-state actors, and/or inter-play of national, sub-national, local and sectoral levels in VET.

Despite the positive developments, well-functioning multilevel governance with active participation and clear accountabilities of actors requires further action. VET governance affects system capacity to deliver policy results so the ETF will continue to support partner countries in their process towards good multilevel governance. The ETF will focus on countries that have opted to implement improvements in their VET governance.

The ETF will continue to develop the capacity of social partners to strengthen their role in national VET councils, sector or regional councils to reinforce the structural involvement of the private sector in VET governance. The ETF will address the capacity of regional/local authorities in countries where they have a role in VET governance. The ETF will also support the partner countries in the efficiency of VET governance, inter-governmental coordination, and where relevant, the VET legislative framework and its financing will receive special attention. The ETF will focus on building the capacity of actors and enabling appropriate institutional settings.

In 2017-20 the ETF will operate along the following lines: (i) VET governance covering legal frameworks, institutional settings, financing, coordination and cooperation mechanisms; (ii) horizontal dimension of governance, covering the actors cooperation in particular state and non-state actors, in terms of productive partnerships with respective roles and responsibility; and (iii) vertical dimension of governance, addressing the territorial levels of VET systems for closeness to regional and local needs and specialisation.

Specific Objective area 2: VET provision and quality assurance

This objective covers the following policy topics

Enhancing opportunities for work-based learning (WBL)

As in the EU, ETF partner countries recognise the need to engage business better in the VET learning process and to strengthen the practical learning component. Fostering the development and implementation of work-based learning opportunities, including apprenticeships, is a key factor to enhance the relevance of VET provision and its impact on the employment and employability of VET learners. It contributes to diversifying and modernising VET systems and making VET provision more attractive. ETF interventions will help partner countries to develop policies to strengthen work-based learning and to engage employers in cooperation with vocational schools, identify and implement a better mix between school and work-based learning in IVET, introduce innovative approaches and raise quality in work-based learning provision. Tools developed in the previous MTP will continue to be applied in capacity building and adapted to specific country needs.

Ensuring the professional development of vocational teachers and trainers

Many ETF partner countries are confronted with shrinking and ageing teacher and trainer populations. Wages are low and the possibilities for professional development are underused and often ineffective. Strengthening the continuous professional development (CPD) of vocational teachers and trainers is a precondition for improved learning and teaching in VET. It supports motivation and commitment of teaching and training staff and contributes to raising overall quality of VET provision. To be effective, the quantity, quality and responsiveness of professional development needs to be well balanced. ETF interventions will support partner countries to further develop, implement and monitor policies and practices to bring CPD closer to the needs of schools, teachers and trainers to improve VET delivery. Policy dialogue and networking will be extended and its focus moved towards implementation.

Comprehensive approach to quality assurance

The attractiveness of VET depends largely on VET quality and quality assurance. Many partner countries are developing initiatives in quality assurance and recognise the role of vocational schools in this process, but most actions are still ad-hoc. Improvement of VET provision and VET systems requires a systemic and systematic approach to quality assurance (QA). Quality assurance policies and mechanisms need to be regularly reviewed and modernised to be effective in meeting labour market demands and learners' needs. The ETF will support partner countries to develop a systemic QA approach and focus on systematic monitoring of QA improvement to allow partner countries to progress in planning and/or implementing policies and practices. The ETF's international profile in the field of QA in VET will be strengthened and the transnational policy learning forum for QA will be expanded to cover a larger number of partner countries.

Specific objective area 3: The modernisation of qualifications and qualifications systems

The ETF's partner countries are generally dissatisfied with their qualifications, which are often outdated, inputs-based, fail to meet labour market needs and do not facilitate lifelong learning. Modern

governing structures or organising systems such as specialised VET agencies or qualifications authorities, sector skills councils and quality assurance systems are still in their early stages, under development or short-lived pilots.

Most countries are reforming their systems using NQFs. The ETF will advise countries on how to move their NQFs through the development stages (determined by our policy stage indicators). While countries are at varying stages of development, all frameworks should produce similar benefits: relevant, portable qualifications that enable lifelong learning and are understood and trusted by employers. NQFs should also influence systems to be more outcomes-oriented, in curricula for example. Interventions are decided on the basis of our assessment of the development stage countries have reached. In SEET, where QFs are most advanced, the first priority will be to finalise the frameworks and support their referencing to the EQF. The ETF will also advise on developing new qualifications, levelling methodologies and populating frameworks; on systems for validation of non-formal and informal learning linked to the respective NQF; and on associated tools such as handbooks. In SEMED, the challenge is to ensure NQFs are more firmly embedded in national VET systems by contributing to development of expertise in national institutions, agreeing on the concept of the NQF; advice on legislation and the enabling infrastructure, including institutional arrangements and quality assurance. In Eastern Europe, the ETF will facilitate and advise countries to agree concepts and plans, prepare legislation, adopt implementation methodologies, develop institutional infrastructure, including sector skills councils and, in the most advanced cases, populate the framework with qualifications.

Specific objective area 4: Employment, skills and employability (including skills and migration)

This objective area covers the following topics:

Identification of present and future skills needs (in particular for SMEs)

Skills mismatches in the labour market are a growing concern in most partner countries. They represent a significant loss of investment in human capital and have a negative economic impact by damaging the competitiveness of companies and, in particular, creating obstacles to the growth of SMEs. As SMEs represent a majority of companies in the partner countries, there is a need to reflect their specific skills requirements in the provision of education and training systems and to better anticipate and meet the rapidly changing demands of labour markets. Most partner countries are already developing labour market monitoring and are testing anticipation tools. However, there is still a need to develop more comprehensive approaches to skills intelligence and to improve cooperation among key stakeholders. It is also important to embed these measures in the overall decision-making system for skills development and to implement them regularly and continuously. The ETF will continue building the capacity of responsible institutions and stakeholders to carry out skills needs analysis and skills trends projections (tools, methods etc.), provide methodological guidance, foster consolidation of stakeholder cooperation networks, encourage the development of the good practice by piloting selected measures at regional/sectoral levels and facilitate a peer learning and knowledge exchange among partner countries. Special attention will be given to the link between skills development and job creation to generate visible impact and foster national growth.

Transition to work

The last rounds of Torino Process showed that the ETF's partner countries face great challenges in ensuring smooth transitions to work for young people, the low skilled, jobseekers and other vulnerable groups. To address this problem effectively, it is not enough to generate, update and disseminate information on current and future skills needs. The countries need to develop effective mechanisms to bring supply and demand together, including a continuous flow of timely information available to

education and training institutions, employers, trade unions, young people and their families, and jobseekers. Successful strategies to address unemployment and inactivity in a sustainable way combine effective career guidance and job counselling, effective public employment services, targeted active labour market policies (ALMPs), and provision of lifelong learning opportunities and entrepreneurship chances.

Young people in most partner countries are a group that encounters the worse conditions in the labour market and faces structural challenges in making the transition from school to work. Based on the EU 'Youth Guarantee' initiative, the ETF will assist partner countries in developing and implementing an integrated strategy to support young people's transition to work. This will entail the following areas of action: addressing early school disengagement; making education and training more responsive to demand; strengthening cooperation with businesses and providing more chances for work-based learning and first job experiences; harnessing the entrepreneurial potential of young people better through dedicated financing, counselling and support schemes; and active labour market policies and job matching support tailored to the needs of young people. ETF support will also focus on: early tracking of vulnerable youth; combining funding from national and EU/other donors efficiently; and improving the monitoring and assessment of youth-related education, employment and social actions (in line with EU developments on Youth Guarantee monitoring and assessment, such as the Indicator Framework for Monitoring the Youth Guarantee).

While the position of young people in the labour market is a major challenge in all countries, the ETF will focus its support on other groups that face difficulties entering the labour market and/or are at social risk. Continuous skills acquisition and integrated support for employment are part of the solution. Many partner countries face slowing demographic growth, coupled with out migration, which leads to labour shortages both in terms of quantity and quality/skills. To achieve better matching of supply and demand, the ETF will support partner countries in developing or refining human-capital based activation measures and promote cooperation across labour market stakeholders.

Migrants' skills – recognition and portability

Most ETF partner countries are, in migration terms, sending rather than receiving countries. Labour mobility across borders increasingly puts education and training systems under pressure to provide skills enabling people to work both in domestic and foreign labour markets. On the other hand, imperfect labour markets and asymmetric information often do not allow labour migrants to use their skills both in the country of origin and in the destination country. Skills development and employment policies therefore need to consider migration to ensure better matching of the skills of outgoing as well as returning migrants. Within the scope of the European Agenda on Migration, covering both the internal and external aspects of EU migration policy, including the Mobility Partnerships, the ETF will work with partner countries on awareness raising and exchange of knowledge and experience regarding migrant support measures from an employment and skills development perspective. As the only EU Agency working specifically in the context of the external relation policies, the ETF works in the long-term on the root causes of migration and supports the development of the human capital of partner countries, as part of their socio-economic development and gives priority to the skills dimension of circular, legal migration. The focus in the period up to 2020 will be on supporting policy measures for and mutual learning on the transparency and portability of skills and qualifications of partner countries' citizens, both as potential and actual migrants and as returnees.

Specific objective 5: Entrepreneurial learning and enterprise skills

Enterprise skills will make up a core component of the ETF's support to the European Commission in its wider drive to promote the key provisions of the Small Business Act for Europe (SBA). The SBA policy monitoring framework applies specifically to countries in the EU pre-accession, Eastern

Partnership and Southern Neighbourhood regions. The thrust of the support in 2017-20 will involve evidence-based policy reviews set against an existing battery of SBA policy indicators elaborated by the ETF and adapted to each region. The indicators and assessment highlight progress in, and constraints to, policy development and its implementation at country level. The assessment additionally allows each country to prioritise areas for improvement, including the need for customised ETF support (e.g. partnership building) that may be included in the subsequent annual work programme. Furthermore, enhanced multi-country cooperation mechanisms through: a) the South Eastern European Centre for Entrepreneurial Learning (SEECEL, pre-accession region); b) Eastern Partnership Platform on Economic Integration and Convergence with EU policies; and, c) the Euro-Mediterranean Working Group on Industrial Cooperation allow for multi-country policy dialogue. In one region - SEET - the SBA Assessment takes place every two years, while it is less regular in the Eastern Partnership and Southern Neighbourhood regions. Thus, in the pre-accession region, the SBA assessment will take place in 2017, with a kick-off meeting with the countries in November 2016 in Paris. Also in 2017, DG NEAR finances a 'light' interim SBA assessment in order to have a report ready for the following year's ministerial meeting with the Southern Neighbourhood. Finally, the next SBA Assessment for the Eastern Partnership region is foreseen to start in 2018 and the report will be published in 2019.

More specifically, the SBA policy tools and assessment methodologies will be dovetailed with the specific requirements of the Riga Conclusions for the candidate countries and the Competitiveness Outlook for the Western Balkans. Finally, common policy interests and concerns for all ETF partner regions on entrepreneurial learning and SME skills will be addressed through the Torino Process.

A second pillar of the ETF's entrepreneurship work will focus particularly on more effective policy delivery through sharing knowledge and know-how between policymakers and education and training providers. Two support lines are envisaged. Firstly, good practice will be shared through the multi-country cooperation mechanisms referred to above. For the pre-accession region, in particular, policy makers and education and training experts will connect through the SEECEL policy-sharing platform, borrowing particularly on the principles and practice of the EU's Open Method of Coordination. Secondly, the ETF will continue its work on building intelligence on good practice in training in three areas: youth entrepreneurship, women's entrepreneurship and SME skills. This will focus on a) further developing the ETF's good practice scorecard, b) practitioner-to-practitioner peer reviews and c) dedicated policymaker-practitioner fora on pre-identified themes each year, such as eco-entrepreneurship or immigrant entrepreneurship. Further developments to the ETF Good Practice Platform will ensure more effective outreach and dissemination of the good practice intelligence. Finally, ETF's expertise and good practice support tools will be shared into wider efforts of EU Member States in partner countries as well as through new initiatives of the European Commission.

2.2.2 Operational objectives

The ETF operational objectives are determined by the functions in the ETF mandate together with the integrated contribution made by ETF communication. These are the tools through which ETF delivers its support to the partner countries, and include:

Support to EU assistance in the context of EU external policies:

Human capital development remains high on the agenda of the 2014-20 programming period of EU external assistance. In South Eastern Europe and Turkey, the Instrument for Pre-Accession Assistance (IPA) gives high priority to education, including VET, and employment issues. The financial allocation to the area of employment, social policies, education, promotion of gender equality and human resources development varies between 8% and 23% by country in the bilateral IPA II 2014-20 allocations. All the Single Support Frameworks 2014-20 for the European Neighbourhood Instrument South (ENI-South) include skills development as part of the three priorities for the programming period,

as part of labour market reform, employment and private sector development, inclusive growth and competitiveness or support to youth. In the ENI-East 2014-20 programming, priority is given to areas such as employment and VET, education or private sector development. In Central Asia all countries except Kazakhstan will receive bilateral EU support for reforming VET.

The ETF provides support to EU Institutions, upon request, in the different phases of the EU project cycle (identification, formulation, implementation, monitoring and evaluation). The ETF has already provided support to the Commission services for the design of new EU interventions in the 2014-20 programming period in most of its partner countries and is well prepared to continue supporting the subsequent phases of the project cycle. The ETF's objective throughout 2017-20 period will remain providing support with high quality expertise contributions while at the same time adapting ETF support to developments in EU external policies. Special attention will be given to streamlining and quality assuring the ETF's support services and products. At the same time, the ETF will seek to better forecast, together with the Commission, up-coming requests or new emerging needs of the Commission services in order to be responsive with the required type of expertise and level of resources.

Support to the project cycle goes hand in hand with support to external assistance related policy dialogue, both at bilateral and multilateral (regional) level. At bilateral level, the ETF will continue to provide intelligence on VET and employment related issues and on skills and migration in particular as input to the Mobility Partnerships and migration policy dialogue. The ETF will seek to provide its inputs in the most relevant format (EC annual progress reports on the external assistance instruments, enlargement progress reports, inputs to bilateral committee meetings, subcommittee meetings, etc.). At multilateral level, the ETF will also seek to provide inputs for the different regional fora in South Eastern Europe, the candidate countries, the Union for the Mediterranean, the Eastern Partnership, or the Central Asia Education Platform.

Provision of capacity building to partner countries

Building capacity in partner countries represents a transversal objective across all ETF strategic projects and policy areas. The main focus of ETF work in capacity building is to develop the capabilities of the specific partner country stakeholder groups to manage the policy making process in human capital development field. This implies:

- targeting ETF support to the policy cycle phase(s) relevant for the partner country in terms of supporting the country in policy analysis, formulation, adoption, implementation monitoring and evaluation;
- ensuring that the stakeholders in the countries have adequate technical knowledge in the specific policy area and how it relates to the overall policy framework for human capital development;
- helping to clarify the roles and responsibilities of the stakeholder groups engaged in policy making, and that the stakeholders have the technical and functional competences to learn to play their role effectively.

Finally, embedding a participatory approach through which all stakeholders are engaged in the policy process to allow for dialogue, consultation, information flow including with specific sectors and/or territorial stakeholders.

As much of the ETF capacity building takes place through face-to-face meetings, the ETF has made significant efforts in 2016 to put in place a policy for quality assurance of events which will be put into practice during 2017-20 and will have an impact across the organisation. During the next single programming period, this function is expected to focus increasingly on capacity for policy

implementation bridging both the national as well as the local and sectoral levels. In addition, the ETF will increasingly develop digital and on-line tools to complement and expand its face-to-face capacity building methods.

Provision of policy analysis and policy advice

The provision of policy analysis and advice represents another cross-cutting operational objective which is embedded in all the strategic projects. While the Torino Process represents the ETF flagship activity on policy analysis as a tool for improved policy making, all other strategic projects help countries develop in-depth information and analysis on policy developments in the specific policy area. These use the same principles adopted by the ETF for the Torino Process in terms of evidence-based analysis, participatory approaches with broad stakeholder engagement and a holistic dimension encouraging policy makers to assess the implications of policy decisions from a systemic perspective. Furthermore, the strategic projects have also developed and applied their specific tools for in-depth policy analysis as a contribution to policy dialogue and policy advice at a national level. According to the specificity of each strategic project, these same tools are also used in the projects for information collection, policy analysis and advice at local and sectoral levels as well as at regional level for cross-country policy learning.

During the next programming period the focus of the operational objective for information provision, policy analysis and policy dialogue will be on documenting policy progress in particular in terms of tracking progress in policy implementation;

Knowledge dissemination and networking

This strategic objective comprises the ETF's efforts to build platforms and networks in partner countries and provide opportunities for knowledge dissemination at local, national, sectoral, regional and international levels. This also represents a cross-cutting objective common to all the strategic projects and plays an important role in enabling information exchange and policy learning among ETF stakeholder groups in partner countries. It also provides opportunities for dialogue and exchange of experience on human capital development between the EU institutions and EU Member States and ETF partner countries, as well as between the international community and donors.

During the MTP 2014-17, the ETF has established platforms and networks of key stakeholders in each of the strategic project areas as well as at country level. These include both digital networks, such as the Qualifications Platform within the strategic projects, as well as the national and local networks established through, for example the work on the Torino Process and on multilevel governance. This process has been structured through an ETF stakeholder framework which help assess and monitor the participation of key stakeholder groups within national networks.

In 2017-20, the ETF will further reinforce its capacity for knowledge dissemination and networking by full integration of a communication strategy within each of its strategic projects. This function will also increasingly focus on sharing information and approaches which help institutionalise reforms and create long term, sustainable capacities in the countries for policy cycle management. In addition, the ETF will continuously monitor and adapt its networks at national level to ensure that all relevant stakeholder groups are actively engaged in and informed about the human capital development policy making process. Finally, the ETF will enhance its capacity to reach out to relevant stakeholders through digital platforms.

2.2.3 Communication

The ETF's communication activities are an integral part of the agency's operational activities. Effective external and internal communication has a key role to play in the delivery of the agency's mission, and

as such is very much a part of the ETF's core business. As in other areas of ETF activity, networking and partnership are at the heart of the communications approach. The ETF's main asset is its expertise in bringing about transformative change in partner countries. To have an impact in the real world, this expertise must be communicated effectively to the right people. The ETF's communication activities support networking, partnership and knowledge sharing in its field of competence both within the organisation and with stakeholders and international partners. Internal communications ensure that the entire organisation is aligned to its objectives by promoting organisational effectiveness, including employee engagement.

In parallel to meeting the day-to-day corporate communication needs of the organisation, the main priorities and objectives for communication in 2017-20 will be to:

- Integrate communication into the ETF's project and country activities starting from the planning stage;
- Further improve the ETF's digital communication platforms (intranet, website, online communities, social media) and integrate them more effectively with each other and with internal information systems;
- Promote a proactive approach to communicating with ETF stakeholders, producing tailored communication products for different target audiences in line with a map of ETF stakeholders and their communication needs;
- Continue to expand the ETF's social media and online presence to create more opportunities for dialogue and interaction;
- Reinforce interaction with stakeholders through face-to-face meetings and events as well as through online tools such as webinars and e-seminars;
- Consolidate ETF publications in both print and digital formats (e.g. e-books) as well as other communication channels in order to better meet the needs of stakeholders;
- Support organisational effectiveness through high quality internal communication

In addition, as an agency of the European Union, the ETF reflects EU values in all its communication activities

2.2.4 Horizontal areas of intervention to enhance the efficiency and effectiveness of the ETF's organisational performance

In addition to specific and operational objectives, the ETF has also defined horizontal objectives to enhance the agency's performance as an organisation and ensure that the entire agency is organised in order to deliver the core business efficiently and effectively

The main objectives for 2017-20 are clustered under two strands according to the goals in the ETF strategy 2014-20 and the logic of the ETF Performance Management Framework. These are; firstly, strengthening ETF partnership and stakeholder relations; and secondly improving organisational performance.

Strand 1: Partners

1.1. Partnership and stakeholder relations

According to the ETF stakeholder framework for action 2016-2018 the ETF has a comprehensive approach to stakeholders divided into two main categories:

I. **Key primary stakeholders** – are those which ensure the governance of the ETF and include: European Commission through its services, Council of the European Union, European Parliament, EU member states. This category includes the stakeholders from the partner countries.

II. **Secondary stakeholders** include: international organisations, regional/geographic organisations, international development banks, platforms, networks, NGO's, education and training providers, etc.

The principal focus for partnership and stakeholder relations is driven by the development of stakeholder networks and platforms to support policy making, knowledge sharing and dissemination in ETF partner countries and thematic projects as outlined in 2.2.1 above.

Complementing the more operational networks and platforms, the main objective under stakeholder relations management is to enhance co-operation and communication with EU institutions, bodies, agencies and other relevant EU stakeholders. During the MTP 2014-17, under leadership of its lead DG, the ETF supported structured dialogue with the Commission services and established lines of communication with the Council and the European Parliament. During 2017-20, this will be continued through:

- active participation in structured dialogue and regular information sharing with the European Commission services on ETF programming with particular attention to the needs and expectations of DG Employment as the new partner DG especially in its role in coordinating the ETF's support to the Commission;
- support to the European Parliament committees in the field of human capital development on request;
- cooperation with relevant EU agencies such as Cedefop, Eurofound, OSHA and regular consultation with EU advisory bodies and representatives of the social partners at European level.

Furthermore, the ETF will enhance collaboration with EU Member States. Building on practices established during the Mid Term Perspective (MTP) 2014-20, the ETF will seek to:

- identify and mobilise relevant experience and practice in the EU Member States with a view to disseminating them to the partner countries;
- promote the active participation of the Governing Board representatives in the governance of the ETF and in the implementation of its activities.

Finally, building on the ETF's active role, especially in the Inter-Agency Group, since 2010, the ETF will strengthen its co-operation with international organisations and other relevant international, regional and bilateral actors to add value to its expertise development and field actions. This type of cooperation will be developed in line with the ETF's mandate and resources, and the expected added value by forging fruitful partnerships and exchanging information and experience with institutions engaged in human capital development reform in partner countries.

Strand 2: Improving ETF organisational performance

Strand 2.1 Performance management framework

ETF has put in place a Performance Management Framework (PMF) to ensure its overall performance according to consistent priorities and objectives cascaded to all levels of the institution – corporate, departmental and individual. It is intended to guarantee achievement of quality results in terms of efficiency, effectiveness and economy through. Through an integrated framework of performance indicators measuring ETF's operational and organisational performance (see Annex XI and XII)

together with robust planning, risk mitigation, monitoring and evaluation procedures, and compliance with functions such as data protection, antifraud ETF's performance management system is intended to ensure the agency delivers predictable impact and added value.

The PMF monitors the ETF's performance processes and tools according to their contribution to enabling, measuring, achieving, and managing quality performance, drawing on EU tools such as the Internal Control Standards and the standard indicators which inform the discharge for Directors of decentralised agencies, as well as the international quality system known as the Common Assessment Framework (CAF).

The benefit of the **framework** is to bring together the existing management processes and tools into a single integrated system with consequent gains in terms of consistency, efficiency and effectiveness of performance. The PMF provides a strategic tool to guide how the ETF organises, monitors, quality assures and continuously learns from its performance.

In 2017-20, the ETF will begin monitoring ETF operational and organisational performance against the SPD objectives indicators to constantly monitor ETF Performance and guide its development as an organisation.

The ETF has also identified three priority transversal actions for 2017 focusing on increasing efficiency, effectiveness, quality, visibility and the added value of ETF actions and activities with a focus on the delivery of four key ETF functions: digital technology for core business, event management and stakeholder relations management.

Strand 2.2 Human resources management

As a centre of expertise, the ETF relies fully on its expert staff to fulfil its core mission and on its service and support staff and managers to create an enabling environment.

During the MTP 2014-17, the ETF has made progress in regularly scrutinising human resources policies to ensure they allow the agency to optimise its expertise. In addition, the ETF has made progress in ensuring that the relevant procedures and work processes are in place for an effective and efficient implementation of the regulatory framework.

The three main objectives for the period 2017-20 are:

- to strengthen the ETF's performance and expertise through investing in learning and development for all staff; investing in leadership and people management skills; and promoting staff well-being and engagement;
- to adapt and design human resources policies that promote modern HR management practices, support the sustainable development and performance of the organisation, and encourage the efficient and effective use of its expertise,
- to comply with the regulatory framework by continuously developing a unified HR management system and ensuring full compliance with the Staff Regulations.

Strand 2.3 Finance and procurement management

During the period 2017-20 the challenge of optimising the trade-off between resources and performance will continue. The ETF will therefore keep focusing on budget performance and discipline while maintaining a robust, compliant and performing financial and procurement management cycle.

The main objectives in the area of budget implementation will be:

- to improve the balance between cost and efficiency in its financial management and control measures within a risk based management framework;
- to enhance the efficiency and effectiveness of budget implementation using information and communication technology, in particular e-procurement solutions;
- to optimise the use of procurement instruments by sharing them with EC services and other agencies for standard procurement in particular;
- to implement the reformed EC financial regulation by adjusting administrative procedures, simplifying and streamlining financial rules;
- to implement efficient quality assurance measures within the ETF performance-based management and risk assessment frameworks.

Strand 2.4 Information and communications technology management

In the period 2017-20, the ETF will ensure the continued evolution of ICT systems and services supporting the strategic objectives and business needs of the agency launched. The ICT governance model defines and maintains mutually agreed principles, procedures, architecture and in particular, value for money.

ICT will cooperate with other EU agencies on issues of common interest and will collaborate through knowledge and experience sharing and exchange of good practice.

The main objectives for this period will be:

- to ensure adaptation to fast changing technology by keeping infrastructure up-to-date;
- to improve information sharing and integration, the ETF's web presence, social business and collaboration needs;
- to improve the efficiency of the ETF's administrative systems in the area of financial management and human resources;
- to ensure seamless mobility and enhanced cost effectiveness and security of mobility services.

Strand 2.5 Facilities management

Facilities ensures the effective and efficient operation of all aspects of the ETF site/premises to provide the agency, its staff and visitors with an optimal, safe and cost effective working environment, while respecting corporate and regulatory compliance.

For the period 2017-20, the objectives in this area of work will be:

- to consolidate outsourced services while maintaining high standards in service delivery and increasing staff satisfaction;
- to ensure secure, independent and environmentally sounder consumption of utilities through new utility systems;
- to optimise working spaces, with special attention to state of the art technologies;
- to enhance staff working conditions (health & safety and security) based on risk assessment and applicable regulations;
- to improve the agency's environmental performance.

Strand 2.6 Accounting

In the period 2017-20, the ETF will ensure the continued high quality of the annual financial statements to receive a positive opinion of European Court of Auditors (ECA). The ETF will therefore keep focusing on maintaining robust, compliant and auditable accounts and related documentation.

The ETF will be active in the accountant network of EU agencies on issues of common interest and collaborate through knowledge and experience sharing and exchange of good practice.

2.3 Human and financial resource outlook 2017-20

The following sections present the key features of the ETF's human and financial resource outlook from 2015 up to the end of 2020. Further details are available in Annex II.

2.3.1 Overview of the past and current situation

Staff population overview N-1:

The results of the job screening exercise in 2014 and 2015 demonstrate how the ETF through a restructuring taking effect early 2015 has managed to increase the overall allocation to the core operational job category from about 47% to 50% while reducing finance/control. The increase in administrative support was caused by the temporary transfer of one staff from operations to implement the expertise gap analysis.

The following table presents the outcome of the job screening exercise in 2014-15

Job type (sub category)	2014 (%) Only ETF statutory staff	2015 (%) Only ETF statutory staff
Administrative support and coordination	22.18	23.83
Administrative support	15.68	16.69
Coordination	6.50	7.14
Operational	61.65	62.78
Top level operational coordination	3.76	3.01
Programme management and implementation	46.99	50.00
Evaluation and impact assessment	3.38	4.51
General operational	7.52	5.26
Neutral	16.16	13.38
Finance/Control	15.41	12.63
Linguistics	0.75	0.75

Expenditure for N-1:

Resources	Executed 2014	Committed 2015
Title 1 Staff Expenditure	12,750,177	13,144,962
Title 2 Infrastructure and operating expenditure	2,074,902	1,955,631
Title 3 Operational expenditure	5,172,402	5,030,083
TOTAL EXPENDITURE	19,997,481	20,130,677

In 2014 and 2015, the ETF maintained a high commitment rate (99.9%).

The surplus resulting from savings in Title 1 due to the decrease of the weighting factor was allocated to reserve activities in Title 2 and 3 in both 2014 and 2015. In 2014, the ETF replaced obsolete office furniture, while in 2015, following confirmation of the ETF's premises, there was some further investment in infrastructure.

2.3.2 Resource programming for 2017-20

2.3.2.1. Financial resources

Resources	Planned budget 2016	Planned budget 2017	Planned budget 2018	Planned budget 2019	Planned budget 2020
Title 1 Staff Expenditure	13,867,400	13,747,600 (-0.9%)	13,731,200 (-0.1%)	13,762,300 (+0.2%)	13,827,400 (+0.5%)
Title 2 Infrastructure and operating expenditure	1,589,100	1,808,600 (+13.8%)	1,844,450 (+2.0%)	1,628,200 (-11.7%)	1,689,200 (+3.7%)
Title 3 Operational expenditure	4,688,500	4,587,800 (-2.1%)	4,568,350 (-0.4%)	5,155,500 (+12.9%)	5,440,400 (+5.5%)
TOTAL EXPENDITURE	20,145,000	20,144,000 (0%)	20,144,000 (0%)	20,546,000 (+2.0%)	20,957,000 (+2.0%)

On the revenue side, the ETF relies on the EU contribution together with the recovery of surpluses from previous years. Other possible sources of revenue are specific projects implemented through delegation agreements, but none are currently envisaged.

Overall, the ETF's resources are aligned with Commission Communication COM(2013)519 final of 10/07/2013 reflecting a freeze in the EU contribution until 2018, followed by a 2% increase until 2020.

The forecast for Title 1 (staff expenditure) is aligned with the human resources allocation across 2017-20. The basic assumptions are: a salary increase (yearly salary adaptation) from 2016 to 2020 of 1%, while the Italian weighting factor is estimated to remain negative (at the 2015 level of 99.4) until 2020. Each year an increase is planned for yearly promotions and increase in steps as well as savings from part time work and turnover. The ETF has reduced the budget for administrative missions and maintains its 2016 level for training, social and medical infrastructure.

An increase is foreseen in Title 2 in 2017 and 2018 compared to 2016 to cover the costs of renewing the utilities systems, the acquisition and implementation of a new customer relationship management tool and the continued digitalisation of the delivery of the ETF's core services.

Title 3 is adjusted to follow the limitation of resources and reflects the operational negative priorities for the period 2017-18. From 2019, the operational expenditure is expected to grow, providing the resources to achieve ETF's objectives within the framework of the EU Education and Training Agenda

2020 in particular to fund preparatory actions for reporting on the Copenhagen/Riga process. As per consolidated practice, amounts resulting from savings in Title1 will be assigned to operational activities placed in reserve and if appropriate to infrastructure improvements.

2.3.2.2. Human resources

The Commission Communication (COM(2013) 519 final) foresees a gradual implementation of a 10% reduction in the establishment plan to 86 posts in 2018. The ETF will achieve this by cutting two posts each year in 2017 and 2018. The ETF does not expect any further evolution in the staff population in 2019 and 2020. There are two options to achieve the reduction in posts: either through natural departures (resignations and retirements) or non-renewal of contracts. The ETF has almost exclusively recruited support and service staff as contract agents since 2004 and the only contracts which are still for a definite period are for expert positions. Therefore, non-renewal of contracts is not available as a tool to improve the balance between human capital development experts and other staff functions. At the same time, natural departures are expected mainly amongst senior human capital development experts. This aggravates the overall impact of the staff reduction on the capacity of the ETF to meet expectations.

The following table presents the estimated evolution until 2020 in the allocation of staff to the key job type categories as per the job screening exercise.

Job type (sub category)	2015 (%) Only ETF statutory staff	Estimation 2016 (%) (only ETF statutory staff)	Estimation 2017 (%) (only ETF statutory staff)	Estimation 2018 until 2020 (%) (only ETF statutory staff)
Administrative support and coordination	23.83	21.36	18.00	18.28
Administrative support	16.69	17.73	14.31	14.53
Coordination	7.14	3.64	3.69	3.75
Operational	62.78	69.62	69.15	68.67
Top level operational coordination	3.01	2.27	2.31	2.34
Programme management and implementation	50.00	54.47	54.54	53.83
Evaluation and impact assessment	4.51	5.30	5.38	5.47
General operational	5.26	7.58	6.92	7.03
Neutral	13.38	12.65	12.85	13.05
Finance/Control	12.63	12.27	12.46	12.66
Linguistics	0.75	0.38	0.38	0.39

In spite of the difficulties explained above, the ETF aims to ensure an increase in the share of staff allocated to operations from 2015-17. This trend which started in 2015 is continuing in 2016 thanks to: cutting one post in administration, focusing human resources on effective communication of the ETF's core expertise with stakeholders and international partners, returning one post temporarily placed in administration to operations and replacing a departing 'coordination type' staff member by a VET expert in operations. Further staff will be transferred in 2017 from the administrative and neutral job types to operations. However, these positive trends will be countered by the retirement of operational staff who cannot be replaced due to the staff cuts.

Growth of existing tasks:

Although no new tasks are foreseen for the ETF, President Juncker's political guidelines 2014-19 give a clear indication of the importance of Global Europe, to which the ETF makes a contribution. This calls for a coherent and effective use of all instruments available to the EU, including the ETF. The European Parliament has prioritised the three 'E's - employment, enterprise and entrepreneurship for smart, sustainable and inclusive growth – and external solidarity beyond the EU's borders, which has the potential to put the ETF field of work and functions at the heart of increased EU efforts in the partner countries. More recently, volatility in EU neighbouring countries, such as Ukraine, Syria and Libya, has, together with the refugee crisis, intensified focus on the importance of sustaining economic and social development in partner countries and providing tools for legal migration.

As a result, the demand for ETF services is expected to rise, in particular in the area of ETF support to EU external relations policies and assistance. The EU's external assistance policies and instruments for Pre-accession and Neighbourhood have been reviewed and continue to emphasise the importance of human capital for social and economic development. In addition, the ETF foresees that demand for implementing effective policies, modernising VET systems and supporting youth transition to work will escalate. Requests for ETF expertise in the human capital dimension of migration in mobility partnerships, in particular through transparency of qualifications, is likely to increase substantially.

Efficiency gains

Also before the staff reduction foreseen in the current MFF, the ETF has consistently pursued efficiency gains in order to deploy the highest possible number of staff to core business functions. One example is the major reorganisation that took place in 2011, which included optimisation of internal processes and procedures, improving ICT tools and increasing outsourcing. The results of these efforts are reflected in the outcomes of the job screening exercise. The ETF has a solid basis for continuing to make the organisation more strategic and efficient with a performance based management framework in place, a management information system that allows real-time monitoring of operational activities and a robust platform for activity-based management. Following a reflection on making the ETF more strategic and efficient to mitigate the impact of the 10% staff cut, a further reorganisation was implemented in 2015. This entailed in particular the creation of a single operations department organised around seven strategic projects in contrast with some 50 country, regional and thematic projects previously.

Bearing in mind that the implementation of the staff cuts will reduce the number of human capital experts, it will be challenging to implement the planned increase of staff involved in operational activities from the current 63% to 69%. Though a high degree of efficiency in the use of staff has already been achieved, the ETF will implement a series of additional measures to that effect.

In 2015, following an internal reorganisation, the ETF initiated two major actions, which will continue in 2016 to reap efficiency gains during the 2017-20 period. These have led to the identification of a set of performance indicators designed specifically to monitor the efficiency gains from the restructuring which have been embedded in ETF's systematic monitoring and reporting to its governance structure. The results will, together with continuous internal reviews, be used as the basis for potential adjustments of work processes and organisation during 2016-17, including for instance a further reallocation of resources from service and support to operational functions.

The other main action is in human resources management. In 2016, the ETF completed an organisation wide expertise area analysis which allows for a more optimal allocation of assignments, provides key information for focusing learning and development and identifies gaps to be covered through new recruitments where applicable. Furthermore, the ETF aims at gaining efficiency through the completion of a unified HR management system to be in place by 2017. The ETF may take

advantage of the forthcoming access to the Commission's HR management system (SYSPER) if the relevant modules will be available to the ETF and at competitive costs.

The 2017-20 period will see a consolidation of the measures under development since 2015 as a response to the staff cuts. While doing so, the ETF will continue to bear in mind the conclusions of the Common Approach regarding governance, management and efficiency. The ETF is already taking advantage of common services provided by the European Commission (activity-based accounting system (ABAC), Paymaster's Office (PMO), European Personnel Selection Office (EPSO), Office for Infrastructure and Logistics in Brussels (OIB) and uses as far as possible common procurement with the Commission and the other agencies.

Negative priorities/decrease of existing tasks:

Resource constraints have obliged the ETF - in close consultation with Commission services and more broadly with its Governing Board - to adopt positive and negative priorities to balance expected demands with resource availability according to EU policy and partner country context. In all countries, the ETF will give positive priority to satisfying requests from the EU Institutions and Delegations for support to EU policy and external assistance. The ETF will continue to give high priority to Enlargement countries and Eastern Partnership countries with Association Agreements (Georgia, Republic of Moldova and Ukraine) and countries with Association Agreements and an advanced cooperation status in the Neighbourhood South (Jordan, Morocco and Tunisia).

A lower level of engagement is expected in other countries in the Neighbourhood and in Central Asia in which ETF actions will be limited to support to EU assistance on demand; providing opportunities to take part in the Torino Process where requested; and engagement in regional actions. Low priority will also be given to Russia and Israel according to the bilateral EU cooperation agreements.

However, it should be noted that there has been an increase in priority given to the role of skills in the achievement of EU priorities both within the EU and as a contributor to sustainable development as part of the EU's role as a global actor. As a consequence, there has been a steady increase in the requests for assistance from EU institutions in 2015-16 but within a decreasing level of human and financial resources putting at risk ETF's delivery of support even within the proposed negative priorities framework.

Throughout the programming period, the ETF will actively seek guidance from European Commission services and its Governing Board to be able to adapt its activities to the changing priorities in EU external relations as well as internal policy developments.

Internal redeployment:

The continuous efforts to make the ETF more efficient has allowed an increase of the total number of human capital development experts from 36 in 2008 to 48 foreseen in 2016. Following the outcomes of the abovementioned functional analyses and the resulting efficiency gains achieved through the reorganisations in 2011 and 2015, the options for further internal redeployment in the coming years are limited. The functions of the administration are closely linked to compliance and a continued separation of roles and duties is required to ensure the four eyes principle. There are limits to how much further administration can be reduced in size.

Nevertheless, the ETF will try to identify opportunities for reconversion of staff currently deployed in support services to operational activities. The current efficiency analysis on the effects of the restructuring in 2015 and related improvement measures, and the ongoing external evaluation will provide further indications for potential efficiency gains in the way the ETF is organised. The expertise area analysis completed in 2016 will help identify staff for potential reconversion.

Conclusion on evolution of resources:

The staff cuts foreseen in the Commission Communication (COM(2013) 519 final) make it difficult for the ETF to maintain the current level of services even within the established negative priorities. The ETF, guided by its Governing Board and EU institutional partners, will need to constantly monitor demands for its services and challenge its negative priorities to ensure effective support to its partner countries. The available financial resources, which have been frozen until 2018, will not allow a significant increase in Title 3, and increasing the outsourcing of expertise is not a viable option. Title 3 operational projects will remain relatively stable until 2018 and will not be an alternative route to meeting an increase in requests for services in existing tasks¹⁵.

¹⁵ As a follow up to the 2017 budget hearing on agencies in the BUDG Committee in the European Parliament on 12 July and under the coordination of the network of agencies, it was proposed to halt further staff reductions in 2017 for agencies that have already reached the initial 5% staff cut in 2016. To that end, the European Parliament has proposed an amendment to increase ETF's budget for 2017. Should the proposal be accepted, the ETF will revise the proposed activities in 2017 to increase actions in particular in the area of migration and skills as well as to go beyond policy advice and empower stakeholders in the implementation of skills development initiatives at local level.

SECTION III - WORK PROGRAMME 2017-18

Based on the ETF's objectives, this section presents the strategic projects and horizontal actions for 2017 with initial indications for 2018.

Sections (3.1 to 3.7) outline the ETF's operational activities. They include an overall project objective, main lines of action, and expected outcomes and indicators for the period. In addition, they also include references to the actions and outputs for 2017 which are detailed in Annex XII. Further information is available in the project implementation plans and the country strategic perspectives for each partner country. Decisions on the continuity of the strategic actions and the content of the specific annual actions and outputs will be taken during the development of this SPD based on evolving priorities and progress in implementation and outcomes in consultation with EC services and the ETF Governing Board.

The ETF's communication activities are an integral part of the agency's operational activities. In 2017, the ETF will build on its achievements, in particular continuing to implement its strategic objectives for communication, which are to strengthen stakeholder relations, develop a compelling narrative for all partners, and build trust to enhance the ETF's effectiveness.

In addition to meeting the day-to-day internal and corporate communication needs of the organisation, the main priorities for communication in 2017 will be to:

Actions 2017
Integrate communication into the ETF's project and country activities starting from the planning stage;
Enhance corporate-level planning and coordination of communication activities across the organisation, including a mapping of ETF stakeholders and their communication needs;
Enhance the ETF website to improve access for stakeholders and citizens and use it as a platform for promoting a proactive approach to communicating with the ETF's identified stakeholders;
Continue to expand the ETF's social media and online activities to create more opportunities for dialogue and interaction;
Reinforce interactivity and participation in the ETF's face-to-face meetings and events and promote the use of online alternatives such as webinars and e-seminars;
Consolidate ETF publications in both print and digital formats (e.g. e-books) as well as other communication channels in order to better meet the needs of stakeholders.
Support organisational effectiveness through high quality internal communication

Expected Outcomes:

Outcomes 2017 -2018	Indicator
Communication plans implemented for each strategic project and country strategies where relevant;	<p><i>Weighted sum of: no. of people reached through digital media, downloads and events in Year N: (No. of people reached through digital media*weight digital media + No. of downloads*weight downloads + No. of events*weight events)</i></p>
Revised communication strategy supports planning and coordination of all ETF communication activities;	
Strengthened co-operation with international organisations and other relevant international and regional actors participation in the TVET inter-agency group and working groups activities as well as in the international networks and debates.	
Targeted communications based on a mapping of stakeholders and their needs;	

Outcomes 2017 -2018	Indicator
Enhanced website and other digital channels improve access for stakeholders and event participants;	
Internal communication strengthens collaboration between staff (e.g. with a functioning enterprise social network).	

3.1 Strategic Project 1: Support to EU assistance in the context of EU external policies

The strategic project (SP) for supporting assistance in the context of EU external policies will specifically contribute to operational objective 4. However, support to the EU assistance is also a transversal action which can contribute across ETF strategic areas of intervention depending on the request.

The SP will provide support to the EU services upon request from the EU Institutions and Delegations. Requests for support can be classified into the following types:

- **Support for EU external assistance in different phases of the programming cycle**, both for VET/skills programmes (or components within broader programmes) as well as sector programmes in the HRD field. Human capital and skills development issues have a high priority in the 2014-20 programming period for EU external assistance in all ETF partner regions. Since the number of requests for programme or sector programme design have increased over the 2015-16 period, covering a high proportion of ETF partner countries, it is expected that in 2017, requests will focus on support to operationalisation and/or monitoring of ongoing programmes or sector programmes. The increase of the budget support modality in the ETF partner countries may increase the need to support policy dialogue and the complementary measures of sector reform contracts throughout the budget support cycle.
- **Inputs to bilateral external assistance related policy dialogue.** This will focus on SEET for enlargement related policy dialogue and on ENP countries, in particular those with reinforced cooperation mechanisms with the EU (Association Agreements and Deep and Comprehensive Free Trade Agreements, etc.). The type of support is expected to deliver specific inputs (notes, short analysis, briefings) for subcommittee meetings, Sector Reform Contract policy dialogue monitoring etc.
- **Inputs to EU reporting process linked to external relations policies**, in particular for SEET and ENP countries. In 2017, an assessment of the relevant parts of the Economic Reform Programmes and the revised neighbourhood policy reporting requirements (in terms of content, and timing) will have been agreed and stabilised and the ETF's role in this cycle should have been agreed. On that basis, the ETF will provide regular inputs to the EC (ERPs assessment), EC Enlargement Progress Reports, ENP reports etc. as per the timing and content/format agreed with relevant EC services.
- **Inputs to regional policy dialogue.** The specific inputs will depend on the EU external assistance priority agenda, e.g. issues selected under the Eastern Partnership platforms, cooperation with the Regional Cooperation Council in the Enlargement region and the Union for the Mediterranean ministerial agenda. The revision of the neighbourhood policy could also introduce changes in the mechanisms for regional policy dialogue, in particular in the South, that will affect WP 2017. In the SEET region, the ETF will continue to contribute to the different regional fora and platforms as requested by EC services and providing inputs to the Central Asian Education Platform, under the coordination of DG DEVCO.

- **Provision of expertise inputs to training organised by DEVCO for the EU Delegations and the DEVCO VET facility.**

The objective of the project is to support the EU external assistance project cycle and policy dialogue with high quality expertise contributions

Outcome 2017-18	Indicators
The relevance of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to programming and project design	80% of the EU services supported for policy dialogue, programming/project design, monitoring and evaluation and implementation assess the ETF contribution positively 16 The ETF is requested to support the implementation, monitoring or evaluation in 50% of its partner countries
The efficiency and effectiveness of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to implementation, monitoring and evaluation	
EU policy dialogue on HCD issues is enhanced in partner countries through ETF policy and thematic contributions	
Resources 2017	
The expected resources are 6.8 FTEs, €138,000 in project funds and €50,000 for missions which represent fairly stable figures in relation to previous years, with a small increase in FTEs given the expected increase in requirements in reporting in SEET and ENP.	

3.2 Strategic Project 2: Policy analysis and system wide progress monitoring

The strategic project on policy analysis and system wide progress monitoring will contribute in 2017 to the specific objective 1 on effective policy making in VET for economic development and social cohesion and, more specifically, to evidence-based policy making. The analysis and information via the Torino Process will also constitute an important input to operational objective 4, support to assistance in the content of EU external relations policies and, in particular, to the bilateral and regional external assistance related policy dialogue.

In 2017 the fourth Torino Process cycle (2016-17) will come to a close, with the finalisation of publications, including country, regional and cross country analyses. The ETF will give high priority to disseminating the findings of the Torino Process cycle, which will include an international conference in Turin on 7-8 June 2017, with all ETF partner countries, EU institutions, and the international community. The conference will give the opportunity to reflect on results and lessons learned from the four implemented Torino process cycles, and to formulate a shared vision for the next Torino Process cycle, expected to take place in 2019-20, with a stronger focus on evaluation of country progress (in line also with the post-Riga monitoring framework).

In 2017 the project will continue the support to partner countries engaged in strengthening their technical and institutional capabilities in the area of evidence-based policy making. In particular, in 2017 the project will provide input to the development/consolidation of monitoring and evaluation processes at national level, with a focus on the involvement of non-government and sub-national level stakeholders, and on technical capabilities for policy analysis and policy decision making, including ex-ante impact assessment. The ETF will provide expertise input for the monitoring of the South East Europe 2020 Strategy in close coordination with its support for the Copenhagen Process and the input

¹⁶ Source of verification: ETF administers an on-line feedback survey to EU services on completed requests

to the Economic Reform Programmes. In cooperation with Cedefop and based on the Torino Process findings and in line with the Copenhagen process monitoring framework, the ETF will provide an interim report on progress achieved by candidate countries in implementing the medium term deliverables as well as the country monitoring annual inputs. Furthermore, the ETF will work jointly with Cedefop on reporting progress through the Riga 2017 interim report and country fiches. Both institutions will continue close collaboration within the ACVT/DGVT platforms to ensure the follow up of all related Riga activities within the EU presidencies agenda

The ETF will also continue to support the institutionalisation of the national networks for the collection, processing and analysis of information for the monitoring of MTDs and provide capacity building for evidence collection and analysis, set up of indicators, benchmarking, policy analysis and evidence-based policy making.

The ETF will cooperate with Eurofound to share information on practice to enhance the quality of methodologies and results of analyses. Furthermore, joint preparatory work will be undertaken for the analysis of the Eurofound Company Survey, leading to a tripartite cooperation (Eurofound, Cedefop and ETF) in 2018/19 for the analysis of the survey results. The ETF will focus on the candidate countries.

The objective for the project is to improve policy making in VET by strengthening institutional capacity for the generation and use of evidence throughout the policy making cycle (design, implementation, monitoring and evaluation) and to develop a culture of policy monitoring, feedback and improvement.

Outcomes 2017-2018	Indicators
Partner country policy making processes are increasingly evidence based, holistic and participatory, and take into account the results of the Torino Process.	An increasing number of partner countries progress within, or to the next, policy development stage with regard to the use of policy analysis in the policy cycle
Sound policy analysis and reporting by candidate countries for the Riga Process complies with the new methodology.	Increased quality of partner country reports to the Copenhagen-Bruges-Riga process measured using Cedefop feedback on the usability of evidence for the report.
Resources 2017	
Resources expected include 8.9 FTEs, €720,300 in project funds and €57,000 for missions, which represents a slight increase in the mission budget compared to previous years on the assumption that more effort will be deployed at country level on capacity building and ex ante assessment expert inputs.	

3.3 Strategic Project 3: VET governance

The Strategic Project on VET governance will contribute in 2017 to specific objective 1 on effective policy making in VET for economic development and social/territorial cohesion and, more specifically, to good multilevel governance in VET.

The ETF intervention in VET governance will remain fairly stable compared to previous years. Actions will unfold under the following three lines:

- Strengthening the VET system governance. This includes issues linked to legislation, institutional settings, financing, and coordination and cooperation mechanisms. The analysis of existing arrangements is the first step in the ETF intervention; this is followed by expertise to actually improve legal frameworks, governance functions, platforms for dialogue and effective partnerships, as well as other coordination mechanisms depending on needs. The 2016 Torino Process, the positive completion of the GEMM project and the VET governance inventory have

helped identifying the countries where to provide support. The ETF VET governance inventory, started in 2015, will be updated.

- The territorial (vertical) dimension of skills and VET governance. This includes support to VET regionalisation processes and, where relevant, also to integrated territorial development, in alliance with the EU smart specialisation policy. This line of work will apply to selected countries where the drive towards a territorial approach in VET is already present. The actions are centred around sharing good practice, the definition of national-regional-local mandates and their links, the active involvement of actors in innovation for local development. Cooperation with relevant EU actors will play a role.
- Institutionalisation and strengthening of role of social partners, at national, territorial or sectoral level. This includes capacity building of selected social partner organisations, in order to sustain their roles and functions in VET councils and other tripartite governance structures. The positive role of civil society organisations in VET will be taken into account in ETF advocacy.

Cooperation with EU, international and regional institutions and initiatives will contribute to the implementation of these actions. More specifically, cooperation will continue with the EU Committee of Regions, including ARLEM and CORLEAP, the European Economic and Social Committee and with EU social partners, and the Euro-Mediterranean Partnership (EuroMed) Follow up Committee. The ETF will continue to cooperate and exchange information and knowledge with Eurofound on social partnership issues, with a special focus on the company level.

The EGPA/IIAS network, the ITC ILO, Anna Lindh Foundation, will be partners for disseminating dissemination and knowledge sharing. Expertise input will continue to the institutional network of VET Centres and ERI SEE Steering Committee.

The project objective is to improve VET system governance by empowering stakeholders to design, formalise and implement coordination mechanisms at national, regional, sectoral and local levels.

Outcomes 2017-18	Indicators
Policy options for good multi-level governance, including financing, build on recommendations from ETF reviews, inventories and legislative advice in selected partner countries	Coordination mechanisms, legislation, multilevel governance methodologies, introduced in targeted countries (85%). The ETF VET governance inventory is updated.
Policy development and implementation of VET decentralisation is strengthened, and human resources is key asset in territorial strategies for sustainable development in selected regions/countries	Targeted countries introduce mechanisms for national and sub-national coordination in VET (85%).
Increased capacity of social partners and other civil society organisations to take an active role in VET governance at national and/or territorial level in selected partner countries	Social partners and other civil society organisations actively involved in VET governance actions.
Resources 2017	
Expected resources are 6.6 FTEs, 370,000€ in project funds and 45,000€ of mission budget, representing stable figures in relation to previous years.	

3.4 Strategic Project 4: VET provision and quality

The strategic project on VET provision and quality will contribute in 2017 to specific objective 2: modernisation of VET for employability and competitiveness. It will focus on assisting partner countries

to enhance work-based learning, improve their quality assurance mechanisms and make continuing professional development of teachers and trainers in VET more effective.

The enhancement of work-based learning (WBL) will be addressed to the regions of South Eastern Europe and Turkey, the Eastern Partnership and Southern Mediterranean. In the SEET region the focus will be on the candidate countries that have selected WBL in 2015 as a priority area for identification of policy options under the relevant MTD. The aim is to support the implementation of the policy options selected in 2016 through the ex-ante impact assessment. The support involves targeted capacity building actions and peer learning as well support in making best use of their participation in the European Alliance for Apprenticeship (EAfA). In the Eastern Partnership, support to the countries will be provided through the implementation of the three-year regional initiative launched in 2015. Specifically, following the initial mapping (2015) and setting the conditions for WBL (2016), in 2017 the work will concentrate on the implementation of reviewed forms of work-based learning, differentiated according to national context. Networking activities between the participants from the different EaP countries will also continue for the mobilisation of actors at national, regional and international levels. In the Southern Mediterranean region, following the collaboration with UNESCO in 2016 on the review of WBL policies, in 2017 support to a selected number of countries to develop an action plan to implement recommendations on how to enhance work-based learning is planned.

In the field of quality assurance (QA), the transnational policy learning platform will be operational in 2017, focusing on systemic and systematic quality assurance in VET. It will be the vehicle to support participating partner countries to develop a systemic QA approach and focus on systematic monitoring of QA improvement to allow partner countries to progress in planning and/or implementation of policies and practices. In addition, targeted support will be provided to two or three selected priority countries to proceed with actions that improve their QA systems. A joint contribution to events on Work-based learning and quality assurance in VET is planned with Cedefop.

In the field of continuous professional development of vocational teachers and trainers, the focus will be in the SEET region. In 2017, the ETF will complete the initiative with another round of demonstration projects and recommendations to further develop, implement and monitor policies and practices to bring CPD closer to the needs of schools, teachers and trainers to improve VET delivery. Policy dialogue and networking will be extended and its focus moved towards implementation and the achievement of respective MTDs.

The project objective is to support partner countries to improve both initial and continuing VET in terms of VET provision and quality assurance. The project will do so by enhancing work based learning, improving quality assurance mechanisms and making continuing professional development of teachers and trainers in VET more effective.

Outcomes 2017-18	Indicators
Work-based learning enhanced in different forms, with special attention to apprenticeships and internships/traineeships, by involving social partners, companies, chambers and VET providers	<p>All five candidate countries implement MTD WBL policy options and participate in EAfA. A majority of EaP countries implement new WBL schemes / initiate demonstration projects for WBL Selected SEMED countries develop action plans on WBL enhancement.</p> <p>All SEET countries implement the final round of CPD demonstration projects and a selected number of candidate countries implement MTD CPD policy options Quality assurance in VET:</p> <p>At least 14 partner countries participate in the QA policy learning Forum/Platform and at least five partner countries are committed to developing a systemic QA approach and focus on the systematic monitoring of QA improvement.</p>

Outcomes 2017-18	Indicators
Further development and implementation of quality assurance mechanisms in VET in line with the EQAVET recommendation	50% of partner countries participate in the QA policy learning forum and 15% are committed to develop a systemic QA approach and focus on systematic monitoring of QA improvement
Systematic approaches to, and opportunities for continuous professional development of VET teachers, trainers and mentors introduced	Seven demonstration projects contribute to implementation of CPD policies in all SEET countries A selected number of candidate countries Progress in the implementation of MTD CPD in at least two candidate countries,
Resources 2017	
The indicative resources are 8.8 FTEs, €590,000 in project funds and €50,000 for missions.	

3.5. Strategic Project 5: Qualifications and qualifications systems

The strategic project on Qualifications and Qualifications Systems will continue in 2017 to support countries on how to move their NQF through the development stages to make them a tool for modernising VET for lifelong learning, employability and competitiveness.

Policy advice and capacity building will focus on 14 countries (AL, BA, MK, RS, TR, XK, AZ, BY, MD, UA, MA; IL, EG, TN), with a differentiated approach in the interventions according to the assessment of progress in the policy stage carried out in 2016 and the seven countries where EU projects are supporting the modernisation of qualifications and qualification systems

The ETF will help partner countries to develop skills and knowledge in reforming their qualification systems to enable them to progress towards achieving recognition i.e. via measures for transparency, quality, labour market relevance and portability of qualifications. A specific measure will be the support to referencing/aligning their NQFs to the EQF.

It will also collaborate with the employment and migration project to produce a toolkit offering guidance on the better identification of migrants' skills and recognition of their qualifications, and on facilitating mobility. In support to the ENP, it will lead an EaP event, in the fourth quarter, to identify and agree actions, instruments and cooperation processes with the six countries on effective recognition of skills and qualifications, as part of the implementation of the Association Agreements and the Mobility Partnerships.

The ETF cooperates with Cedefop in the following areas: (i) joint ETF-Cedefop-UNESCO study on learning outcomes in qualifications, as link to labour markets. Three ETF partner countries featured. (ii) co-publication of the Global NQF Inventory in spring 2017 with UNESCO. (iii) ongoing collaboration on VNFIL Inventory, to be published 2017. The ETF is covering SEET partner countries and (iv) more broadly: participation in each other's seminars on qualifications, outcomes etc.

Finally, the ETF with Cedefop and UNESCO will co-produce the third edition of the Global NQF inventory, with a new thematic chapter and updated ETF partner country chapters. It will continue sharing knowledge on qualification systems via the Qualifications Platform.

The project objective is to support countries to improve their qualifications and qualifications systems to make NQFs a tool to modernise both initial and continuing VET for lifelong learning, employability and competitiveness.

Outcomes 2017-2018	Indicators
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Lifelong learning qualifications systems progressed and skills and know ledge of partner country institutions and stakeholders developed.	Partner countries progress within, or to next, policy development stage ¹⁷
Evidence based-policy and international policy discussions, moderated by ETF, inform PCs' reforms of qualifications systems.	100% of partner countries developing NQFs and working with ETF analysed and reported in NQF Inventory.
Candidate and potential candidate countries progress towards referencing their NQFs to the EQF. External dimension of EQF implemented in relevant partner countries..	Measures for transparency, quality, labour market relevance and portability of qualifications implemented by AL, BA, RS, TR,
Resources 2017	
Indicative resources include 7.9 FTEs. €650,000 in project funds and €65,000 for missions.	

3.6 Strategic Project 6: Employment, skills and employability -including skills and migration

The project will contribute to specific objective 4 on modernisation of VET for employability and competitiveness by continuing the interventions on skills intelligence and on the efficient use of migrant's skills. The project will also contribute to the strategic area three on Transition to work by introducing new actions in the field of youth employability and transition to work.

In the area of skills intelligence the ETF will focus on the development of more comprehensive approaches, in particular in the short to medium term horizon and in the key economic sectors. This will be done through building stakeholder capacity - also using methodological instruments jointly developed by ETF/ILO/Cedefop and promoting their cooperation. SP EMPL will cooperate in 2017 with Cedefop and Eurofound in the area of skills intelligence, with a special focus on anticipation and an exchange on methodologies and tools regarding the integration of migrants in labour markets and their skills validation/recognition

In the SEET region targeted actions will be defined to support countries in the implementation of Economic Reform Programmes (ERP) recommendations and measures. In the Eastern Partnership countries ETF will continue implementation of the regional initiative "Make it Match" started in 2014. This combines regional mutual learning on development of skills intelligence approaches (through the EaP platform 2) and capacity building actions for implementation in selected priority countries (through the ETF subsidy). In the Southern and Eastern Mediterranean countries ETF by building on the experience developed through the implementation of the GEMM project will support development of skills needs identification tools in selected countries.

To ensure a comprehensive and transversal approach Strategic Project Employment, skills and employability will coordinate the ETF's intervention in the skills and migration area that will include expert inputs from the different Strategic Projects (Qualifications, VET Provision, Governance and Entrepreneurial Learning). In particular, the ETF will provide expertise in support to the implementation of skills related actions included in the Mobility Partnerships(MP) with partner countries. Given the changing context in the field of migration, the ETF will follow the developments and may provide, in coordination with DG EMPL services and upon request, information and expert support on short-term measures to address the immediate challenges of newly arrived migrants.

¹⁷ Measured against ETF policy stage indicators

The ETF action on youth employability and transition to work will continue in SEET. Under the framework of the review of ENP, in 2017 the ETF will start youth oriented activities in EaP and SEMED. In particular, the ETF will support DG EMPL to establish the Panel on Youth Employment and Employability within the EaP and encourage exchanges on education, training and youth policies between SEMED countries. Upon the request, the ETF will contribute to the implementation of the EU funded regional programmes in the field of youth employability. The ETF also foresees targeted capacity building actions at country level in a limited number of priority partner countries.

The project objective is to support partner countries to improve both initial and continuing VET in terms of labour market intelligence and skills for employability

Outcomes 2017-18	Indicators
Development and implementation of partner countries' mechanisms to monitor labour market trends and use information on skills needs for effective VET policy implementation	At least half of countries receiving ETF support in LM field have developed mechanisms to increase the relevance of VET provision in respect of the labour market
Increased information and awareness of partner countries about Mobility Partnerships with the EU to develop and implement migrant support measures;	In at least four of the partner countries with Mobility Partnership agreements, National systems provide opportunities for labour market integration through validation/recognition of migrants' skills.
Development and implementation of partner countries' comprehensive policies and mechanisms to facilitate young people's transitions to work	Five partner countries have started to develop and implement mechanisms to facilitate young people's transitions to work.
Resources 2017	
Indicative resources are 7.2 FTEs. €470,000 in project funds and €55,000 of mission budget.	

3.7 Strategic Project 7: Entrepreneurial learning and enterprise skills

The support to entrepreneurial learning and enterprise skills in the partner countries will contribute to the specific objective 5. Enterprise skills will make up a core component of ETF's support to the European Commission in its wider drive to promote the key provisions of the Small Business Act for Europe (SBA).

The ETF will pursue partner countries' progress in the SBA human capital development indicators (entrepreneurial learning, women's entrepreneurship and SME skills) through the SBA assessments. Follow-up recommendations from the assessments, with particular emphasis on policy implementation and capacity building, will also feature in the work following specific-country requests and requests from ETF regions.

The ETF will also encourage partner country policymakers and training providers to improve policy and its implementation by identifying and disseminating quality-assured good practice in SME skills specifically in the pre-accession region focusing on those SMEs trading, or with potential to trade, with the EU single market. Good practice will be shared through a number of multi-country cooperation mechanisms, including a) the South East Europe Working Group on Industrial Policy; b) Eastern Partnership Platform on Economic Integration and Convergence with EU Policies; and c) the Euro-Mediterranean Working Group on Industrial Cooperation.

Reinforcing the interface between the ETF's SBA policy assessment and follow-up support at country level and its good practice developments will be the key focus in the period 2016-17. In particular, the

purpose is to improve policy implementation by closing the gap between practitioners and policymakers by way of dialogue and knowledge sharing.

The project objectives is to support partner countries to improve both initial and continuing VET in terms of entrepreneurial learning and enterprise skills.

Outcomes 2017 -18	Indicators
Progress achieved in partner countries implementing SBA human capital recommendations	Improvement in SBA performance on the HCD dimensions in at least three partner countries
Partner countries develop mechanisms to identify and develop SMEs skills	Up to 10 SME skills good practices peer reviewed and available on ETF platform
Resources 2017	
Indicative resources are 4.9 FTEs, €210,000 in project funds and €53,000 in mission budget.	

3.8 Horizontal actions to enhance the efficiency and effectiveness of ETF institutional performance

Building on the multiannual objectives outlined in section 2 above, the expected outcomes 2017-2018, and actions in 2017 are clustered under the two strands of this horizontal action, which serve to ensure the efficient and effective delivery of ETF institutional objectives as measured through the Key Performance Indicators listed in Annex XI.

Strand 1: Actions to enhance partnership and stakeholder cooperation

The expected outcomes for 2017-18 are

Outcomes 2017 -2018	Indicators
Enhanced dialogue with the EU institutions and relevant EU bodies to ensure consistency with EU priorities and complementarity with EU policies and assistance action	<i>Increased number of joint activities with International and bilateral donors and organisations</i>
Reinforced cooperation with relevant EU Member State institutions by mobilising significant experiences and practices with a view to disseminating them to the partner countries	
Strengthened exchange with international and bilateral organisations and other relevant international and regional actors to ensure complementary approaches to HCD reform and opportunities to scale up ETF actions	
Actions 2017	
Continue to support the structured dialogue with the Commission services under the coordination of DG Employment, Social Affairs and Inclusion and the dialogue with the European Parliament committees, the EU advisory bodies and the representatives of the social partners at European level;	
Enhance cooperation with the EU member states relevant institutions by mobilise relevant experiences and practices with a view to disseminating them to the partner countries	
Strengthen co-operation with international organisations and other relevant international and regional actors participation in the TVET inter-agency group and working groups activities as well as in the international networks and debates.	

Strand 2: Actions to improve ETF organisational performance

Performance management coordination

Expected Outcome:

Outcome 2017-18	Indicators
Strengthened effectiveness and efficiency of the organisation whilst maintaining compliance with the regulatory framework	<i>The Annual WP/SPD timely submitted to the EC</i> <i>Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines</i>
Actions 2017	
Maintain, update and improve the ETF integrated performance management framework and underlying policies, processes and tools which enable the monitoring and assessment of ETF performance particularly in terms of quality and productivity ;	
Timely execution and follow up of audits, risk management and other (self) assessment exercises and compliance with EU functions such as data protection, anti-fraud, including through the ETF legal service;	
Draw on the outcomes of ETF performance monitoring and external controls to design and deploy structured and systematic organisational development actions, notably, the transversal actions listed below ;	
Institute digital historical archive of the ETF for public and internal use.	

Human resources management

Outcome 2017-18	Indicators
Good reputation of the ETF maintained, staff efficiency, performance and satisfaction increased, compliance with legal frameworks ensured.	Administrative support and coordination / operational staff + neutral ratio Average vacancy rate Staff engagement rate
Actions 2017	
Continue implementing learning and development programmes in line with the anticipation of expertise needs launched in 2015;	
Continue implementing personalised long-term development paths for managers on the basis a 360° feedback exercise for development;	
Further develop a unified HR management system;	
Implement improvement actions stemming from the results of 2015 staff engagement survey and 2016 work-related stress risk assessment.	

Financial and procurement management

Outcome 2017-18	Indicators
Robust, compliant and performant financial and procurement management system and tools available to support an efficient, effective and economic use of ETF financial resources.	Commitment Appropriation Implementation Payment Appropriations cancellation rate Timely Payments Rate of outturn
Actions 2017	
Deploy electronic communication tools with tenderers and contractors;	
Optimise internal procedures and quality assurance measures reinforcing risk based management principles	
Implement EC financial regulation by adjusting administrative procedures, simplifying and streamlining financial rules;	
Contribute to the reformed Framework Financial Regulation.	

Information and communication technologies

Outcome 2017-18
ICT Governance is enhanced, infrastructure is kept up-to-date, information sharing and integration is improved, seamless and secure mobility is ensured.
Actions 2017
Enhance information management and sharing by finalizing the relaunch of the ETF website and continued implementation of customised solutions to ETF's Document Management System;
Tender for unique telecommunication service provider;
Prepare move of data centre to cloud services.
Improve the customer relationships management system.

Facilities management

Outcome 2017-18
Attractive, clean, accessible, safe and efficient working environment for all ETF activities is ensured.
Actions 2017
Consolidate outsourced services, while maintaining high standards in service delivery and increasing staff satisfaction;
Initiate the creation of a secure, independent and environmentally sounder utility system;
Optimise meeting rooms, with special attention to updating and maintaining technological facilities to state-of-the-art;
Enhance working conditions (health safety and security) of the ETF staff based on risk assessment and applicable regulations.

Accounting

Outcome 2017-18
Correct annual accounts ensured.
Actions 2017
Reconcile budget execution with the general accounts and reconcile balance accounts on a regular basis;
Maintain cash flow follow-up and request funds on time to assure that payments can be made on time;
Organise adequate training for staff that are involved in financial processes that have an impact on the general accounts.

Transversal Actions

In 2017, the ETF intends to develop its institutional performance through collective actions across the institution in three priority areas. These are intended to reinforce ETF organisational performance as well as capacity for cross departmental cooperation and alignment with core business priorities. The project areas and expected outcomes 2017-18 are:

Actions 2017
<ol style="list-style-type: none"> Increased efficiency and effectiveness in the delivery of ETFs four functions using digital technology <ul style="list-style-type: none"> The ETF's outreach through more active and frequent interactions with an increasing number of relevant external stakeholders enhanced Collaborative work and learning with external stakeholders strengthened, especially with beneficiaries in the partner countries Knowledge management enhanced, in particular in relation to policy analysis, sharing of good practice, evidence access and management The ETFs capacity to engage meaningfully with stakeholders and manage interactions improved Enhanced quality assurance of ETF events throughout planning, implementation and follow up phases through integrated quality assurance policies and guidelines in ETF Strategic Projects <ul style="list-style-type: none"> ETF event methodology in place including practical guide Events process map updated

Actions 2017

Methodology training carried out

IT systems reviewed

3. Increased added value, effectiveness and visibility of ETF activities/actions in partner countries through strategic/prioritised cooperation
 - a. Enhanced stakeholder cooperation in partner countries
 - b. Enhanced coordination of stakeholder relations at corporate level

ANNEXES

Annex I – Activity based resource allocation

Planned resource allocation per specific objective 2017-20

Specific Objective area (budget in m€)	2017	2018	2019	2020	%
Specific Objective area 1: Evidence based policymaking and governance systems	7.325	7.325	7.471	7.621	36%
Specific Objective area 2: VET provision and quality assurance	3.663	3.663	3.736	3.810	18%
Specific Objective area 3: The modernisation of qualifications and qualifications systems	4.120	4.120	4.203	4.287	20%
Specific Objective area 4: Employment, skills and employability (including skills and migration)	3.205	3.205	3.269	3.334	16%
Specific Objective area 5: Entrepreneurial learning and enterprise skills	1.831	1.831	1.868	1.905	9%
Total ETF	20.144	20.144	20.546	20.957	

Planned direct resource allocation by strategic project 2017

Operational Activities 2017 Strategic Projects	Planned budget (m€)	%
Support to EU assistance in the context of EU external policies	2.216	11%
Policy analysis and system wide progress monitoring	3.626	18%
VET governance	2.820	14%
VET provision and quality	3.223	16%
Qualifications and qualifications systems	3.626	18%
Employment, skills and employability (including skills and migration)	2.820	14%
Entrepreneurial learning and enterprise skills	1.612	8%
Total Strategic Projects	20.144	100%

One Full Time Equivalent is estimated at €87.000.

* FTE includes experts, support and project coordination

Planned resource allocation by ETF function 2017

ETF Function	Planned budget (m€)	%
Support to the EU (F1)	3.827	19%
Capacity Building (F2)	9.871	49%
Policy Analysis (F3)	3.424	18%
Dissemination and Networking (F4)	2.820	14%
Total Budget	20.144	100%

Planned resource allocation by region 2017

Geographical region	Planned budget (m€)	%
South Eastern Europe and Turkey (SEET)	7.328	37%
South and Eastern Mediterranean (SEMED)	5.505	27%
Eastern Europe (EE)	5.832	29%
Central Asia (CA)	1.477	7%
Total Budget	20.144	100%

Annex II – Financial resources 2017-20

Table 1 – Expenditure

Expenditure	N (2016)	N+1 (2017)	N+2 (2018)
	Commitment appropriations	Commitment appropriations	Commitment appropriations
Title 1	13,867,400	13,747,600	13,731,200
Title 2	1,589,100	1,808,600	1,844,450
Title 3	4,688,500	4,587,800	4,568,350
Total expenditure	20,145,000	20,144,000	20,144,000

Expenditure	Commitment appropriations							
	Committed Budget N-1 (2015)	Budget N (2016)	Draft Budget N+1 (2017)		VAR N+1 / N (2017/2016)	Envisaged in N+2 (2018)	Envisaged N+3 (2019)	Envisaged N+4 (2020)
			Agency request	Budget Forecast				
Title 1 - Staff Expenditure	13,144,962	13,867,400	13,747,600	13,747,600	-0.9%	13,731,200	13,762,300	13,827,400
11 Salaries and allowances	12,349,319	13,002,000	12,938,900	12,938,900	-0.5%	12,931,400	12,979,800	13,044,900
- of which establishment plan posts	10,411,362	10,752,000	10,725,000	10,725,000	-0.3%	10,696,000	10,732,900	10,786,400
- of which external personnel	1,937,957	2,250,000	2,213,900	2,213,900	-1.6%	2,235,400	2,246,900	2,258,500
Expenditure related to staff recruitment	15,892	29,000	29,000	29,000	0.0%	20,000	20,000	20,000
13 Mission expenses	93,000	150,000	110,000	110,000	-26.7%	110,000	110,000	110,000
14 Socio-medical infrastructure	24,260	35,000	30,000	30,000	-14.3%	30,000	27,000	27,000
1e Training	234,184	250,000	250,000	250,000	0.0%	250,000	240,000	240,000
1d External Services	403,600	368,000	360,000	360,000	-2.2%	360,000	360,000	360,000
17 Receptions and events	3,851	8,400	8,500	8,500	1.2%	8,500	8,500	8,500
1f Social Welfare	20,857	25,000	21,200	21,200	-15.2%	21,300	17,000	17,000
Title 2 - Infrastructure and operating expenditure	1,955,631	1,589,100	1,808,600	1,808,600	13.8%	1,844,450	1,628,200	1,689,200
20 Rental of buildings and associated costs	728,447	617,600	777,245	772,245	25.8%	929,100	725,150	727,850
21 Information and communication technology	932,964	675,200	791,655	791,655	17.2%	710,650	691,850	750,150
22 Movable property and associated costs	120,943	87,100	5,000	5,000	-94.3%	20,000	20,000	20,000
23 Current administrative expenditure	62,064	83,000	64,500	64,500	-22.3%	64,500	71,000	71,000
24 Postage / Telecommunications	19,127	26,200	20,200	20,200	-22.9%	20,200	20,200	20,200
25 Meeting expenses	92,087	100,000	150,000	150,000	50.0%	100,000	100,000	100,000
26 Running costs in connection with operational activities	-	-	-	-	-	-	-	-
27 Information and publishing	-	-	-	-	-	-	-	-
Title 3 - Operational expenditure	5,030,083	4,688,500	4,587,800	4,587,800	-2.1%	4,568,350	5,155,500	5,440,400
30 - Communications	506,483	569,500	529,500	529,500	-7.0%	479,500	517,500	517,500
31 - Corporate Performance and Stakeholders	305,773	220,000	220,000	220,000	0.0%	220,000	245,000	265,000
31 - Operational Projects	3,498,127	3,138,000	3,188,300	3,188,300	1.6%	3,218,850	3,743,000	4,007,900
32 - Operational Missions	719,700	761,000	650,000	650,000	-14.6%	650,000	650,000	650,000
TOTAL EXPENDITURE	20,130,677	20,145,000	20,144,000	20,144,000	0.0%	20,144,000	20,546,000	20,957,000

Table 2 – Revenue

Revenues	N (2016)	N+1 (2017)	N+2 (2018)
	Revenues estimated by the agency	Budget Forecast	Budget Forecast
EU contribution	19,956,000	19,771,000	20,144,000
Other revenue(Recovery from surplus)	189,000	373,000	
Total revenues	20,145,000	20,144,000	20,144,000

Revenues	N-1 (2015)	N (2016)	N+1 (2017)		VAR N+2 / N+1 (2018 /2017)	Envisaged N+2 (2018)	Envisaged N+3 (2019)	Envisaged N+4 (2020)
	Executed Budget	Revenues estimated by the agency	As requested by the agency	Budget Forecast				
1. Revenue from fees and charges								
2. EU contribution	20,143,234	20,145,000	20,144,000	20,144,000	0.0%	20,144,000	20,546,000	20,957,000
of w hich Administrative (Title 1 and Title 2)								
of w hich Operational (Title 3)								
of w hich assigned revenues deriving from previous years' surpluses	198,234	189,000	373,000	373,000				
3. Third countries contribution (incl. EFTA and candidate countries)								
of w hich EFTA								
of w hich candidate countries								
4. Other contributions	402,019							
of w hich delegation agreement, ad hoc grants	402,019							
5. Administrative operations	9,042							
6. Revenues from services rendered against payment								
7. Correction of budgetary imbalances								
TOTAL REVENUES	20,554,295	20,145,000	20,144,000	20,144,000	0.0%	20,144,000	20,546,000	20,957,000

Table 3 – Budget outturn and cancellation of appropriations

Budget outturn	2013	2014	2015
Revenue actually received (+)	22,004,048.99	21,386,012.01	20,593,142.85
Payments made (-)	-19,906,374.10	-20,741,263.02	-19,908,790.31
Carry-over of appropriations (-)	-2,100,608.40	-1,826,701.57	-1,249,885.60
Cancellation of appropriations carried over (+)	125,795.46	81,496.96	53,404.07
Adjustment for carry over of assigned revenue appropriations from previous year (+)	75,354.86	1,292,752.88	886,582.88
Exchange rate differences (+/-)	17.35	-4,103.79	-1,056.40
Adjustment for negative balance from previous year (-)			
Total	198,234.16	188,193.47	373,397.49

Cancellation of commitment appropriations

At the end of 2015 the ETF has cancelled €20 385,19 commitment appropriations, representing appropriations for Title 1 and 2 which have not been committed. The biggest amount has been on Title 1 (€16,388) and is mainly linked to recruitment, missions and social activities.

Cancellation of payment appropriations for the year

In Title 3 (differentiated appropriations), there were €279 548.72 payment appropriations which were not disbursed (5.5% of Title 3), linked mainly to the timing of receipt of invoices at the end of the year.

Cancellation of payment appropriations carried over

Cancelled appropriations for administrative expenses are reduced compared with previous years (from €81,496.96 to €53,404.07), indicating a more appropriate estimation of remaining expenses at the end of the year.

Annex III – Human resources tables

Table 1 – Staff population and its evolution; overview of all categories of staff

Staff population		Actually filled as of 31.12 N-2 (2014)	Authorised under EU budget N-1 (2015)	Actually filled as of 31.12.N-1 (2015)	Authorised under EU budget for year N (2016)	Expected filled as of 31.12.N (2016)	In draft budget for year N+1 (2017)	Envisaged in N+2 (2018)	Envisaged in N+3 (2019)	Envisaged in N+4 (2020)
Officials	AD									
	AST									
	AST/SC									
TA	AD	59	60	59	59	59	57	55	56	56
	AST	33	32	31	31	31	31	31	30	30
	AST/SC									
Total headcounts		92	92	90	90	90	88	86	86	86
CA GFIV		6.5	6.5	7.5	8.5	8	9	9	9	9
CA GF III		19.5	23	20.5	23.5	24	24.5	25	25.5	26
CA GF II		10.5	9	9.5	7	8	7	6.5	6	5.5
CA GFI										
Total CA in FTE		36.5	38.5	37.5	39	40	40.5	40.5	40.5	40.5
SNE			1	0	1	1	1	1	1	1
Local Agents ¹⁸		2	2	2	2	1	1	1	1	1
TOTAL		130.5	133.5	129.5	132	132	130.5	128.5	128.5	128.5
Structural service providers		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
GRAND TOTAL		133	136	132	134.5	134.5	133	131	131	131
External staff for occasional replacement		3.7		4.7						

¹⁸ Please note that in 2016 one LA was replaced by one CA.

Table 2 – Multi-annual staff policy plan year 2017–0

Category and grade	Establishment plan in EU Budget N-1 (2015)		Filled as of 31/12/N-1 (2015)		Modifications in year N-1 in application of flexibility rule (2015)		Establishment plan in voted EU Budget n (2016)		Modifications in year N in application of flexibility rule (2016)		Establishment plan in Draft EU Budget N+1 (2017)		Establishment plan N+2 (2018)		Establishment plan N+3 (2019)		Establishment plan N+4 (2020)	
	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA
AD 16		0		0				0				0		0		0		0
AD 15		0		0				0				0		0		0		0
AD 14		1		1				1				1		1		1		1
AD 13		6		0				6				3		4		5		6
AD 12		12		8				13				12		14		15		15
AD 11		8		9				9				9		8		9		10
AD 10		4		5				6				5		6		6		6
AD 9		12		12				12				13		12		12		11
AD 8		8		7				7				13		9		7		6
AD 7		9		14				5				1		1		1		1
AD 6		0		2				0				0		0		0		0
AD 5		0		1				0				0		0		0		0
Total AD	0	60	0	59	0	0	0	59	0	0	0	57	0	55	0	56	0	56
AST 11		0		0				2				2		3		3		4
AST 10		4		1				4				4		5		6		6
AST 9		9		7				9				10		9		9		9
AST 8		6		4				6				6		6		6		6
AST 7		4		5				4				4		4		4		4
AST 6		4		3				4				4		4		2		1
AST 5		5		4				2				1		0		0		0
AST 4		0		3				0				0		0		0		0
AST 3		0		4				0				0		0		0		0
AST 2		0		0				0				0		0		0		0
AST 1		0		0				0				0		0		0		0
Total AST	0	32	0	31	0	0	0	31	0	0	0	31	0	31	0	30	0	30

Category and grade	Establishment plan in EU Budget N-1 (2015)		Filled as of 31/12/N-1 (2015)		Modifications in year N-1 in application of flexibility rule (2015)		Establishment plan in voted EU Budget n (2016)		Modifications in year N in application of flexibility rule (2016)		Establishment plan in Draft EU Budget N+1 (2017)		Establishment plan N+2 (2018)		Establishment plan N+3 (2019)		Establishment plan N+4 (2020)	
	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA
AST/SC1																		
AST/SC2																		
AST/SC3																		
AST/SC4																		
AST/SC5																		
AST/SC6																		
Total AST/SC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	92	0	90	0	0	0	90	0	0	0	88	0	86	0	86	0	86

Annex IV – HR Policies

Recruitment policy

a. Officials

There are no posts for Officials in the ETF.

b. Temporary agents

Main selection principles:

There is no major difference in selection procedures for contract or temporary agents. Both are governed by the Staff Regulations and their respective Implementing Rules as adopted by ETF Governing Board.

External selection procedures can be launched for one or more similar positions or the creation of reserve lists.

Both selection procedures include the following main steps:

1. setting up of a Selection Assessment Board (SAB) to be approved by the Director;
2. drafting of the vacancy notice and approval by the Director before publication. The vacancy notice includes amongst other things, the eligibility and selection the type and duration of contract and the recruitment grade;
3. publication of the vacancy notice with the name of the SAB members on the ETF website and wide dissemination amongst others to: EPSO, other agencies, EU delegations etc.;
4. questions for the interview and written test are prepared by the SAB with the support of HR staff before the names of applicants are disclosed to the SAB;
5. pre-screening of candidates' CVs on the basis of eligibility criteria mentioned in the vacancy notice is performed by HR staff;
6. screening of eligible candidates on the basis of CVs according to selection criteria mentioned in the vacancy notice is performed by the SAB;
7. each time the SAB meets, minutes are drafted and included in the recruitment file;
8. invitation of selected candidates for interview and written tests are sent;
9. assessment of candidates by the SAB who then proposes a short-list of successful candidates to the Director who decides on the potential job offer and establishment of a reserve list where applicable;
10. all candidates who participated in the interviewing process are informed in writing on the result of the selection procedure.

Type of key functions¹⁹, typical entry grades:

Temporary agents are normally recruited at the levels indicated below taking into account, in particular, the job market for the specific job profiles concerned:

- AST/SC: the ETF does not intend to recruit staff in this category, as such secretarial and clerical activities are mainly carried out by Contract Agents in the ETF.
- AST1-AST3 are generally not recruited any longer as Contract Agents are instead recruited for those related administrative functions
- AST 4 as an ad-hoc decision (as in principle, Contract Agents is a preferred option) for Professionals where specific technical knowledge is required and longer professional experience (posts such as IT officer, budget officer, HR officer, ...)
- AD 5 to AD 9 for Experts and Senior Experts (posts such as HCD Specialist and HCD Senior Specialists), Professionals/Senior Professionals (posts such as Legal advisor etc.) where specific deep or very deep technical knowledge and expertise are required.
- AD 9 for Middle Managers (Heads of Units) and AD 9 (or above) for Senior Managers (Heads of Departments, Deputy Director). The exact grade will depend on the complexity of the Unit/Department and the level of expertise required.
- AD 14 for the post the Director of the ETF.

Typical length of contracts of employment:

Unless specified otherwise in the vacancy notice, Temporary Agents are generally offered contracts of up to 3 years that may be renewed for another fixed period of generally up to 3 years. If further renewed, it shall lead to an indefinite duration contract as per article 8 of the CEOS. This does not apply to the Director's position which is for a 5-year initial contract and may be renewed for not more than 3 years.

c. Contract agents

Type of key functions, typical entry Function Groups:

- FGI for archivist, mailing and mass copy support staff (manual and administrative support tasks) under the supervision of Temporary Agent.
- FGII for administrative and technical support staff (clerical and secretarial tasks; financial, HR, IT, project or other support and assistance) under the supervision of a Temporary Agent.
- FG III for senior assistant and/or professional staff (executive and/or technical tasks such as financial, HR, IT, project assistants and officers) under the supervision of a Temporary Agent.
- FGIV for professional/senior professional staff where specific deep or very deep technical knowledge is required (administrative, advisory tasks...) under the supervision of a Temporary Agent.

¹⁹ ETF key functions and/or job titles do not refer to the « Types of Posts » as listed in the Annex I of the Staff Regulations (i.e. the Type of Post for ETF's experts or senior experts is «Administrator»)

Typical length of contracts of employment:

Unless specified otherwise in the vacancy notice, Contract Agents are generally offered contracts of up to 3 years that may be renewed for another fixed period of generally up to 3 years. If further renewed, it shall lead to an indefinite duration contract in line with article 85 of the CEOS and the related ETF Implementing Rules. For Contract Agents FGIV, they need to demonstrate a B2 level in a 3rd EU language before renewal for an indefinite duration.

d. Seconded National Experts²⁰**Main selection principles:**

Please refer to “Temporary Agents main selection principles” as selection principles are very similar

SNEs: type of key functions:

SNEs are usually covering positions of Experts and Senior Experts (posts such as HCD Specialist and HCD Senior Specialists) where specific deep or very deep technical knowledge is required.

SNEs: typical length of secondment:

SNEs are generally offered secondment for an initial year. The initial period of secondment may not be less than 6 months or more than 2 years. It may be renewed up to a total period not exceeding 4 years.

e. Structural service providers²¹**Key tasks:**

IT consultants/Software developers

Receptionists

Tender procedure:

Open tender

Duration of the contract

Framework contract signed for 4 years.

²⁰ NB SNEs are not employed by the agency.

²¹ NB Structural service providers are not employed by the agency.

Appraisal of performance and reclassification/promotions

The agency's policy on performance appraisal and promotion/reclassification – short description

The ETF encourages each Reporting Officer to have open, constructive and frequent discussions with their staff to review progresses against objectives set, learning and development activities, to identify difficulties and support needs all along the year as best practice in performance management. Staff members are also encouraged to have open, constructive and frequent discussions with their Reporting Officer.

The appraisal procedure

The Implementing Rules (GB/15/DEC/008 and GB/15/DEC/007) adopted by ETF Governing Board describe the appraisal procedure for Temporary and Contract Agents respectively. Both comprise the following main principles and steps.

Main principles

An appraisal report is made on a yearly basis for each staff member with at least one-month service.

The report is a qualitative appraisal on efficiency, ability and conduct in service and must include a conclusion on whether the performance has been satisfactory or not, based on factual elements.

The Reporting Officer is the direct superior of the jobholder.

Main steps

- Each jobholder (JH) has 8 working days to write their self-assessment ;
- The Reporting Officer arrange for the formal dialogue (on performance and identification of training needs);
- Within 10 working days from the formal dialogue, the RO writes the appraisal report, adding a conclusion on whether the performance has been satisfactory;
- The JH has 5 working days to accept or refuse (with a reasoned explanation) the report.
 - Where the report is accepted (with or without comments), the reports is considered final and archived²²
 - Where the report is refused, it automatically triggers the appeal process
 - Where the report concludes the performance has not been satisfactory, it triggers the approval by the countersigning officer

Reclassification policy

The existing policy as per ETF Governing Board Decision of February 2000 provides that on a yearly basis, a promotion exercise is launched.

It starts with the publication of the list of staff eligible for reclassification. Then, on the basis of past performance reports as well as a supporting note from the respective Reporting Officers, a Promotion Board, after comparing merits, proposes to the Director a short list of staff members to be considered for reclassification.

²² The ETF has developed an Electronic system to support the Annual Dialogue exercise, which leads to secured electronic archiving.

The Director takes decision considering the merits and the limits authorised by the ETF's establishment plan, Annex 1 of the Staff Regulations and budget.

The reclassification takes place on 1st July unless the B2 level for the 3rd language has not been attested (for Temporary Agents prior to their first reclassification).

Table 1 – Reclassification of temporary staff/promotion of officials

Category and grade	Staff in activity at 1.01.2014		How many staff members were promoted / reclassified in 2015		Average number of years in grade of reclassified/promoted staff members
	officials	TA	officials	TA	
AD 16					
AD 15					
AD 14		1			
AD 13					
AD 12		7			
AD 11		11			
AD 10		3		1	4
AD 9		13		1	8
AD 8		7			
AD 7		14		2	5
AD 6					
AD 5		2		1	3
Total AD		58	0	5	5
AST 11					
AST 10		2			
AST 9		6			
AST 8		3		1	3
AST 7		7			
AST 6		3		1	3
AST 5		3			
AST 4		4		1	3
AST 3		4		1	5
AST 2		1			
AST 1					
Total AST		33	0	4	3.5
AST/SC1					
AST/SC2					
AST/SC3					
AST/SC4					
AST/SC5					
AST/SC6					
Total AST/SC					
TOTAL		91	0	9	4.25

From	To	N° of TAs	Average years
AD5	AD6	1	3
AD7	AD8	2	5
AD9	AD10	1	8
AD10	AD11	1	4
AST3	AST4	1	5
AST4	AST5	1	3
AST6	AST7	1	3
AST8	AST9	1	3

Table 2 – Reclassification of contract staff

Function Group	Grade	Staff in activity at 1.01.2014	How many staff members were reclassified in 2015	Average number of years in grade of reclassified staff members
CA IV	18			
	17			
	16			
	15			
	14	5	1	3
	13			
CA III	12			
	11			
	10	10	2	4.5
	9	9	1	3
	8	3	1	4
CA II	7	2		
	6	2		
	5	5	3	3
	4	2		
CA I	3			
	2			
	1			
Total		38	8	3.5

From	To	N° of CAs	Average years
FGII 5	FGII 6	3	3
FGIII 8	FGIII 9	1	4
FGIII 9	FGIII 10	1	3
FGIII 10	FGIII 11	2	4.5
FGIV 14	FGIV 15	1	3

Mobility policy

There are two types of mobility:

- Internal mobility
- Mobility between Union agencies

1. Internal mobility

The ETF adopted a revised internal mobility policy in June 2012 that highlights the two ways through which staff can move from one position to another one. However, now that the ETF Governing Board has adopted the Implementing Rule governing the recruitment of Temporary Agents 2f (GB/15/DEC/009) that entered into force on 1/7/2015, the mobility of Temporary Agents is governed by that Implementing Rule. The principles in the ETF policy and Implementing Rule remain overall the same though and are presented hereafter.

The Internal Mobility can have two different forms:

- a) Through reassignment of staff members in the interest of the service as par article 7 of the Staff Regulations
- b) Through internal publication of a post. In that case, the post is published at a range of grades within a function group corresponding to the type of post to be filled. Staff members are invited to send their application for the specific post with a view to its being filled further to a selection procedure.

The outcome of an internal mobility does not lead to any change in the contract of employment.

2. Mobility between Union agencies.

The ETF Governing Board has adopted the Implementing Rule governing the recruitment of Temporary Agents 2f (GB/15/DEC/009), which also governs the mobility of Temporary Agents between Union agencies. The main principles are highlighted hereafter.

In the vacancy notice, the post is published at the same range of grade as in the internal publication. It specifies that applicants must be Temporary Agents with at least two years' service, and have successfully completed a probation period.

In case of successful procedure, the selected Temporary Agent will keep his/her grade, step and seniority. The contract duration shall be that of the preceding contract and his/her personal file shall be transferred to the new "employer".

Staff movement between the agencies and the institutions.

As can be seen from the table below, the ETF recruits twice as many staff from other agencies/institutions than depart from the ETF to other agencies/institutions. The majority of applications from other agencies/institutions are in the Administrative and Management areas whereas it is limited in the core business area due to the requirements linked to specific prior experience.

Year	Staff (TA+CA) recruited FROM other institutions/agencies	Staff (TA+CA) leaving the ETF TO join other institutions/agencies
2007	4	4
2008	5	0
2009	2	1
2010	4	1
2011	2	3
2012	8	5
2013	5	1
2014	1	0
2015	2	1
Total	33	16

Gender and geographical balance

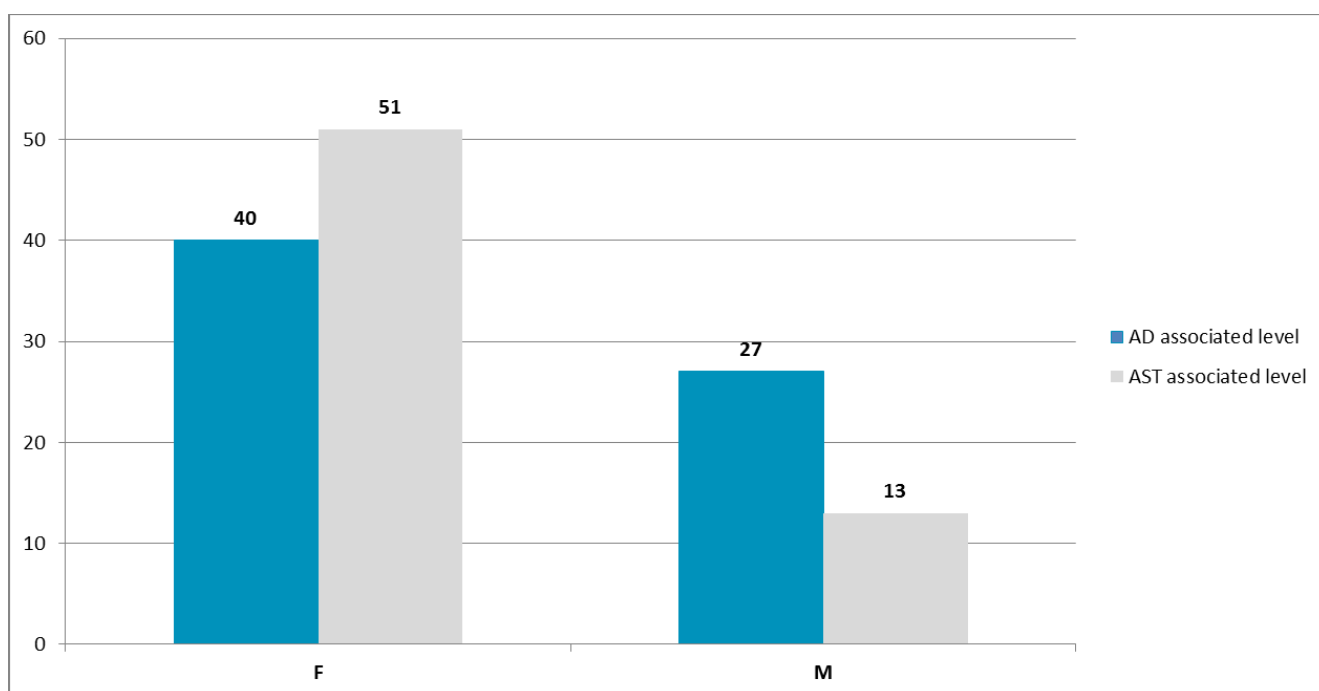
Gender balance

The data provided below refers to **posts occupied** on 31/12/2015 and not FTEs, therefore 131 (90 TAs, 39 CAs and 2 LAs).

Contract (Function Group)	F	M	Total
Temporary Agents (AD)	34	25	59
Temporary Agents (AST)	24	7	31
Local Agents (AL/N2)		2	2
Contract Agents (II)	8	2	10
Contract Agents (III)	19	2	21
Contract Agents (IV)	6	2	8
Grand Total	91	40	131

TA, CA, LA	F	M	Total
AD associated level	40	27	67
AST associated level	51	13	64
Total	91	40	131

Managerial position	F	M	Total
Middle Managers	3	1	4
Senior Managers	2	3	5
Total Managers	5	4	9



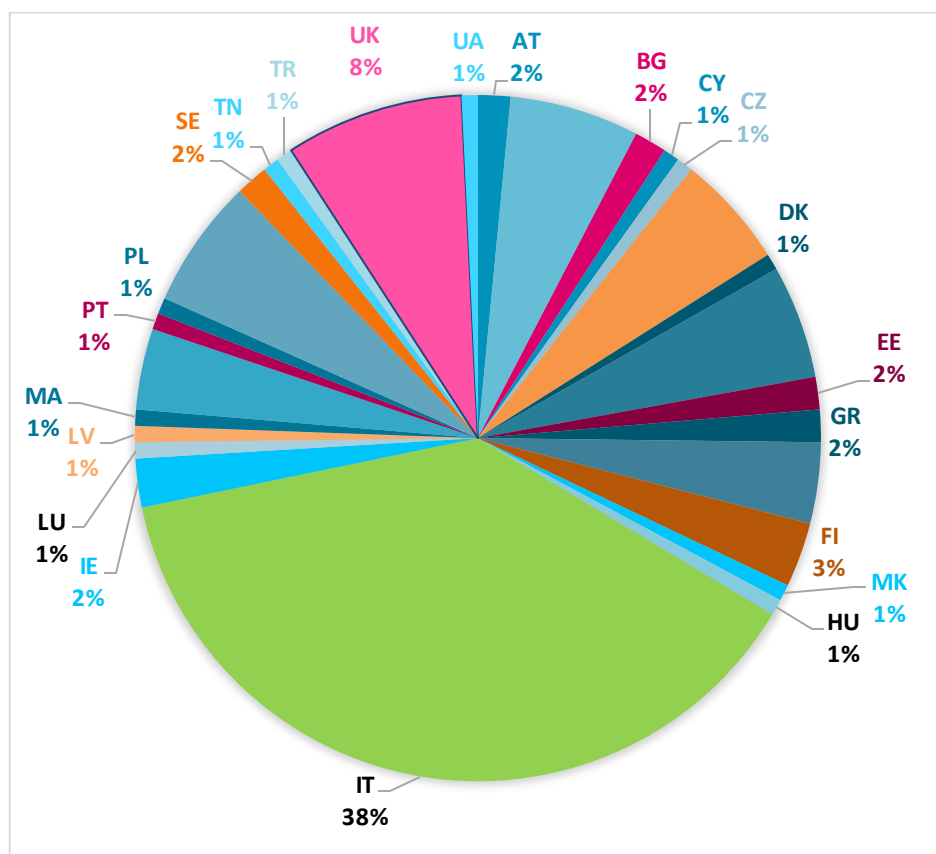
Geographical balance

The data provided below refers to **posts occupied** on 31/12/2015 and not FTEs, therefore 131 (90 TAs, 39 CAs and 2 LAs).

Nationality	Total	%
AT ²³	2	2%
BE	8	6%
BG	2	2%
CY	1	1%
CZ	1	1%
DE	7	5%
DK	1	1%
ES	7	5%
EE	2	2%
GR	2	2%
FR	5	4%
FI	4	2%
MK	1	1%
HU	1	1%
IT	50	38%

²³ Austria (AT), Belgium (BE), Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Germany (DE), Denmark (DK), Spain (ES), Estonia (EE), Greece (GR), France (FR), Finland (FI), the former Yugoslav Republic of Macedonia (MK), Hungary (HU), Italy (IT), Ireland (IE), Luxembourg (LU), Latvia (LV), Morocco (MA), Netherlands (NL), Portugal (PT), Poland (PL), Romania (RO), Sweden (SE), Tunisia (TN), Turkey (TR), United Kingdom (UK), Ukraine (UA).

Nationality	Total	%
IE	3	2%
LU	1	1%
LV	1	1%
MA	1	1%
NL	5	4%
PT	1	1%
PL	1	1%
RO	8	6%
SE	2	2%
TN	1	1%
TR	1	1%
UK	11	9%
UA	1	1%
Grand Total	131	100%



Schooling

Turin has a range of international schooling opportunities. This diversified offer targeting a broader community than ETF staff has proven not to need specific agreements with eventual direct financial contribution on the part of ETF.

Nevertheless, the international education available in Turin does not cater sufficiently for all nationalities and schooling can be a barrier for staff in mid-career. Moreover, the current economic crisis and resulting budget cuts mean that public capacity to cater for the needs of international pupils has significantly diminished in recent years and the appetite of the Italian authorities for further developing the provision of international education in Turin is very limited.

Amongst the schools of main interest, there are the following four:

- **Altieri Spinelli:** international state school covering ISCED 0 to 3. In every grade of school, the teaching of languages is carried out by Italian state teachers and by English, French and German mother tongue advisors. It has to be noted that this school is on the process of reviewing its international profile due to budget constraints.
- **International School of Turin:** a private international school offering a complete academic program in English covering ISCED 1 to 3. The school's curriculum is international and leads to the completion of both the American college preparatory diploma and the International Baccalaureate (IB) Diploma.
- **Lycée français Jean Giono:** French school, covering ISCED 0 to 3 offering curricula in French and Italian as well as in English (since 2009).
- **Istituto Vittoria:** an Italian state-recognised private school covering ISCED 3 offering a 4-year upper secondary programme in English leading to the Cambridge International Certificate of Education (ICE) and the International Baccalaureate (IB) Diploma.

The new Site Agreement ratified in 2012 by the Italian Government contains a new clause on schooling as follows:

"Italy shall do its utmost to provide adequate school education at kindergarten, primary and secondary level for the children of the Foundation's staff, and shall guarantee multilingual tuition in line with the system adopted in the European Schools."

Annex V Buildings

Current building(s) ²⁴

	Name, location and type of building	Other Comment
Information to be provided per building:	Villa Gualino, Torino, Italy	The ETF also has a liaison office in Brussels (PLB3)
Surface area (in square metres)	6,000	45.4
Of which office space	2,175	
Of which non-office space	3,825	
Annual rent (in EUR)	1	17000
Type and duration of rental contract	Rental is covered by a Convention for 30 years till 2027 complemented by 3 year service contracts of which the current expires end 2018.	
Host country grant or support	NO	
Present value of the building	N/A	

²⁴ Please note that for ETF 'building projects in planning phase' and 'building projects submitted to the European Parliament and the Council' are not applicable

Annex VI Privileges and immunities

Agency privileges	Privileges granted to staff	
	Protocol of privileges and immunities / diplomatic status	Education / day care
<p>* Local premises have been provided by local authorities on the basis of a convention that provides for the following main essential points: ETF to participate in the costs of refurbishing the premises to be used, ETF to pay a symbolic rent, ETF to participate in the costs of maintenance of the building</p> <p>* General support is provided by Italy against unauthorised access or other forms of disturbances to the premises.</p> <p>*ETF is authorised to install and operate communications systems.</p> <p>* ETF official communication is not subject to any restrictions or to confidentiality breaches.</p> <p>*The Protocol of privileges and immunities is applicable to ETF.</p> <p>* ETF, its assets and funds may not be subject to administrative or legal measures of constraints.</p> <p>*Premises (including temporary premises) and buildings are inviolable, except in case of emergencies/ fire.</p> <p>* ETF, its assets and funds are exempt from taxes or direct duties, except for taxes on public services.</p> <p>* ETF is exempt from the payment of VAT for all purchases of goods or services or for imports above 300 Euros.</p> <p>* ETF imports and exports are exempted from customs duties, taxes, prohibitions or restrictions.</p>	<p>Staff immune from legal proceedings for acts performed in the exercise of their official duties.</p> <p>* Staff exempted from taxes on salaries and emoluments paid by ETF.</p> <p>* Staff, spouses and dependent members of family not subject to immigration restrictions or registration formalities for foreigners.</p> <p>* For currency exchange staff has the same privileges as officials of equal rank in the diplomatic missions.</p> <p>* Staff, spouses and dependent members of family receive assistance for repatriation in the event of international crises.</p> <p>* Staff may, duty-free and without prohibitions and restrictions, import from the country of their last residence or the country of which they are nationals, when they first take up their post, for a period of one year from their appointment for a maximum of two shipments, their own furniture and personal effects, including a vehicle bought at the conditions of that country, which will be registered in special series.</p> <p>* Staff may export, in the year following the date of cessation of their duties, without prohibitions and restrictions, their own furniture and personal effects, including vehicles.</p>	N/A

Agency privileges	Privileges granted to staff	
	Protocol of privileges and immunities / diplomatic status	Education / day care
<p>* Goods transported as hand baggage are treated as diplomatic luggage.</p> <p>* ETF vehicles are exempted from any taxes, duties or fees or from any import prohibitions/ restrictions.</p> <p>* ETF exempted from payment social security and health insurance contributions on salaries paid to staff, except for local agents</p>	<p>* The ETF Director, spouse and dependent members of family, is granted privileges and immunities, facilities and concessions granted by the Italy to members of equivalent rank in the diplomatic corps in Italy.</p> <p>* Staff, who is not permanently resident in Italy at the time of their appointment, may purchase a motor vehicle free from taxes and charges for the period of their residence in Italy.</p> <p>* Italy issues a special identity card to staff, spouses and dependent members of family to prove that the holder is ETF staff and enjoys privileges and immunities.</p>	

Annex VII Evaluations

Evaluation and monitoring over the period 2017-20 will be outlined in an ETF Monitoring and Evaluation policy which will take into account the requirements from ETF's mandate and financial regulations to set up an effective monitoring and evaluation system. The policy will also incorporate the monitoring and evaluation principles from the regulatory framework of the European Commission, the 'Better Regulation Guidelines and Toolkit'²⁵.

The ETF commitment to work towards achieving impact is supported by linking the ETF strategic objectives to the project objectives in each annual work programme and by associating these with targets to enable effective and efficient monitoring and evaluation. The ETF utilises the logic of an 'Impact Value Chain' whereby inputs and activities create outputs and outcomes which contribute to intermediate and long term impact. Additionally Key Performance Indicators (KPIs) are defined for the ETF as a whole to measure the overall performance of the organisation in two areas: i) operational and ii) human resources and financial.

Evaluations will enable the measurement and identification of the impact of ETF's work as illustrated in an ETF Intervention Logic, which will be incorporated within the policy and will outline the relationship between the ETF Impact Value Chain and the Key Performance Indicators through which the overall impact of ETF work can be measured.

Monitoring of projects will be done annually using a monitoring self-assessment tool based on the DAC criteria of relevance, efficiency, effectiveness, impact and sustainability. On a rotational basis supplementary external monitoring assessments using internal and/or external experts, including interviews with beneficiaries (principle of triangulation) will be carried out.

Evaluations planned for the period 2017-20

2017 - Policy analysis and system wide progress monitoring

2017 - VET provision and quality

2018 - Qualifications and qualifications systems

2019 - Support to EU assistance in the context of EU external policies

2019 - Entrepreneurial learning and enterprise skills

2020 - Employment, skills and employability (including skills and migration)

2020 - VET governance

²⁵ European Commission, Better Regulation Guidance and Toolkit, Strasbourg, May 2015

ANNEX VIII ETF Risks Register 2017

Risk no.	(ETF Risk Framework Areas) / WP 2016 Objectives	Description of potential risk	Inherent risk	ETF processes supporting mitigation	Mitigating actions	Residual risk
RR WP 2017 01	1. Risks from the external environment which may have an impact on the achievement of ETF annual operational objectives 2017	<p>1.1</p> <p>Disruption in the external environment limits partner country engagement in ETF activities and leads to failure/delays in achieving related objectives:</p> <p>Cause 1) Changing priorities of individual countries - either due to institutional political changes in the country or differences in the national agenda - resulting in limited ownership of ETF activities; and</p> <p>Cause 2) Changes in EU external policies towards a given country.</p>	M	<p>1.1</p> <p>Corporate Planning OPS Project Management and Country monitoring</p>	<p>1.1</p> <ul style="list-style-type: none"> - Coordination with the European Commission services and the European External Action Service and EU Delegations; - Constant follow up and communication with partner countries by ETF managers, country desks and strategic project teams; - Identification of priority countries already included in WP2017 with 3 levels of priorities from 1 (high priority) 2 (neutral/business as usual) to 3 (low) - Adaptation of project implementation plans. New Country Strategic Perspectives (CSP) are revised annually 	M

Risk no.	(ETF Risk Framework Areas) / WP 2016 Objectives	Description of potential risk	Inherent risk	ETF processes supporting mitigation	Mitigating actions	Residual risk
		1.2 Changes in EC political priorities generate increased demand for ETF support to partner countries beyond the ETF capacity. This could put the quality and impact of ETF interventions at risk	M	1.2 Corporate Planning Performance Management System	1.2 ETF with support of the Commission and Governing Board use the Structured Dialogue and Board meetings to improve analysis of Work Programme Implementation	M
		1.3 Risk of further budget cuts, beyond planning assumptions, and the reduction of staff could put the quality, impact and added value of ETF interventions at risk	M	1.3 Corporate Planning	1.3 and 1.4 The WP 2017 is based on given budget assumptions (plan for what the ETF has and not more). Planning is already priority based but the issue is "until when do cuts and prioritisation jeopardise ETF mission?"	M
		1.4 The low and negative priorities indicated in the WP 2017 may put at risk ETF long term country knowledge and networks and jeopardise ETF mission.	M	1.4 Corporate Planning		M

Annex IX Procurement Plan Year 2017

Procurement procedures

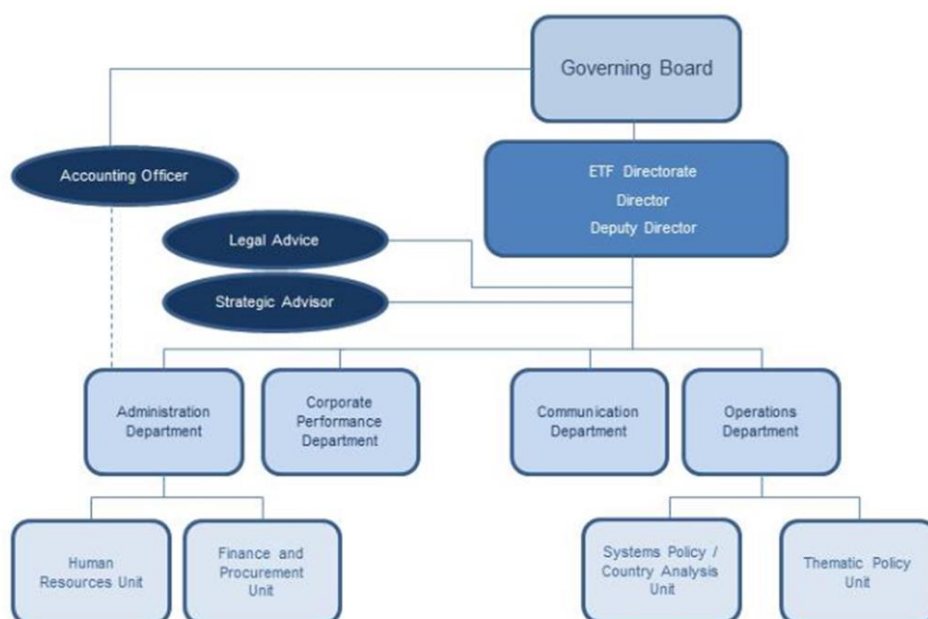
Projects will be implemented either through contracts in force or through new contracts to be awarded following a public procurement procedure (Table 1). The full annual procurement plan covering all budget titles will be published on the ETF's website by 31 March 2017. This plan is updated and republished on a regular basis.

Table 1: Indicative planning of procurement procedures needed for the implementation of the projects.

2017 Indicative planning of procurement procedures needed for the implementation of the projects			
Title	Estimated value in € for 4 years	Contract Tool	Tentative launch timeframe (quarter)
Services to support ETF project activities in Belarus	120,000 €	Framework	Q1
Services to support ETF project activities in Bosnia and Herzegovina	200,000 €	Framework	Q1
Services to support ETF project activities in Serbia	150,000 €	Framework	Q1
Services to support ETF project activities in Palestine	100,000 €	Framework	Q1
Demonstration Project on work based learning in Moldova	25,000 €	Fixed	Q1
Demonstration Project on work based learning in Georgia	25,000 €	Fixed	Q1
Provision of services to support evidence collection for data analysis on VET for Torino Process in Turkey	130,000 €	Fixed	Q1
Provision of services to support evidence collection for data analysis on VET for Torino Process in Serbia	60,000 €	Fixed	Q1
Support development of the National Qualification Framework (NQF) website for Ukraine	35,000 €	Fixed	Q1
Development of the methodological framework for skills mismatch analysis and piloting the tool in four ETF partner countries	85,000 €	Fixed	Q1
Provision of expertise to support ETF initiatives for human capital development	4,000,000 €	Framework	Q2
Development of an e-learning tool of the Learning Programme on Skill needs anticipation in the context of the Torino Process and Employment.	90,000 €	Fixed	Q2
Professional conference organiser and meeting design and facilitation services	6,100,000 €	Framework	Q3

Depending on the actual implementation of the Annual Procurement Plan, the award and the consumption of the Framework contracts could take place beyond the year 2017.

Annex X Organisation Chart



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NB: The data provided above refers to **posts occupied** (including 2 job offers sent) on 31/12/2015, therefore 131 (90 TAs, 39 CAs and 2 LAs).

Organisational structure	CA	SNE	LA	TA	Total	Serv. Provid.	Total	Vacant positions	GRAND TOTAL
ETF Operations									
OPS Core (Senior Manager, coordination and support staff)	1			6	7		7		7
Systems Policy/Country Analysis Unit	7			25	32		32		32
Thematic Policy Unit	7			25	32		32		32
Sub-Total Operations Department	15	0	0	56	71	0	71	0	71
Administration Department									
AD Core (Senior Manager, ICT and support staff)	4		1	5.5	10.5	3	13.5		13.5
Accounting				2	2		2		2
Finance & Procurement Unit	8			4.5	12.5		12.5		12.5
Human Resources Unit	4			6	10		10		11
Sub-Total Administration	16	0	1	18	35	3	38	1	39
ETF Directorate	1			2	3		3	1	4
Legal Advice				1	1		1		1
Strategic Advisor				0	0		0		0
COMM (Communication Department)	5	0	1	6	12	0	12	0	12
CPD (Corporate Performance Department)	2	0	0	7	9	0	9	0	9
Grand Total including vacant positions	39	0	2	90	131	3	134	2	136
Vacant positions				2	2		2		2
Total including vacant positions	39	0	2	92	133	3	136		136

Annex XI ETF Key Performance Indicators 2017-20

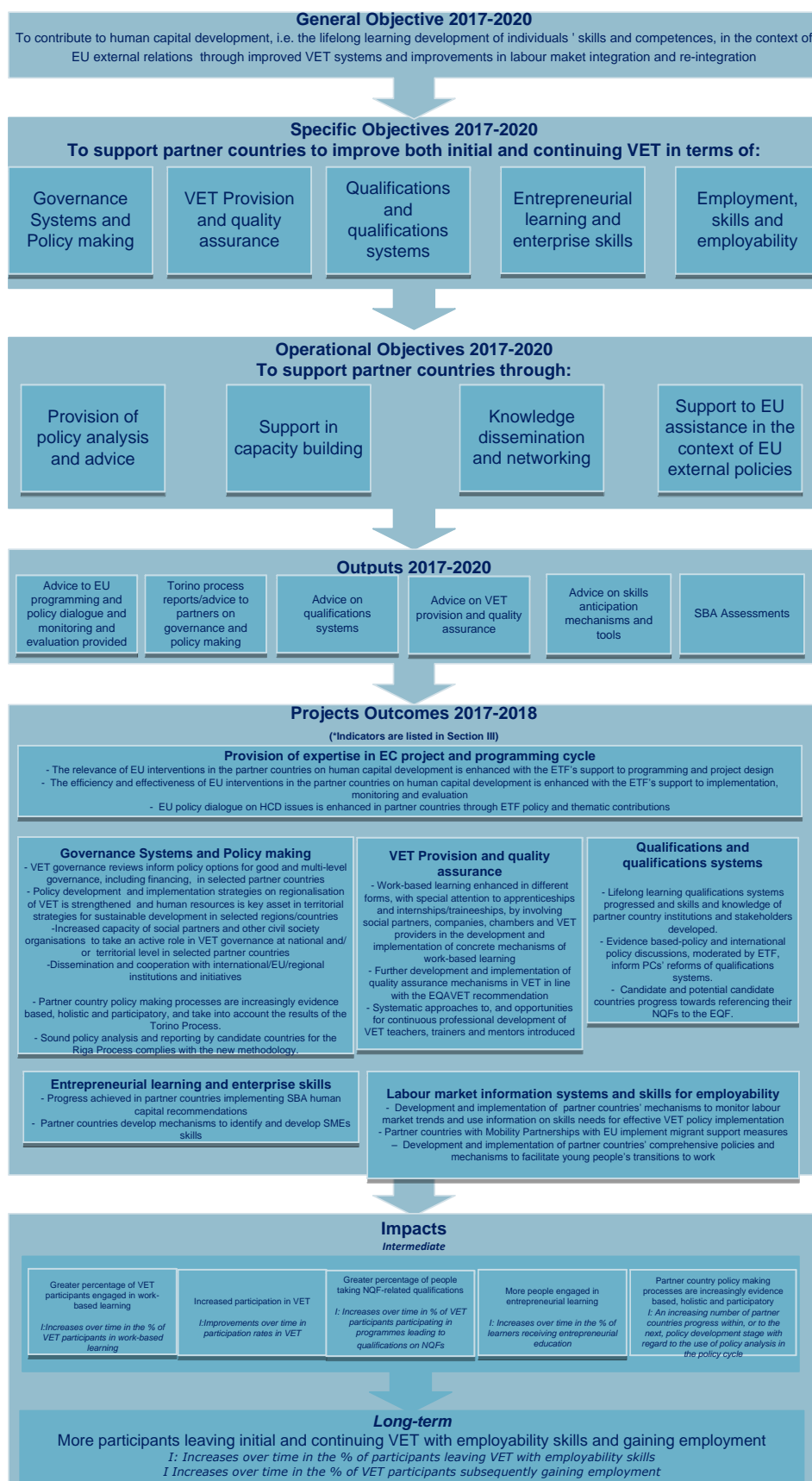
This section presents the key indicators for measuring ETF business performance .It comprises all the indicators intended to measure ETF efficiency and effectiveness as well as compliance with performance standards for Decentralised Agencies²⁶.

Categorisation	No	KPIs			Target
Operational Indicators	1	Activities completion rate	★	Rate (%) of completion of the activities of the ETF Work Program No. of activities of the ETF Work Program completed/ No. of activities of the ETF Work Program planned	90%
	2	Timely achievement of activities of the ETF Work Program	★	Rate (%) of activities of the ETF Work Program timely achieved: No. of activities of the ETF Work Program achieved on time/ No. of activities of the ETF Work Program achieved	80%
	3	Timely submission of Annual WP/SPD to the EC	★	The Annual WP/SPD timely submitted to the EC	100%
	4	Administrative support and coordination / operational staff ratio	★	(Administrative support and coordination job type category)/(Operational job type category and neutral job type category)	<30%
	5	Level of satisfaction of EC project requests		Rate (%) of positive feedback from EC project request implemented in Year N	80%
	6	Countries' policy development progress		Rate (%) of countries successfully progressed within stage or next stage of policy development: No. of countries successfully progressed within stage or next stage of policy development/ Total no. of partner countries expected to progress within stages or next stages of policy development	70%
	7	Stakeholder engagement		% of Key country stakeholders that have participated in ETF activities / N. of Stakeholder Types	90%
	8	Dissemination reach		Weighted sum of: no. of people reached through digital media, downloads and events in Year N: (No. of people reached through digital media*w eight digital media + No. of downloads*w eight downloads + No. of events*w eight events)	base-line 2016
Human Resource & Finance Indicators	9	Average vacancy rate	★	% of authorized posts of the annual establishment plan which are filled at the end of the year, including job offers sent before 31st December	95%
	10	Staff engagement	★	Rate (%) of staff engagement from staff survey within the Agency.	>2% increase
	11	Commitment Appropriation Implementation	★	Rate (%) of implementation of Commitment Appropriations	98%
	12	Payment Appropriations cancellation rate	★	Rate (%) of cancellation of Payment Appropriations	<5%
	13	Timely Payments	★	Rate (%) of payments executed within the legal/contractual deadlines	>80%
	14	Rate of outturn	★	Total payments in year N and carry-forwards to Year N+1, as a % of the total EU funding received in Year N	96%
	15	Audit recommendation implementation	★	Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines	90%

Legend ★ KPI's for Directors&benchmarking

²⁶ See also Commission Guidelines for Key Performance Indicators in EU Decentralised Agencies Staff Working Document 62 of 13 March 2015.

Annex XII. The Overarching ETF Intervention Logic 2017-20



Annex XIII Strategic projects Actions –Outputs and Indicators 2017-18

Strategic Project 1: Support to EU assistance in the context of EU external policies

Actions –Outputs 2017	Indicators 2017
<p>Outcome 1</p> <p>The relevance of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to programming and project design</p> <p>Cross Country- Preparation of/Inputs to identification and/or formulation phases programming documents</p> <p>EaP</p> <p>– Stakeholder consultation workshops for EU intervention design (GE, UA)</p>	<p>80% of the EU services supported for policy dialogue, programming/project design monitoring and evaluation and implementation assess the ETF contribution positively²⁷</p> <p>The ETF is requested to support the implementation, monitoring or evaluation in 50% of its partner countries</p>
<p>Outcome 2</p> <p>The efficiency and effectiveness of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to implementation, monitoring and evaluation</p> <p>SEET-SEMED</p> <p>Sets of inputs for operationalisation of an EU project or programme (EG, JO, MK, MA, RS, TR)</p> <p>Cross Country</p> <ul style="list-style-type: none"> - Sets of content and methodological advice for implementation and monitoring (AL, DZ, AZ, BY, EG, GE, LB, MD, TN, TJ, TM, TR) - Monitoring reports (JO, EG), inputs to project monitoring reports (TR, BY, GE, MD) - Evaluation reports/inputs to evaluation reports (DZ, TR) - Inputs to project steering committees (AZ, BY, JO, TR, TN, XK) - Policy dialogue facilitation events for budget support (JO, GE, MD) 	
<p>Outcome 3</p> <p>EU policy dialogue on HCD issues is enhanced in partner countries through ETF policy and thematic contributions</p> <p>Cross Country</p> <ul style="list-style-type: none"> - Sets of expertise contributions to bilateral policy dialogue/ sub-committee meetings (AL, BA, XK, ME, MK, RS, TR, TN, MA, JO, GE, MD, UA and other countries upon request) <p>SEET</p> <ul style="list-style-type: none"> - Inputs to EC country Progress reports in the SEET countries - Provision of comments to EC on ERPs in the SEET countries <p>SEMED -EaP</p> <ul style="list-style-type: none"> - Employability Fiches in all SEMED and EaP countries <p>EaP</p>	

²⁷ Source of verification: ETF administers an on-line feedback survey to EU services on completed requests

Actions –Outputs 2017	Indicators 2017
-- Inputs to Association Agreement monitoring and cluster meetings (UA + GE and MD TBC) Cross Country - Briefing notes upon EC request to EU bilateral or regional working group/task force/ ministerial meetings	

Strategic Project 2: Policy analysis and system wide progress monitoring

Actions –Outputs 2017	Indicators 2017
<p>Outcome 1</p> <p>Partner country policy making processes are increasingly evidence based, holistic and participatory, and take into account the results of the Torino Process.</p> <p>Cross Country</p> <p>Partner country policy reform processes are increasingly evidence based, holistic and participatory, and take into account the results of the Torino Process, while building capacities for using evidence-based approaches for policy-making. - 25 Torino process national reports are published on the web</p> <ul style="list-style-type: none"> - 4 regional reports are published - 1 cross-country publication is published - 1 final conference takes place - a dedicated TRP platform is launched - Specific actions are delivered in Bosnia and Herzegovina, Kosovo, Ukraine, Morocco, Palestine, Tunisia, Kazakhstan in association to other thematic interventions based on country policy analysis development stage on the development and use of TRP indicators for monitoring national reforms with key VET Ministries and statistical services 	<p>An Increasing number of partner countries progress within, or to next, policy development stage with regard to the use of policy analysis in the policy cycle</p> <ul style="list-style-type: none"> • Targets: <ul style="list-style-type: none"> 1.1 At least 10 countries make progress in one of the principles vis a vis the 2015 assessment 1.2 At least 3 countries move to a higher development stage
<p>Outcome 2</p> <p>Sound policy analysis and reporting by candidate countries for the Riga Process complies with the new methodology.</p> <p>SEET</p> <p>Sound policy analysis and reporting by candidate countries complies with the new methodology for the Copenhagen-Bruges-Riga Process</p> <ul style="list-style-type: none"> - Inputs for the monitoring of Copenhagen progress as per the Riga conclusions and the methodology agreed (Candidate countries) - Expertise input to the monitoring of the SEE 2020 strategy and its related report(s) and to the Monitoring Task Force, while fostering links with the Copenhagen-Torino Processes and the Economic Reform Programmes. -Facilitate the set up of Torino-ETF networks 	<p>Increased quality of partner countries' reports to the Copenhagen-Bruges-Riga process. measured through the feedback of CEDEFOP on the usability of evidence for the report</p> <ul style="list-style-type: none"> • Targets: <ul style="list-style-type: none"> 2.1. At least 2 countries improve the evidence basis in relation to 1 or more MTDs 2.2 There is a higher degree of comparability of data between CC and EU for at least 1 MTD area

Strategic Project 3: VET governance

Actions – Outputs 2017	Indicators 2017
<p>Outcome 1</p> <p>Policy options for good multi-level governance, including financing, build on ETF recommendations from reviews, inventory, legislative advice in selected partner countries</p> <p><u>VET legislation, institutional arrangements and financing</u></p> <p>Cross Country</p> <ul style="list-style-type: none"> - VET legislation reviews in two countries lead to institutional improvements (MA, UA) - Capacity building for increased efficiency of VET system governance, based on new legal and/or institutional and/or financing arrangements in three countries (MA, XK, RS) 	<p>Coordination mechanisms, legislation, multilevel governance methodologies introduced in targeted countries (85%).</p> <p>The ETF VET Governance inventory is updated.</p>
<p>Outcome 2</p> <p>Policy development and implementation of VET decentralisation is strengthened, and human resources is key asset in territorial strategies for sustainable development in selected regions/countries</p> <p><u>VET regionalisation and human capital in territorial strategies</u></p> <p>Cross Country</p> <ul style="list-style-type: none"> - Regionalisation of VET arrangements developed within a VET strategy in three countries (MA, TN, UA), building on pilot experiences in regions. - Concept of integrated territorial development based on human capital and innovation introduced in four countries (AL, RS, TN, UA) 	<p>Targeted countries introduce mechanisms for national and sub-national coordination in VET (85%).</p>
<p>Outcome 3</p> <p>Increased capacity of social partners and other civil society organisations to take an active role in VET governance at national and/or territorial level in selected partner countries</p> <p><u>Institutionalisation and strengthening the role of social partners in VET governance</u></p> <p>Cross Country</p> <ul style="list-style-type: none"> - Upscale the skills agenda in social dialogue at national level in several countries (MD, TN) - Advocacy on NGOs and civil society role in VET across countries 	<p>Social partners and other civil society organisations actively involved in Etf VET governance actions.</p>

Strategic Project 4: VET provision and quality assurance

Actions –Outputs 2017	Indicators 2017
<p>Outcome 1 Work-based learning enhanced in different forms, with special attention to apprenticeships and internships/traineeships, by involving social partners, companies, chambers and VET providers.</p> <p>WBL</p> <p>SEET -Support to implementing WBL policy options in all candidate countries, following the ex-ante impact assessment reports</p> <p>EaP and CA - Capacity for implementation of WBL in EaP and KZ - Report on the mutual learning activities organised within the WBL network: EaP and KZ</p> <p>Cross Country - Position paper on DOL and digital skills in VET</p> <p>SEMED - Completion and follow-up to review of WBL policies in the Neighbourhood South region, in co-operation with UNESCO</p>	<p>All five candidate countries implement MTD WBL policy options and participate in EAfA. A majority of EaP countries implement new WBL schemes / initiate demonstration projects for WBL. Selected SEMED countries develop action plans on WBL enhancement.</p> <p>All SEET countries implement the final round of CPD demonstration projects and a selected number of candidate countries implement MTD CPD policy options. Quality assurance in VET:</p>
<p>Outcome 2 Further development and implementation of quality assurance mechanisms in VET in line with the EQAVET recommendation</p> <p>QA</p> <p>Cross Country - Support to the implementation of VET QA system reform in selected countries - Report on mutual learning activities organised within the transnational platform on QA Updating of Inventory of current VET quality assurance systems of ETF PCs</p> <p>CA - Inputs to CAEP activities on QA in Central Asia</p>	<p>At least 14 partner countries participate in the QA policy learning Forum/Platform and at least 5 partner countries are committed to develop a systemic QA approach and focus on systematic monitoring of QA improvement.</p>
<p>Outcome 3 Systematic approaches to, and opportunities for continuous professional development of VET teachers, trainers and mentors introduced</p> <p>CPD</p> <p>SEET -Final reports from the 7 Demonstration projects identify improvements for CPD practice in SEET - Final reports from the 7 Demonstration projects record developed capacity to implement Continuing Professional Development (CPD) policies amongst the participating stakeholders in SEET -</p>	<p>Seven demonstration projects contribute to implementation of CPD policies in all SEET countries A selected number of candidate countries Progress in the implementation of MTD CPD in at least two candidate countries,</p>

Strategic Project 5: Qualifications and qualifications systems

Actions –Outputs 2017	Indicators 2017
<p>Outcome 1 Lifelong learning qualifications systems progressed and skills and knowledge of partner country institutions and stakeholders developed.</p> <p><u>For countries in the initial stages of developing an NQF:</u></p> <p>Cross Country</p> <ul style="list-style-type: none"> - In EG, content and methodological advice and guidance for implementation of EU project; progress report. - In BY, content and methodological guidance for implementation of EU project, and monitoring plan. - In TN, content and methodological advice to EU project; progress report - In IL, monitor progress of Twinning project; progress report; <p><u>For countries at intermediate stage:</u></p> <p>SEET</p> <ul style="list-style-type: none"> - In AL, recommendations for legislation; AQF action plan; AQF handbook. - In BA, recommendations to revise qualifications; content and methodological guidance for implementation of EU project; progress report on implementation of Action Plan. <ul style="list-style-type: none"> - In MK, methodologies, procedures and guidance in implementing VNFIL; proposals for pilot projects <p>SEMED</p> <ul style="list-style-type: none"> - In MA,; to consolidate institutional arrangements and advice, for qualification positioning and report on pilot positioning of qualifications; database of registered qualifications <p>EaP</p> <ul style="list-style-type: none"> - In AZ, content and methodological guidance for implementation of EU project; monitoring plan for NQF implementation; mapping of occupational standards development and evaluation report; - In MD, content and methodological guidance for implementation of EU project; advice on VNFIL and progress report; advice on NQF plan and report; - In UA, support implementation of action plan and produce monitoring plan; VET standards; handbook; communication strategy; recommendations for VNFIL implementation; briefing report on legislation <p><u>For countries at the advanced stage:</u></p> <p>SEET</p> <ul style="list-style-type: none"> - In XK recommendations, tools and methodologies in implementing VNFIL - In TR content and methodological guidance for implementation of EU project; Draft VNFIL procedures; reports on VNFIL piloting. <p><u>Regional initiatives</u></p> <ul style="list-style-type: none"> - Advice to CAEP ; recommendations - Qualifications for the Mediterranean (Q4M): advice on themes and tools; progress report. 	<p>Partner countries progress within, or to next, policy development stage²⁸</p>
<p>Outcome 2 Evidence based-policy and international policy discussions, moderated by ETF, inform PCs' reforms of qualifications systems.</p> <p>Cross Country</p> <ul style="list-style-type: none"> - Publication on qualifications' functions in recognition, migration and mobility - EAP event on qualifications in migration and mobility ; event report with conclusions - Updated NQF Inventory country chapters for all partner 	<p>100% of partner countries developing NQFs and working with ETF analysed and reported in NQF Inventory.</p>

²⁸ Measured against ETF policy stage indicators

Actions –Outputs 2017	Indicators 2017
<p>countries developing an NQF.; co-publication, with Cedefop and UNESCO, of Global NQF publication; thematic chapter.</p> <p>- Increased membership and activity on Qualifications Platform; practitioners (bloggers) event, partner country experts' blogs.</p>	
<p>Outcome 3</p> <p>Candidate and potential candidate countries progress towards referencing their NQFs to the EQF; external dimension of EQF implemented in relevant partner countries</p> <p>SEET</p> <p>-Advice and recommendations to authorities in AL, BA, XK, RS and TR on referencing to EQF and participation in EQF Advisory Group;</p>	<p>Measures for transparency, quality, labour market relevance and portability of qualifications implemented by AL, BA, RS, TR</p>

Strategic Project 6: Employment, skills and employability (including skills and migration)

Actions –Outputs 2017	Indicators 2017
<p>Outcome 1 Development and implementation of partner countries' mechanisms to monitor labour market trends and use information on skills needs for effective VET policy implementation</p> <p>SEET -Expertise inputs to EC services and EU DELs for EU-PC policy dialogue and EU programming, in particular inputs to progress reporting and ERPs. -Support to regional policy dialogues – the South East Europe 2020 Strategy and Employment and Social Affairs Platform. -Country specific capacity building activities in the field of skills intelligence (BA, XK, ME, RS).</p> <p>EaP -Expertise inputs to EC services (ENI-East Employability fiches) and EU DELs for the EU-PCs policy dialogue and EU programming. - Regional peer learning and know ledge sharing event of the "Make it match" project under EaP platform II -Country specific capacity building activities in the field of skills intelligence (GE, MD, UA).</p> <p>SEMED -Expertise inputs to EC services (ENI South Employability fiches) and EU DELs for the EU-PCs policy dialogue and EU programming. -ETF expertise inputs to UFM actions in the field of skills intelligence. -Country specific capacity building activities in the field of skills intelligence (MA, PS, TN, JO DZ).</p> <p>Cross country -Methodological framework for skill mismatches analysis based on existing data and information from partner countries. -E-learning tool: the learning programme on skill intelligence for shaping education, training and labour market policies.</p>	<p>At least half of countries receiving ETF support in LM field have developed mechanisms to increase the relevance of VET provision in respect of the labour market</p>
<p>Outcome 2 Increased information and awareness of partner countries with Mobility Partnerships with EU to develop and implement migrant support measures;</p> <p>- MISMES report on skills-related measures for migrants in JO and LB - ETF expertise inputs to EC services and relevant countries on the skills dimension of Mobility Partnerships through the dissemination of MISMES</p>	<p>In at least four of the partner countries with Mobility Partnership agreements, National systems provide opportunities for labour market integration through validation/recognition of migrants' skills.</p>
<p>Outcome 3 Development and implementation of partner countries' comprehensive policies and mechanisms to facilitate young people's transitions to work</p> <p>SEET Country specific capacity building activities supporting policy development in the field of youth employability and transition to work (BA, XK).</p> <p>EaP -Support to regional policy dialogue –contribution to EaP panel on Youth Employment and Employability. -Six national reports on youth-related employment policies and activation measures in AM, AZ, BY, GE, MD, UA.</p> <p>SEMED Country specific capacity building activities supporting policy development in the field of youth employability and transition to work (LB, DZ). -Support to regional policy dialogue in the field of youth employment and employability (e.g. Mediterranean Initiative for Jobs; female employability, skills and mobility, etc.). - Methodological tool for monitoring and assessment of youth-related employment measures.</p>	<p>Five partner countries have started to develop and implement mechanisms to facilitate young people's transitions to work.</p>

Strategic Project 7: Entrepreneurial learning and enterprise skills

Actions -Outputs	Indicators 2017
<p><u>Outcome 1</u> Progress achieved in partner countries implementing SBA human capital recommendations <u>Small Business Act and follow up actions</u></p> <p><u>SEET</u></p> <ul style="list-style-type: none"> • SBA assessments (human capital indicators) completed in all pre-accession countries • Entrepreneurial Learning Partnership capacity building in Montenegro <p><u>SEMED</u></p> <ul style="list-style-type: none"> • SBA assessment update in the Southern Neighbourhood countries • Tunisia: piloting of entrepreneurship in VET curriculum <p><u>EaP</u></p> <ul style="list-style-type: none"> • Ukraine: integration of entrepreneurial learning outcomes into national qualifications <p>SBA Eastern Partnership: capacity building of regional network for women's entrepreneurship on policy intelligence for 2018 SBA assessment</p>	<ul style="list-style-type: none"> • <u>Improvement in SBA performance on the HCD dimensions in at least 3 of the partner countries</u>
<p><u>Outcome 2</u> Partner countries develop mechanisms to identify and develop SMEs skills</p> <p><u>Cross Country</u></p> <ul style="list-style-type: none"> - Innovation in training practice identified in SME skills for trading with the EU internal market - Monitoring mechanism to track impact of training on SME performance and jobs 	<ul style="list-style-type: none"> • Up to 10 SME skills good practices peer reviewed and available on ETF platform

Annex XIV Collaboration with other EU agencies (to be added in October 2016)

ETF - Cedefop Collaboration in 2017

Core Themes	Specific themes for 2016	Exchange of information and good practice	Joint actions	Knowledge sharing seminars and major events
Vocational education and training system development and provision	VET policy reporting	Exchange of information and experience on EU and third country policy and operational issues	<ul style="list-style-type: none"> - ETF and CEDEFOP will continue working together on the Monitoring of the MTDs in candidate countries and member states respectively. The 2 agencies will continue using the same online policy reporting platform as developed by CEDEFOP. - ETF and CEDEFOP will work jointly on reporting progress through the Riga 2017 interim report and country fiches. - ETF and CEDEFOP will continue close collaboration within the ACVT/DGVT platforms to ensure follow up of all related Riga activities within the agenda of each EU presidency. 	Thessaloniki KSS (ETF – Cedefop) Torino KSS seminar (ETF-Cedefop)
	Work-based and work-placed learning		<ul style="list-style-type: none"> - Mutual contributions to events on Work-based learning and quality assurance in VET 	
	Qualifications development		<ul style="list-style-type: none"> - Cooperation (also with UNESCO) will continue on global qualifications frameworks developments, including in co-producing, with UNESCO the third edition of the Global NQF Inventory. 	
	Skills matching and anticipation/identification		<ul style="list-style-type: none"> - Co-operation will continue in the area of skills matching, with a special focus on anticipation 	
	Migration and skills		<ul style="list-style-type: none"> - Exchange on methodologies and tools on labour market integration and skills validation/recognition of migrants 	
Strategic issues	Participation in the Governing Board meetings	Cedefop GB: June 2017 ETF GB: June 2017 and November 2017		



Annex to the Collaboration Agreement

between

The European Foundation for the Improvement of Living and Working Conditions, Dublin ("Eurofound") and

The European Training Foundation, Turin ("ETF")

ACTION PLAN FROM JANUARY TO DECEMBER 2017

In accordance with Article 6 of the Collaboration Agreement, Eurofound and the ETF have agreed the following action plan to cover the time period from January to December 2017:

1. Areas of cooperation between the two agencies	<u>1.1 European Company Survey</u> ETF and EF will undertake preparatory work for the analysis of results of the Company Surveys, particularly in relation to the candidate countries. The field work for data gathering will take place in 2018-2019 and results will be analysed in 2019 with a specific involvement of ETF in the analysis of results in the candidate countries included in the Survey. Contact person ETF: Manuela Prina Contact person EF: Stavroula Demetriades
	<u>1.2 Social partnership</u> Cooperation will focus on exchange of information and knowledge, with a special focus on firm level. This will take the form of mutual participation to relevant events and meetings organised by EF/ETF. A knowledge sharing seminar (KSS) or webinar is also to be organised. Contact person ETF: Siria Taurelli Contact person EF: Christian Welz

	<p><u>1.3 Quality Assurance in Analytical work</u></p> <p>Cooperation will focus on sharing of information on practices that the two organisations are following to enhance quality of methodologies and results of analyses. A knowledge sharing seminar (KSS) or webinar is also to be organised.</p> <p>Contact person ETF: Manuela Prina Contact person EF: Stavroula Demetriades</p>
2. Development of work programmes	<p>Exchange of draft work programmes before their approval by the respective Administrative Boards. Both agencies will refer to each other's work and cooperation where appropriate.</p> <p>Contact person ETF: Anastasia Fetsi/Samuel Cavanagh Contact person EF : Sylvaine Recorbet / Manuel Gómez Martín</p>
3. Annual review of activities	<p>Organisation of an annual meeting (possibly teleconference) to discuss and assess progress on the above and other relevant issues.</p> <p>Contact person ETF: Anastasia Fetsi/Samuel Cavanagh Contact person EF : Manuel Gómez Martín</p>

Eurofound and ETF will inform their respective Governing Boards on progress with regard to the implementation of the agreed annual action plan. Both Agencies will also ensure that staff is sufficiently informed about the plan and is committed to its implementation.

On behalf of Eurofound, Stavroula Demetriades has been nominated as the contact person for this Agreement. Anastasia Fetsi will be ETF's contact person.

Agreed by both Agencies and signed:

for the European Training Foundation

for the European Foundation for the Improvement
of Living and Working Conditions

Madlen Serban

Director

Juan Menéndez-Valdés

Director

Overview of Cooperation ETF-EF-CEDEFOP

ETF Project Area	Cooperation with CEDEFOP	Cooperation with Eurofound
Policy analysis	Cedefop will contribute to the EF Company Surveys (in Member States)	ETF and EF will undertake preparatory work for the analysis of results of the Company Surveys, particularly in relation to the candidate countries. Mutual sharing of information on practices to enhance quality of methodologies and results of analysis
Social dialogue and social partnership		Cooperation in the area of Social partnership with a special focus on firm level
VET provision and quality	Mutual contributions to events on Work-based learning and quality assurance in VET	
Qualifications and qualifications systems	Cooperation (also with UNESCO) on global qualifications frameworks developments, including in co-producing, with UNESCO the third edition of the Global NQF Inventory	
Employment, skills and employability -including skills and migration	Skills intelligence, with a special focus on anticipation Exchange on methodologies and tools on integration of migrants in labour market and their skills validation/recognition	