

MINUTES

GOVERNING BOARD

MEETING

9 JUNE 2017

The ETF Governing Board (GB) meeting took place in Turin on 9 June 2017 and was chaired by Jordi CURELL, Director in DG EMPL, European Commission (EC).

1. Adoption of the agenda

On a proposal of the Chair, the Board adopted the agenda for the meeting.

2. Introductory remarks from the Chair

The Chair welcomed the new GB members: Liv Maadele MOGENSEN, the new alternate member representing Denmark; Ivan STRKALJ, the new alternate member representing Croatia; Marta STARA, the new alternate member representing the Czech Republic though not present at the meeting; and Kyriakos KYRIAKOU, the new alternate member representing Cyprus.

The following Member States were not represented at the meeting: Finland, Hungary, Ireland, Latvia, Luxembourg, Romania, Portugal and Sweden. Two non-voting experts representing the European Parliament were also absent: Jan ANDERSSON and Jean-François MEZIERES.

The EC was also represented by Bernard BRUNET, Head of Unit (DG NEAR), Kiril KIRYAKOV (DG EMPL), Christophe MASSON (DG NEAR) and Jean-Paul HEERSCHAP (DG DEVCO). The Chair welcomed the three partner country observers (Nigar ISMAYILZADE, Dragana SAVIC and Monia RAIIS MGHIRBI), and the Cedefop Director James CALLEJA and Head of Department Loukas ZAHILAS. Shawn MENDES and Mircea COPOT represented the ETF Staff Committee.

Finally, the Chair welcomed Cesare ONESTINI, the newly appointed Director of the ETF.

3. Follow-up to previous meetings

The Board adopted the minutes of the previous meeting held on 25 November 2016.

The Chair presented the follow up to action points and written procedures since the last GB meeting.

The Chair, as in previous GB meetings, recalled the importance of Board members' acting in the public interest and independently of external influence as a pre-condition for membership. To this end, members and alternates were required to provide a CV, and make a written Declaration of Commitment and Interests each year. This was a mandatory requirement in the ETF legal basis (Article 11) and has been repeatedly emphasised by the European Parliament, including most recently in comments on the Discharge of the 2016 ETF accounts. In order to avoid these recurrent remarks, non-compliant GB members were once again urged to provide the missing documents without delay.

4. Draft Consolidated Annual Activity Report (CAAR) 2016 and its Analysis and Assessment

Madlen SERBAN (ETF) presented the draft 2016 CAAR. She stressed that the CAAR had been prepared in accordance with the ETF Regulation and follows the instructions of the Secretariat General of the European Commission.

The report reflects the principles of ETF's performance based management framework, in particular through the importance given to the analysis of the ETF Key Performance Indicators (KPIs). These KPIs show that the ETF delivered 94% of its Work Programme activities with over 90% being delivered according to the timeframe in the Work Programme, aiming at 100% by the end of 2017 through close monitoring actions. In terms of financial management, the ETF committed 99.99% of its budget; cancelled only 0.44% of its payment appropriations and made 91% of its payments on time. The ETF also managed its human resources efficiently and effectively with 99% of posts filled in 2016 (and 1%

kept in reserve due to the imposed staff reduction) and over 80% of staff directly engaged in delivering operational functions.

The information and analysis in the CAAR are complemented by the “2016 Highlights and Insights” with detailed cases of the ETF work in partner countries and projects tabled for Board members.

Madlen SERBAN (ETF) in particular thanked the European Commission for having moved very fast in coordinating the EC requests, mainly those coming from the EU Delegations, who now approach the ETF in a more systematic and structured way.

Martin BORG (Malta), the GB member representing the EU Presidency, congratulated the ETF on behalf of the GB members on the results achieved. The GB members considered the documents well prepared and well received, mainly in relation to performance based management and KPIs. The GB members also noted the consistent improvement in the ETF’s performance in recent years.

On behalf of the GB members, he presented the CAAR 2016 Analysis and Assessment. Micheline SCHEYNS (Belgium) expressed her gratitude for the follow up given to earlier recommendations from the ETF Board for more country examples and specific case studies.

Madlen SERBAN (ETF) thanked the GB members for their appreciation of ETF’s work, which is a collective exercise fulfilled by the whole organisation. She also expressed her gratitude for the cooperation with Cedefop and Eurofound. The Chair concluded the discussion by thanking the ETF for the quality of its work.

The Board adopted the 2016 ETF CAAR and the Analysis and Assessment. Both documents were sent to the relevant institutions by 15 June 2017.

5. ETF Draft 2016 Annual Accounts

Martine SMIT (ETF) presented the Draft 2016 Annual Accounts.

The Annual Accounts, drawn up on behalf of the Director, follow the standards of the European Commission and all other EC bodies. They were audited by an external auditor and the European Court of Auditors based its opinion upon this audit. The Court’s opinion, adopted on 25 May 2017, concluded that the transactions underlying the annual accounts for the year ending 31 December 2016 are legal and regular in all material respects. The ETF presented plans to implement the two recommendations from ECA:

- Improve reporting on the ETF’s financial performance with simple indicators based around one single intervention logic and a common terminology across the organisation;
- The situation regarding the ETF premises where it was noted that the Piedmont Region carried out extraordinary works in 2015 and 2016.

Martine SMIT (ETF) explained the 2016 accounts in comparison to 2015. She informed the GB that the total value of the balance was less than in 2015 and that the statement of financial performance indicates a deficit on paper, but not in real terms. She stated that the commitment rate of over 99.99% was slightly higher compared to 2015. The average commitment rate of the agencies is 95%. She assured the Board that both the amount that the ETF had to reimburse to the EC as well as the amount of interest gained were the lowest in the history of the ETF.

Martin BORG (Malta), on behalf of the GB members, presented the draft Opinion of the GB on the Annual Accounts.

The GB members adopted the 2016 ETF Annual Accounts and the Opinion of the Board. Both documents were sent to the relevant EU institutions by 1 July 2017.

6. 2017 Amending budget

Henrik FAUDEL (ETF) presented the 2017 amending budget. On the revenue side, the only change related to the GEMM project. While all GEMM activities were completed in 2016, final payments were foreseen in 2017. The remaining amount (€54,000) will be returned to the EC.

Limited changes occurred on the expenditure side: under Title I, an amount coming from the savings of the first GB meeting in April 2017 (€51,700), was added to salary costs. This transfer was necessary due to a salary increase of 2.3% for 2017. On Title II, a small readjustment of €9,000 was proposed to cover a study into insurance options. No changes are foreseen in Title III.

Martin BORG (Malta) and Ingrid MÜLLER-ROOSEN (Germany) asked for clarification on the increasing staff costs for the ETF and the correction coefficient for Italy.

Henrik FAUDEL (ETF) explained the two factors behind the staff costs, which are outside the ETF's control. Firstly, the salary adaptation reflecting changes in the net remuneration of national civil servants in a reference group of member states and cost of living in Brussels and Luxembourg. Secondly the correction coefficient weights the remuneration depending on the living conditions in the various places of employment. Given that the EC only provides these figures in November, with a retroactive effect from the previous July onwards, it is difficult to plan the budget. The ETF also asked DG BUDG permission to pay the salary adaptation in January the following year, and not in December.

Micheline SCHEYNS (Belgium), noting that staff salary planning was also a challenge for Cedefop, invited the Commission to reflect on a more manageable system for agencies.

The Chair took note of the point. He confirmed the complexity of the subject and the financial rules.

The Governing Board adopted the ETF 2017 amending budget.

7. Follow up to the ETF external evaluation (by the ETF) and update on the cross-cutting evaluation of the four agencies (by EC)

Peter GREENWOOD (ETF) presented the follow up to the external evaluation action plan agreed with the GB in November 2016.

After including the new intervention logic in the 2017 planning, it was integrated into the implementation and monitoring of the Work Programme. The ETF noted that some further adjustment should still be made, which would be included in the 2018 programming document.

The ETF revised its projects on employment and entrepreneurial learning and took steps to strengthen its cooperation with EU and international organisations. The revised cooperation agreement with Cedefop will be on the agenda of the November GB meeting. To improve coordination with the Commission, the ETF had made proposals in a paper on maximising ETF support to enlargement and neighbourhood policies for discussion in the Structured Dialogue meeting in November 2016. The ETF was working to increase its outreach through the 2017 transversal digitalisation project with three pilots planned in the second half of 2017. The ETF had revised its KPIs and updated its cascade of performance-related policies and processes as well as core business progress indicators.

Lastly, the ETF had reported on the GB management costs in Section II of the CAAR. These respect the ceilings fixed by the GB. Further economies may still be possible on the cost of meetings.

The Chair passed the floor to Kiril KIRYAKOV (DG EMPL) for an update on the external evaluation of the four DG EMPL agencies. He reminded the audience that the evaluation was designed to inform the debate on the role of agencies in the post 2020 agenda. The cross cutting evaluation started in January 2017 and took into account the findings from the recent ETF evaluation.

The external evaluators have provided an interim report. The final report is expected by the end of the year. The Commission will provide an update of the state of play during the GB meeting in November. The preliminary findings will also be discussed in a validation workshop involving GB members and key staff from the four agencies. The overall process would conclude with a new EC Communication on the future role of the agencies in 2018.

Micheline SCHEYNS (Belgium), the GB representative on the external ETF evaluation steering committee, congratulated the ETF on the progress in addressing the evaluation recommendations. She expressed her perception that the cross-cutting evaluation was less thorough.

The Chair confirmed that the impact of the evaluation on the ETF might be limited given that the agency was already putting in place recommendations from its own evaluation. However, the evaluation's thoroughness could only be assessed when the results were available.

Kiril KIRYAKOV (DG EMPL) took note of the remarks made and promised to raise them in future discussions with the contractor.

Madlen SERBAN (ETF) took the opportunity to inform the Board that the external evaluation recommendations were also used in the ETF's reply to the ECA report on performance indicators as well as on the ratio between administrative and core business staff.

8. Oral reports

See annex

9. Introduction of the new ETF Director.

The Chair informed the GB members about the last stages of the recruitment process. Following the successful participation of Cesare ONESTINI in the hearing of the European Parliament, Committee on Employment and Social Affairs, which took place on 30 May, the Director-General of DG Employment will offer a five-year contract to Mr ONESTINI, starting 1 September 2017.

He thanked Mr ONESTINI for having spent two weeks at the ETF, preparing for the transition, and asked both Directors to proceed with the handover procedure.

Madlen SERBAN (ETF) thanked the GB members for their support and the ETF staff for 8 years of professional engagement. She also thanked Cesare ONESTINI for his availability, and both proceeded with the signature of the handover document.

The Chair announced that an interim solution was required, covering the period end June- beginning September and, with the approval of the GB Members, appointed Henrik FAUDEL (ETF) as interim Director for two months. The Chair thanked Madlen SERBAN for her eight years of dedication and achievement, together with ETF staff, which had improved the reputation of the ETF.

James CALLEJA (Director Cedefop) thanked Madlen SERBAN on behalf of his agency for the support and the fruitful cooperation.

The partner country representatives also thanked Madlen SERBAN for her active engagement in the field and for her passion she showed in supporting them.

Micheline SCHEYNS (Belgium), on behalf of all the GB members, said a few words of appreciation. She was grateful for her knowledge, expertise and commitment, but also for the role she played as director, manager, entrepreneur, strategic leader and strong networker.

10. Any other business

The Chair thanked Micheline SCHEYNS (Belgium) at her last GB meeting for her many years of commitment and contribution to EU VET policy and the ETF.

The Chair again reminded members to provide their CV and declarations of interest without delay.

The Chair also invited the Board members to complete their evaluation form of the meeting.

11. Date of next meeting

The next meeting of the Governing Board is scheduled to take place in Turin on 17 November 2017.

Follow up actions:

- The ETF to send the CAAR and Analysis and Assessment to the EU institutions by 15 June 2017;
- The ETF to send the 2016 Accounts and GB opinion to relevant EU institutions by 1 July 2017;
- The ETF to present the new cooperation agreement with Cedefop for adoption by the GB;
- The ETF to revise the Intervention Logic in the context of 2018 programming;
- GB Members to provide the Declarations of Commitment and Interests without delay.

ANNEX on Oral reports

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

Kiril KIRYAKOV (DG EMPL) updated the Board on the 2016 European Vocational Skills Week involving 780,000 participants in over 900 events across Europe. Given its success, the VET Skills Week will become an annual event. In 2017, it will be organised from 20 to 24 November with a focus on mobility, particularly on partnerships and the sector approach to skills. The week will largely feature local events in Member States with a few events in Brussels. The ETF would again take care of the VET awards for excellence and entrepreneurship which also involve partner countries.

A new initiative, "Investing in Europe's Youth", was adopted by the Council in December 2016. It comprises a first proposal on tracking graduates, including VET graduates, a quality framework for apprenticeships and a new proposal for an Erasmus Pro programme for the mobility of apprentices and work placements. By tracking of graduates, the EU will collect information about how students enter the labour market or pursue further studies, their career pathway, the use they make of their skills, etc. A Council Recommendation is planned for the second half of 2017.

The framework for quality and effective apprenticeships, including the EAfA, will help to promote the work of the ETF. Several partner countries have joined the Alliance, as have all candidate countries. Following discussions in the ACVT and with the Presidencies, a second Council Recommendation on the EAfA will be prepared.

The new Erasmus Pro Programme, which supports the long duration VET mobility of apprentices, VET learners and recent graduates in work placements abroad, targets up to 50,000 new mobility opportunities. In October, the general call for Erasmus Pro will be published, with a deadline for applications February 2018.

The Council Recommendation on Upskilling Pathways from December 2016, providing opportunities for adults, especially those with low levels of skills knowledge, may inspire the ETF's work

Bernard BRUNET (DG NEAR) presented the EU policy frameworks for the enlargement and neighbourhood countries.

The Enlargement Strategy is now well established and no major changes are foreseen in the short term. The new package expected in spring 2018 will highlight the implementation of the strategy with seven detailed country reports. A focus of the package will remain on economic governance and the progress made in the implementation of the economic criteria for accession.

In addition, the Commission is continuing to implement the light EU-Semester (or ERP) process with employment and social protection featuring among the structural reform measures. The ETF was associated with the annual cycle of assessment of the ERPs completed last May and joint conclusions between the EU and the ministers of the seven enlargement partners were adopted in the margin of the Ecofin Council meeting, including in the areas of employment, VET including adult learning, teacher training and education. Assistance in the HCD sector is increasing, and considered a means for sustainable, inclusive economic development.

For the Neighbourhood region, the EC and the EEAS published a joint Communication on 18 May 2017 on the implementation of the ENP. Significant developments have taken place in AM through a new agreement, while negotiations with AZ have been launched. Cooperation between the EU and TN has been strengthened notably through a dedicated communication laying out new initiatives including a special youth partnership. In March, a joint Communication on the Syrian crisis was published, which includes actions on the refugees hosted by the surrounding ENP countries. For all ENP countries, the focus is on the creation of sustainable and decent work. This includes many programmes in the area

of VET both in the East and South. The ETF is closely engaged with DG NEAR for example through the revision of the programming documents for the ENP and support for Enlargement Delegations through a dedicated seminar in the autumn.

Jean-Paul HEERSCHAP (DG DEVCO) mentioned several developments relevant for the ETF. The new **European Consensus for Development**, with youth employment as an important theme. This was discussed at the Torino Process Conference. In November, the fifth AU-EU summit will take place in Abidjan, to renew the **Africa-EU Partnership**. A joint Communication, in which job creation and youth employment play an important role, was published in May. Actions include work on managing migration and mobility through a partnership framework approach; initiatives for specific economic sectors; and increasing knowledge and skills in basic education while making VET and higher education more relevant for the labour market.

A reference manual on VET for Delegations was published on the DG DEVCO website and can be downloaded. Mr HEERSCHAP thanked ETF for the support to the preparation of the manual. The annual seminar for Delegations will be held during the Vocational Skills Week with ETF support.

For the Upskilling Pathways initiative, Micheline SCHEYNS (Belgium) asked whether the EC could not support the Member States in motivating companies to invest in upskilling initiatives. Monia RAIES MGHIRBI (Partner country observer) asked whether the Erasmus Pro Programme and Upskilling Pathways were open to Partner Countries.

Underlining the importance of cooperation with EU assistance, Madlen SERBAN (ETF) mentioned that the ETF would be keen to support EU-Africa cooperation, within its geographical mandate.

The Chair confirmed that companies are one of the EC interlocutors, but cooperation is uneven. Although Erasmus Pro is not open to partner countries, a pilot project will be launched in which they will be allowed to participate.

Trends and developments at the ETF

Madlen SERBAN (ETF) introduced a presentation on how the ETF is considering VET progress in the partner countries, following a request made by the GB last year. She also mentioned that full overview was available in the “Trends and Developments” report.

Anastasia FETSI (ETF) explained how the ETF measures country progress in VET. The effectiveness of systems is measured through quantitative indicators, whilst efficiency is measured with qualitative indicators.

The ETF measures the outputs of the existing system through indicators such as participation in VET; incidence of NEETs, early school leavers; proficiency in reading, maths, science; and education attainment. To assess the outcomes of reforms, ETF indicators measure adopted legislation, the presence of learning outcomes, the participation of stakeholders in policy design and quality assurance elements. Serbia was presented as a case study. The ETF uses data and analysis primarily to help the country itself, but also to inform its support to the EU and of course, its own work.

The ETF is demanding in putting forward indicators which help the countries design, implement and evaluate VET reform. However, they do not always have the necessary information or indeed use it for policy making. Building capacity in partner countries to address this gap is a high priority for ETF work. Systematic collection and use of data should be improved mainly in the areas of satisfaction of employers on available skills, and satisfaction of learners from the VET system. The next Torino Process report, planned for 2019, will tackle these issues.

Dragana SAVIC (partner country observer) confirmed the ETF analysis of RS and the problem of missing data. She explained that Serbian legislation would be aligned with EU law by the end of 2018.

Monia RAIES MGHIRBI (partner country observer) informed that TN had participated in the Torino Process since 2010. Tunisia was also the first country in the region to carry out the Torino Process analysis at regional level. Nevertheless, capacity building at regional level is still needed and the ETF supported this at an event in Rabat for all SEMED countries in February 2017. She recommended more focus on VET attractiveness and relevance, data collection, inclusive participation and ownership. Nigar ISMAYILZADE (partner country observer) provided information on the Torino Process coordinators' meeting. The national coordinators called for more commitment at national level and for more analytical and evidence based results. She reported that governance had changed in AZ over the past two years, through the creation of a VET agency, the approval of a law on VET and the development of a strategic roadmap for VET.

Micheline SCHEYNS (Belgium) commented that she would be interested in receiving comparative views, not only for partner countries but also for comparisons with Member States. She asked how the ETF measured proficiency in reading, maths and science. Anastasia FETSI (ETF) replied that the quantitative data are compiled from sources such as PISA.

Update on the Maltese Presidency

Martin BORG (Malta) provided an update within the context of education and employment. The Presidency focused on the relevance of achieving high quality education for all, through inclusion in diversity and linked to the requirements of the labour market, whilst focusing on a flexible, diversified and comprehensive approach. The role of youth was emphasised, through the support of young people's development in essential life skills, their transition to adulthood, citizenship and working life. He mentioned the key focus on digital technology through the successful DGVT event on attractiveness, future challenges through automation, artificial intelligence and financing.

Update on the upcoming Estonian Presidency

Kulli ALL (Estonia) introduced the country and the Estonian Presidency priorities: innovation, digitalisation, security, inclusiveness and sustainability.

In the area of education and VET, the Presidency plans to take forward the Skills Agenda and subsequent initiatives, in particular the modernisation of higher education and schools, graduate tracking and Europass. She also provided the calendar of events, with a DG Schools meeting 18-19 September and DGVT in Tallinn on 9-10 October. A big education conference will take place on 19-20 September, with the participation of Eastern Partnership countries and the support of the ETF.