



# CONSOLIDATED ANNUAL ACTIVITY REPORT 2016





# CONTENTS

Contents .....	3
List of acronyms .....	5
The ETF in brief .....	9
Executive Summary .....	11
A) Key results 2016 .....	11
B) Key Performance Indicators (KPIs) .....	15
C) ETF performance in financial management and internal control .....	15
1. Key results and progress in 2016 towards the achievement of ETF strategic objectives .....	17
1.1 Achievements by annual objective .....	17
1.2 Achievements by strategic project .....	19
1.3 Achievements of the Governance for Employability in the Mediterranean (GEMM) project .....	26
1.4 Achievements by function .....	27
2. Organisational Management and internal control .....	29
2.1 Financial management and internal control .....	31
2.2 Other organisational management dimensions .....	41
ANNEX 1: Declaration of Assurance in cascade (template) .....	45
ANNEX 2: Human Resources .....	47
ANNEX 3: Draft annual accounts and financial reports (as of 15/02/2016) .....	53
ANNEX 4: Materiality criteria .....	55
ANNEX 5: Stakeholder relations .....	58
ANNEX 6: Collaboration with Eurofound .....	62
ANNEX 7: Collaboration with Cedefop .....	64
ANNEX 8: Carry forward actions and project results .....	66
ANNEX 9: Performance information included in evaluations .....	67
ANNEX 10: Direct resource expenditure by strategic project and region .....	70
ANNEX 11: CAF - Management self-assessment of internal control effectiveness and organisational performance .....	72
ANNEX 12: Performance tables by region and country .....	74



## List of acronyms

AAR	Annual activity report
ABB	Activity-based budgeting
ACVT	Advisory Committee on Vocational Training
ADB	Asian Development Bank
AFD	Agence Française de Développement
ALMPs	Active Labour Market Policies
ARLEM	The EU's Assembly of Regional and Local Representatives
BC	British Council
BTC	Belgian Development Agency
Cedefop	European Centre for the Development of Vocational Training
CG	Career Guidance
COM	European Commission
CORLEAP	Conference of Regional and Local Authorities for the Eastern Partnership
CPD	Continuous Professional Development
CSP	Country Strategic Perspectives
CVT	Continuing vocational training
DCI	Development Cooperation Instrument
DG	Directorate General
DG DEVCO	Directorate General International Cooperation and Development
DG EAC	Directorate General Education and Culture
DG Employment	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
DGVT	Directors General for Vocational Education
DOL	Distance and open learning
ETF	European Training Foundation
EF	Eurofound
ET 2020	Strategic framework for European cooperation in education and training
EBPM	Evidence-based policy making
EBRD	European Bank for Reconstruction and Development
EaFA	European Alliance for Apprenticeship
EaP	Eastern Partnership
EC	European Commission
EEAS	European External Action Service
EESC	European Economic and Social Committee
EGPA	European Group for Public Administration
EQARF	European Quality Assurance Reference Framework
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualifications Framework
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ERI SEE	European Reform Initiative of South East Europe
ERPs	Economic Reform Programmes
EU	European Union
Euromed	Euro-Mediterranean Partnership
FTE	Full-time equivalent
Function 1 (F1)	Supporting EU external assistance & 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
Function 4 (F4)	Dissemination and exchanging information and experience in the partner countries and in the international community
G20	Group of 20
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	Inventory of migrant support measures from employment and skills perspective
MTDs	Medium-term deliverables
MTP	Mid Term Perspective
NEET	Not in education, employment, or training
NORRAG	Network for international policies and cooperation in education & training
NQF	National qualifications framework
OECD	Organisation for Economic Co-operation and Development
OSHA	European Union information agency for occupational safety and health
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
SD	School Development
SEE	South Eastern Europe
SEECCEL	South East European Centre for Entrepreneurial Learning
SME	Small and medium-sized enterprise
SRC	SRC Sector Reform Contract
TORs	Terms of Reference
TVET	Technical and vocational education and training
UfM	Union for the Mediterranean
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational Education and Training
VNFIL	Validation of non-formal and informal learning
WBL	Work Based Learning
YEP	Youth Employment Programme

#### ETF Partner Regions and Country Acronyms<sup>1</sup>

<b>South Eastern Europe and Turkey</b>	<b>SEET</b>
Albania	AL
Bosnia and Herzegovina	BA
Kosovo <sup>2</sup>	XK <sup>3</sup>
the former Yugoslav Republic of Macedonia	MK <sup>4</sup>
Montenegro	ME
Serbia	RS
Turkey	TR
<b>Southern and Eastern Mediterranean</b>	<b>SEMED</b>
Algeria	DZ
Egypt	EG
Israel	IL
Jordan	JO
Lebanon	LB
Libya	LY

<sup>1</sup> Acronyms taken from International Standardisation Organisation (ISO) and based on practice by the European Commission.  
<https://www.iso.org/obp/ui/#search>

<sup>2</sup> 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.

<sup>3</sup> 'XK' is a code used for practical reasons and not an official ISO country code.

<sup>4</sup> '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.

Morocco	MA
Palestine <sup>5</sup>	PS
Syria	SY
Tunisia	TN
<b>Eastern Partnership</b>	<b>EaP</b>
Armenia	AM
Azerbaijan	AZ
Belarus	BY
Georgia	GE
Republic of Moldova	MD
Ukraine	UA
<b>Central Asia</b>	<b>CA</b>
Kazakhstan	KZ
Kyrgyzstan	KG
Tajikistan	TJ
Turkmenistan	TM
Uzbekistan	UZ
<b>Other partner country</b>	
Russia	RU

---

<sup>5</sup> 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.





# THE ETF IN BRIEF

The European Training Foundation (ETF) is a specialised agency of the European Union (EU) that supports 29 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 policy.

The EU's external relations policies emphasise the need for stability, prosperity and security and one of the ways to achieve this is through increased opportunities in human capital development, including vocational education and training (VET). The aim is to strengthen economic growth, social cohesion and political stability in the countries neighbouring the EU.

Developing skills and facilitating lifelong learning are central to the ETF's work to support partner countries to improve the employability and employment prospects of their citizens. Through partnerships, participatory dialogue and policy ownership, the ETF assists countries to develop lasting reforms that deliver enduring societal benefits.

At EU level, the ETF cooperates with the European institutions, the business community, social partners and other civil society organisations. The ETF supports the European Commission and the European External Action Service (EEAS) in their programming, helping to ensure that EU assistance is accurately targeted and fits country capacities and priorities. The ETF engages in coordinated actions with Eurofound and Cedefop on the external dimension of relevant EU policies that contribute to human capital development.

Internationally, the ETF collaborates with a range of stakeholders and exchanges information and lessons learned with relevant international organisations and donors.

The ETF collaborates with partner countries to create a framework for continuity and informed policymaking and implementation in uncertain and, at times, unstable contexts. Activities in the partner countries are delivered through seven strategic projects, identified through an analysis of partner country needs and inspired by EU human capital development policies and external relations priorities. These projects take into account the readiness and willingness of each partner country to engage in impactful human capital development transformation over a seven-year strategic horizon. Indicators measure the achievement of annual operational outcomes and, together with qualitative assessments create evidence on the progress of reform in each partner country.

In providing expertise to partner countries and EU institutions in the area of VET, skills and qualifications, the ETF reinforces the EU's role as a global actor.



# EXECUTIVE SUMMARY

The Executive Summary captures the key results and progress during 2016 towards the achievement of the ETF strategic objectives, and measures its performance against key indicators and its internal controls.

The ETF's 2016 activities were guided by the agency's 2014-20 strategic goals and 2014-17 mid-term perspective objectives. These were further detailed into annual objectives for 2016 which also captured the ETF strategic project areas. Moreover, ETF achievements are in line with the 2020 policy objectives of enhancing security, stability and prosperity in EU neighbouring countries.

Goals from ETF strategy 2014-20	Mid-term strategic objectives 2014-17	Annual objectives 2016
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; Goal 3: Partnership and communication; Goal 4: Organisation development	1: Reinforce evidence-based VET policy analysis	1: To reinforce capacity for human capital development in the partner countries through evidence-based policy analysis.
	2: Modernise VET systems in a lifelong learning perspective	2: To increase internal VET efficiency in partner countries through VET system multi-level governance, quality assurance, learning and teaching and support to the implementation and monitoring of related EC programming and projects.
	3: Increase the relevance of VET provision in respect of the labour market, and economic and social cohesion.	3: To increase the external efficiency of VET in partner countries through support to qualifications and qualifications systems, work based learning, employment skills and employability, entrepreneurial learning and enterprise skills.

## A) Key results 2016

Overall in 2016, the ETF completed over 94%\* of the planned work programme activities defined in its seven strategic projects. This was consistent with the high performance from 2015 (95%). In 2016, over 90% of ETF activities were achieved on time, showing a considerable improvement compared with 2015 (83%).

The following text gives some highlights of ETF achievements from the ETF strategic projects according to the annual objectives. More detail on ETF operational achievements is given in section 1.

### *SUPPORT TO EU ASSISTANCE*

While the ETF support to EU assistance in the context of EU external relations cuts across the ETF annual objectives, a critical mass focused on its contribution to programming and reporting on country progress deriving from evidence based policy analysis. In 2016, the ETF managed 105 requests for assistance from the European Commission and Delegations. This continued demand for ETF support confirms the ETF's strong performance and the value of its contribution to the EU as a global actor. The year saw a small shift in emphasis away from countries in the Southern and Eastern Mediterranean

---

\* achieved by 31 December 2016, planned to be 100% by 30 June 2017

region and towards South Eastern Europe and Turkey, while requests relating to both Eastern Partnership and Central Asia were stable.

Satisfaction with the services provided by the ETF with regard to the ETF's quality of work, usefulness and timeliness of support was rated positively by all respondents from a feedback survey.

The up-to-date and comprehensive nature of the ETF's sector expertise is demanded in particular by DG NEAR and the EU delegations in Neighbourhood and Enlargement programmes. The ETF contributed to enhanced efficiency and effectiveness of EU interventions in particular through supporting sector reform contracts in Morocco, Jordan, Serbia, Georgia and Albania, as well as helping to finalise the terms of reference for a €6m employment and VET project in Belarus. As in previous years, the ETF has supported the Commission in policy dialogues and monitoring progress in reform. Particular highlights for 2016 were the ETF input to Riga reporting (in close cooperation with Cedefop) and the Economic Reform Programmes, the light Semester approach, in Southern and Eastern Europe and Turkey under the coordination of the DG NEAR and DG EMPL.

Moreover, the ETF supported DG DEVCO by providing expertise input for the annual DEVCO training seminars for EU Delegations as well as contributing to the VET facility and a regional programme in Latin America.

#### *POLICY ANALYSIS THROUGH THE TORINO PROCESS*

Through the fourth round of the **Torino Process**, the ETF provided partner countries with a fit-for-purpose methodology for monitoring policy progress in VET by gathering the appropriate data. In total, 25 country and 31 regional reports were produced. Twenty of the participating countries completed self-assessment of which seven did so for the first time, marking significantly increased levels of capability.

The range and depth of stakeholder involvement has also increased. In the twenty-five participating countries, a total of more than 1,200 people were directly involved in addition to the contribution of EU delegations and projects based in the participating countries and bilateral and multilateral donor organisations. The majority of those participating, 43%, come from public sector bodies, with 15% from the private sector and the remainder coming from international and non-governmental organisations.

#### *SKILLS AND VET GOVERNANCE – EXPERIENCE IN TUNISIA*

The Torino Process, the ETF's biannual evidence-based assessment of progress in VET was conducted at regional level in Medenine, Gabès and Sfax which also contributed to capacity building.

Strengthening the skills and employment opportunities of citizens, especially young people, was the focus of the ETF's work in Tunisia. The country suffers high youth unemployment, yet employers struggle to find people with the right skills. The government's response includes regionalisation to build stronger links between business and education and make VET more relevant to local labour market needs.

The ETF supported the government in this goal, notably through capacity building to empower local stakeholders to tackle local needs together, thereby improving the effectiveness and efficiency of VET governance.

A pilot project in Gabès to improve the employability of young people is to be replicated in Karouan and Mahdia. The ETF's work in Medenine and subsequent experience informed the EU-funded IRADA Programme (budget €32 million) that aims to boost regional development by improving the quality and relevance of VET to create better opportunities for young people. The ETF contributed to the design of the programme and will support its implementation.

## MULTI-LEVEL GOVERNANCE - DECENTRALISING VET

Vocational education and training plays an important role in supporting economic growth in Ukraine. The ETF has been working with the Ministry of Education and Science on restructuring and reorganising the VET system to make it more responsive to new opportunities and equip learners with skills to find quality jobs.

Rolling out the Torino Process across all regions in Ukraine has enabled regional analyses on the supply and demand of VET. In parallel, the ETF has provided expertise to support decentralisation, focusing on the different roles and responsibilities at national, regional and local level, how VET systems and policies are financed and the role of public-private partnerships.

The ETF will continue to build the capacity of stakeholders at regional and national level so that VET reforms are sustainable and stem from a discussion agenda between regional and local partners that has VET and skills at the centre.

## GETTING ORGANISED FOR BETTER QUALIFICATIONS

The strategic project on qualifications worked with 18 countries to modernise qualifications using national qualifications frameworks (NQFs) as a policy instrument. In the candidate and potential candidate countries work continued to reference the national frameworks to the European Qualifications Framework (EQF), to make qualifications more visible, comparable and transparent.

To support partner countries in reaching the challenging goal of full implementation of NQFs, the ETF developed a toolkit to provide practical support on getting organised for better qualifications. The new ETF toolkit for partner country policy makers, covers the four 'pillars' of national qualification system reform; legislation, stakeholders, institutions and quality assurance. Building on experience from partner countries and other international sources, the toolkit offered practical guidance and examples. It was introduced at the fourth ETF international conference '*Getting Organised for Better Qualifications*' held in Brussels in November, 2016. Over 150 delegates including representatives from ETF partner countries, EU Member States, European and international institutions and global experts attended. Peer learning was central to the event, highlighting the ETF's commitment to supporting partner countries to develop their own solutions.

To link qualifications more closely to labour market needs, the ETF also worked with partner countries in validating non-formal and informal learning (VNFIL). In Kosovo<sup>6</sup>, the ETF helped the National Qualifications Authority with capacity building in its preparations to implement recognition of prior learning to enhance employability of citizens.

Cooperation with Cedefop continued on qualification system analysis and a joint study on learning outcomes in VET qualifications in EU and EU neighbourhood countries was produced.

## SCHOOL TO WORK THROUGH WORK-BASED LEARNING

The ETF worked towards improving the relevance of VET to tackle youth unemployment through the promotion of work-based learning. The ETF worked with partner countries to strengthen the capacity of policy makers, VET providers and employers to implement up-to-date work-based learning policies. In the Eastern Partnership and Kazakhstan, the Skills Connexion initiative mapped the environment and identified schemes that can be scaled up. This demonstrates that an increased level of dialogue between stakeholders leads to better work-based learning schemes and improved quality and relevance of skills.

---

<sup>6</sup> 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.

A debate on the topic in the European Parliament in October was organised by the Delegation for Relations with the Maghreb countries and the Employment and Social Affairs Committee with representatives from Morocco, Algeria and Tunisia as well as the ETF and the European Commission. The focus was on increased mobility in work-based learning within the region both south > south and south > north.

Promoting work based learning is also one of the medium-term deliverables of the Riga Conclusions that outlined the VET agenda for the coming years. The ETF has provided specific support in this area to candidate countries, including targeted capacity building actions and peer learning, as well as participation in the European Alliance for Apprenticeships.

### *ANTICIPATING AND MATCHING SKILLS*

Partner countries increased their ability to collect and use labour market information, and to deploy methodologies and tools to better align skills supply with labour market needs with the contribution from the ETF. The 'Make it Match' project (part of the Eastern Partnership Platform II Work Programme for 2014–17) aimed to improve the capacity of decision makers in Eastern Partnership countries. The project set up a skills matching network with the participation of EU and Member State bodies to foster knowledge sharing and peer learning on the development of skills intelligence approaches in the participating countries.

In order to address the problem of reducing unemployment and low-quality employment, and tackling loss of skills and knowledge at national level through migration flows, the ETF supported partner countries to develop monitoring tools to track labour market trends and better align the supply of skills from the VET system and demand from the labour market in partner countries. In order to build partner country capacity in these areas, tailored training and knowledge exchange sessions were held in Armenia, Belarus, Bosnia and Herzegovina, Kosovo and Moldova on conducting tracer studies, devising skills matching methodologies, and developing sector-based perspectives.

### *DEVELOPING AN ENTREPRENEURIAL CULTURE*

ETF actions promoted entrepreneurial learning in VET with the aim of creating a more entrepreneurial workforce in the participating partner countries.

The focus of the ETF work was to facilitate the sharing of good practice between stakeholders to support partner countries in the development of the human capital dimension of the Small Business Act for Europe (SBA), including entrepreneurial learning.

More specifically, in Montenegro, the ETF supported the country with their new industrial strategy with the overarching goal of increasing competitiveness and job creation. The National Partnership for Entrepreneurial Learning, a public-private partnership of government departments, business organisations and education led by the Ministry of Education, launched a good practice initiative following the SBA assessment, based on the ETF methodology.

Montenegro has also recently been recognised in a European Commission study (Entrepreneurship in Education – 2016 edition) as a leader in entrepreneurial learning. National good practice in entrepreneurial learning has also been recognised by Euroskills.

In Tunisia, the government has recognised the importance of developing the entrepreneurial mind-set of its citizens as a vehicle for job creation. The ETF has been working with the Ministry of VET and Employment since 2014 to engage policy makers, training providers and social partners in the development of entrepreneurial learning with the aim of embedding it in the curricula of all VET schools, so that students develop entrepreneurial skills that can be used in employment or in setting up a business.

## B) Key Performance Indicators (KPIs)

The ETF has been highly effective in delivering its annual objectives while maintaining a high level of organisational efficiency as measured by the Key Performance Indicators (KPIs).

The Performance Management Framework establishes an integrated cascade of objectives and performance indicators and targets which link the overall institutional strategy to the strategic projects, internal organisational processes and the individual contributions of each staff member. Since 2015, the ETF uses 11 corporate performance KPIs to track and monitor organisational performance. These indicators include the KPIs for Directors of EU decentralised agencies and other already existing corporate performance KPIs. These indicators measure the use of resources and management processes in the organisation and serve to ensure the efficient and effective delivery of results in organisational performance.

The five most relevant KPIs that reflect operational and organisational performance, compliance, human and financial resources management are shown in the table below:

Key Performance Indicator	Trend	Target	Achievement rate
Activities completion rate	😊	Overall achievement of planned activities > 90%	<b>94% in 2016*</b> (96% in 2015, 97% in 2014)
Commitment Appropriation Implementation	😊	Rate (%) of implementation of Commitment Appropriations. Target 98%	<b>99.99% in 2016</b> (99.89% in 2015; 99.9% in 2014)
Average vacancy ratio	😊	> 95% of posts filled of the annual establishment plan	<b>99% in 2016</b> (98% in 2015, 98% in 2014)
Audit recommendation implementation	😊	Rate (%) of external and accepted internal audit recommendations implemented within agreed deadline >90%	<b>100% in 2016</b> (95% in 2015, 92% in 2014)
Timely payments	😊	>80% of payments executed within the legal/contractual deadlines	<b>91% in 2016</b> (85% in 2015, 79% in 2014)

Overall, the ETF's corporate performance is well above target in the main five KPIs. The activity completion rate in 2016 is 94%, (using an ABB methodology linking resources to the achievement of results in the implementation of planned activities during the year\*). Financial discipline and management has been maintained for commitment appropriation implementation at the previous high levels of 99% and the payments executed with the legal/contractual deadlines has, for the second year running, significantly improved. Rigorous planning has also positively affected the indicator of the implementation of audit recommendations which is at 100%. The post filling rate remained stable at 99% due to the upcoming post cuts within the overall obligation of the 10% reduction.

## C) ETF performance in financial management and internal control

In line with the governance statement of the European Commission, the ETF conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner to the highest professional and ethical standards.

---

\* achieved by 31 December 2016, planned to be 100% by 30 June 2017



In 2016, management of the financial resources was sound with maximum use of the funds made available to the ETF. All of the financial indicators show outstanding results and follow the positive trends of previous years resulting in an unused amount of only 0.44% of the total EU subvention to be returned to the European Commission in respect of 2016 activities. This is a very positive result, considering that the threshold having an impact on budget negotiations is 5%, and it represents a constant improvement over the past seven years.

The 2016 annual self-assessment of the effectiveness of the internal control system and organisational performance provided reasonable assurance to the ETF management as to the level of compliance with all internal controls, on the correct functioning of the systems in place and on organisational performance. The self-assessment highlighted the main strengths and the potential weaknesses and supported the establishment of an improvement action plan.

In 2016, the ETF took key measures to improve the efficiency of its internal control systems (ICS) in the area of leadership (ICS 1 Mission and Values; ICS 2 Ethical and Organisational Values; ICS 7 Operational Structure), people management (ICS 3 Staff Allocation and Mobility; ICS 4 Staff Evaluation and Development), strategy, planning and stakeholder cooperation (ICS 5 Objectives and Performance indicators and ICS 6), risk management and processes (ICS11 Document Management and ICS 12 Information and Communication), as reported in Part 2 of this document.

The indicators show that in 2016, the ETF used the resources provided by the EU to deliver its activities in due time, at an appropriate level of quantity and quality against agreed targets.

In addition, the ETF systematically examined the control results and indicators available, as well as the observations and recommendations issued by the Internal Audit Service and the European Court of Auditors. These elements have been assessed to determine their impact on the management assurance as regards the achievement of control objectives (see Part 2).

**In conclusion, the ETF's management has reasonable assurance that, in 2016, the agency has, overall, continued to implement a comprehensive system of internal controls, performance and results oriented management embedding risk management and ensuring a proportional approach to compliance and effectiveness of internal procedures and systems.**



# 1. KEY RESULTS AND PROGRESS IN 2016 TOWARDS THE ACHIEVEMENT OF ETF STRATEGIC OBJECTIVES

The ETF's 2016 activities were guided by the agency's 2014-20 strategic goals and 2014-17 mid-term perspective objectives. These were further detailed into annual objectives for 2016 which also captured the ETF strategic project areas. Moreover, ETF achievements are in line with the 2020 policy objectives of enhancing security, stability and prosperity in EU neighbouring countries.

Goals from ETF strategy 2014-20	Mid-term strategic objectives 2014-17	Annual objectives 2016
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; Goal 3: Partnership and communication; Goal 4: Organisation development	1: Reinforce evidence-based VET policy analysis	1: To reinforce capacity for human capital development in the partner countries through evidence-based policy analysis.
	2: Modernise VET systems in a lifelong learning perspective	2: To increase internal VET efficiency in partner countries through VET system multi-level governance, quality assurance, learning and teaching and support to the implementation and monitoring of related EC programming and projects.
	3: Increase the relevance of VET provision in respect of the labour market, and economic and social cohesion.	3: To increase the external efficiency of VET in partner countries through support to qualifications and qualifications systems, work based learning, employment skills and employability, entrepreneurial learning and enterprise skills.

In order to assess the extent and to track the specific contribution of ETF interventions in human capital development in the partner countries, activity level indicators for each of the three annual objectives were planned in the ETF 2016 Work Programme.

The tables below present each of the annual objectives with their respective indicators to confirm the level of achievement in 2016.

## 1.1 Achievements by annual objective

**Annual Objective 1.** To reinforce capacity for human capital development in the partner countries through evidence-based policy analysis. (Activity based budget resource investment of 8 million Euro, representing 40% of the 2016 ETF budget)

Indicators	Achievement 2016
The ETF is requested to support the implementation, monitoring or evaluation in 50% of its partner countries	Support to EU services provided in 52% of partner countries (BY, XK, LB, TJ, UA, GE, JO, DZ, TR, AZ; MA, AL, MD)
80% of the EU services supported for: implementation and M&E programming/project policy dialogue assess the ETF advice positively	100% of respondents to the feedback survey assessed ETF's support positively
At least four comparative analysis of policy options completed	Riga ex ante impact assessment in all 5 candidate countries are completed and validated through a stakeholders workshop.

No. of participating countries undertaking self-assessments in the Torino Process policy analyses (70%)	80% of countries, countries taking part to the process in a self-assessment modality. (25 countries participated. Only 4 countries are under an ETF led assessment)
90% of EC services assess ETF input to policy analysis for the Bruges process as useful	Outcomes of first Riga monitoring presented at DGVT meeting in October. Excellent cooperation with Cedefop
Number of updated thematic fact sheets on countries.	Thematic fact sheets for WBL prepared for Albania, Serbia, former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina and Turkey. Factsheets on WBL currently under validation (update) for Armenia, Azerbaijan, Belarus, Georgia, Moldova, Kazakhstan and Ukraine.
100% of partner countries developing NQFs and working with ETF analysed and reported in NQF Inventory	100% achieved
13 countries with SBA reports concluded in 2016 and 1 policy advocacy group in each of the 3 regions (pre-accession and the two Neighbourhood regions) involving non-governmental actors	All SBA assessments dissemination completed. Policy advocacy groups will be addressed in next phase SBA cycle.

**Annual Objective 2.** To increase internal VET efficiency in partner countries through VET system multi-level governance, quality assurance, learning and teaching and support to the implementation and monitoring of related EC programming and projects. (Activity based budget resource investment of 8.8 million Euro, representing 44% of the 2016 ETF budget)

Indicators	Achievement 2016
Two countries adopted or are in advanced stage of new VET legislation	Albania and Ukraine advanced stage of adopting new VET legislation
Four countries have had their VET governance reviewed and/or improved	100 % - Morocco, Serbia, Ukraine, Albania
All countries have participated in the VET governance progress review through the Torino Process	25 countries VET governance reviewed through the Torino Process
Social partners effectively participate, or improved their role, in VET governance in Moldova	Social partners have improved role in VET governance in Moldova, namely due to the draft Law by the Ministry of Labour institutionalising the Sector Skill Councils role.
Other non-state actors raise profile in VET governance, in at least two countries	Partially achieved, namely the NGOs active role in the social dimension of VET has become better recognised in Morocco.
Three countries introduced or intend to propose changed national and territorial responsibilities	100 % Morocco, Tunisia and Ukraine
Informed feedback on the applicability of the smart specialisation concept is formulated in at least one country	Inputs provided to Albania, Serbia, Tunisia and Ukraine. Advanced inputs on applicability in Serbia and Ukraine, (Tunisia to a lesser extent) in the context of ETF work in multilevel governance)
ETF provides inputs to at least 5 external initiatives in VET governance	3 x JRC capacity building events on smart specialisation; CoR-ARLEM and CORLEAP initiatives; regional event of the Anna Lindh foundation; SEET ESAP platform on social partnership; DG DEVCO consultants team on design of a regional project in Latin America; 1 x VET governance article in the European journal of Education; 2 x ITC ILO training
90% of targeted stakeholders in participating countries actively involved in the networks.	90% of targeted stakeholders actively involved in the networks.
85% of participants provide positive feedback on capacity building measures	PROVQ - very good to excellent feedback on all capacity building events are due in Q4

**Annual Objective 3.** Increase the external efficiency of VET in partner countries through support to qualifications and qualifications systems, work based learning, employment skills and employability, entrepreneurial learning and enterprise skills. (Activity based budget resource investment of 3.3 million Euro, representing 16% of the 2016 ETF budget)

Indicators	Achievements 2016
------------	-------------------

80% of all EU services supported for policy dialogue programming/project design implementation, monitoring or evaluation assess the ETF support positively	100% of respondents to the feedback survey assessed ETF's support positively
60% of countries progress NQFs to next stage of policy development, or progress within stage; measured by ETF policy stage indicators	65% of countries are progressing within policy stages.
Candidate and potential candidate countries [not already referenced] establish & operationalise referencing teams by end 2017.	Kosovo, Montenegro and the former Yugoslav Republic of Macedonia already referenced. Serbia and Turkey have established their reference team. Albania and Bosnia Herzegovina have begun internal consultations.
Number of countries developing/using mechanisms to identify skills needs in the labour market and ALMPs to support youth transition from school to work	5 countries – the former Yugoslav Republic of Macedonia, Moldova, Azerbaijan, Georgia, Bosnia and Herzegovina and Armenia - activities to support development of the mechanisms for skills anticipation 4 countries - Kosovo, Montenegro, Serbia, Bosnia and Herzegovina activities to support youth transition from school to work
Number of Mobility Partnerships including measures addressing skills dimension	The skills dimension of migration has become a permanent item of the Mobility Partnership (MP) meeting agendas, some extra projects included the skills development aspects (see annexes/scoreboard), and some EU-funded flagship projects to support the MP involved specific components on skills development and employment-related measures (e.g., Morocco Sharaka project, Tunisia LEMMA project, Jordan JEMPAS project and Azerbaijan MOBILAZE Project).
12 examples of good practice quality assured and 12 entrepreneurial VET schools	Good practice platform launched. Preparation for 2017 good practice call to focus on SME skills development in pre-accession region.

## 1.2 Achievements by strategic project

This section outlines the main achievements of the ETF strategic projects according to the planned outcomes achieved during the implementation of the 2016 Work Programme. More detail on the activities of the projects can be found in Annex 10 which presents specific actions and outputs per project in each partner country as well as an overview of the ETF achievements in each region.

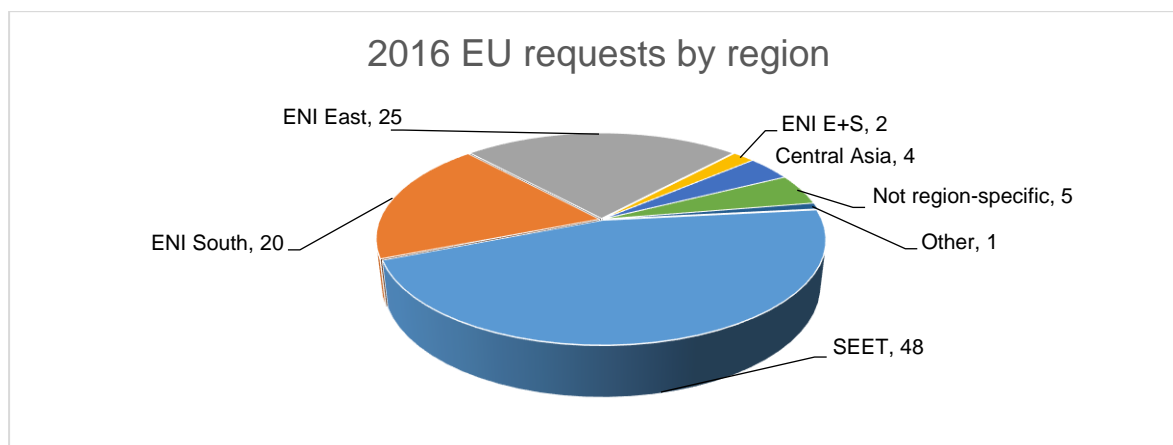
### 1.2.1 Support to EU assistance in the context of EU external policies

The ETF main outcomes in 2016

- 1. The relevance of EU interventions in the partner countries on human capital development enhanced with the ETF's support to programming and project design*
- 2. The efficiency and effectiveness of EU interventions in the partner countries on human capital development enhanced with the ETF's support to implementation, monitoring and evaluation*
- 3. EU policy dialogue on HCD issues enhanced in partner countries by ETF policy and thematic contributions*

In 2016, the ETF processed 105 requests for assistance from EU Services and Delegations. These requests included 25 regular annual requests, while 47 were not planned in the ETF Work Programme 2016 and required a revision of resource assumptions. This represents an improvement in the coordination between the EU services and the ETF compared with 2015 when there were 69 unplanned requests.

The geographic spread of the requests for support from EU services and Delegations, representing 52% of the partner countries is as follows:



The year saw a small shift in emphasis away from countries in the Southern and Eastern Mediterranean region and towards South Eastern Europe and Turkey, while requests relating to both Eastern Europe and Central Asia were stable. A particular focus was on supporting various aspects or phases of sector reform contracts in Morocco, Jordan, Serbia, Georgia and Albania, as well as helping to finalise the terms of reference for a €6 million employment and VET project in Belarus.

The added value of the ETF's work continues to be recognised from all areas of the Commission as evidenced by the fact that 100% of respondents assessed the ETF's support positively in the feedback survey sent by the ETF to all services who made the requests. The positive responses by the EU services indicate that the ETF's contribution to EU is timely and of high quality and helps ensure the relevance of EU interventions and the enhancement of EU policy dialogue on HCD issues.

More specifically, regarding the ETF input to the relevance of EU programming and project design, the main achievements include support for the design and negotiation of the Sector Reform Contract (SRC) in Morocco; drafting of the technical assistance terms of reference and design of a monitoring framework for the first ever EU VET intervention in Belarus; as well as support to the design negotiations of the first SRC under the pre-accession instrument (IPA II) in Albania. The ETF has also contributed to the design of the VET facility under DG DEVCO, as well as provided input to the identification of a regional programme in the VET sector in Latin America.

The ETF contribution to the efficiency and effectiveness of EU interventions is through supporting implementation, monitoring and evaluation. Key achievements for monitoring and evaluation in 2016 were TVET II programme content monitoring in Egypt, evaluation of PASEA project in Algeria, and the evaluation of the technical assistance component of the SRC in Georgia. As regards support to implementation, the ETF drafted terms of reference for the relevant components of the Education Support Programme in Azerbaijan.

In terms of enhancing EU policy dialogue, the main achievements in 2016 were ETF input into the assessment of the Economic Reform Programmes (ERPs) in the SEET region. The ETF also provided relevant input to 2016 EC progress reports in the SEET region. Both were prepared in close cooperation with DG NEAR and DG EMPL. In addition, the ETF provided input to policy dialogue across the two Neighbourhood regions through Country Fiches related to human capital development under the coordination of DG EMPL.

Beyond these specific outcomes, the ETF continued to provide expertise for the annual DEVCO training seminars for EU Delegations which contributes to the overall relevance, efficiency and effectiveness of EU support to partner countries.

### 1.2.2 Policy analysis and system wide progress monitoring

The ETF main outcomes in 2016

1. *Partner country policy reform processes became increasingly holistic and participatory, taking into account the results of the Torino Process, while building capacities for using evidence-based information for policy making*
2. *Sound policy analysis and reporting by candidate countries complied with the new methodology for the Copenhagen Process as defined by the EC and Cedefop*
3. *Informed, evidence-based transition from policy planning to policy action facilitated through ex-ante impact assessment methodologies linked to the new mid-term deliverables of the Copenhagen Process.*

Through the Torino Process, the ETF provided partner countries with a comprehensive and flexible method for monitoring policy progress in VET and built the capacity of stakeholders to use evidence-based information for policy making.

The fourth round of the Torino Process was completed in 2016 with 25 countries taking part in the exercise. Some 80% of the participating countries conducted self-assessments, compared with 70% in 2015. This trend towards self-assessment confirms the increased capacity in partner countries for holistic and participatory policy reform processes. This round included the first self-assessments in Armenia, Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Palestine, Tajikistan, Kyrgyzstan and Uzbekistan. In addition, there has been an increase in the quality and use of evidence in policy analysis with particular examples in Kazakhstan, Israel, Turkey, and Georgia.

The range and depth of participation has also increased in all countries compared to previous rounds. Figures from 2016 show that 1,214 stakeholders were involved in 25 countries in the key validation steps. While 43% of stakeholders are from national public sectors, 26% are from government ministries, 19% from sub national authorities and 20% from other governmental agencies. Private sector representation is 15%. This indicates a positive spread of stakeholders engaged in policy analysis, as well as strong ownership from the countries in the policy making process which is a prerequisite for future policy action.

The increased capacity in partner countries for policy analysis has also been shown through the marked spike in the use of the Process for policy analysis at a sub national level. A total of 31 sub national processes were run in three regions in Tunisia, four in Russia and 24 in Ukraine. As a result, a total of 56 reports were produced.

The potential of the Torino Process to bring change to national reform processes has also been demonstrated, in particular in countries where it has been used for donor coordination and dialogue and as input to the EU programming and project cycle including sector policy dialogue. This has been the case in Lebanon, Egypt, Ukraine, Uzbekistan, Morocco, Jordan, Albania, Kosovo, and Montenegro.

The ETF has ensured sound policy analysis and reporting in the candidate countries under the Riga monitoring process. The ETF cooperated closely with Cedefop to agree on a common methodological framework and questionnaire for the exercise. Close work with Cedefop followed to carry out a comparative analysis of the findings which was presented at the ACVT and DGVT meetings. This analysis, together with the Torino Process outcomes was the basis for the ETF's input to the Economic Reform Programmes and the launch of the Light Semester concept. This enhances the potential to bridge policy analysis with policy action.

Building on work started in 2015, the ETF supported the application of an ex-ante impact analysis as a tool for reinforcing the transition from policy planning to policy implementation. This ex-ante impact assessment exercise was successfully piloted in the five candidate countries to identify appropriate policy options for implementation to achieve the Riga medium term deliverable on work based learning. The five analyses were completed and policy options identified. Results were reported at the DGVT and ACVT meetings and are the basis of implementation plans for all candidate countries. They are being followed up through the ETF strategic project on VET provision and Quality Assurance in 2017.

Finally, to support the link between policy analysis and implementation in candidate countries, the ETF, in close cooperation with the Commission, has helped build capacity in the countries to take part in key policy coordination platforms such as ACVT and DGV.

### 1.2.3 Skills and VET governance

The main outcomes in 2016:

1. *VET legislation and governance reviews identified policy options for good multi-level governance and created the basis for increased participation of key stakeholders*
2. *Social partners and civil society organisations better able to act effectively as actors in VET policy dialogue and implementation; where relevant other non-state actors are recognised.*
3. *The pilot projects, and Entrepreneurial and Smart Communities on the increased role of the sub national level in VET have fed national debates on regionalisation and a review of roles between national and territorial levels.*
4. *Dissemination and cooperation with international/EU/regional institutions and initiatives*

Good multi-level governance through the increased participation of key stakeholders was evidenced through support to the drafting of the VET law in Albania (to be approved in 2017) and the development of by-laws. The work on decentralisation in Ukraine, through extensive consultations led to the validation of a green paper on VET decentralisation that helped to accelerate the adoption of a proposed VET law. Recommendations were put forward in Kosovo for improved institutional arrangements for policy monitoring.

A focus on the skills agenda within social dialogue at national level in Moldova led to intensive policy dialogue and capacity building, both with sector committee members and in the context of government-social partner cooperation. An ETF focus group supported legislative steps in Moldova. The group brought representatives from the Ministries of Education, Labour and Economy together with the country's six sector committees. The outcomes of the group fed into the Ministry of Labour's deliberations on a draft law to be submitted to Parliament. An ICT sector skills analysis conducted in Vojvodina highlighted the need for better coordination across the Serbian VET system and between business and VET actors. The analysis will pave the way for the development of new governance mechanisms such as sector skills councils. Social partners in ten partner countries also gained better awareness of their role at all stages of the policy cycle by participating in a dedicated exchange of practice facilitated by the ETF. The partner countries together with the ETF defined conditions and success factors for involving social partners in order to reinforce the relevance of VET. In addition, work on the role of NGOs and civil society in VET was boosted by the identification of key organisations in selected countries that, in preparation for future project work, are making efforts to enhance their role as stakeholders in policy making.

During the implementation of the regionalisation process in Morocco, joint work with Moroccan counterparts has led to the development of proposals to determine the roles and responsibilities of new VET bodies (national and regional commissions and a national commission for VET monitoring). In this context, Morocco also benefitted from an analysis of European practice in monitoring and evaluating VET policies. In Tunisia, a wide platform of central and regional authorities was established to share the results of the work carried out in Medenine and Gabes and, with ministerial support, to scale it up across the entire country. This is done in close coordination with the EU Delegation to ensure complementarity with the new EU IRADA project.

Dissemination of lessons learnt from the ETF's Entrepreneurial Communities project, which advocated multi-level governance in entrepreneurial partnerships, continued to inform governance discussions in the partner countries. This was particularly relevant for the rapidly evolving area of smart specialisation. New concepts in this area were introduced in several countries, particularly through ETF input to EU Taiex-funded workshops on the human capital development dimension of smart specialisation strategies. In addition, the ETF contributed to both the OECD Local Economic and Employment Development Programme and EU Innovation Camps.



#### 1.2.4 VET provision and quality assurance

The main outcomes in 2016 were:

1. *Policy development and implementation strategies strengthened in the areas of work-based learning, school development, continuous professional development of teachers and trainers, quality assurance, career guidance and distance and on-line learning in selected regions/countries*
2. *Capacities of VET policymakers and practitioners for policy implementation enhanced in the above areas in selected regions/countries*
3. *Knowledge base strengthened in these policy areas in selected partner countries*

To strengthen policy development strategies for VET provision and quality assurance, the ETF identified key policy improvement actions in continuing professional development of VET teachers and trainers. These policy development proposals were captured through seven demonstration projects in South Eastern Europe and Turkey. The ETF built capacity among policy makers and change makers in the region to ensure the link between policy development and policy implementation. Key examples of capacity building have been the training of lead teachers in Serbia, and training for 60 teacher trainers, 526 teachers and 20 trainers in 34 schools and five training centres across the region. Drawing on another demonstration project, the ETF also supported the preparation and dissemination of a national guidance tool to help scale up and implement a piloting a teacher placement scheme in Montenegro. Also in the area of continuous professional development, the ETF built capacity for policy implementation drawing on the outcomes from the Central Asia School Development Project in cooperation with the Central Asia Education Platform.

The ETF also strengthened policy development strategies in candidate countries by facilitating participation their participation in the European Alliance for Apprenticeships leading to commitments from the countries as well as pledges from interested companies. In parallel, the VET provision project drew on the ex-ante impact assessment process to support the Riga Mid-Term Deliverables (see 1.2.2) to identify options and strategies for work-based learning. In the candidate countries this was followed by country specific capacity building support to implement the policy options. Similarly, the project has enhanced policy implementation capacities in the Eastern Partnership for work-based learning through mutual learning at a regional level.

In the area of quality assurance in VET, information and analysis on partner countries fed into the Torino Process, Riga and EQAVET reporting processes. The ETF has disseminated this information to influence policy development and implementation strategies. The ETF also provided capacity building through mutual learning for policy makers in Central Asia. The ETF also provided capacity building support for the implementation of a career guidance system in VET institutions in Armenia.

Capacity building for policy implementation has been achieved with valuable support from EU Member States. Notably, peer learning activities and focus groups were conducted in Germany in the area of professionalisation of VET staff from education and business, in Austria in the area of quality assurance and on different forms of work based learning in the EaP countries.

Strengthening the knowledge base on VET provision and quality assurance was achieved through factsheets on work-based learning in the candidate and Eastern Partnership countries, an inventory of comparative information on VET quality assurance approaches and mechanisms across the ETF partner countries as well as a report and factsheets on distance and on-line learning in the candidate countries.

#### 1.2.5 Qualifications and qualifications systems

The main outcomes in 2016 were:

1. *Lifelong learning qualifications systems progressed and capacities of partner country institutions and stakeholders developed.*
2. *Evidence-based policy and international policy discussions, moderated by the ETF, inform partner country reforms of qualifications systems.*
3. *EQF implemented in several candidate countries.*

The strategic project on qualifications worked with 18 countries to modernise qualifications using national qualifications frameworks (NQFs) as a policy instrument by increasing the capacity of stakeholders and institutions in the partner countries to strengthen the qualifications systems in place. In the candidate and potential candidate countries work continued to reference national frameworks to the European Qualifications Framework (EQF), to make qualifications more visible, comparable and transparent.

To support partner countries in reaching the challenging goal of full implementation of NQFs, the ETF developed a toolkit to provide practical support to help them get organised for better qualifications. The new ETF toolkit for partner country policy makers, covers the four 'pillars' of national qualifications system reform: legislation, stakeholders, institutions, and quality assurance. Building on experience from partner countries and other international sources, the toolkit offered practical guidance and examples. It was introduced at the international conference *Getting Organised for Better Qualifications* held in Brussels in November 2016. Over 150 delegates including representatives from ETF partner countries, EU Member States, European and international institutions and global experts attended. Peer learning was central to the event, highlighting the ETF's commitment to supporting partner countries to develop their own solutions.

The ETF's Qualifications Platform, which supports international policy discussions on qualifications systems, continued to grow, and the virtual community currently has over 750 members actively collaborating to share information, create reports and implement reforms in their respective countries.

A wide range of support for developing and implementing qualifications systems was offered to the partner countries. The ETF contributed to the development of systems for the validation of non-formal and informal learning (VNFIL) in SEET through a regional event in Turkey for the EU Technical Assistance and Information Exchange. Turkey has completed an inventory of VNFIL practices while in the former Yugoslav Republic of Macedonia, the ETF assisted the authorities in developing a methodology to support VNFIL implementation.

In Ukraine, the ETF provided support to the government for the introduction of an NQF and the government adopted an action plan in December 2016.

In Azerbaijan, an updated NQF implementation plan was delivered. In Morocco, proposals for the legal basis of an NQF were validated, along with advice on its proper institutional setting and a levelling methodology for qualifications. Egypt and Tunisia received advice on EU projects, and, although the twinning work was only approved towards the end of the year, recommendations for an NQF twinning project were shared with Israeli stakeholders.

The ETF also acted to bring partner countries closer to the EU by providing advice on referencing to the European Qualifications Framework in Albania, Serbia and Turkey, with Kosovo achieving referencing status in the final quarter of 2016.

Cooperation with Cedefop continued in 2016 on qualifications system analysis including a joint study on learning outcomes in VET qualifications in the EU and EU neighbourhood countries.

### **1.2.6 Employment, skills and employability (including skills and migration)**

The main outcomes in 2016 were:

1. *Increased capacity of partner countries to monitor labour market trends and use information on skills needs for effective VET policy implementation.*
2. *Skills dimension of labour mobility has been taken into account in the implementation of Mobility Partnerships between EU and partner countries.*

To increase partner countries' capacity to monitor labour market trends and use information on skills needs for effective VET policy implementation, the ETF provided methodological support on developing and implementing skills intelligence approaches and tools, including a learning programme on skills



anticipation for 24 partner countries and tailored training and knowledge exchange sessions in Kosovo, Bosnia and Herzegovina, Armenia, Belarus and Moldova.

The ETF also continued to support multilateral learning activities and networking between Eastern Partners and EU Member States in the framework of the 'Make it Match' initiative under the Eastern Partnership Platform II Work Programme for 2014–17 that has led to some tangible results in terms of effective policy making at country level. In Armenia the public employment services and stakeholders engaged in a qualitative analysis of employers' skills needs in priority sectors. This has led to the development of two sector statistical portraits in tourism and IT. In Azerbaijan, the Minister of Labour initiated a high-level policy dialogue on the establishment of a comprehensive and effective labour market information system / Skills and Labour Market Observatory. In Georgia, an improved methodology for an employers' skills survey was developed and piloted in two sectors. It will be further applied in other sectors relevant for SME development policy. In the Republic of Moldova, the concept of a Labour Market Observatory that was prepared with ETF support, was endorsed by stakeholders and the recently adopted employment strategy sets the objective to establish the Observatory to carry out labour market and skills needs analysis. In Ukraine, a labour market and skills forecast model was developed and the pilot forecast was implemented in three sectors. The Ministry of Labour has decided to use the model for regular forecasts. In 2017, the model will be upgraded. In Belarus, recommendations of the in-depth baseline analysis of the current labour market information system carried out by the ETF, were validated by the Ministry of Economy and implemented within the framework of the national approach for skills forecasting. The EU support intervention in Belarus will further develop this approach and enhance the sustainability of the ETF's work.

In Kyrgyzstan, the ETF's multiannual support (2013-16) to develop a tracer study methodology and pilot its implementation by selected VET providers has led to the formal adoption of the methodology. The national authorities plan to extend this approach to all VET providers by 2018 which should ensure the sustainability and effectiveness of ETF support.

To raise the awareness of the need to address the migration issue in employment and skills development strategies, the ETF has provided regular inputs and comments on the Annex (Scoreboard) to the EU Mobility Partnership Agreements with Armenia, Georgia, Moldova, Belarus, Jordan, Tunisia and Morocco and attended the High-level Mobility Partnership meetings organised between the EU and the relevant partner country (Georgia, Armenia, Tunisia and Moldova). It also carried out two MISME studies in Jordan and Lebanon. Increased awareness has contributed to inclusion of skills and employment-related measures in the EU Mobility Partnership cooperation. Currently, skills and employment measures are included in the EU 'scoreboard' annex to the Mobility Partnership agreements with seven partner countries. Also some EU-funded flagship projects supporting the Mobility Partnerships include specific components on skills development and employment-related measures (for example, Morocco Sharaka project, Tunisia LEMMA project, Jordan JEMPAS project and Azerbaijan MOBILAZE Project).

### 1.2.7 Entrepreneurial learning and enterprise skills

The main outcomes in 2016 were:

1. *Updated information and policy intelligence on entrepreneurial learning, enterprise skills and women's entrepreneurship for 13 countries, including thematic analyses and country-specific recommendations.*
2. *A first set of quality-assured examples of good practice identified and which act as a nucleus for an ETF network of good practice training providers.*

The Small Business Act (SBA) for Europe includes three priorities of specific concern to the ETF partner countries: entrepreneurial learning including youth entrepreneurship, training for women's entrepreneurship and SME skills.

The ETF continued to facilitate the provision of information and policy intelligence in all three areas through its input to the human capital dimensions of the Small Business Act in the Pre-Accession and

Eastern Partnership countries, including first preparations for an SBA assessment in the Southern Neighbourhood scheduled for early 2017.

The information and analysis from the 2016 SBA assessment confirmed policy implementation improvements in the Pre-Accession countries in particular in Entrepreneurial Learning and Women's Entrepreneurship, with the majority of countries improving in the area of SME skills. Similarly, in the Eastern Partnership, all countries apart from Georgia demonstrated policy progress on the SBA related to entrepreneurial learning and women's entrepreneurship. Progress was made in the area of enterprise skills indicators in all countries. In both Pre-Accession and Eastern Partnership regions, the SBA assessments were disseminated in national workshops with four dedicated thematic events to ensure that policy intelligence was shared with policy makers, training providers and the business community.

The ETF also helped to link the improved policy intelligence with better policy implementation capacity by disseminating policy briefings on SME skills, entrepreneurial learning and training for women's entrepreneurship.

As regards quality-assured good practice, the ETF worked to ensure ownership of the initiative among partner countries and practitioners through a Good Practice Forum held in the first quarter of 2016. This contributed to the establishment of a good practice platform. The platform was instrumental in improving the methodological framework for the good practice initiative, notably a "Policy-Practitioner checklist". The dissemination of good practice was further strengthened by tools including three videos and thematic cartoons. The platform has also been effective in sharing ETF good practice case studies. Examples include COMETA (vocational school) from Italy which joined the 2nd Good Practice Forum on Entrepreneurship in VET in Tunisia in November 2016. The Tunisian good practice development drive formed the basis for a national paper on entrepreneurship promotion in VET. This paper has further evolved into inputs within a National Entrepreneurship Strategy.

In Montenegro, the ETF supported the country's national partnership for entrepreneurial learning, a public-private partnership of government departments, business organisations and education led by the Ministry of Education. The partnership launched its own good practice initiative borrowing on ETF good practice tools and its terms of reference include inputs to EU monitoring and reporting exercises including Riga and the Torino Process.

High visibility for the good practice initiative was also secured through the sharing of the example of good practice in youth entrepreneurship training from Israel which was promoted during the EU Vocational Skills Week and recognised in the award ceremony.

The ETF worked with DG NEAR, DG GROW and the RCC to prepare the 2017 call for good practice where the South East Europe Industrial Policy Group, SBA coordinators and European Enterprise Network will be key disseminators.

Beyond the specific outcomes for 2016, the ETF also continued to support EU policy development and dialogue on entrepreneurship. This included cooperation with DG NEAR and DG GROW on women's entrepreneurship; with DG EMPL on the Advisory Board on Entrepreneurship and Digital Competence; and with DG EAC in the EU validation workshop for entrepreneurship promotion through youth work.

### 1.3 Achievements of the Governance for Employability in the Mediterranean (GEMM) project

The ETF was entrusted by the DG NEAR to implement the Governance for Employability in the Mediterranean (GEMM) project. This regional project aimed at assisting the countries of the SEMED region to address the issues of youth and female employability by enhancing the quality and relevance of VET in the region and by improving the capacities of the various stakeholders on VET governance at both

national and local levels. The GEMM project was completed successfully in August 2016 following a period of 42 months of implementation

The GEMM project consisted of two key components:

1) The first focused at national level on building the capacities of government actors and the quality of VET systems by establishing national committees in the target countries. Most of the countries responded positively to the establishment of such interest/advocacy groups composed by key VET stakeholder members, including VET policy makers, government and social partners. In most of the countries, national committees became a regular forum for strategic discussions (e.g. Israel, Morocco, and Tunisia). National reports mapping VET multilevel governance were successfully completed, published on the ETF website following validation by the national committees in all countries except Algeria and Egypt (reports completed but not validated by national authorities). A cross-country analysis report was published and distributed in three languages: English, French and Arabic.

2) The second supported VET governance at local/territorial level and was implemented in close collaboration with the public authorities and social partners through the national committees. The eight pilot projects, one for each participating country, were completed and provided an opportunity to test governance practice at local level and encouraged the scaling up of practices and fed back into national policy debate. A Compendium of the pilot projects describing the best practices, tools, outcomes, and lessons learned was published in English, French and Arabic.

Capacity building activities were mainstreamed and implemented in all GEMM activities. The ETF capacity building methodology was applied to all GEMM regional events, as well as pilot project. The assessment carried out by participants proved very positive and is described in the capacity building report which is available in English and French.

Dissemination activities were based on a communication strategy that included many tools: project community, website, publications, promotional materials, videos, including a regular project newsletter, web notes, information notes, and articles ensuring the visibility of the different project events and deliverables in the EU and in the concerned countries. The GEMM storyboard on the ETF website summaries the main achievements, activities and links to all the publications.

## 1.4 Achievements by function

The ETF also performs four functions in the partner countries through its strategic projects.

### Function 1: Support to the EU

The ETFs work in supporting the European Commission services is addressed through the Strategic Project 'Support to EU assistance in the context of EU external policies' (details of the achievements for the year can be found in Section 1.2.1. ) and in cooperating with EU institutions as outlined in the ETF Stakeholder Framework for Action and detailed in Annex 5, Cooperation with EU institutions; European Parliament; European Commission; European Economic and Social Committee; and Committee of the Regions.

### Function 2: Capacity building

Capacity building is an inherent part of the method of work of the ETF and is reported under the strategic projects in Section 1.2 and by country in Annex 11.

### Function 3: Policy analysis

Policy analysis is driven by ETF work under the Strategic Project Policy analysis and system wide progress monitoring, Torino Process and is covered in section 1.2.2

#### Function 4: Dissemination<sup>7</sup> and Networking

Dissemination and networking are integrated into the ETFs operational activities. The ETF communicates its policy outcomes by providing access to project results as well as creating awareness and shaping attitudes about EU initiatives.

The ETF largely held its position on the web with 5.8 million page views and with 0.42 million unique visitors to the website. The number of pdf downloads from the site grew significantly from 0.96 million to 1.2 million.

The ETF stepped up its dissemination of operational achievements through social media in 2016. The number of Facebook followers broke through the 10,000 barrier by the end of the year, an increase of 1,500 over 2015. Followers on Twitter grew by over 600 and the ETF revived its activity on LinkedIn, more than doubling the number of followers albeit from a low base (42 to 98).

The ETF strategy is to enhance dissemination and networking through integrating the website and social media. During 2016, over 4,000 website visits originated with posts on the ETF Facebook page.

In support of communicating the ETF operations, the agency more than doubled the number of videos produced from 22 in 2015 to 48 in 2016 and increased the number of web news items from 80 to 106.

Dissemination and networking indicators	Number
Number of participants in corporate and regional events	996
Number of downloads of publications	1,181,462
Number of subscribers to social media channels	
Facebook	10,006
Twitter	3,572
LinkedIn	98
Number of unique visitors to the website	418,559
Number of page views	5,783,875

---

<sup>7</sup> Dissemination of examples of good practice from the EU, at European or member state level at corporate, region or partner country level is outlined in the section above 'Cooperation with the EU member states'.

## 2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section assesses the effectiveness of the ETF's organisational management and control processes and is a prerequisite for the Director's Declaration of Assurance.

Organisational management in the ETF takes place within the broader context of the ETF's performance management framework (PMF). This comprehensive framework ensures that the ETF manages its performance coherently according to priorities set at planning phase and is cascaded throughout the institution (see Annex 1). The PMF integrates management and control processes into a single system with consequent gains in terms of delivering quality results. The PMF enables the ETF to verify the efficiency and effectiveness of the organisation through the evidence based analysis of resources, costs and procedures.

The results of ETF management controls on its operational performance are measured using the Key Performance Indicators presented in the table below in line with the indicators recommended for decentralised agencies and for job screening by the Commission and the Agencies Coordination network.

In 2016, the KPIs demonstrate that the ETF managed its human and financial resources in respect of its policy priorities and in line with the principles of sound financial management and a strong performance culture. Building on the positive trends of recent years, the ETF ensured full use of the resources from the EU, with only 0.44% of the total EU subvention to be returned to the European Commission.

In accordance with Article 38.1 c) of its Financial Regulation, since 2014 the ETF has carried out a job screening exercise in line with the methodology received from the European Commission. The results of the job screening exercise in 2016 demonstrate how the ETF has gradually managed to increase the overall allocation of staff to the core operational job category from about 47% in 2014 to 55% in 2016 while reducing administrative support, coordination and neutral functions. The related target KPI set for administrative support and coordination of 18.6% (target < 30%) is met.

The staff engagement indicator is measured every two years, and targeted, organisation-wide actions were carried out in 2016 and will continue in 2017 to address the issues raised in the survey findings in 2015.

	KPIs				2016	2015	2014
Operational Indicators and targets							
1	Activities completion rate	★	Rate (%) of completion of the activities of the ETF Work Program for the year: No. of activities of the ETF Work Program completed in year/ No. of activities of the ETF Work Program planned. Target >90%	😊	94.07%*	95.77%	97%
2	Timely achievement of activities of the ETF Work Programme	★	Rate (%) of activities of the ETF Work Program timely achieved in year: No. of activities of the ETF Work Program achieved on time/ No. of activities of the ETF Work Program achieved during the year. Target 80%	😊	90.7%	83%	83%
3	Timely submission of Annual WP/SPD to the EC	★	The Annual WP/SPD timely submitted to the EC. Target 100%	😊	100%	100%	100%
4	Administrative support and coordination / operational staff ratio	★	(Administrative support and coordination job type category)/(Operational job type category / Neutral job type category) Target <30%	😊	18.6%	23,5%	22%
Human resource & finance indicators and targets							
5	Average vacancy rate	★	% of authorised posts of the annual establishment plan which are filled at the end of the year, including job offers sent before 31 <sup>st</sup> December. Target >95%	😊	99%	98%	98%
6	Staff engagement	★	Rate (%) of staff engagement from satisfaction survey within the agency. Target >70%		next survey 2017	56%	N/A <sup>8</sup>
7	Commitment appropriation implementation	★	Rate (%) of implementation of Commitment Appropriations. Target >98%	😊	99.99%	99.89%	99.90%
8	Payment appropriations cancellation rate	★	Rate (%) of cancellation of Payment Appropriations Target <2%	😊	0.44%	1.85%	0.93%
9	Timely payments	★	Rate (%) of payments executed within the legal/contractual deadlines. Target >80%	😊	91.3%	85%	79%
10	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. Target >96%	😊	99.99%	98.51%	99,47%
11	Audit recommendation implementation	★	Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines. Target >90%	😊	100%	95%	92%

\* achieved by 31 December 2016, planned to be 100% by 30 June 2017

<sup>8</sup> No comparable indicator from last survey conducted in 2013. In 2015 survey was contracted out with 17 other agencies, calculation of this indicator consistent with the other agencies.

## 2.1 Financial management and internal control

The robust system of financial management and internal control within the ETF has enabled the agency to efficiently and effectively manage its financial resources.

The outcome of financial discipline is that the amount to be reimbursed to the EU budget is currently estimated at €87,703.81, representing 0.44% of the total EU contribution, which remains in line with the small amounts that the ETF has returned in the last years (€373,397 in 2015 ,€188,193 in 2014). This is a very good result, considering the threshold which would have an impact on budget negotiations is 5%.

### 2.1.1 Control results

#### Overall ETF budget 2016 (EU contribution)

	2016	2015
Overall Budget ETF (EU Contribution)	€20,146,132	€20,153,042
Committed appropriations	€20,144,796	€20,130,677
Cancelled payment appropriations	€87,704	€373,397
Rate of implementation of commitment appropriations (KPI 7)	99.99%	99.89%
Rate of cancellation of payment appropriations (KPI 8)	0.44%	1.85%
Rate of payments executed within the contractual deadline (KPI 9)	91.3%	85%
Rate of outturn (KPI 10)	99.99%	98.51%
Overall carry forward and "reste a liquider" into next year	10.12%	11.55%
<i>Total carry forward (administrative)</i>	<i>3.1%</i>	<i>3.3%</i>
<i>Total carry forward Title 1 (administrative – staff related costs)</i>	<i>1.2%</i>	<i>1.4%</i>
<i>Total carry forward Title 2 (administrative – infrastructure)</i>	<i>18.4%</i>	<i>16.1%</i>
<i>Total "reste a liquider" Title 3- (operational)</i>	<i>30.3%</i>	<i>36.4%</i>
Number of transfers	7	9
Transferred budget	6.1%	8.2%



## Commitment and payment rates

Out of the €20,146,132 available as the EU contribution (€20,145,000 of EU funds and €1,132 as accumulated interest), in 2016 the ETF has committed 99.99% (compared to 99.89% in 2015), paid 97.66% (96.04% in 2015) and has performed 7 budgetary transfers (9 in 2015).

Commitment rate evolution					
2016	2015	2014	2013	2012	2011
99.99%	99.89%	99.90%	99.78%	99.91%	99.69%

The 2016 commitment rate (99.99%), while maintaining the excellent level of previous years, is the highest in the last 6 years, and signals the continued maintenance of high standards for budget management, planning and monitoring.

Payment rate evolution					
2016	2015	2014	2013	2012	2011
97.66%	96.04%	94.85%	95.72%	95.58%	97.00%

The overall payment rate (97.66%) is also the highest in recent years, and represents a more substantial improvement, due to increased monitoring of payments.

Another area of improvement was the number of budgetary transfers. The ETF performed seven budgetary transfers compared to nine in 2015. Following the quarterly budget reviews and appropriate budget management, also the overall amount transferred was less than in previous year (6.1% in 2016 vs 8.2% in 2015). This can be attributed to an efficiency measure that was introduced to maintain a reserve list of activities, (negative priorities) arising from the planning exercises.

## Carry forward and RAL 2016-17

Overall, the carry forward (Titles 1 and 2) has decreased from 6.4% in 2014-15 and 3.3% in 2015-16 to 3.1% in 2016-17, which is an indication of the improved alignment of the ETF's administrative activities and their payments to its annual cycle and increased follow-up of payments. The RAL (reste a liquider) also highlights a considerable decrease compared with previous years, 30.3% in 2016-17 compared to 36.4% in 2015-16, 32.4% in 2014-15 and 34.0% in 2013-14.

In Title 1, the €155,186 (1.2%) carried forward represents a further improvement from 2015 (€180,398 (1.4%)) and 2014 (€183,350.40 (1.5%)) (attention threshold 10%), and is linked mainly to:

- Learning and development €72,972
- Payment for end of year Interim support, relocation and reception services for €47,683

Administrative missions €13,548

In Title 2, the €313,450 (18.4%) represents a continuation of the excellent performance of 2015 (€316,442.29 (16.1%)) (attention threshold 20%) and is derived mainly from:

- Hardware €108,837



- Software development €69,409
- Governing Board meetings €43,480
- Telecommunications €37,140

The achievement of the reduction of the carry forward for Title 2 can be related to the anticipation of activities, as well as accurate contract management and monitoring of activities and payments.

The main items of expenditure which have generated unspent carry forward in 2016 (training, telecommunications) have been followed up closer and the amount of their carry forward in 2017 has been reduced.

In Title 3, the RAL has decreased from 32.4% in 2014 and 36.4% in 2015 to only 30.3% in 2016, mainly due to an increased attention to the payments, of reducing considerably the mission claims open and through better planning of activities. The operational RAL largely concerned financial implications of activities completed in 2016 but which would be paid only in 2017 (7.9%) or activities already planned for 2017 (19.7%) with only 2.7% the result of delays.

	Commitments 2016			Payments 2016		Carry forward into 2017		Carry forward / RAL from 2015	
	Available budget	Committed	%	Paid	%	CF into 2017	%	CF from 2015 paid	%
Title 1	13,256,893	13,256,310	100	13,101,124	98.8	155,186	1.2	149,444	83
Title 2	1,702,489	1,702,050	99.97	1,388,600	81.6	313,451	18.4	259,588	81
Title 3	5,186,750	5,186,436	99.99	3,614,995	69.7	1,571,441	30.3	1,568,930	86
<i>of which</i>									
SP GOV	366,658	366,658	100	189,228	51.6	177,430	48.4	145,765	87
SP SUPEU	93,824	93,824	100	61,089	65.1	32,735	34.9	49,252	91
SP TURIN	1,030,615	1,030,615	100	678,057	65.8	352,556	34.2	186,902	84
SP EL WP	183,049	183,049	100	150,179	82.0	32,870	10.0	174,366	93
SP EMPL	391,338	391,338	100	307,772	78.6	83,565	21.4	196,751	88
SP PROVQ	597,110	597,110	100	350,404	58.7	246,706	41.3	323,237	89
SP QUALF	788,304	788,304	100	529,183	67.1	259,121	32.9	225,625	86
Total	20,146,132	20,144,796	99.99	18,104,718	89.9	2,040,078	10.1	1,977,961	85

	Title	Subvention 2016	Committed in 2016	Paid in 2016	To be paid in 2017	of which		
						Done in 2016 pending payment	To be implemented in 2017	
							planned	delayed
Admin (CF)	T1	13,256,893.00	100.00%	98.80%	1.20%	0.9%	0.3%	0.0%
	T2	1,702,489.22	99.97%	81.60%	18.40%	3.3%	15.1%	0.0%
	T1+T2	14,959,382.22	99.99%	96.90%	3.10%	1.2%	2.0%	0.0%
Operational (RAL)	T3	5,186,750.00	99.99%	69.70%	30.30%	7.9%	19.7%	2.7%
Overall ETF		20,146,132.22	99.99%	89.80%	10.20%	2.9%	6.6%	0.7%

## Carry forward and RAL from 2015

Payment of funds carried forward and RAL from 2015 is 85% (90.57% 2015; 90.05% in 2014; 90.0% in 2013; 89.7% in 2012 and 90% in 2011). The relatively lower payment is linked to optimistic risk-adverse

estimations for telecommunications, training, translations and operational missions at the end of 2015. Measures have been taken in order to increase the quality of the estimates at the end of the year for all these categories.

Out of the total €496,820 carried forward for administrative expenditure (Title 1 and 2), the ETF has paid 82.33% (94.32% in 2015, 89.51% in 2014), with €87,788 being declared 'lost' (€53,404 in 2015, €85,129 in 2014).

Out of the €1,829,853 "reste a liquider" (RAL) from previous years, the ETF paid 86% (89% in 2015).

## Other funds

### Italian Trust Fund

The remaining budget from previous years of €304.66 was consumed in 2016. No further funds are expected under this instrument.

### GEMM

Out of the total amount received as EU's contribution to this project of €1,949,260.60, 98.3% was committed and 96.4% paid between 2014 and 2016. All activities were finalised in 2016. Only a few payments are still expected to be processed in 2017.

### Declaration of assurance in cascade<sup>9</sup> by (Sub) Delegated Authorising Officers

In 2016, budgetary implementation powers were delegated by the Authorising Officer through a Director's Decision<sup>10</sup>, which allocated the different budgetary areas, including specific budget lines, to the delegated and sub delegated authorising officers ((S)DAOs). In line with the ETF rules and procedures on the deputising mechanism and the presence of managers on the ETF premises<sup>11</sup>, it introduces a second level of back-up for delegated authorising officers, in order to reduce the number of transactions to be approved by the Director and ensure transactions are dealt with by the most aware authorising officer available.

The decision is accompanied by the individual delegations, signed by the Director, the authorising officer by delegation and his/her back-up. The signature of the act confirmed the acceptance of the charter of the authorising officer by delegation. To reinforce the assurance cascading process, in an annex to each declaration of assurance signed by (S)DAOs, the (S)DAOs are required to report/account for the use of their respective budgetary powers and issue a special declaration at the end of the year to confirm their compliance with the charter. This process enables the direct follow-up of the use of delegated and/or sub-delegated budgetary powers.

## 2.1.2 Audit and evaluation observations and recommendations

This section reports and assesses the observations and conclusions reported by auditors that could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations. The ETF is audited by its institutional auditors: the Commission's internal audit service (IAS) and the European Court of Auditors (ECA).

The ETF has never received any critical recommendations from controlling bodies. 2016 was no exception and no critical recommendations were issued.

---

<sup>9</sup> Annex 1 – Declaration of assurance in cascade

<sup>10</sup> ETF/12/DEC/002 Issue 5

<sup>11</sup> ETF/12/DEC/003

## European Court of Auditors

In 2016 new arrangements for the annual agency audit have applied under Art. 208 of the new Financial Regulation (FR) with 107 new FFR for Agencies. In March 2016 private auditors carried out the second audit on the ETF accounts for the year ending 31/12/2015. The audit company was contracted in 2015 under the competing inter-institutional framework contract for audits and controls, based on technical specifications agreed between the Court of Auditors and DG BUDG.

The first visit on accounts 2016 took place on 3-7 October 2016 by the European Court of Auditors. The draft Preliminary findings (e-procurement; assessment of travel costs as award criteria in the selection of experts; Villa Gualino agreement) and other comments were received and replied to at the end of November 2016.

## IAS

In 2016, the Internal Audit Service carried out a full-scale risk assessment field visit to the ETF from 19-22 September. The resulting draft Strategic Audit Plan (SIAP) for the ETF for the period 2017-19 was agreed and finalised on 21 December 2016. The IAS SIAP was adopted by written procedure by the ETF Governing Board on 25 January 2017. The audit topic proposed in the SIAP for 2017 is the ETF Torino Process.

## Result of the ETF 2016 audit programme

In addition to the audit carried out by EU institutional bodies, in 2016 the ETF commissioned one additional audit engagement for the final expenditure of the GEMM project (Governance for Employability in the Mediterranean). The field audit visit took place on 14-17 November 2016 and it resulted in a final “clear financial audit report” completed on 22 December 2016.

## ETF external evaluation commissioned by DG EMPL

In 2016, the regular four year evaluation of the ETF was concluded. The positive findings, confirming the ETF strategic approach, were presented to the ETF Governing Board together with an initial action plan prepared by the agency. The final action plan is expected in 2018 after the external evaluation results are integrated by the Commission into a cross-cutting evaluation of all agencies reporting to DG EMPL. The main findings from the evaluation are included in Annex 9.

## Result of ETF evaluations

In addition, the ETF completed an evaluation of the Strategic Project on Employment, Skills and Employability which led to a positive analysis of the ETF performance in that strategic area. The findings are also summarised in Annex 9.

**Based on the above, the positive results of audits and evaluations carried out in 2016 confirm the positive trends over the last years in the ETF and they are strong indicators of ETF performance that support management’s assurance on the achievement of the internal control objectives<sup>12</sup>.**

### 2.1.3 Assessment of the effectiveness of the internal control systems

Since 2004, in line with the requirements of the Financial Regulation, the ETF has made significant progress towards achieving full compliance with the requirements of its internal control standards (ICS) framework. In 2009, the ETF Governing Board adopted the revised 16 standards for effective management. The ETF Internal Control Standards are based on European and international good

---

<sup>12</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 30).

practice, aimed to ensure the achievement of policy and operational objectives and covering the entire management process, from defining objectives to delivering results.

The ETF Performance Management Framework has integrated the ICS control standards to provide quality standards for efficiency and effectiveness of operations while ensuring accountability and providing meaningful information. The framework is also underpinned by effective risk management and internal controls which support the organisation in taking corrective actions to meet the defined standards.

What follows provides an assessment of each of the main elements that contribute to the overall assessment of the effectiveness of ETF internal a control system in 2016 in addition to the control processes and systems described in section 2.1 for the management of resources. These elements are:

### **Results of internal transactional ex-post controls exercise**

As from 2011, ETF has introduced ex-post controls on financial transactions with a risk-based sampling of commitments and payments.

The 2016 exercise was carried out by internal financial verifying agents on the basis of the improved methodology reviewed by external auditors in early 2015 in order to provide a reasonable assurance on the legality and regularity of its 2016 financial transactions. The outcomes of the 2016 ex-post controls confirm that:

- The expenses included in the payment transaction listings, reflecting expenditure incurred between 1 January and 31 December 2016 through light workflow for low risk transactions, have been properly documented and duly authorised;
- The funds were used for their intended purpose and disbursed in accordance with the ETF regulatory framework and the principles of sound financial management; and
- The control system set up surrounding low risk payments and budgetary commitments level 2 on level 1 is considered well designed and is operating effectively in all material respects.

### **Results of risk management process**

The 2016 risk management process was embedded into ETF activities at various levels: embedding into the planning week risk management exercise to ensure that discussions on activities planned for the next year took into account any potential risks which would hinder the achievement of the results and address those risks in the planning phase.

The above approach to risk management in the ETF enables a comprehensive and consistent control over the potential risks which may affect the achievement of the organisational objectives at strategic, organisational and operational levels.

Considering the ongoing instability in some ETF partner countries, monitoring the particular risks is very important. The ETF needs to be prepared in case the perceived level of risk changes in a given country.

Overall, the risk management exercise 2016 shows that the risk profile of the organisation is medium/low. The same risk profile was recorded in 2015 and in 2014.

### **Analysis of registered exceptions**

There were two exceptions registered for ETF activities in 2016. The total financial value of the registered exceptions (both non-compliances) is €14,230.05 that represents 0.07% of the total committed budget of €20,144,796 (four exceptions were registered in 2015 with a financial value of 0.3% of the total budget

2015). According to the relevant ETF procedures and policy<sup>13</sup> the non-compliance events registered are below the materiality value of €50,000 which would require them to be reported in detail and below the materiality criteria of 2% of the total budget which would qualify them as reservations.

### **Progress in management of processes**

Process management forms an integrated part of the ETF PMF and control system. Since 2007 the ETF has documented its main processes/procedures with the aim of reviewing and improving processes to reach effective, cost-efficient and better results.

The ETF has identified 38 key processes (critical for the success of the organisation), categorised as follows:

- Six management processes, governing the operations of the ETF;
- Eight core processes, constituting the core business of the ETF;
- 24 support processes

Early in 2016 a review took place where processes were classified into: i) primary processes (with direct association to one or more of ETF's key performance indicators); ii) secondary processes (with association to the ETF's corporate productivity and/or quality indicators); and iii) tertiary processes for the remaining key areas.

All 10 primary processes have been submitted to a process review, resulting at the end of 2016 in eight processes with updated documentation, while for two processes documentation is still at the drafting stage.

### **Results of self-assessment of internal control effectiveness and organisational performance**

In line with its PMF, the 2016 self-assessment of internal controls effectiveness and organisational performance was carried out by the management using the Common Assessment Framework (CAF) self-assessment tool and took into consideration the outcomes of the above-mentioned elements of the ETF control system (the analysis of registered exceptions and/or control weaknesses of the risk management process, the results of audits 2016 and of the state of play of the ETF Improvement Plan, the outcomes of the ex-post transactional controls and the ICS desk review exercise).

Overall results of the 2016 self-assessment show developments in the areas prioritised following the 2015 self-assessment. They are the ones highlighted in the section on the Management of the ETF Performance Improvement plan.

One of the strengths highlighted by the self-assessment is the extensive planning exercise managed at corporate and operational levels, building on the Torino Process as an effective tool enabling the ETF to assess partner country stakeholder needs. In addition, the main conclusions were:

- The ETF PMF cascades its strategy down to annual departmental and individual objectives;
- The ETF has established key indicators to measure its performance;
- The ETF has established indicators to assess the delivery of the outcomes from its work in the countries;

---

<sup>13</sup> ETF/11/ DEC/ 001 and ETF/09/DEC/018 issue 2 (Annex 4) ETF Policy on materiality criteria; ETF/13/DEC/005 ETF Process Management Policy

- The ETF has regular external evaluations, which indicate that stakeholders have a positive perception of the ETF's contribution to VET policymaking, system building, as well as in system deep policy fields (e.g. qualifications, provision and quality, employment);
- There is also consensus on the sound financial management of the ETF budget, which is supported by the positive results of audits and the budget discharge report;

Overall results show that the performance of the organisation follows the Plan Do Check Improve (PDCI) improvement cycle and confirms that the ETF has put in place, at different organisational levels, adequate instruments to manage its performance with attention to quality criteria as well as efficiency and effectiveness.

Concerning the overall state of the internal control system, generally the ETF complies with the three assessment criteria for effectiveness; i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the ETF to key risks.

The detailed outcomes of the self-assessment are provided in Annex 11.

In conclusion, in 2016 the annual review of the internal control system and organisational performance provided reasonable assurance to the ETF management on the level of compliance with all internal controls, on the correct functioning of the systems in place and on organisational performance. The review highlighted the main strengths and the potential weaknesses of the systems in place and it supported the establishment of an improvement action plan.

The improvement action plan is made up of recommendations from the variety of control processes described above. In 2016 the recommendations focused on the following main areas:

- Completion of the improvement actions identified as a follow-up of the audit on ETF events.
- Development of an ETF HR expertise analysis to identify the existing pool of expertise in the ETF and to match it to the needs for expertise to reach ETF 2020 objectives.
- Digitalisation, innovation and knowledge management (sources: CAF 2015, All staff survey 2015 and Knowledge Management Evaluation)
- Completion of pending actions from the road map (multilingual web site and assessment of feasibility of procurement with Italian authorities )
- Follow up of 2015 staff survey activity plan
- 2016 progress report ensured to strengthen the monitoring of the execution of planned activities in a dashboard and related budget execution.
- Review of process management and stronger links between processes and ETF KPIs.

The 2016 annual desk review carried out by the Internal Control Coordinator provided a helpful overview of the current state of play of the ETF control system. It confirmed the effort of the organisation to ensure compliance with ICS requirements and the continuous improvement to achieve effectiveness and efficiency in the internal control system.

### **Fraud prevention and detection**

The ETF has developed its anti-fraud strategy as foreseen in the Commission's overall anti-fraud strategy. The objective of the ETF strategy is to assess the existing anti-fraud measures in place that enhance the prevention and detection of fraud within the ETF and to identify the residual areas of

intervention needed to strengthen the ETF anti-fraud framework. The strategy has been elaborated taking into due consideration the principles of proportionality and cost-effectiveness of controls.

During 2016, the ETF developed an e- training module to maintain awareness on anti-fraud prevention for all staff. This will be provided and regularly repeated to all staff from 2017. The ETF maintains high awareness on anti-fraud protection particularly among managers by including assessment of risk of fraud within its annual macro risk management process. All new ETF staff are made aware of anti-fraud prevention by including anti fraud within the regular induction sessions on Ethics and Integrity.

## Ombudsman

The ETF follows the work of the Ombudsman, taking note of the issues raised in the Ombudsman's reports and remains in close contact. In 2016, the ETF provided comments on the Ombudsman's proposal of the revised European Ombudsman Implementing Provisions.

## Data Protection

2016 was again a year of "ordinary maintenance" of compliance with Regulation 45/2001 reached in the course of the previous years. No new developments were undertaken. Indeed, as needed, some notifications were closed and/or updated, a few incidents were managed, some advice provided. In-house activities were complemented by biannual missions to the EDPS and the other DPOs. In the course of the year, the data protection function was carried out by the Data Protection Officer and Deputy Data Protection Officer.

### 2.1.4 Conclusions as regards assurance

This section reviews the assessment of the elements reported in Part 2 and draws conclusions supporting the declaration of assurance and namely, whether it should be qualified with reservations.

The information reported in Part 2 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and completely covers the budget delegated to the ETF.

The declaration of assurance of the ETF Authorising Officer in the 2015 Annual Activity Report did not contain any reservations.

Based on the criteria established by the ETF policy to define the materiality criteria (Annex 4) for the ETF Director to base her decision as to whether a reservation should be included in the annual declaration of assurance in the context of annual activity reporting, **the ETF has no reservations to report for 2016.**



### 2.1.5. Declaration of Assurance

I, the undersigned, Madlen SERBAN, Director of the European Training Foundation in my capacity as Authorising Officer,

- declare that the information contained in this 2016 Consolidated Annual Activity Report gives a true and fair view<sup>14</sup>,
- state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

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

- the end of year declaration of assurance issued by (Sub) Delegated Authorising Officers based on the knowledge gained from daily operation and management supervision activities;
- the results of the annual review and management self-assessment of the internal control system and organisational performance;
- the results of the internal transactional ex post exercise;
- the progress and follow-up of risk management activities;
- the results and follow-up of ex-post audits and controls;
- the results of ex-post evaluations and the monitoring activities of ETF activities;
- the recommendations of the Internal Audit Service, the accompanying action plans and their follow-up; and
- the lessons learnt from the reports of the Court of Auditors for the years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Signature .....  ..... Place Tunisi ..... Date 09/06/17 .....

<sup>14</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.



## 2.2 Other organisational management dimensions

Other organisational management dimensions are outlined in this section, such as human resources management, stakeholder relations, health and safety, governance and ICT systems as well as facilities management.

### 2.2.1 Human resources management

Besides continuously adapting policies, processes and procedures in line with best practice while respecting the legal framework, the ETF, in accordance with its 2016 Work Programme focussed on four main pillars; the overall scope being to contribute to overall staff performance and efficiency. The following main achievements were reached:

#### **Staff learning and performance development**

1. Completion of the first exercise ever launched at the ETF on expertise areas gap analysis with a view to identifying the existing pool of expertise in the ETF and matching it to needs for expertise provision in view of reaching ETF 2020 objectives;
2. All staff (122 in 2015) participated in at least one of the 98 (94 in 2015) learning and development activities offered;
3. Production of revamped guidelines on staff performance management and reclassifications, including related information sessions for all staff.

#### **Managers' development**

1. Design and launch of a development programme for Managers and Team Leaders (10 modules between 2016 and 2017) as a follow-up of the 360° feedback exercise for development completed in 2015;
2. Delivery of info sessions on setting meaningful objectives and the benefits of continuous dialogue with team members;
3. Fostering of internal collaboration within the management team through specific corporate and team activities.

#### **HR integrated software**

1. Continuous development of existing HR software (ALLEGRO) and introduction of the last new module for supporting Staff Performance Management;
2. Analysis of pros and cons for replacing ALLEGRO with the Commission HR software (SYSPER) and decision to adopt SYSPER.

#### **Staff health and well-being**

1. Introduction of psycho-social support;
2. Delivery of the second round of Mindfulness-Based Stress Reduction (MBSR) training programme;
3. Staff encouraged to attend their annual medical check-up (80% as opposed to 60% in past years);
4. Broadening of types of medical exams offered during annual check-up to compensate for the reduced preventive programmes offered by the Joint Sickness Insurance.

## 2.2.2 ICT systems and facilities management

The ETF has two indicators to measure the effectiveness of the ICT system and facilities. In 2016, both targets were achieved, as in previous years and are :

Area	Indicator and Target	Achievement 2016
Information and Communication Technologies	Availability of IT critical systems (target >99%)	99.81%
Facilities	Annual reduction of building cost/m2 (target >1% after correction for inflation and energy costs)	1,85%

As part of the continuous improvement of the premises, the Piedmont Region undertook extraordinary works on the roof to prevent further water infiltration in line with the agreement on cost repartition 2016-18 between the Region and the ETF, CON/15/ETF/0020. The ETF finalised the renovation of a new training space and initiated the creation of an up to date video conference facility. A study was commissioned to investigate the feasibility and cost of upgrading the utilities systems by separating from the main obsolete system of the host, Villa Gualino.

## 2.2.3 Health and safety

The ETF finalised its first comprehensive health and safety policy<sup>15</sup> in line with Italian legislation and the EU Directive addressing all work situations whether in the office, at home or on mission. Training on health and safety was implemented for all staff. A preliminary agreement with the EEAS was established to support the security of staff on mission and two Hostile Environment Awareness Training courses were organised for staff going on mission frequently.

## 2.2.4 Stakeholder relations

In 2016, the ETF focused on consolidating and/or making best use of cooperation with those institutions with which it has a cooperation agreement. A total of 15 Cooperation Agreements/Declarations of intent were in force at the end of 2016. Cooperation has three objectives:

- Sharing information, knowledge and networks:
- Sharing expertise knowledge, methodologies and best practice examples, including the tools for monitoring and reporting stakeholder cooperation actions, which take place at project and partner country levels.
- Exploring cooperation opportunities for joint actions, including – a mapping of the main priorities and activities/intervention in VET by international organisations and bilateral organisations in ETF partner countries has been drawn up and will be updated regularly.

The objectives were achieved by engaging with stakeholders at three levels: multinational, regional and bilateral. This approach is intended to enhance the complementarity and effectiveness of the conceptual methodologies and tools adopted and deployed by the ETF and other organisations to support VET reform in partner countries. A summary of exchanges follows and for more details see Annex 5.

In 2016, as in previous years, the principle vehicle for structured knowledge sharing and exchange of expertise was via participation in the IAG-TVET group that comprises UNESCO, ILO, OECD, UNIDO, WHO, WB, AfDB, EC, Cedefop, IADB and IDB. The IAG-TVET group met in April, July and November 2016. In addition, the ETF actively participated in the two working groups on indicators and work-based learning. The first has prepared a report on proposed pilot indicators for assessing VET and on skills

---

<sup>15</sup> ETF/16/DEC/007

mismatching. The working group on work-based learning has agreed on a common understanding of the term and worked on developing a policy framework.

In addition, regular exchanges of information, knowledge and networks took place both at institutional and operational levels with: the Anna Lindh Foundation (ALF), Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the International Labour Office (ILO) and with its International Training Centre in Turin (ITC/ILO), the Organisation for Economic Co-operation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Bank (WB).

Cooperation with regional organisations was with the Regional Cooperation Council (RCC) with a focus on preparatory work for monitoring the SEE 2020 strategy in the pre-accession region as well as contributing to the region's industrial policy week

Expertise dialogue took place with Education Reform Initiatives of South Eastern Europe (ERI SEE) and the Regional Cooperation Council on teacher and trainer training in SEET at the ministerial level meeting in Bosnia and Herzegovina; and the ETF also provided support to ERI SEE in the frame of the regional workshop on work-based learning.

With the South East Europe Centre for Entrepreneurial learning (SEECCEL), the ETF cooperated in dissemination events to present the main results of their support to human capital development.

### 2.2.5 Governance - ETF Governing Board

In 2016, the ETF Governing Board members met twice in plenary.

On 10 June 2016 the ETF Governing Board meeting was organised in Torino and the Board adopted:

- the 2015 ETF Annual Activity Report and its analysis and assessment;
- the ETF annual financial accounts for 2015; and
- the 2016 amended budget.

On 25 November 2016, the ETF Governing Board meeting was organised in Brussels back to back with the ETF International Conference on Qualification Frameworks. The Board discussed and adopted:

- the ETF Single Programming Document 2017-20;
- the 2017 draft budget;
- the second 2016 amended budget;
- five implementing rules in the area of human resources;
- The ETF's preliminary response to the External Evaluation.

The event organisation costs of the Governing Board meetings remained within the threshold of €50,000: €47,451.68 (Turin, June) and €44,881.88 (Brussels, November) giving a total for the year of €92,333.00. This was similar to with the costs from 2015 (€45,124.83 (Turin, June) and €46,962.65 (Turin, November), total €92,087.48). The translation costs for the two meetings were €107,256.00 representing a decrease compared with 2015 (€132,424.00).

A Governing Board working group to discuss the CAAR 2015 was scheduled for 19 April, but cancelled due to the Brussels terror attacks of 22 March. It was replaced by a teleconference on 21 April. A second Governing Board working group was organised in Brussels on 11 October, in preparation for the

November Governing Board meeting and focused mainly on the finalisation of the ETF Single Programming Document 2017-20.

Three written procedures were successfully concluded in 2016 and addressed: 1) Implementing Rules for different forms of working time arrangements (30/03 – 20/04); 2) A Proposal for a transfer of appropriations of the 2016 ETF budget (01/08 – 22/08); 3) A Declaration of Intent between the ETF and UNESCO's division of policy and lifelong learning systems covering the period 2016-18 (16/09 – 07/10).

During the year, six new GB members for Denmark, Slovakia, Bulgaria, Sweden, Malta and Latvia were nominated and three new partner country representatives (from Azerbaijan, Serbia and Tunisia) were appointed through a selection procedure launched by DG EMPL.

Governing Board members were informally consulted on the draft vacancy notice for the recruitment of a new ETF director. The Dutch Governing Board member was appointed as an observer to the selection procedure.

The Governing Board was involved in the external evaluation commissioned by DG EMPL and the member from Belgium was appointed as an observer in the Steering Committee.

Cooperation with GB members in ETF operational activities in 2016 was framed by the responses to the questionnaire launched at the beginning of the year. Eleven replies were received. Bilateral cooperation meetings were held with Belgium, Germany, France, Italy and UK.

The ETF addressed the interests expressed mainly by involving GB members in the following ETF activities in 2016:

Date	Title	Venue	Involvement of GB members
18-21 January	Peer learning activity for the work-based Learning in Eastern Europe and Kazakhstan project	Cardiff, United Kingdom	United Kingdom
1-2 March	ETF Seminar 'Modernising VET Quality Assurance: the European approach'	Turin, Italy	Finland
21 March	EQF referencing workshop	Belgrade, Serbia	Slovenia
22 March	Qualifications Development, Innovation and Investment, a Path to Quality Labour Capital	Belgrade, Serbia	Slovenia
5-7 April	Second international conference on Entrepreneurial Learning in the EU's Eastern Partnership: EU entrepreneurship key competence framework: implications for curricula and teacher training	Belfast, UK	United Kingdom
15-16 November	Peer learning and knowledge sharing thematic workshop of "Make it match network under EaP platform"	Prague, Czech Republic	Czech Republic
17-18 November	ETF Torino Process 2016: peer review and validation visit to	Astana, Kazakhstan	Romania, Austria
23-24 November	Organising qualifications systems for better qualifications,	Brussels, Belgium	All GB members were invited
Q4	Governance aspects of VET decentralisation	n.a.	Spain, Italy, France GB members were involved in sharing information on thematic issues

## ANNEX 1: Declaration of Assurance in cascade (template)

Ref.

2016 Cascading Declaration of Assurance by (SUB) DELEGATED Authorising Officer (DAO)

I, the undersigned,

In my capacity as (Sub) Delegated Authorising Officer for the period:

**1 January 2016 – 31 December 2016**

In accordance with Director Decision ETF/12/DEC/002 (issue 5)<sup>16</sup> and with the ETF Charter of Tasks and Responsibilities of Authorising Officers by (Sub) Delegation,

State that I have reasonable assurance that:

- the resources assigned to the activities delegated under my responsibility have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions<sup>17</sup> including *the provisional nature of operations which might be subject to future clearance of accounts or closure procedures*;
- There have been no known irregularities, problems, existing or potential, involving management or employees who have a significant role in internal control or that could have a material effect on the assurance declaration and that could be subject to a reservation in the Annual Activity Report 2016.<sup>18</sup>  
**(Delete if not applicable and report in Table 4 of Annex 1 on material/significant reservation and on measures taken or proposed to solve problems identified).**

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

- results of management information gained from daily operations and management supervision activities;
- results of the risk management process and its follow up;
- results of the annual review and management self-assessment of internal control systems and performance management framework<sup>19</sup>
- results of the ex-post audits and controls and their follow up;
- results of ex post evaluations and their follow up;
- observations of the Internal Audit Service and their follow up; and
- findings of the Court of Auditors for the years prior to the year of this declaration.

---

<sup>16</sup> ETF/12/DEC/002 Issue 5: Delegation of (Sub) Authorising Officers for Budget Implementation 2016

<sup>17</sup> Annex 1 contains budget execution, exceptions registered, Direct Agreements and issues of material/significant reservation related to the respective DAO.

<sup>18</sup> ETF/09/DEC/018-issue 2 ETF Policy on materiality criteria to establish reservations in AAR.

<sup>19</sup> ETF/12/DEC/010 issue 2 ETF Performance Management Framework 2012-2017

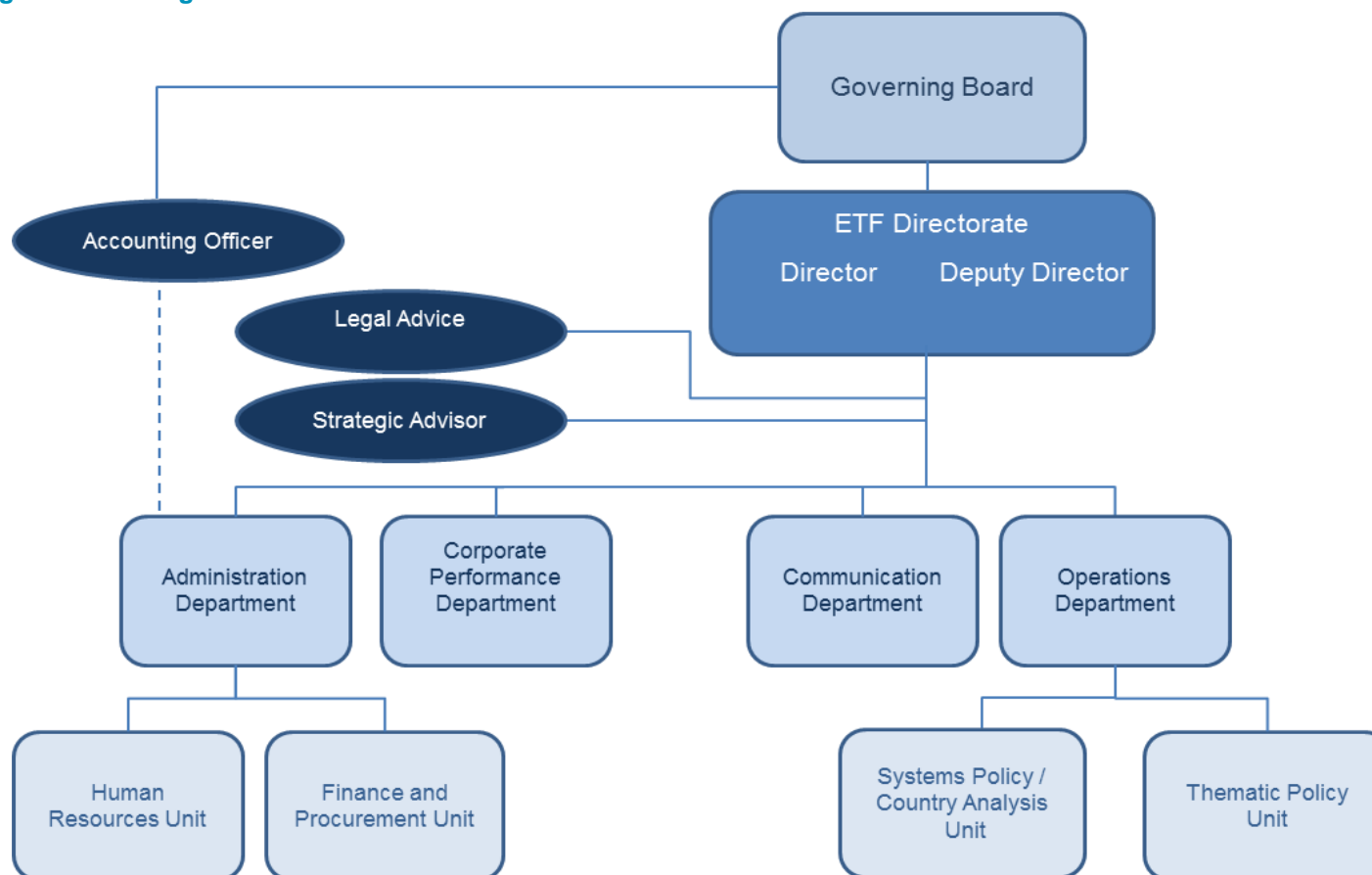
I confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Signature: ..... Date: .....

Enc. Annex a) budget execution, registered exceptions, direct agreements and issues of material/significant reservation related to the respective (S) DAO in 2016.

## ANNEX 2: Human Resources

Figure 1 – ETF management and organisation



On 21 November 2014, the Governing Board approved a new organisational structure that entered into force on 1 January 2015.

a) Establishment plan – Temporary agents

Category and grade	Establishment plan in EU Budget 2016		Filled as of 31/12/2016 (including one job offer made before end 2016 with a start of service early 2017)	
	officials	TA	officials	TA
AD 16		0		0
AD 15		0		0
AD 14		1		1
AD 13		6		0
AD 12		13		8
AD 11		9		9
AD 10		6		7
AD 9		12		11
AD 8		7		10
AD 7		5		9
AD 6		0		2
AD 5		0		1
<b>Total AD</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>58</b>
AST 11		2		0
AST 10		4		1
AST 9		9		8
AST 8		6		6
AST 7		4		4
AST 6		4		2
AST 5		2		4
AST 4		0		5
AST 3		0		1
AST 2		0		0
AST 1		0		0
<b>Total AST</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>31</b>
AST/SC1				
AST/SC2				
AST/SC3				
AST/SC4				
AST/SC5				
AST/SC6				
<b>Total AST/SC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>89</b>



## b) Contract agents

Function group	Posts filled as of 31/12/2016
FGII	10
FGIII	21
FGIV	9
Total	40

## c) Local agents

Function group	Posts filled in as of 31/12/2016
ALN2	1
Total	1

## Job screening exercise

In accordance with Article 38.1 c) of its Financial Regulation, since 2014 the ETF has been carrying out a job screening exercise in line with the methodology received from the European Commission. The results of the job screening exercise in 2016 demonstrate how the ETF has gradually managed to increase the overall allocation of staff to the core operational job category from about 47% in 2014 to 55% in 2016 while reducing administrative support, coordination and neutral functions.

In addition, the related target KPI set for administrative support and coordination (< 30%) is met.

The following table presents the outcome of the job screening exercise in 2014-16

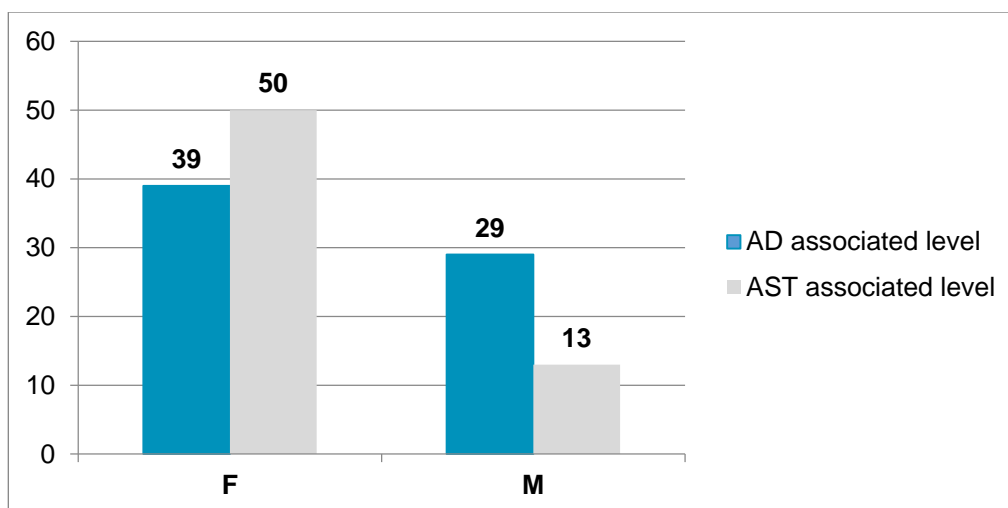
Job type (sub category)	2014 (%) Only ETF statutory staff	2015 (%) Only ETF statutory staff	2016 (%) Only ETF statutory staff
<b>Administrative support and coordination</b>	<b>22.18</b>	<b>23.83</b>	<b>18.56</b>
<i>Administrative support</i>	15.68	16.69	14.55
<i>Coordination</i>	6.50	7.14	4.01
<b>Operational</b>	<b>61.65</b>	<b>62.78</b>	<b>69.47</b>
<i>Top level operational coordination</i>	3.76	3.01	2.27
<i>Programme management and implementation</i>	46.99	50.00	55.08
<i>Evaluation and impact assessment</i>	3.38	4.51	4.55
<i>General operational</i>	7.52	5.26	7.58
<b>Neutral</b>	<b>16.16</b>	<b>13.38</b>	<b>11.97</b>
<i>Finance/Control</i>	15.41	12.63	11.59
<i>Linguistics</i>	0.75	0.75	0.38

## Gender and geographical balance

### a) Gender balance

The data provided below refers to posts occupied on 31/12/2016 and not FTEs, therefore 131 (89 TAs including 1 job offer sent before end 2016, 40 CAs, 1 SNE and 1 LA).

Contract (Function Group)	F	M	Total
Temporary Agents (AD)	33	25	58
Temporary Agents (AST)	24	7	31
Local Agents (AL/N2)		1	1
Contract Agents (II)	7	3	10
Contract Agents (III)	19	2	21
Contract Agents (IV)	6	3	9
Seconded National Expert		1	1
Grand Total	89	42	131
TA, CA, LA, SNE	F	M	Total
AD associated level	39	29	68
AST associated level	50	13	63
Total	89	42	131
Managerial position	F	M	Total
Middle Managers	3	1	4
Senior Managers	2	3	5
Total Managers	5	4	9



## b) Geographical balance

The data provided below refers to posts occupied on 31/12/2016 and not FTEs, therefore 131 (89 TAs including 1 job offer sent before end 2016, 40 CAs, 1 SNE and 1 LA).

Nationality <sup>20</sup>	Total	%
AT	3	2%
BE	8	6%
BG	2	2%
CY	1	1%
CZ	1	1%
DE	7	5%
DK	1	1%
EE	2	2%
ES	6	5%
FI	4	3%
FR	5	4%
GR	2	2%
HU	1	1%
IE	3	2%
IT	49	37%
LU	1	1%
LV	1	1%
MA	1	1%
MK	1	1%

<sup>20</sup> 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 <sup>20</sup>	Total	%
NL	5	4%
PL	2	2%
PT	2	2%
RO	6	5%
SE	1	1%
TN	1	1%
TR	2	2%
UA	2	2%
UK	11	8%
<b>Grand Total</b>	<b>131</b>	<b>100%</b>

## ANNEX 3: Draft annual accounts and financial reports (as of 15/02/2016)

a.	Balance sheet	31/12/2016	31/12/2015
	Intangible fixed assets	1,653,555.89	1,921,532.81
	Tangible fixed assets	632,650.00	655,955.00
	Stocks	0.00	3,823.59
	Current assets – Short term pre-financing	142,530.84	815,150.88
	Current assets – Short term receivables	2,090,243.07	1,540,723.20
	Cash account	613,542.25	1,605,699.70
		5,132,522.05	6,542,885.18
	Capital	1,858,612.54	2,207,039.73
	Accounts payable	3,273,909.51	4,335,845.45
		5,132,522.05	6,542,885.18
b.	Statement of financial performance	31/12/2016	31/12/2015
	Operating revenue	20,631,954.83	20,511,582.19
	Administrative and operational expenses	-20,980,078.51	-20,320,190.50
	Non-operational activities	-303.51	-116.13
	Outturn for the year	-348,427.19	191,275.56
c.	Statement of changes in capital	31/12/2016	31/12/2015
	Financial performance of the year 2016	-348,427.19	191,275.56
d.	Statement of cash flow	31/12/2016	31/12/2015
	Cash at beginning of the year	1,605,699.70	1,831,173.66
	Decrease in cash	-992,157.45	-225,473.96
	Cash at end of the year	613,542.25	1,605,699.70
e.	Budget result account	31/12/2016	31/12/2015
	Revenues	20,200,627.28	20,593,142.85
	Expenditures	-20,954,769.28	-21,158,675.91
	Outturn for the year	-754,142.00	-565,533.06

a.	Balance sheet	31/12/2016	31/12/2015
	Adjustment for carry forward from previous years	83,430.34	53,404.07
	Appropriations carried forward and cancelled	757,423.69	886,582.88
	Exchange gains/losses	991.78	-1,056.40
	Balance for the financial year	87,703.81	373,397.49
	Balance carried over from previous year	373,397.49	188,193.47
	Amount reimbursed to the EC	-373,397.49	-188,193.47
	Total amount to be reimbursed to EC	87,703.81	373,397.49

## ANNEX 4: Materiality criteria

ETF Policy on materiality criteria to establish reservations in the annual declaration of assurance of ETF director in the Annual Activity Report (ETF/09/DEC/018 issue 2)<sup>21</sup>



### DIRECTOR'S DECISION

NUMBER	ETF/2009/DEC/018 Issue 2	
SUBJECT	ETF Policy on Materiality Criteria	
<b>Issues</b>	<b>Summary of issue</b>	<b>Date</b>
1	Original decision	3 November 2009
2	Modifications: revised ETF Policy on Materiality Criteria	3 February 2012

#### The Director of the European Training Foundation,

Having regard to

Article 40 of ETF Financial Regulation,  
"The authorising officer shall report to the Governing Board on the performance of his duties in the form of an annual activity report, together with financial and management information confirming that the information contained in the report presents a true and fair view except as otherwise specified in any reservations related to defined area of revenue and expenditure."; and

ICS no. 8 'Processes and procedures' of the revised 16 ETF Internal Control Standards adopted by the GB in March 2009 (GB/09/DEC/004) and in particular the ETF procedure on register of exceptions (ETF/2011/DEC/001)

Considering

The EC guidelines for annual activity reporting<sup>1</sup> which state that only material reservations can be used to qualify the annual declaration and even in case no reservation is issued, the Annual Activity Report should explain the materiality criteria considers applicable to their operations.

#### Has adopted the following decision

##### 1. Scope

The aim of this policy is to define the materiality criteria for the ETF Director to base his/her decision where a reservation should be included in the annual declaration of assurance in the context of annual activity reporting.

<sup>1</sup> Standing Instructions for Annual Activity Reports 2010, SEC (2010)1333 and EC Communication COM (2003)28 of 21 January 2003.

<sup>21</sup> Policy revised in 2016 and is still in force.

## 2. The concept of materiality

The concept of materiality provides the ETF Authorising Officer with a sound basis for determining **significant deficiencies** that should be subject to a formal reservation to his/her annual declaration. Deciding whether a deficiency is significant is a matter of judgment by the Authorising Officer, who remains responsible for the declaration of assurance, including any reservations to it. In doing so, he/she should identify the overall impact of a deficiency and judge whether it is material enough so that the non-disclosure of the deficiency is likely to have an influence on the decisions or conclusions of the users of the declaration.

In order to ensure coherence with those criteria commonly followed within the EC and to avoid the risk that the reservations included in the ETF Annual Activity Report would not be understood or interpreted in a correct manner by readers of the report, the ETF applies the same common approaches of the EC as regards the assessment and quantification of significant deficiencies and materiality thresholds.

### 2.1. Types of significant deficiencies

In the ETF, deficiencies leading to formal reservations which fall within the scope of the declaration of assurance, should **relate to the reasonable assurance concerning the use of resources, sound financial management or legality and regularity of underlying transactions**.

The following provides a non-exhaustive list of types of possible deficiencies to be considered in this context:

- *Significant occurrence of errors in the underlying transactions* (legality and regularity) detected during the controls or supervision exercises. Different parameters can be considered, such as the frequency of errors and the financial impact of these errors etc.
- *Significant control system weaknesses*. Controls can also detect major system weaknesses for which the financial impact as such is not easy to calculate but which indicate weaknesses as to the design and the effectiveness of the control systems.
- *Insufficient audit coverage and/or inadequate information from internal control systems*. These include situations where the ETF may not be aware of specific control weaknesses, because it has not performed enough controls in that area to support a definitive conclusion and it does not have compensating evidence from other sources.
- *Critical issues outlined by the European Court of Auditors, the Internal Audit Service and OLAF*. These issues may relate to significant occurrence of errors, weaknesses in the control systems or insufficient audit coverage or inadequate information from internal control system. In these cases, consideration should also be given to alternative sources of evidence (e.g. the management's own information).
- *Significant reputational events*. Reputational events having a significant impact on the declaration of assurance i.e. the use of resources, sound financial management and the legality and regularity of underlying transactions.

Deciding whether something is material involves making a judgment in both **qualitative and quantitative terms**.

### 2.2. Qualitative assessment

In qualitative terms, when assessing the significance of any deficiencies, the ETF should take into account the following factors:

- The nature and scope the deficiency;
- The duration of the deficiency;
- The existence of compensatory measures (mitigating controls which reduce the impact of the deficiency); and
- The existence of effective remedial actions to correct the deficiencies (action plans and financial corrections) which have had a measurable impact.



### 2.3. Quantitative assessment

In order to make a judgement on the significance of a deficiency, **it is essential to quantify the potential financial impact**. This entails quantify the monetary value of the identified problem and/or the amount considered erroneous and/or the amount considered at risk in monetary terms.

**The ETF standard quantitative materiality threshold is 2% of its overall annual budget**. This means that when a detected deficiency has an exposure risk value representing 2% (or more) of the ETF total annual budget ("at risk"/"exposure") a reservation should always be reported in the annual declaration of ETF Director.

For each reservation in its ETF Annual Activity Report, the ETF should report the precise nature of the reservation, explain the cause and quantify the extent of the significance of the reservation in budgetary terms and in terms of impact on the assurance declaration. The ETF Annual Activity Report should also set out the corrective measures put in place by the ETF to mitigate, manage and correct the deficiency as far as possible.

### 3. Final provisions

The provisions of this policy are subject to regular review every two years.

### 4. Entry into force and application

This decision repeals and replaces Director Decision ETF/09/DEC/018 (issue 1) and enters into force on the date of signature.

Signed in Turin on

03/02/12

  
Madlen Serban  
Director

## ANNEX 5: Stakeholder relations

### Cooperation with EU institutions

#### *European Parliament:*

- As in previous years, ETF was invited by the EP EMPL Committee to report on 2015 activities and to present its work programme for 2016, together with the 3 other agencies in the EMPL family. This yearly hearing took place in the EP on 23 February in the context of the annual 2014 discharge procedure.
- Concerning the ETF budget 2017, several amendments to the core report were suggested to different MEPs. These were received positively. The EP proposed an increase of both budget and staffing levels.
- Work-based learning and circular mobility in Maghreb countries were the subject of an exchange of views organised on Thursday 13 October in the EP by the EP Delegation for Relations with the Maghreb Countries and the Arab Maghreb Union, in cooperation with the EP EMPL Committee and with the participation of representatives of three Northern African countries (Morocco, Tunisia and Algeria), the EC and the ETF.
- On 3 and 4 November, a Delegation of the EP EMPL Committee and the EP EMPL Secretariat visited the ETF in Torino – 2 intense days of presentations were provided by the different ETF Departments.

#### *European Commission:*

- On 25 January Mr Kiril Kiryakov – DG EMPL desk officer for the ETF paid a visit to the ETF. He was introduced to the 2016 ETF priorities and departments.
- ETF contributed largely to the first ECO-NET meeting organised by DG NEAR on 27 and 28 January in Brussels, bringing together DG NEAR colleagues, including staff from the EU Delegations, working in the area of economic governance. ETF intervened in the session on the role of education and training, more concretely through the presentation of “Building Skills in the NEAR regions”.
- Upon the initiative of DG EMPL, a coordination meeting took place between DG EMPL, DG NEAR and ETF on 23 February, aiming at streamlining the activities between the 2 DGs and the ETF.
- On 1 of March, ETF was invited by DG EMPL, the RCC and the ILO to attend the signing ceremony of ESAP in Brussels, a new Employment and Social Affairs Platform set up in Sarajevo. ETF will be part of the Steering Committee and provide expertise in various events of the Platform as speaker, subject to core policy areas.
- A seminar organised by ETF in Torino for SEET country representatives on “Modernising VET Quality Assurance – the European Approach”, was attended by DG EMPL. The seminar took place on 1 and 2 March 2016.
- The Structured Dialogue meeting with all key DGs was organised in Brussels on 18 April. Intensive discussions took place on the CAAR 2015 and WP 2017.

- A lunchtime conference was organised by DG EMPL on 19 April – it was a general introduction to ETF's work.
- ETF participated in the Enlarged ACVT Bureau meeting of 19 April, and reported on the Riga MTDs.
- The ETF contributed to the EaP Platform 4 meeting of 7 June, as one of the presenters and chair of one of the discussions on the ETF support to skills anticipation and VET reforms in the EaP countries.
- The ACVT meeting of 23-24 June was attended by ETF.
- During the DGVT meeting in Slovakia on 19 October, ETF presented the background note on the Riga monitoring findings, together with Cedefop.
- ETF delivered training on different employment policy issues to staff from EU DELs in Brussels from 7-11 November, gathered in a meeting organised by DG DEVCO.
- A top level meeting took place on 16 November with DG EMPL and the 4 EMPL agencies to discuss future cooperation.
- On 17 and 18 November ETF participated in the ACVT meeting organised by DG EMPL and intervened on the Riga developments.
- The ETF organised a corporate conference in Brussels on 23 and 24 November on “Getting organised for better qualifications”, and launched a toolkit with practical advice on how countries can develop and get organised for better vocational qualifications.
- The first European Vocational Skills week “Discover your talent” was organised by DG EMPL from 5 to 9 December, with around 800 events and activities organised throughout Europe. ETF contributed heavily to the events organised in Brussels (with the moderation of a panel discussion during the European VET Business Forum, the provision of VET award candidates, by keeping a stand at the information and publications market, ...).
- The ETF was a speaker in the EaP Platform 4 meeting organised by DG EAC on 15 December and presented the outcomes of the 4<sup>th</sup> meeting of the regional Torino Process in Tbilisi (7-11 November), a TRP conference in which also DG EMPL participated.

#### ***European Economic and Social Committee:***

- A closing technical meeting of the GEMM project was organised in Brussels in close cooperation with the EESC on 17 June.

#### ***Committee of the Regions:***

- On 18 and 19 January, ETF presented a concept note on circular migration to the ARLEM/CoR 7<sup>th</sup> Plenary Session in Nicosia.
- In cooperation with the CoR, ETF organised a skills conference in the framework of ENTCOMM in the CoR premises in Brussels on 9 and 10 March. The ETF conference on “Local Skills matter: Entrepreneurial Communities and Smart Territories” provided the opportunity to ETF to introduce its smart territories concept approach, while linking it to good

multilevel governance. During a special award ceremony in the evening, the best performing ETF entrepreneurial communities from previous years were rewarded.

### International organisations

Regular exchanges of information, knowledge and networks took place both at institutional and field operational levels with international organisations including: the Anna Lindh Foundation (ALF), Asian Development Bank (ADB), the European Bank for reconstructions and development (EBRD), the International Labour Office (ILO) and with its International Training Centre in Turin (ITC/ILO), the Organisation for Economic Co-operation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Bank (WB).

ETF has 15 cooperation agreements in force at the end of 2016. In 2016, the ETF signed two new agreements:

- ETF signed a cooperation agreement with **EBRD** on 25 February 2016 and agreed an annual action plan to ensure efficiency and effectiveness of cooperation. In Turkey the strategic partnership with EBRD aims to increase the role of the private sector in supporting young people, especially young women, to integrate into the workforce. ETF and EBRD have therefore as part of this policy dialogue with the Ministry of National Education (MoNE) and Ministry of Labour and Social Security, the EU identified three priorities: (1) the development of technical and vocational education and training skills standards, as well the geographic expansion of facilities for testing vocational skills, as part of Turkey's National Qualifications Framework and reform and in order to reach out to youth and women; (2) increasing the availability of high quality work based opportunities for learning, including apprenticeships and (3) supporting youth employment through career guidance with private sector involvement and implementation of the youth guarantee and (4) Syrian refugees skills mapping. On the 15<sup>th</sup> of December EBRD and Turkey MoNE concluded the formal signatures of the EBRD/ETF/MoNE joint work.
- ETF Signed of a Declaration of Intent with **UNESCO** on 21 October 2016. In 2016, as in previous years, the principle vehicle for structured knowledge sharing and exchange of expertise with UNESCO has been through the participation to the IAG-TVET group that comprises UNESCO, ILO, OECD, UNIDO, WHO, WB, AfDB, EC, Cedefop, IADB and IDB. The IAG-TVET group met in April, July and November 2016. In addition, ETF actively participated to the work of the two working groups on indicators and work based learning. The first has been preparing a report on proposed pilot indicators for assessing TVET and on skills mismatching. The working group on WBL has agreed on a common understanding of WBL and worked on developing a policy framework.

In addition, ETF continued cooperation with **ITC/ILO**, which Declaration of Intent was operationalised through an annual action plan, which included a number of ETF expert inputs in ITC/ILO trainings. Through participation in the Skills for Employment Knowledge Sharing Platform (ILO), it was confirmed that ETF would provide contribution to the G20 Knowledge Platform.

Cooperation with OECD led to the joint exchange on the ETF Smart territories approach.

Cooperation with European Group for Public administration of the international Institute of Administrative Sciences (EGPA/IIAS) led to information exchange on skills and VET Governance through the provision by IIAS of expert for the ETF workshop on "Government and social

partners' cooperation in VET. From dialogue to partnership" which took place in Torino on 21-22 June 2016.

In addition, the ETF cooperated through the Torino Process with ADB (Azerbaijan, Kyrgyzstan and Kazakhstan), EBRD (Jordan, Turkey), ILO (Egypt, Serbia, Albania, Armenia and Jordan), UNESCO (Tunisia and Belarus), WB (Kosovo, Ukraine).

### Regional organisations

- Cooperation with Regional Cooperation council (RCC) : e.g. preparatory work on 2016 monitoring process of the SEE 2020 Strategy, in pre-accession region contributing to the Regions Industrial policy week
- Expertise dialogue with Education Reform initiatives of south Eastern Europe (ERI SEE) and RCC on TT in SEET at the high level meeting of Ministers (WBEP) in Bosnia and Herzegovina; and support provided to ERI SEE in the frame of the regional workshop on Work Based Learning
- South East Europe Centre for Entrepreneurial learning (SEECCEL) and ETF cooperated in dissemination events at national level in the Western Balkans

### Cooperation with bilateral organisations

Regular exchanges of information, knowledge and networks took place both at institutional and field operational levels with the following bilateral organisations: AFD, BC, BTC, GIZ, and LuxDev. A summary of the main actions are:

- In December 2015, ETF Signed an Extension of the Memorandum of Understanding with the British Council for 2016 and 2017 and operationalised contacts at institutional level and regional and country level.
- ETF organised a donors meeting, on 13 September, on "impact attribution" with the participation of BC, BTC, GIZ and LuxDev. The meeting confirmed common interests in measuring impact and the causality chain of objectives, outputs and outcomes. A number of actions were agreed to enhance cooperation and support "impact" attribution and measurement to follow up in 2017.
- In September 2016 ETF presented the Torino Process methodology to British Council, BTC, GIZ and LuxDev as a contribution to the VET Facility under preparation by DG DEVCO.
- Bilateral donors were also involved in the Torino Process in specific countries. Involvement in ETF Torino Process of AFD (Tunisia), British Council (Jordan, Tunisia) GIZ (Egypt, Kosovo, Tunisia).
- Signed an Extension of the Memorandum of Understanding with the British Council for 2016 and 2017 and operationalised contacts at institutional level and regional and country level.

In parallel, a mapping of main priorities and activities/intervention in VET by international organisation and bilateral organisation in ETF partner countries was drawn up and will be updated regularly.

## ANNEX 6: Collaboration with Eurofound



### ETF-EUROFOUND ACTION PLAN FOR 2016

Actions	Activities	Contact persons	Report on progresses in 2016
1. Areas of cooperation between the two agencies	<b>1.1 Entrepreneurial learning and enterprise skills.</b> The ETF and Eurofound will continue cooperation in the area of entrepreneurial learning and enterprise skills by sharing the results of their projects and invite each other in relevant meetings.	ETF contact: Anthony Gribben Eurofound contact: Stavroula Demetriades	<b>ETF shared with Eurofound</b> <ul style="list-style-type: none"> <li>the pre-accession SBA report underlining the challenges for the region on skills intelligence set against the New Skills Agenda.</li> <li>the good practice compendium and referring to the policy-practice implications.</li> <li>hyperlinks to cartoons on GP and SBA work.</li> </ul> <b>Eurofound has shared with ETF</b> <ul style="list-style-type: none"> <li>Finalised reports of two projects 'Win-win arrangements: Innovative measures through social dialogue at company level' and 'Changes in remuneration and reward systems'.</li> <li>The publication on young people's start-ups, which has been shared on the ETF platform.</li> </ul>
	<b>1.2 Long term unemployment of youth.</b> EUROFOUND will share with the ETF the results of the study on the long term unemployed youth and in particular the assessment of the most effective targeted policies for integrating the long term unemployed youth in the labour market. The ETF special interest is on skill development related measures and youth entrepreneurship.	ETF contact: Daiga Ermsone Eurofound contact: Massimiliano Mascherini	Cooperation hasn't started yet on this issue, the report will be published in the second half of 2017'



Actions	Activities	Contact persons	Report on progresses in 2016
	<p>1.3 European Survey. Eurofound will share the results of the analysis of the European Survey Company as well as of the European Working Conditions Survey.</p> <p>The ETF will share with Eurofound its knowledge on the Candidate countries as background to the analyses of the results of the ECS for those countries</p>	<p>ETF contact: Eva Jimeno Sicilia, Eurofound contact: Stavroula Demetriades</p>	<p>Eurofound shared with ETF the progress update on the EWCS and ECS surveys, currently underway, and ETF was invited to the event planned in Brussels on 17 November</p> <p>The first findings of the report and the infographic available on Eurofound website have also been shared with the ETF for the use in the partner countries.</p> <p>The ETF did not contribute to the analysis of the results of the ECS for the candidate countries, as the analysis was not made.</p>
	<p>1.4 Eurofound's seminar series 2016 on tripartite discussion. Eurofound and ETF will exchange information on, the topic of the seminars and will be invited to attend if of interest.</p>	<p>ETF contact: Siria Taurelli Eurofound contact: Ricardo Rodriguez Contreras</p>	<p>Exchange of information and invitations were made for the respective tripartite seminars (Eurofound in May, ETF in June). This included information on the objectives of the Eurofound seminar objectives and methodology. Participation to the Eurofound seminar was not possible due to prior engagements, but the results will be shared.</p> <p>The ETF also sent information on 'Government and Social partner cooperation. From dialogue to partnership'.</p>
<b>2. Development of work programmes</b>	<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>ETF Contact: Anastasia Fetsi / Samuel Cavanagh Eurofound contact: Manuel Gómez Martín / Sylvaine Recorbet</p>	<p>Eurofound and ETF shared the respective draft versions of the SPD 2017-2020 on 27 May 2016.</p>
<b>3. Annual review of activities</b>	<p>Organisation of an annual meeting (possibly teleconference) to discuss and assess progress on the above and other relevant issues.</p>	<p>ETF Contact: Anastasia Fetsi / Samuel Cavanagh Eurofound contact: Manuel Gómez Martín</p>	<p>Teleconference held in September 2016 to discuss the status of cooperation.</p>

## ANNEX 7: Collaboration with Cedefop

Core Themes	Specific themes for 2016	Exchange of information and good practice	Joint actions	Knowledge sharing seminars and major events	Report on progresses in 2016
Vocational education and training system development and provision	VET policy reporting, including lessons learned and follow-up action on entrepreneurial learning	Exchange of information and experience on EU and third country policy and operational issues	<p>In the area of Policy analysis and system wide progress monitoring</p> <ul style="list-style-type: none"> <li>Follow up to Riga Conclusions</li> </ul> <p>In the area of VET provision and quality assurance</p> <ul style="list-style-type: none"> <li>Co-operation on the European Apprenticeship Alliance implementation focusing on the MTD – WBL perspective</li> </ul> <p>Mutual contributions to events on Work-based learning and quality assurance in VET, as MTDs 2020</p> <p>In the area of Qualifications and qualifications systems, as MTD 2020:</p> <ul style="list-style-type: none"> <li>The ETF will contribute to Cedefop's annual updating of its NQF analysis where it covers the ETF partner countries;</li> <li>The ETF will contribute to Cedefop's work on VET globalisation</li> <li>Cooperation (also with UNESCO) will continue on global qualifications frameworks developments</li> <li>Cedefop experts will contribute to the the ETF 2016 corporate conference</li> </ul>	Thessaloniki KSS (ETF – Cedefop) Torino KSS seminar (ETF-Cedefop)	KSS ETF/Cedefop held in Turin on 15 July 2016
	Work-based and work-placed learning				<p>On Riga Monitoring,</p> <ul style="list-style-type: none"> <li>The ETF and Cedefop cooperated and agreed on a questionnaire based on a common framework for monitoring.</li> <li>ETF used the online platform of Cedefop to disseminate the Questionnaire in the candidate countries.</li> <li>The two agencies presented together the findings of Riga Monitoring in the ACVT and DGVET meetings and drafted joint background papers where needed.</li> </ul> <p>In the area of VET provision and quality assurance, the following can be reported</p> <ul style="list-style-type: none"> <li>Cooperation in the frame of the Interagency Working Group on WBL (development of advocacy tool on WBL)</li> <li>Contribution to Cedefop workshop on 'Governance and financing of WBL', Brussels, 8-9 February</li> <li>Contribution to Cedefop Policy Learning Forum on Professional Development for Teachers and Trainers in WBL, Thessaloniki, November</li> <li>Contribution to Cedefop workshop on Labour Market Information and Lifelong Guidance, Thessaloniki, 16 May</li> </ul> <p>In the area of Qualifications, the following can be reported:</p> <ul style="list-style-type: none"> <li>ETF commented on Cedefop's draft NQF chapters covering our partner countries, namely AL, BA, MK; ME, XK, RS, TR.</li> <li>ETF and Cedefop contributed with expert input to two World Reference Levels events.</li> <li>Agreement on country chapter structure and themes of Cedefop-ETF-UNESCO co-production. The Global NQF Inventory; 2017 edition is coordinated by Cedefop.</li> </ul>
	Qualifications development				



					<ul style="list-style-type: none"> <li>▪ Cedefop co-chaired one of the 2016 Corporate Conference workshops and participated to a plenary panel discussion.</li> <li>▪ ETF participated to the Cedefop 2<sup>nd</sup> Policy Learning Forum on defining and writing learning outcomes.</li> <li>▪ ETF is cooperating with Cedefop and UNESCO on how VET qualifications are defined, described and updated.</li> </ul>
	Skills matching and anticipation/identification		Co-operation in the development of methodologies		The methodological guides have been published on ETF and Cedefop websites, and the two organisations are using them in their operational work.
Administrative issues	HR management, procurement, finance, budget, ICT, facilities management.	Exchange of good practice	Iterative process		
Strategic issues	Participation in the Governing Board meetings Performance management in the agencies, stakeholder cooperation	<p>Cedefop GB: June 2016</p> <p>ETF GB: June 2016 and November 2016</p> <p>ETF will share its Performance management Framework 2012-2017</p> <p>Cedefop will share its PMS 2017-2020</p> <p>ETF will share its Stakeholder cooperation Framework for action.</p>			<p>In line with the joint work programme for 2016, co-operation also took place at the administrative level, when applicable.</p> <p>In 2016, the two institutions mutually attended the Governing Board meetings, and shared approaches to performance management and stakeholder cooperation during the KSS</p>

## ANNEX 8: Carry forward actions and project results

The tables below lists a) the project results that remain to be achieved from 2016 due to activities that have been postponed and need to be completed in the first half of 2017 and b) the table of carry forward activities from 2015 that were completed in 2016.

### Carry forward of project results from 2016 to 2017

	Project results carried forward to 2017, actions to be completed
SP 6 EMPL WP 16	0002 Skills dimension of labour mobility has been taken into account in the implementation of Mobility Partnerships between EU and partner countries 2.1 MISMES study in Jordan 2.3 MISMES study in Lebanon
TRANS WP 16	0004 7. Operational processes improved for efficiency and effectiveness – CB. Capacity building practises improved for effectiveness and efficiency 7.2 Analysis of preconditions for the best and most extensive use of those products to reach our final beneficiaries 7.3 Analysis of effectiveness of on line tools in terms of Capacity building

The reasons for the postponement of specific project actions needed to finalise the two results are due to delays in the involvement of government authorities in the partner countries. All actions are planned to be completed by 30 June, 2017.

### Carry forward of project results from 2015 to 2016

All carry forward activities from 2015 have been completed in 2016

	Project results carried forward to 2016
SP 5 QUAL	0001 - Lifelong learning qualifications systems are progressed and capacities of partner country institutions and stakeholders developed
SP 6 EMPL	0002 - Partner countries' institutions improve their capacity to monitor labour market trends and use information on future skills needs as an input to effective employment and VET policy-making
Capacity Building function	0002 Capacity Building

## ANNEX 9: Performance information included in evaluations

Evaluation of ETF activities in the Skills and Employment field in partner countries	
ABB activity:	Skills and Employment
Type of evaluation:	Interim Evaluation
Summary of performance related findings and recommendations:	<p>The main findings of the evaluation were that overall the activities of the ETF in the Skills and Employment field were relevant and responsive to the actual priorities and needs of the partner countries and it operated in both a proactive and reactive way. The sharing of information and good practice between partner countries was valued, though maximum relevance came from working with countries from the same region, facing similar economic, social and labour market contexts. The ETF is an important source of relevant information on partner countries.</p> <p>The ETF is generally considered strong in terms of its coherence, complementarity and added value with the stakeholders in the partner countries, the EC and EUDs, member states and international organisations. There was a high degree of coherence between the national set of labour market and VET policies and programmes and the ETF's work in employment, employability and skills development and the flagship Torino Process.</p> <p>The work of the ETF in providing knowledge about the partner countries (such as in the Employability Fiches) is an effective input for the EC and EUDs.</p> <p>The key recommendations arising from the report are that the ETF should consider to:</p> <ul style="list-style-type: none"> <li>▪ Raise the profile of the work in the Skills and Employment field to be an important part of the future work programme, in particular in what concerns labour market and skills intelligence follow-up and update of evidence. This has already been done in SPD 2017-20.</li> <li>▪ Increase the opportunities for countries to share experience with those with similar economic, social and labour market contexts.</li> <li>▪ Better track actual expenditure of activities in partner countries in the Skills and Employment field. This too has been addressed through the ETF operations restructuring into seven strategic projects, with the respective human and financial resources clearly identified in the project plans.</li> <li>▪ Maximise the value (and impact) of the substantial investment in developing methodological tools through making them available in local languages, supported by training in their use.</li> <li>▪ Build on the FRAME and GEMM projects by seeking more implementation opportunities with the EC and the EUDs both in ensuring some continuity for the GEMM and FRAME projects and in strengthening the capacity of national agencies in piloting and applying high quality models and tools such as those developed with the matching guides</li> </ul>
Availability of the report on ETF website:	<a href="http://www.etf.europa.eu/webatt.nsf/0/C92E56B9C999904EC1257E1400390613/\$file/Evaluation%20of%20Knowledge%20Management%20Innovation%20in%20ETF%20Operations.pdf">http://www.etf.europa.eu/webatt.nsf/0/C92E56B9C999904EC1257E1400390613/\$file/Evaluation%20of%20Knowledge%20Management%20Innovation%20in%20ETF%20Operations.pdf</a>

ABB activity:	ETF
Type of evaluation:	External Evaluation
Summary of performance related findings and recommendations:	<p>Overall strategy and relevance of the ETF: Even though it has very limited resources per partner country, it was concluded that the ETF achieves effective interventions which are relevant to the needs of those countries across a broad range of activities, and that the organisation's existence remains justified with respect to the objectives assigned to it. Overall the ETF is highly responsive to the needs of stakeholders, being flexible in its reaction to requests and using the Torino process effectively as a systematic tool to assemble tailored packages of support from its broad "menu" of activities (although this is only part of the function of the Torino process). Many of these activities are "tried and tested" but the ETF also innovates and is on the leading edge of global thinking in its field, including in the areas of qualifications and entrepreneurship education. Moreover, the ETF operates in a dynamic political environment and continues to respond to changes effectively. It has coped well with changes in EU policy, although there is scope to improve the processes through which it works together with the European Commission (EC). The ETF has been adept at dealing with unstable political environments in partner countries, in some cases being one of only a few organisations to maintain links to state bodies during turbulent times, as in Tunisia.</p> <p>The key recommendations arising from the report are that the ETF should consider to:</p> <ul style="list-style-type: none"> <li>▪ The ETF should consider whether its more limited contribution to developments in partner countries in the areas of labour market systems/skills for employability and entrepreneurial learning/enterprise skills are due to circumstances beyond its control or require action on its part. There should also be closer collaboration with Eurofound when developing Annual Work Programmes or Mid-Term Perspectives in order to capitalise more systematically on potential opportunities for joint work such as in the areas of NEETs, skills development, employability issues and labour market systems.</li> <li>▪ The ETF should do more to understand systematically where its interventions are likely to have most effect and how the nature of required activities may vary depending upon factors such as country size and general stage of development, as well as the stage of policy development in individual policy fields. It should then build this into projects. Apart from being a valuable exercise in itself, this would also provide evidence, should it be necessary, to implement decisions not to undertake certain activities (the "negative priorities" now built into its programming).</li> <li>▪ Unlike donor/aid agencies, the ETF lacks "hard conditionalities" which can be used to improve the effectiveness of interventions. However, it is recommended that it develops "soft conditionalities" with the same aim in mind. Using the Torino framework, it could be feasible to identify the conditions needed for the success of interventions and thereby establish, on the basis of good practice, which interventions need to take place in which sequence to guarantee a greater chance of success. Steps should also be taken to ensure that Torino is better linked to policy development and involves more stakeholders in those countries where these drawbacks persist.</li> <li>▪ The ETF and the Commission should work together to ensure that links to projects, programming and technical assistance become more systematic than at present where current arrangements depend too much on informal relationships. In addition, the ETF should increase its analysis of what could have been done differently in order to generate lessons to increase the chances of more and greater impacts in the longer term, feeding these into its ex-ante impact assessment processes. It should also ensure that sustainability planning is built into projects, and that assistance is provided to follow-up and embed benefits by, for example, creating more online platforms and networks linked to projects, sharing of good practices, exchanges of programmes and curricula, using the lessons from existing successful examples of such activities.</li> <li>▪ Further steps should be taken to improve communication and coordination between the ETF and EC so that the ETF is clearer as to how the priorities of different DGs are to be balanced through a stronger focus on strategic issues in the process of preparing Work Programmes, and through better articulation by the ETF of its objectives at the strategic and detailed partner country levels. It would also improve the efficiency and effectiveness of the ETF if Delegations were obliged to consult with the organisation on key issues such as EC programming (which helps to improve impact and sustainability) and to</li> </ul>

	<p>provide a link to the ETF on their websites. Lastly, when considering future projects of this type that are additional to core ETF work, additional consideration should be given to the sufficiency of timeframes.</p> <ul style="list-style-type: none"> <li>▪ It is not economically feasible for the ETF to have a permanent presence in partner countries. Concerns about loss of “on the ground” presence should therefore be addressed either through greater use of digital communication tools than at present and/or through using any resources freed up by efficiency gains (see below) to purchase more expertise located in partner countries.</li> <li>▪ Where the ETF's new approaches and efficiency actions deliver cost savings, it might prove useful to use such savings to increase the number of staff in operational roles (particularly at senior level) and/or to fill any gaps in internal expertise by using external experts with requisite country knowledge and contacts.</li> <li>▪ It is also important that the ETF monitors and publishes information on its relative cost-effectiveness, including on the costs associated with the Governing Board. It would also be beneficial for the ETF's Annual Activity Reports to routinely state the costs of the Governing Board, as way of demonstrating that the costs have fallen and thus that the concerns of the Parliament and other stakeholders have been addressed.</li> </ul>
Availability of the report on ETF website:	<a href="http://ec.europa.eu/social/BlobServlet?docId=16914&amp;langId=en">http://ec.europa.eu/social/BlobServlet?docId=16914&amp;langId=en</a>

## ANNEX 10: Direct resource expenditure by strategic project and region

### Activity Based Budget by annual objectives and by region

Operational Activities	South East Europe and Turkey			Southern and Eastern Mediterranean			Eastern Partnership			Central Asia			Total			
	FTE	Project Budget	Mission Budget	FTE	Project Budget	Mission Budget	FTE	Project Budget	Mission Budget	FTE	Project Budget	Mission Budget	FTE	Project Budget	Mission Budget	Total Direct costs <sup>22</sup>
2016 Strategic Projects																
Support to assistance in the context of EU external relations policies	1.3	-	16,000	2.0	72,339	15,600	1.6	38,009	14,100	0.8	30,652	7,500	5.7	141,000	53,200	689,291
Policy analysis and system wide progress monitoring	3.9	314,316	9,300	2.1	198,278	12,900	1.3	94,633	13,500	1.2	104,772	9,000	8.5	712,000	44,700	1,492,742
VET governance	2.3	132,926	14,505	1.8	113,936	21,273	2.4	110,138	16,922	-	-	-	6.6	357,000	52,700	983,900
VET provision and quality assurance	3.3	229,084	13,727	0.3	12,587	2,840	2.6	192,833	20,117	1.8	100,696	14,940	7.9	535,200	51,625	1,278,238
Qualifications and qualifications systems	4.1	405,061	22,510	1.8	158,847	16,236	2.5	184,263	22,264	1.7	34,629	15,990	10.1	782,800	77,000	1,736,186
Employment, skills and employability	3.6	223,654	22,200	1.6	47,362	4,933	2.5	124,983	21,583	0.1	-	3,083	7.8	396,000	51,800	1,127,609
Entrepreneurial learning and enterprise skills	1.9	63,361	25,204	2.2	93,928	26,146	0.9	16,711	5,650	-	-	-	5.0	174,000	57,000	668,638
<b>Total Strategic Projects</b>	<b>20.5</b>	<b>1,368,402</b>	<b>123,445</b>	<b>11.7</b>	<b>697,278</b>	<b>99,929</b>	<b>13.8</b>	<b>761,570</b>	<b>114,137</b>	<b>5.6</b>	<b>270,749</b>	<b>50,514</b>	<b>51.6</b>	<b>3,098,000</b>	<b>388,025</b>	<b>7,976,604</b>
Country Desks	3.4	-	57,000	3.8	-	62,000	3.1	-	56,000	2.1	-	26,000	12.4	-	201,000	1,279,800
Management and transversal	3.0	10,000	22,500	3.0	10,000	22,500	2.0	10,000	22,500	1.0	10,000	22,500	9.0	40,000	90,000	913,000
<b>Total</b>	<b>26.9</b>	<b>1,378,402</b>	<b>202,945</b>	<b>18.5</b>	<b>707,278</b>	<b>184,429</b>	<b>18.9</b>	<b>771,570</b>	<b>192,637</b>	<b>8.7</b>	<b>280,749</b>	<b>99,014</b>	<b>73.0</b>	<b>3,138,000</b>	<b>679,025</b>	<b>10,169,404</b>
Total % <sup>23</sup>	37%	44%	30%	25%	23%	27%	26%	25%	28%	12%	9%	15%	100.0%	100.0%	100.0%	

<sup>22</sup> In the ABB tables, 1 FTE is estimated to €87,000.

The FTE (Full Time Equivalent) column represents headcount for temporary agents, local agents and seconded national experts and full-time equivalents for contract agents. The latter is calculated based upon expected average annual working time.

<sup>23</sup> These figures include the direct resource allocation for the activities in Russia, namely a total of 43,314€ representing 0,4% of the overall allocation of resources - to support the operational activities related to the Strategic Project 'Policy analysis and system wide monitoring'.

The ABB expenditure by Region is in line with the planning, while by Strategic Project there are differences of approximately 3% in 2 strategic projects and small deviations of around 1% for the others.

	Reinforce evidence-based VET policy analysis				Modernise VET systems in a lifelong learning perspective				Increase the relevance of VET provision in respect of the labour market, economic and social cohesion.				Total Plan		Total Actual		% Plan	% Act.
Region	FTE	Budget (k€)	FTE Actual	Budget (k€) A.	FTE	Budget (k€)	FTE Actual	Budget (k€) A.	FTE	Budget (k€)	FTE Actual	Budget (k€) A.	FTE	Budget (k€)	FTE	Budget (k€)		
South Eastern Europe and Turkey	20	3,216	21.9	3,210	12.1	1,941	26.7	3,825	17.1	2,778	4.6	547	49.2	7,935	<b>53.2</b>	7,582	39%	38%
Southern and Eastern Mediterranean	18.9	2,906	11.8	2,323	5	797	13.7	1,532	12.1	1,694	7.3	2120	35.9	5,397	<b>32.9</b>	5,975	27%	30%
Eastern Partnership	6.6	997,4	8.8	1,760	10.7	1,727	19.3	2,083	13.6	1,949	5.6	685	30.9	4,673	<b>33.8</b>	4,528	22.60 %	22%
Central Asia	4.6	780	2.5	680	5.2	726	9.2	1,338	5.5	610	0.6	42	15.3	2,116	<b>12.2</b>	2,060	11%	10%
Other partner country (Russia)	0.7	23,6	na	na	0	0	na	na	0	0	na	na	0.7	23,6	Na	na	0.40%	na
Total ETF	<b>50.8</b>	<b>7,923</b>	<b>45.0</b>	<b>7,974</b>	<b>33.0</b>	<b>5,191</b>	<b>69.0</b>	<b>8,776</b>	<b>48.2</b>	<b>7,031</b>	<b>18.0</b>	<b>3,393</b>	<b>132</b>	<b>20,145</b>	<b>132</b>	<b>20,145</b>	<b>100%</b>	<b>100%</b>

### Activity Based Budget by strategic project

Strategic Project	FTE Plan	FTE Actual	Budget (€) Plan	Actual Budget (€)	% Plan	% Actual 2016
Strategic Project 1 Support to assistance in the context of EU external relations policies	14.6	9.5	1,042,664	1,124,915.64	9%	5.58%
Strategic Project 2 – Policy analysis and system wide progress monitoring	21.6	24.2	3,770,000	4,595,270.45	19%	22.81%
Strategic Project 3 VET governance	16.9	18.3	2,485,000	2,546,596.23	12%	12.64%
Strategic Project 4 VET provision and quality	20.3	25.1	3,228,000	3,622,272.03	16%	17.98%
Strategic Project 5 Qualifications and qualifications systems	25.8	21.6	4,385,000	4,110,584.74	22%	20.40%
Strategic Project 6 Employment, skills and employability	20.0	20.2	2,848,000	2,563,877.96	14%	12.73%
Strategic Project 7 Entrepreneurial learning and enterprise skills	12.9	13.1	1,689,000	1,581,483.29	8%	7.85%
Total	132.0	132	20,145,000	20,145,000		100%



## ANNEX 11: CAF - Management self-assessment of internal control effectiveness and organisational performance

ICS and CAF Criterion	Strengths	Improvement actions agreed	PDCA level	2015 level PDCA
1. Leadership ICS 1 Mission and Values; ICS 2 Ethical & Values; ICS 7 Operational Structure.	1.1 Reinforced communication with and to staff; mission and values are clear 1.2 involvement of all staff during past restructuring; PMF well established and working; initiatives to improve performance have increased 1.3 Stakeholder framework for action; GB; conversation with EP; structured dialogue with EC	(1) Continue promoting ETF values	ACT	ACT
2. Strategy & planning ICS 5 Objectives , Indicators; ICS 6 Risk Management ICS 9 Management ICS 15 Assessment of ICS; ICS 16 IAC	2.1 Torino Process; stakeholder cooperation and analysis of needs; structured dialogue with commission services; composition of the GB 2.2 SPD developed according to partner countries' needs and EU policies towards partner countries 2.3 Adequate set of processes, procedures, management system and organisational structure in place to ensure cascading of strategic objectives down into WP/Dept Plan/IP; Q performance review 2.4 Open, supportive attitude towards suggestions for improvement; ongoing dialogue on modernisation and innovation; concept of development stages/country progress indicators	(2) Include negative priorities into all department plans	ACT	CHECK
3. People ICS 3 Staff Allocation ICS 4 Staff Evaluation and Development ICS 7 Operational Structure	3.1 The ETF succeeds in attracting and retaining people capable of producing and delivering services and products; objective criteria regarding recruitment and promotions; HR planning fully integrated into strategic planning 3.2 Competences/ expertise identification is in place; continuous analysis of HR needs	(3) Harness the knowledge and experience of staff through bottom-up processes	ACT	CHECK
4. Partnership and resources ICS 11 Document Management ICS 12 Information and Communication; ICS 13 Accounting and Financial Reporting	4.1 Stakeholder framework for action; ETF partner country networks/key actors; cooperation agreements, Torino process 4.2 Participatory approach to support partner countries; active engagement of range of stakeholder types; ETF regularly monitors its cooperation through governance/Torino Process 4.3 Efficient delegation model with decentralised financial responsibilities balanced by central controlling; track record of sound financial mngt 4.4 State of the infrastructure improved overall	(4) Further improve ETFs internal information and knowledge management	CHECK	ACT
5. Processes ICS 8 process and procedures ICS 10 Business Continuity Plan; ICS 11 Document Management.	5.1 Concept for process management revised in 2016 including processes and indicators 5.2 ETF has clear list of outputs/products in SPD/AWP; regular stakeholder satisfaction surveys 5.3 Use of interactive platforms with stakeholders; agencies coordination including subnetworks		CHECK	CHECK

ICS and CAF Criterion	Strengths	Improvement actions agreed	PDCA level	2015 level PDCA
6. ETF Institutional Governance Stakeholder Results	6.1 Improved intervention logic; regular M&E of ETF results and impact; regular surveys confirm high level of satisfaction of the ETF stakeholders 6.2 ETF has cascade of indicators (KPIs, CPIs, quality and productivity I., outcome indicators for results in partner countries)	(5) Transversal project to enhance ETF partnership and stakeholder relation process	Improving trends/ most relevant targets met	improving trends/ most relevant targets met
7. People Results	7.1 Consolidated objective setting and performance appraisal systems 7.2 Individual annual work objectives integrated with learning and development opportunities and promotion/ feedback; stress risk assessment and socio-psychological support in place	(6) Celebrate achievements internally	improving trends/ most relevant targets met	improving trends/ most relevant targets met
8. ETF beneficiaries stakeholders results (PCs)	8.1 External evaluation suggested ETF impact is perceived positively by stakeholders in partner countries 8.2 TRP analytical framework consolidated; ETF has included long term indicators capturing impact of its work to graduates gaining employability skills and employment	(7) Continuously include measures in the SPD/ IPs/ CSPs aimed at ensuring sustainability of ETF activities	Improving trends/ most relevant targets met	substantial progress/ all relevant targets met
9. Key performance results ICS 14 Evaluation of activities	9.1 SPD makes value chain explicit, linking expected objectives to outputs, outcomes and impact in partner countries 9.2 PMF/department plans define cascade of internal results; SPD defines three clear internal development actions in digitalisation, stakeholder management and event management; good trends in financial performance and results of inspection and audits	(8) Prioritise key improvement actions and integrate them into Department Plans and individual objectives	Results show substantial progress and/ or all the relevant targets are met	Results show substantial progress and/ or all the relevant targets are met

## ANNEX 12: Performance tables by region and country

### South Eastern Europe and Turkey (SEET)

	Region	Direct FTE	Direct Budget	Direct Mission	Sub total direct	% Actual	Plan FTE	Plan Budget	Plan Mission	Plan total direct	% Plan
Albania	SEET	5.21	226,368.29	37,546.68	716,825.57	5.86%	3.32	206,448	30,040	525,605	6.98%
Bosnia and Herzegovina		2.94	125,806.25	24,104.74	405,631.05	3.57%	2.21	111,048	20,220	323,932	4.30%
Kosovo		2.35	139,170.77	28,336.42	371,948.58	3.32%	2.48	116,048	22,220	353,767	4.70%
Montenegro		5.03	182,282.89	32,977.72	653,230.70	5.49%	2.31	111,448	27,240	339,263	4.51%
Serbia		5.45	239,577.74	43,163.03	756,642.56	6.26%	3.5	236,448	24,740	565,996	7.52%
Turkey		4.07	181,027.45	37,119.07	572,087.40	4.69%	2.55	96,448	28,461	346,547	4.60%
former Yugoslav Republic of Macedonia		2.94	183,848.69	28,975.48	468,195.34	3.81%	2.7	156,448	22,840	414,158	5.50%
Sub totals for SEET		27.91	1,277,189.47	230,366.28	3,935,676.83	33.01%					
Unspecified SEET		2.25	3,375.20	17,199.84	213,567.43	2.63%					
Totals for SEET		30.16	1,280,564.67	247,566.11	4,149,244.26	35.64%	19.07	1,034,336	175,761	2,869,268	38.11%

## Southern and Eastern Mediterranean (SEMED)

	Region	Direct FTE	Direct Budget	Direct Mission	Sub total direct	%	Plan FTE	Plan Budget	Plan Mission	Plan total direct	%
Algeria		1.92	85,482.91	24,862.03	277,007.76	2.75%	0.76	26,780	14,830	107,771	1.43%
Egypt		1.68	112,273.67	24,293.94	282,742.70	2.60%	1.92	72,780	24,072	263,601	3.50%
Israel		1.52	72,244.33	15,510.78	220,031.51	1.90%	0.75	20,780	10,510	96,390	1.28%
Jordan		2.20	106,079.77	18,884.44	316,559.61	2.85%	1.96	79,780	20,893	270,999	3.60%
Lebanon		2.03	86,882.66	21,248.50	284,904.62	3.05%	1.78	59,780	28,173	243,181	3.23%
Libya*		0.90	50,504.62	7,547.95	136,060.73	1.25%	0	0	0	0	0
Morocco		2.85	175,232.51	29,321.89	452,553.29	4.00%	2.13	118,780	21,672	325,913	4.33%
Palestine		2.22	91,734.51	14,730.34	299,860.89	2.79%	1.38	44,780	16,452	181,125	2.41%
Tunisia		3.16	152,485.08	25,945.31	453,648.27	3.97%	2.42	111,780	30,872	353,184	4.69%
Sub totals for SEMED		18.48	932,920.06	182,345.19	2,723,369.38	25.16%					
Unspecified SEMED		1.49	2,465.41	13,614.44	147,782.20	2.01%					
Totals for SEMED		19.98	935,385.47	195,959.63	2,871,151.58	27.17%	13.1	535,240	167,474	1,842,164	24.47%

\*assigned mostly by regional activities

## Eastern Partnership (EaP)

	Region	Direct FTE	Direct Budget	Direct Mission	Sub total direct	%	Plan FTE	Plan Budget	Plan Mission	Plan total direct	Region
Armenia	EE	1.24	96,175.56	18,729.54	259,617.62	2.35%	1.68	73,771	17,219	237,086	3.15%
Azerbaijan		1.71	118,271.95	24,594.41	348,859.28	3.14%	1.72	83,571	24,961	258,091	3.43%
Belarus		1.73	119,772.64	21,657.10	337,503.24	3.14%	1.63	55,571	23,340	220,981	2.94%
Georgia		1.82	125,243.94	33,568.79	373,177.86	3.35%	2.54	53,571	22,561	297,315	3.95%
Moldova		2.54	192,009.64	30,884.67	517,337.91	4.90%	2.86	143,571	30,261	422,492	5.61%
Ukraine		2.70	180,862.64	37,768.00	527,628.53	4.81%	2.96	155,571	31,882	445,201	5.91%
Sub totals for EE		12.60	882,625.94	177,118.66	2,522,417.29	23.11%					
Unspecified EE		1.27	2,332.50	13,224.21	136,877.64	1.84%					
Totals for EE		13.01	884,958.43	190,342.87	2,659,294.94	22.12%	13.39	565,626	150,224	1,881,166	24.99%

## Central Asia (CA)

	Region	Direct FTE	Direct Budget	Direct Mission	Sub total direct	%	Plan FTE	Plan Budget	Plan Mission	Plan total direct	%
Kazakhstan	CA	1.49	97,315.63	16,279.65	284,451.61	2.61%	1.4	57,360	18,772	198,093	2.63%
Kyrgyzstan		1.32	81,820.98	17,560.96	251,753.37	2.27%	1.33	37,360	19,268	171,989	2.28%
Tajikistan		1.32	84,214.29	19,653.39	253,863.48	2.28%	1.33	37,360	20,768	174,049	2.31%
Turkmenistan		1.31	65,855.23	16,520.86	234,519.69	2.11%	1.35	40,360	17,647	175,302	2.33%
Uzbekistan		1.33	65,213.02	15,421.31	233,622.67	2.06%	1.26	47,360	16,026	173,176	2.30%
Sub totals for CA		6.77	394,419.15	85,436.17	1,258,210.82	11.34%					
Unspecified CA		0.68	1,042.32	6,378.92	68,276.15	0.90%					
Totals for CA		7.46	395,461.47	91,815.09	1,326,486.96	12.24%	6.67	219,800	92,481	892,609	11.85%

Other Partner Country  
Russia

	Region	Direct FTE	Direct Budget	Direct Mission	Sub total direct	%	Plan FTE	Plan Budget	Plan Mission	Plan total direct	%
Russia		1.14	50,557.68	9,970.91	159,367.02	1.45%	0.29	12,000	6,084	42,882	0.57%

## South Eastern Europe and Turkey

### Highlights of ETF support to SEET in 2016

In 2016 the ETF worked with South Eastern Europe and Turkey both through regional operations that covered all the countries, only candidate countries and country specific activities. The ETF work in the countries in the region has been guided by the accession negotiations and progress assessment, in particular the Economic Reform Programmes (ERPs) and the Riga Declaration follow-up. At regional level the ETF work has been inspired by the SEE 2020 Strategy and reinforced by the Vienna Summit Declaration 2015. The ETF has brought stakeholders together for exchange of experience and practice on skills development for economic and social development.

With the objective to maximise investment in human resource development in the region and foster competitiveness and innovation, the ETF continued cooperation with regional bodies like RCC, ERI SEE and SEECCEL on topics such as work-based learning, industrial policies and skills and entrepreneurial learning as well as in relation to overall monitoring of SEE 2020.

In 2016, the ETF provided support for the candidate countries with the implementation of the Riga Conclusions 2015 in areas such as work-based-learning, continuing professional development of VET teachers and entrepreneurial learning. The SEET countries implemented the fourth round of the Torino Process to inform evidence based policy making and its implementation. In addition, the 2016 Riga monitoring results and the findings of the Riga-Ex-Ante Impact Assessment on work-based learning have informed the Torino Process in the candidate countries.

The dialogue with all SEET countries on qualifications and their relevance for the labour market and on quality VET for employability as well as respective links with EQF and EQAVET continued.

With regard to regional platforms, the ETF provided expertise to the newly established EASP Platform managed by RCC (under responsibility of DG EMPL). The ETF input concentrated on tools for skills anticipation and matching to regularly up-date skills intelligence for policy making. The ETF also provided its expertise on partnership between education and private sector to the Council of Europe/EU Youth Partnership Programme and the SEET Chamber Investment Forum.

The ETF has supported the EU bi-lateral policy dialogue through assessments in relation to Chapter 19, 26 and 20 (SBA Assessment for all SEET countries) of the EU Regular Progress Report as well as for the ERP process for improved economic governance. The ETF shared its findings on continuing professional development of VET teachers with the Ministers of the Western Balkan Platform for Education (managed by DG EAC) as input to discussions on overall teacher training reforms.

### Bosnia and Herzegovina

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	<ul style="list-style-type: none"><li>Content and methodological advice for the implementation and monitoring of the IPA II National Qualification Framework support project</li><li>Inputs to the Commission's analysis/assessment of ERPs and EC Progress Reports</li><li>Input to bilateral policy dialogue meetings, i.e. sub-committee meetings</li><li>Assistance to monitoring HRD Sector Operational Programmes</li><li>Support to identification and formulation of IPA II projects or budget support</li></ul>	DONE  DONE POSTPONED CANCELLED DONE
Policy analysis and system wide progress monitoring	<ul style="list-style-type: none"><li>Torino Process Report</li></ul>	DONE

Strategic Project	Country Specific Actions and Outputs	STATUS
VET provision and quality assurance	<ul style="list-style-type: none"> <li>Final report from the Demonstration project identifying improvement areas for CPD practice in the country</li> </ul>	DONE
Qualifications and qualifications systems	<ul style="list-style-type: none"> <li>Recommendations for reformed qualifications</li> </ul>	(POSTPONED to 2017 (at the request of national authorities))
Employment, skills and employability (including skills and migration)	<ul style="list-style-type: none"> <li>Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building)</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>Regional peer learning on the role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)</li> </ul>	DONE
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Good examples of innovation in training practice identified and assessed in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations</li> </ul>	DONE

## The former Yugoslav Republic of Macedonia

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	Content and methodological advice for implementation and monitoring of IPA I projects	DONE
	Inputs to the Commission's analysis/assessment of ERP and EC Progress Reports	DONE
	Input to bilateral policy dialogue meetings, i.e. sub-committee meetings	CANCELLED
	Assistance to monitoring HRD Sector Operational Programmes	CANCELLED
	Support to identification and formulation of IPA II projects or budget support	DONE
Policy analysis and system wide progress monitoring	Inputs to monitoring of Bruges process as per Riga conclusions	DONE
	Torino Process Report	DONE
VET provision and quality assurance	Facilitation of the participation of the former Yugoslav Republic of Macedonia in the European Alliance for Apprenticeships (EaFA pledges from countries and companies)	DONE
	Final report from the Demonstration project identifying improvement areas for CPD practice in the country	DONE
Qualifications and qualifications systems	New methodology to populate National Qualification Framework with qualifications; advice to authorities on institutional arrangements for National Qualification Framework; advice to EU Delegation on National Qualification Framework Twinning project	DONE
Employment, skills and employability (including skills and migration)	Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building)	DONE
	Regional peer learning on the role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)	DONE
Entrepreneurial learning and enterprise skills	Good examples of innovation in training practice identified and assessed in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE



## Kosovo

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	Inputs to the Commission's analysis/assessment of ERP and EC Progress Reports	DONE
	Input to bilateral policy dialogue meetings, i.e. sub-committee meetings	DONE
	Assistance to monitoring HRD Sector Operational Programmes	DONE
	Support to identification and formulation of IPA II projects or budget support	CANCELLED
Policy analysis and system wide progress monitoring	Torino Process Report	DONE
VET governance	HRD governance efficiency assessed and results shared with key national authorities for follow up	DONE
VET provision and quality assurance	Final report from the Demonstration project identifying improvement areas for CPD practice in the country	DONE
Qualifications and qualifications systems	Advice on implementation of VNFIL; shared practice in engagement with private sector.	DONE
Employment, skills and employability (including skills and migration)	Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building)	DONE
	Regional peer learning on role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)	DONE
Entrepreneurial learning and enterprise skills	Good examples of innovation in training practice identified and assessed in 3 thematic areas (youth; women entrepreneurship; internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Montenegro

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	Assistance to monitoring HRD Sector Operational Programmes	CANCELLED
	Inputs to the Commission's analysis/assessment of ERP and EC Progress Reports	DONE
	Input to bilateral policy dialogue meetings, i.e. sub-committee meetings	DONE
	Assistance to monitoring HRD Sector Operational Programmes	CANCELLED
	Support to identification formulation of IPA II projects or budget support	CANCELLED
Policy analysis and system wide progress monitoring	Inputs to monitoring of Bruges process as per Riga conclusions	DONE
	Torino Process Report	DONE
VET provision and quality assurance	Facilitation of the participation of Montenegro in the European Alliance for Apprenticeships (EAfA pledges from countries and companies)	DONE
	Final report from the Demonstration project identifying improvement areas for CPD practice in the country	DONE
Employment, skills and employability (including skills and migration)	Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building)	DONE
	Regional peer learning on the role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)	DONE
Entrepreneurial learning and enterprise skills	Small Business Act country follow up	DONE
	Good examples of innovation in training practice identified and assessed in 3 thematic areas (youth; women entrepreneurship; internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Serbia

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	Inputs to the Commission's analysis/assessment of ERP and EC Progress Reports	DONE
	Input to bilateral policy dialogue meetings, i.e. sub-committee meetings	CANCELLED
	Assistance to monitoring HRD Sector Operational Programmes	CANCELLED
	Support to identification and formulation of IPA II projects or budget support	DONE
Policy analysis and system wide progress monitoring	Inputs to monitoring of Bruges process as per Riga conclusions	DONE
	Torino Process Report	DONE
VET governance	VET Council role is recognised and it acts effectively in at least one policy area. Awareness on smart specialisation raised.	DONE
VET provision and quality assurance	Facilitation of the participation of Serbia in the European Alliance for Apprenticeships (EAfA pledges from countries and companies)	DONE
	Report on DOL opportunities for integration in other policy areas of VET provision (i.e. CVT)	DONE
	Final report from the Demonstration project identifying improvement areas for Continuing Professional Development practice in the country	DONE
Qualifications and qualifications systems	Recommendations for reformed qualifications; recommendations to develop VNFIL	DONE
Employment, skills and employability (including skills and migration)	Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building)	DONE
	Regional peer learning on the role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)	DONE
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Good examples of innovation in training practice identified and assessed in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations</li> </ul>	DONE

## Turkey

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	Content and methodological advice for implementation and monitoring of IPA I projects	DONE
	Methodological support to IPA I HRD component impact self-assessment	CANCELLED
	Inputs to the Commission's analysis/assessment of ERPs and EC Progress Report	DONE
	Input to bilateral policy dialogue meetings, i.e. sub-committee meetings	DONE
	Assistance to monitoring HRD Sector Operational Programmes and participation to Sectoral Monitoring Committee meeting under IPA A Sectoral Operational Programme	DONE
	Support to identification and formulation of IPA II projects or budget support	CANCELLED
Policy analysis and system wide progress monitoring	Inputs to monitoring of Bruges process as per Riga conclusions Torino Process Report	DONE

VET provision and quality assurance	Facilitation of the participation of Turkey in the European Alliance for Apprenticeships (EAfA pledges from country and companies) Final report from the Demonstration project identifying improvement areas for Continuing Professional Development practice in the country	DONE DONE
Qualifications and qualifications systems	Content and methodological guidance for implementation of EU project; advice to Turkish authorities on HRD Sector Operational Programme.	DONE
Employment, skills and employability (including skills and migration)	Dissemination of EU employment instruments (e.g. Youth Guarantee) and EU Member States' good practices (policy advice, peer learning, capacity building) Regional peer learning on the role of employment service providers in skill needs identification and matching (possibly linked to Turkish PES WAPES Presidency)	DONE DONE
Entrepreneurial learning and enterprise skills	Good examples of innovation in training practice identified and assessed in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## SEET Regional Actions

Strategic Project	Regional level Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	<ul style="list-style-type: none"> <li>Input to IPA Multibeneficiary VET projects</li> </ul>	CANCELLED
Policy analysis and system wide progress monitoring	<ul style="list-style-type: none"> <li>Torino Process Regional Report, 1 Torino Process Regional meeting and 2 SEET Regional meetings (PRIME, ACVT/DGVT preparations)</li> </ul>	DONE
Qualifications and qualifications systems	<ul style="list-style-type: none"> <li>Input to RCC Regional cooperation council</li> <li>Advice to authorities in all countries on preparations for referencing or alignment to EQF and participation in EQF Advisory Group</li> </ul>	CANCELLED (input not requested). DONE
Employment, skills and employability (including skills and migration)	<ul style="list-style-type: none"> <li>ETF expertise inputs to EC services and EU Delegations for the EU-PC policy dialogue, EU programming, regional dialogue (i.e. RCC), the bi-annual meetings of the South East Europe Investment Committee (SEEIC) to support implementation and monitoring of SEE 2020</li> <li>Concept of possible long-term intervention, starting in 2016, in the field of skills identification, needs, development and intelligence, according to countries' specific context coordinated with DG Employment and CEDEFOP.</li> </ul>	DONE DONE
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Publication of the 2015 Small Business Act assessments</li> </ul>	DONE

## Southern and Eastern Mediterranean (SEMED)

### Highlights of ETF support to SEMED in 2016

In 2016, ETF pursued its efforts to address youth employability as the main common challenge for all countries in SEMED region. On skills development dimension and youth employability, the main challenges identified refers to the lack of holistic evidence-based policies, the fragmentation of VET systems and their low quality and attractiveness, the limited effectiveness of matching policies that can ease transitions to work and social inclusion and the limited participatory governance. ETF has contributed to address these challenges mainly through the following actions:

- Implementing the fourth round of the Torino Process to reinforce the evidence-based policy making
- Supporting DG-NEAR in the design of the main building blocks of a new regional project on youth employment (YEM: Youth Employability in the Mediterranean)
- Completing the implementation GEMM regional project and disseminating its results and lessons learned including to the EU and EC services (DG NEAR, DG EMPL, EESC, EEAS, ETUC, UfM, Business Europe, etc.)
- Participating actively to UfM High Level Working Group on Employment and Labour, drafting the “Outcomes Paper” (as rapporteur of the working group on Job Creation) and participation to the Ministerial conference on Employment and Labour in Amman in September 2016
- Organising a joint event with EP (Delegation for relations with Maghreb/EMPL Committee) in the European parliament in Brussels in October 2016 on youth employability, work based learning and circular mobility. Attended the event representatives from MA, DZ and TN
- Sharing the outcomes of the finalised guides on skills anticipation and matching developed with ILO and Cedefop through a one-week training course for partner countries, including SEMED.

With regard to regional platforms and donor co-operation, ETF has continued its regular exchange and co-operation with UfM actively participating to the relevant meetings and events. ETF has also contributed to the exchanges on regional initiatives such as Education for Competitiveness (E4C-WB&IsDB), Luxembourg initiative on VET in the Maghreb, ALF Forum, Euromed Summit on ESC, GIZ YouMatch project, ASCAME/IEmed etc..

### Algeria

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Evaluation of the training component of PASEA project	DONE
	• Content and methodological advice for the implementation and monitoring of PAJE project youth and employment	POSTPONED
	• ENP South Employability fiche	DONE
Qualifications and qualifications systems	• Advice to Strategic Committee; sustained regional network on qualifications; official recognition of network by the participating countries	DONE
	• Application of regional technical tools, e.g. : certificate supplement and common reference profiles	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Egypt

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Methodological support and Content monitoring TVETII	DONE
	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
Qualifications and qualifications systems	• Advice to Strategic Committee; sustained regional network on qualifications; official recognition of network by the participating countries	DONE
	• Assist EU delegation in monitoring progress and outcomes of qualifications elements of TVETII programme. Advise national authorities on implementation of NQF elements of TVET II.	DONE
	• Application of technical tools developed in the regional project Q4M	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Israel

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
Qualifications and qualifications systems	• Sharing of good practice and EU expertise	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Jordan

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Assessment of SRC (Sector Reform Contract) specific conditions	DONE
	• Support to implementation of the SRC: policy dialogue facilitation events	CANCELLED
	Input to the SRC steering committee	DONE
	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
Qualifications and qualifications systems	• Advice to Strategic Committee; sustained regional network on qualifications; official recognition of network by the participating countries	DONE
	• Application of technical tools developed in the regional project Q4M (Qualifications for the Mediterranean)	DONE
Employment, skills and employability (including skills and migration)	• Migrant Support Measures from an Employment and Skills Perspective study	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Lebanon

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Identification and formulation in the field of VET and Employment )	CANCELLED
	• Content and methodological advice for implementation and monitoring of the PSD (Private Sector Development) project skills component	CANCELLED
	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE
Entrepreneurial learning and enterprise skills	• Small Business Act country follow up	DONE

## Morocco

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Input to bilateral policy dialogue meetings	CANCELLED
	• Content and methodological advice for implementation and monitoring of the new EU budget support	DONE
	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET governance	• Regionalisation of VET according to the new national strategy	DONE
Qualifications and qualifications systems	• Advice to Strategic Committee; sustained regional network on qualifications; official recognition of network by the participating countries	DONE
	• Validated proposals for National Qualification Framework legal basis; advice on levelling methodology for qualifications in the National Qualification Framework; advice on National Qualification Framework institutional setting; advice to EU Del on Twinning project application of regional technical tools	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Palestine

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
Qualifications and qualifications systems	• Advice and recommendations on referencing qualifications to NQF; referencing manual.	DONE
Employment, skills and employability (including skills and migration)	• Follow up of GEMM pilot project on tracer study	DONE
Entrepreneurial learning & enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Tunisia

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Content and methodological advice for the implementation and monitoring of the VET and private sector project	POSTPONED
	• Input to bilateral policy dialogue meetings	DONE
	• Input to the VET and private sector project steering committee	POSTPONED
	• ENP South Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET governance	• Advice to the regionalization agenda in VET deconcentration process and VET regional institutional platforms, informed by EU practice. Awareness of Social partners on their role in VET in view of taking future responsibility	DONE
Qualifications and qualifications systems	• Application of technical tools developed in the regional project Q4M	DONE
	• Advice to Strategic Committee; sustained regional network on qualifications; official recognition of network by the participating countries	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE
	• Small Business Act country follow up 1	DONE

## SEMED Regional Actions and Outputs

Strategic Project	Regional level Actions and Outputs	STATUS
Policy analysis and system wide progress monitoring	• Torino Process Regional Report and 1 Torino Process Regional meeting	DONE
VET provision and quality assurance	• Review WBL policies in Neighbourhood South region, in co-operation with UNESCO	POSTPONED
Employment, skills and employability (including skills and migration)	• ETF expertise inputs to initiatives by the UFM Secretariat (e.g. Mediterranean Initiative for Jobs; female employability, skills and mobility.)	DONE
	• Review of the lessons learnt from the implementation of GEMM pilot project methodologies and tools <sup>24</sup>	DONE
	• ETF expertise inputs to EC services and EU DELs for the EU-PC policy dialogue, EU programming and regional dialogues (i.e. UfM)	DONE

<sup>24</sup> NB The ETF implemented the EU regional project Governance for Employability in the Mediterranean Region (GEMM) funded from the ETF Budget Title IV as a contract with the European Commission

## Eastern Partnership (EaP)

### Highlights from ETF support to EaP during 2016

The ETF has completed the Torino Process in the EaP region. All countries made self-assessments engaging with a wide range of stakeholders. The national reports showed an increased use of evidence and capacity for critical analysis. In Ukraine, the Torino Process was implemented in all regions in support of the VET decentralisation process. In Russia, too, the Torino Process framework was used as a policy analysis and monitoring tool in four regions.

The regional Torino Process meeting, which took place under the umbrella of the EaP platform, confirmed the progress in implementation of the priority areas identified in 2014 (NQF, skills anticipation and QA) and the rise of some new policy areas, like work-based learning, the development of Centres of Excellence in VET, assessment of teachers performance and career guidance.

The Make-it Match network meetings focussed on experience and methods of the National Observatory of Employment and Training; use of statistical data and forecasting results: information products for users; vacancies monitoring; tracking labour market success in relation to competences; information products and analysis for the higher education sector; monitoring of adult learning; potential of ESCO (ESCO is the multilingual classification of European Skills, Competences, Qualifications and Occupations) to support anticipation and matching.

In addition, the ETF supported EU projects and budget support programmes in Azerbaijan, Belarus, Georgia and the Republic of Moldova.

### Armenia

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Support to operationalisation of the SRC VET and rural development (comments on TORs-Terms of Reference)	CANCELLED
	• Input to ENP East Action Plans and Progress Reports	CANCELLED
	• ENP East Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET provision and quality assurance	• Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe	DONE
	• Implementation support Career Guidance Strategy	DONE
	• Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe	DONE
Employment, skills and employability (including skills and migration)	• Two peer learning and knowledge sharing meetings of the “Make it match” under EaP platform II	DONE
	• Support to development of skills needs anticipation and matching mechanisms identified within “Make it match” project	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE



## Azerbaijan

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Content and methodological advice for the implementation and monitoring of a new EU project and review of institutional arrangements	DONE
	• Formulation of a new project on anticipation and matching	POSTPONED
	• Input to ENP East Action Plans and Progress Reports	CANCELLED
	• ENP East Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET provision and quality assurance	• Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe	DONE
	• Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe	DONE
Qualifications and qualifications systems	• Content and methodological advice and guidance for implementation of EU project; review of institutional arrangements.	DONE
Employment, skills and employability (including skills and migration)	• Two peer learning and knowledge sharing meetings of the "Make it match" under EaP platform II	DONE
	• Support to development of skills needs anticipation and matching mechanisms identified within "Make it match" project	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Belarus

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Content and methodological advice for implementation and monitoring of the EU project	DONE
	• Input to the EU project steering committee	DONE
	• Input to ENP East Action Plans and Progress Reports	CANCELLED
	• ENP East Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET provision and quality assurance	• Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe	DONE
	• Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe	DONE
Qualifications and qualifications systems	• Advice on National Qualification Framework concept and structures e.g.; content, methodological advice and guidance for implementation of EU project;	DONE
Employment, skills and employability (including skills and migration)	• Two peer learning and knowledge sharing meetings of the "Make it match" under EaP platform II	DONE
	• Support to development of skills needs anticipation and matching mechanisms identified within "Make it match" project	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations • Small Business Act country follow up	DONE

## Georgia

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Content and methodological advice for the implementation of the sector budget support (capacity building/policy dialogue facilitation events) and input to monitoring of EU programme	DONE
	• Input to ENP East Action Plans and Progress Reports	CANCELLED
	• ENP East Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET governance	• Input to SUP EU	DONE
VET provision and quality assurance	• Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe	DONE
	• Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe	DONE
Qualifications and qualifications systems	• Content and methodological advice and guidance for implementation of EU project.	CANCELLED (support not requested)
Employment, skills and employability (including skills and migration)	• Two peer learning and knowledge sharing meetings of the "Make it match" under EaP platform II	DONE
	• Support to development of skills needs anticipation and matching mechanisms identified within "Make it match" project	DONE
Entrepreneurial learning and enterprise skills	• Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations	DONE

## Republic of Moldova

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Support to the monitoring of the Sector Reform Programme and support to the implementation of the VET reform". (incl. policy dialogue facilitation events)	DONE
	• Input to ENP East Action Plans and Progress Reports	CANCELLED
	• ENP East Employability fiche	DONE
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET governance	• Upscale of skills development in the social dialogue national agenda.	DONE
VET provision and quality assurance	• Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe	DONE
	• Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe	DONE
Qualifications and qualifications systems	• Content and methodological advice and guidance for implementation of EU project; sharing of EU practice in National Qualification Frameworks and quality assurance.	DONE
Employment, skills and employability (including	• Support to development of skills needs identification tools	DONE
	• Two peer learning and knowledge sharing meetings of the "Make	DONE

Strategic Project	Country Specific Actions and Outputs	STATUS
skills and migration)	it match” under EaP platform II	
	<ul style="list-style-type: none"> <li>Support to development of skills needs anticipation and matching mechanisms identified within “Make it match” project</li> </ul>	DONE
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>Small Business Act country follow up</li> </ul>	DONE

## Ukraine

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	<ul style="list-style-type: none"> <li>Input to ENP East Action Plans and Progress Reports</li> </ul>	CANCELLED
	<ul style="list-style-type: none"> <li>ENP East Employability fiche</li> </ul>	DONE
Policy analysis and system wide progress monitoring	<ul style="list-style-type: none"> <li>Torino Process Report</li> </ul>	DONE
VET governance	<ul style="list-style-type: none"> <li>Better targeted VET policy decentralisation, with national and regional stakeholders. Process of VET legislation upgrade continued.</li> </ul>	DONE
VET provision and quality assurance	<ul style="list-style-type: none"> <li>Inclusion in the feasibility report on the implementation of WBL mechanisms in the Eastern Europe</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>Inclusion in the report on the mutual learning activities organised within the WBL network: Eastern Europe</li> </ul>	DONE
Qualifications and qualifications systems	<ul style="list-style-type: none"> <li>Recommendations on applying VNFIL procedures; action plan for National Qualification Framework</li> </ul>	DONE
Employment, skills and employability (including skills and migration)	<ul style="list-style-type: none"> <li>Development of coordinated approach to qualitative and quantitative skills anticipation at national and regional/sectoral levels</li> </ul>	CANCELLED
	<ul style="list-style-type: none"> <li>Two peer learning and knowledge sharing meetings of the “Make it match” under EaP platform II</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>Support to development of skills needs anticipation and matching mechanisms identified within “Make it match” project</li> </ul>	CANCELLED
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Innovation in training practice identified in the three thematic areas (youth and women entrepreneurship and internationalisation of SMEs) to support country implementation of Small Business Act recommendations</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>Small Business Act country follow up</li> </ul>	

## Eastern Europe Regional Actions and Outputs

Strategic Project	Regional level Actions and Outputs	
Policy analysis and system wide progress monitoring	<ul style="list-style-type: none"> <li>Torino Process Regional Report (Torino Process Regional meeting organised with support of EaP PF IV)</li> </ul>	DONE
Employment, skills and employability (including skills and migration)	<ul style="list-style-type: none"> <li>Coordination of Make it Match e-platform</li> </ul>	DONE
	<ul style="list-style-type: none"> <li>ETF expertise inputs to EC services and EU DELs for the EU-PCs policy dialogue, EU programming and regional dialogues (i.e. EaP)</li> </ul>	DONE
Entrepreneurial Learning and enterprise skills	<ul style="list-style-type: none"> <li>Conference report on Progress on entrepreneurial learning policies and actions in EaP countries</li> </ul>	DONE

## Central Asia (CA)

### Highlights of ETF support to CA in 2016

Although Central Asia remains a low priority for the ETF, the agency ensured the completion of the Torino Process and actively supported the work of the Central Asia Education Platform. The low priority limited contributions to EU external assistance. However policy support at a regional level was taken forward in the area of quality assurance and continuous professional development of teachers and trainers.

#### Kazakhstan

Strategic Project	Country Specific Actions and Outputs	STATUS
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE
VET provision and quality assurance	• National Report on the mutual learning activities organised within the WBL network • National feasibility report on the implementation of WBL mechanisms in parallel with Eastern Europe countries	

#### Kyrgyzstan

Strategic Project	Country Specific Actions and Outputs	STATUS
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE

#### Tajikistan

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Support to operationalisation of AP 2015 project ( comments to TORs)	POSTPONED
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE

#### Turkmenistan

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Content and methodological advice for implementation and monitoring of AP 2013 project	POSTPONED
	• Comments to TAPs	CANCELLED
	• Support to operationalisation of AP 2015 project (Comments to TORs)	CANCELLED
Policy analysis and system wide progress monitoring	• Torino Process Report	CANCELLED

## Uzbekistan

Strategic Project	Country Specific Actions and Outputs	STATUS
Support to EU assistance in the context of EU external policies	• Input to operationalisation of AP 2015 project	CANCELLED
Policy analysis and system wide progress monitoring	• Torino Process Report	DONE

## CA Regional Actions and Outputs

Strategic Project	Regional level Actions and Outputs	STATUS
Policy analysis and system wide progress monitoring	• Torino Process Regional Report and 1 Torino Process Regional meeting	DONE
VET provision and quality assurance	• Regional report on capacities built in the Central Asia School Development network for enhanced policy implementation in the field of Continuing Professional Development for Teachers and Trainers Support to peer learning on quality assurance (CAEP)	POSTPONED DONE
Qualifications and qualifications systems	• Support design study on mapping Qualifications (CAEP)	DONE

## Other Partner Country

### Russia

Strategic Project	Country Specific Actions and Outputs	STATUS
Policy analysis and system wide progress monitoring	Torino Process Report	DONE

## Cross-country activities and functions

Strategic Project/function	Actions and Outputs	STATUS
VET governance	• Policy debate on role of local initiatives and development in VET governance prompted by entrepreneurial and smart communities	DONE
	• Expertise development (publications, online dissemination, country governance snapshots, contribution to international events,)	DONE
VET provision and quality assurance	• Report on the mutual learning activities organised within the transnational platform on QA in VET	DONE
	• Inventory of current VET quality assurance systems of ETF PCs	DONE
	• Fourth corporate conference on Qualifications	DONE
Qualifications and qualifications systems	• Update of National Qualification Framework Inventory country chapters	DONE
	• Increased membership and activity on Qualifications Platform; 1 webinar.	DONE
	• New study on governance of qualifications systems	DONE
	• EMPL knowledge sharing (platform, cappuccinos, leaflets)	DONE
Employment, skills and employability (including	• ETF expertise inputs to EC services on the skills dimension of Mobility Partnerships through the dissemination of MISMEs	DONE

Strategic Project/function	Actions and Outputs	STATUS
skills and migration)	<ul style="list-style-type: none"> <li>Capacity building training (Skills needs &amp; Employability), 5 days, 25 participants (countries/participants to be defined)</li> </ul>	DONE
Entrepreneurial learning and enterprise skills	<ul style="list-style-type: none"> <li>Methodology for supporting the implementation of SMEs' skills development</li> </ul>	







## CONTACT US

Further information can be found on the ETF website:

[www.etf.europa.eu](http://www.etf.europa.eu)

For any additional information, please contact:

European Training Foundation  
Communication Department  
Villa Gualino  
Viale Settimio Severo 65  
I – 10133 Torino

Email: [info@etf.europa.eu](mailto:info@etf.europa.eu)

Tel: +39 011 6302222