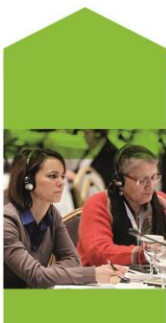


CONSOLIDATED ANNUAL ACTIVITY REPORT

2017



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THE ETF IN BRIEF

The European Training Foundation (ETF) is the EU agency with the mandate to support the European Union's external action policy in the area of human capital development. The ETF cooperates directly with 29 countries^[1] bordering the EU to improve their vocational education and training policies and systems, analyse skills demands and use and develop their labour markets for achieving greater and sustainable social development and economic growth.

The agency builds on the human capital dimension of the political priorities of the European Commission such as the *New Boost for Jobs, Growth and Investment* and the *Stronger Global Actor* launched by President Juncker in 2014. The *Global Approach to Migration and Mobility*, with regard to the human capital dimension and the external dimension of the *EU Skills Agenda*^[2] and the *European Pillar of Social Rights* also guide the ETF's activities in supporting education and training systems and well-functioning labour markets in third countries.

The *Copenhagen Process* to strengthen vocational education and training is another source of influence, in particular to support policy development and implementation of improvement actions of the five medium term deliverables (MTDs) agreed under the *Riga 2015 Conclusions* between all EU Member States and candidate countries.

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, in order that EU assistance is targeted to country capacities and priorities. The ETF engages in coordinated actions with Eurofound and Cedefop to ensure that lessons from the EU are shared beyond its borders, and used to inform reform processes and implementation in third countries.

Internationally, the ETF collaborates with a range of stakeholders and with relevant international organisations and donors. This is framed by the European Consensus on Development and the human capital dimension of the UN Sustainable Development Agenda, which identifies two specific goals on education and employment relevant for all partner countries, and which drives the strategy and activities of the inter-agency group platform in which the ETF is an active participant.

The ETF collaborates with partner countries through country specific as well as multi-country actions, to create a framework for continuity and evidence informed policymaking and implementation in uncertain and, at times, unstable contexts.

Activities in the partner countries focus on the analysis of skills demands and employment needs, system governance including the engagement of stakeholder groups, social dialogue and private sector participation, the establishment of quality systems through modernising qualifications systems; work-based learning development, teacher training; entrepreneurial learning and core competences, and career guidance. Country and multi-country actions are identified after a detailed analysis of EU external priorities, overall country assistance in the domain of human capital, and partner country needs and development aspirations in line with EU human capital development policies and social values.

The new ETF Director, Cesare Onestini, was appointed on 1 September, 2017.

^[1] Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Egypt, the former Yugoslav Republic of Macedonia, Georgia, Israel, Jordan, Kazakhstan, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR1244 and the ICJ opinion of the Kosovo declaration of independence – hereinafter 'Kosovo'), Kyrgyzstan, Lebanon, Libya, Moldova, Montenegro, Morocco, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual position of the EU Member States on this issue), Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine and Uzbekistan.

^[2] COM(2016)381 final

EXECUTIVE SUMMARY

The consolidated Annual Activity Report is based on the 2017 Annual Work Programme, as part of the 2017–2020 Single Programming Document and the 2014–2017 Mid-term Perspective.

a) Key results and progress towards the achievement of general and specific objectives

The ETF successfully implemented the 2017 Work Programme with a 93% activity completion rate. This compares to a rate of 94% in 2016. Of the activities completed, 88% were achieved as planned, showing a high level of planning and implementation discipline, but at the same time the agency's ability to respond to the changing needs of the partner countries and respond to EC and EEAS requests.

Key achievements from the activities implemented during the year are highlighted below. More detail on ETF operational achievements is given in Section 1.

Support to EU assistance in the context of EU external policies

In 2017, the ETF was involved in the identification, formulation, implementation, monitoring and evaluation of EU external aid programmes in skills development and employment amounting to almost €250 million. The European Commission and EU Delegations in the partner countries made a total of 105 requests for assistance from the ETF. Although the number of requests is the same as in 2016, there has been a shift towards more substantial, longer term interventions, demonstrating the Delegations' trust in ETF expertise, and giving the ETF the means to support reforms in its partner countries through larger scale EU interventions. The majority of requests were for South Eastern Europe and Turkey followed by countries in the Eastern Partnership and in the Southern and Eastern Mediterranean region.

The up-to-date and comprehensive nature of the ETF's sector expertise is requested in particular by DG NEAR and the EU Delegations in the Neighbourhood and Enlargement regions. The ETF contributed to enhancing the relevance, efficiency and effectiveness of EU interventions in particular through the design of a new skills development budget support programme (SRPC) in Georgia, support to sector policy dialogue in Albania and Jordan, content monitoring and methodological advice to EUDs for EU programmes in Egypt (TVET II), Azerbaijan (EU Education Support Programme) and Belarus (first EU VET and Employment project). The ETF also supported a feasibility study for the first large-scale EU support programme for vocational education and training in Ukraine and implemented a mid-term evaluation of the EU programme on youth employment in Algeria.

As in previous years, the ETF supported the Commission in monitoring the progress of reforms in the Enlargement region through input to Riga reporting (in close cooperation with Cedefop), input to the Commission assessment of the national Economic Reform Programmes (the light European Semester approach) and contributions to relevant bilateral Sub-Committees (Acquis Chapters 26 and 19) under the coordination of DGs NEAR and EMPL. The ETF also supported DG DEVCO by providing expertise input in quality assurance and financing the annual DEVCO training seminars for the Delegations.

Additionally, the ETF and the Commission (EMPL, NEAR) co-organised a seminar for EU Delegations from the Western Balkans and Turkey. The seminar reviewed priorities for human capital development policies in the region and set out the ETF's role and support. Following the seminar,

requests for ETF contributions to policy dialogue within the Sector Reform Contract in Serbia and the 2018 Instrument for Pre-accession intervention design in Kosovo³ were confirmed.

Policy analysis and system wide progress monitoring

In 2017, the ETF completed the fourth cycle of the Torino Process, the periodic participatory assessment of the status of vocational education and training in partner countries. Based on national reports completed in 2016, the ETF published 25 country reports and produced and published four regional reports. The Torino Process has been used by several partner countries (Kazakhstan, Russia, Tunisia and Ukraine) as a methodology for the strengthening the involvement of sub-national level actors in skills policy dialogue, with more than 40 regions and cities taking part in 2017. The Commission has used the Torino Process as an input to programming and implementation (Belarus, Georgia, Israel, Morocco, Tunisia and Ukraine), and donors have benefitted from it as a tool for policy dialogue (Lebanon, Tajikistan and Palestine⁴).

A dedicated blog platform was used to disseminate details about the process and it received more than 10,000 visits in six months and gained 14,500 followers (<https://blog.torinoprocess.eu/>). Furthermore, a new report extraction tool available at www.torinoprocess.eu generated more than 3000 report downloads in its first four months. The Torino Process conference was hosted in Turin in June 2017 with more than 300 participants from partner countries, the EU and donor community. Its online sessions were followed by almost 10,000 people through the website and Facebook live. An online community dedicated to project implementation was made public at the end of the process providing access to all background papers⁵. The fifth round of the Torino Process will be launched in 2019 and completed in 2020.

Also in 2017, as part of its policy analysis and progress monitoring activities, the ETF was involved in the monitoring of the Riga mid-term deliverables in the candidate countries in partnership with Cedefop, including contributing to the joint mid-term report and playing an active role in the Advisory Committee and Directors General of Vocational Training meetings.

Governance of vocational education and training

In the field of governance, in 2017 the ETF contributed to the progress of reforms and better governance arrangements at horizontal (social partnership), vertical (sub-national level actors) as well as at the legislative and financial levels.

3 This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion of the Kosovo declaration of independence – hereinafter 'Kosovo'

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

5 <https://connections.etf.europa.eu/communities/service/html/communitystart?communityUid=79f686f5-87e0-4f04-90e1-a1fa53900ca2>

Spotlight on governance in Ukraine

The ETF supported Ukraine's Ministry of Education and Science in identifying practical measures needed to make regionally devolved vocational training a success. The joint project led to a Green Paper – the blueprint for the reform – which was presented at a meeting in Kyiv in April attended by Ukrainian Prime Minister Volodymyr Groysman, Education Minister Liliya Hrynevych and EU Ambassador Hugues Mingarelli.

Following the presentation of the Green Paper, the ETF supported the EU Delegation in carrying out a feasibility study for a major EU intervention in vocational training. In 2018, the ETF will advise on the design of the intervention itself. The EU sees economic development as its key objective in Ukraine to build prosperity and support stability and social cohesion. Human resources are a key priority within the EU Ukraine Association Agreement and Deep and Comprehensive Agreement signed in January 2016.

In Tunisia, the government is actively using the ETF methodologies on VET regionalisation piloted in Médenine and Gabès in other regions, in synergy with the EU Irada project.

In Moldova, the ETF provided advice on the role of Sector Committees, which has been used to draft the new Labour Law.

In Serbia, the ETF proposal to establish a knowledge hub on skills needs in the ICT sector was taken on board by the government.

In addition to existing requests (Egypt, Morocco, Ukraine), the ETF received other requests for support in the VET governance area, namely: a new methodology to assess country VET strategies, new project designs in Belarus and Tajikistan, new project implementation in Jordan, training for EU Delegation staff members in financing vocational education and training, new invitations from the Commission to disseminate VET governance expertise in regional initiatives (Union for the Mediterranean, Employment and Social Affairs Platform, meeting of the EU Delegations of the Western Balkans).

VET provision and quality

In November 2017, the European Training Foundation (ETF) launched the Forum for Quality Assurance in Vocational Education and Training (VET). This Forum is a transnational collaboration initiative between ministries or national level institutions with VET and/or VET quality assurance mandates in the ETF's partner countries. Fifteen partner countries participated in the Forum from South-Eastern Europe and Turkey⁶ and the Southern and Eastern Mediterranean⁷. The Forum will operate on a pilot basis from 2017 to 2020.

The purpose of the Forum is to support its member countries to modernise and improve quality assurance in VET in accordance with the development of their VET systems and derived from their own existing policies and practices by providing the context and means for peer learning through transnational co-operation. The Forum work plan is inspired by EU policy for quality assurance in VET and the EU Network, EQAVET.

6 Albania, Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, Turkey

7 Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Tunisia

Spotlight on work-based learning

The ETF has been supporting the Eastern Partnership countries, Kazakhstan, the Western Balkans and Turkey in integrating work-based learning into their vocational education and training systems.

In the Eastern Partnership countries and Kazakhstan, the ETF has supported stakeholders from government and business through capacity building, peer learning and country-specific activities, including the development of practical tools for supporting the rollout of work-based learning. All countries are now piloting work-based learning approaches, and most have legislative instruments in place or under development.

In the Western Balkans and Turkey, the ETF is supporting the implementation of the Riga mid-term deliverables, for which all countries have identified work-based learning as a priority. The ETF provided support in carrying out ex-ante evaluations to identify policy options and follow through with country-specific and regional activities. A key action has been facilitating the countries' participation in the European Alliance for Apprenticeships. Two regional seminars organised in cooperation with the European Commission provided opportunities for peer learning and exchange of good practice amongst the partner countries and with EU Member States. Montenegro has led the way in introducing a nationwide dual education system. Turkey, which already had an apprenticeship system, has made significant progress in formalising and expanding it. The other countries are at various stages of development, with Serbia planning to introduce a dual system in 2019.

Qualifications and qualifications systems

The ETF supported 14 countries to advance their national qualifications framework development or implementation in 2017 through advice to EU projects and the development and adoption of methodologies and tools working closely with national actors. Notable progress was observed in Ukraine, where the ETF provided advice on the content of the successfully-adopted new law on vocational education and training and secured agreement on a new qualifications agency; in Turkey, where the ETF methodology and a tool for the validation and recognition of refugee skills and qualifications was adopted; in the former Yugoslav Republic of Macedonia and Kosovo, the ETF facilitated the implementation of VNFIL tools and systems such as procedures, handbooks and training manuals; in Israel, where NQF legislation was adopted for the first time and where EU twinning support was secured. Furthermore, a webinar gave the opportunity for question and answer sessions with four central Asian countries and support was provided in Georgia and Tunisia to revive the development of the NQF.

The toolkit “Getting Organised for Better Qualifications” and its supporting interactive tools were rolled out in all ETF regions and several partner countries worked with the ETF to translate, consult on and disseminate the toolkit recommendations. This ETF initiative and the communication activities around it received two separate international business communication awards in 2017 from the International Association of Business Communicators: <http://gq.iabc.com/wp-content/uploads/2014/08/2017-GQ-award-Winners-7.pdf>.

The ETF advised Turkey in its successful referencing to the EQF and also contributed to the new EQF recommendation, notably its provision enabling third countries, which includes ETF partner countries, to link their frameworks to the EQF.

Spotlight on recognition and validation of migrants' skills

The ETF's work in the Eastern Partnership countries on recognition of qualifications and validation of skills helps make the most of migrants' skills and facilitates legal migration. Encouraging partner countries to include such mechanisms in the reforms of their qualification systems was the focus of a conference organised by the ETF in Tbilisi in October 2017 under the Eastern Partnership Platform 2.

Employment, skills and employability – including skills and migration

In 2017, the ETF worked with 16 countries to support the development and use of labour market intelligence as an input to their employment and VET policy. These activities contributed to increased stakeholder knowledge about skills development tools and measures. The main achievements are listed below:

In the Eastern Partnership region, within the framework of Platform 2, the ETF facilitated knowledge exchange and peer learning for six countries through a regional project 'Make it Match' (2014-17), which included a regional workshop in Riga. In addition, at country level:

- in Ukraine, the skills forecasting model was developed and will be institutionalised in the labour market analysis system;
- in Moldova, support for the implementation of the pilot tracer study was provided and, in 2018, the tracer study will be carried out at national level;
- in Azerbaijan, support was provided for the establishment of a labour market observatory;
- in Georgia, follow up support was provided to analyse the results of employer surveys in two sectors.

The ETF also carried out a mapping of policies to support youth transition to work in Azerbaijan, Armenia, Belarus, Georgia, Moldova and Ukraine. National reports and a regional synthesis will be published in 2018.

In the Western Balkans and Turkey support was provided in Bosnia and Herzegovina, and Kosovo for the development of mechanisms to facilitate young people's transition to work, and in Montenegro and Serbia for the development of mechanisms and arrangements for skills anticipation.

In the Southern and Eastern Mediterranean support was provided in Lebanon for the development of an employer survey and in Algeria for the establishment of labour market information system. MISMES (inventory of migrant support measures from an employment and skills perspective) reports were published and the results of the analysis were disseminated in Jordan and Lebanon.

Spotlight on migrants' skills

Some countries in the Southern and Eastern Mediterranean are especially affected by migration. The refugee crisis caused by the wars in Iraq and Syria has put Jordan and Lebanon under enormous pressure. To better understand the challenges and identify areas for action, the ETF mapped skills support measures aimed at refugees, emigrants and foreign workers. The research calls for greater investment in skills development and policy dialogue on migration. The research was presented to key national stakeholders, who proposed concrete actions to improve skills and employability, including the early profiling of migrants skills, linked to the EU's Skills Profile Tool for Third Country Nationals, quality labour market analysis and engaging migrants living abroad through training and exchange opportunities.

In Turkey, the ETF cooperated closely with the European Bank for Reconstruction and Development to respond to the need to integrate refugees into the labour market through tailored inclusion models and mechanisms for the recognition and validation of migrants' skills and qualifications. The objective is to foster partnerships between businesses, education and training institutions and employment and social services to facilitate the transition from training into employment for young job seekers. This includes extending the national network of Vocational Skills Testing Centres, expanding high quality work-based learning opportunities (including apprenticeships and youth guarantee schemes), and improving career guidance in partnership with the private sector.

Entrepreneurial learning and enterprise skills

In 2017, key developments in the ETF's entrepreneurship work included the elaboration of a revised assessment tool for the Small Business Act (SBA) specifically for the pre-accession region, including road-testing in two countries (Bosnia and Herzegovina and Serbia). Meanwhile, SBA assessments were undertaken in most countries of the Southern and Eastern Mediterranean (except Libya, Syria and Egypt which were carried forward to 2018 due to political constraints in 2017). The outcomes and recommendations from these assessments will feature in a publication to be shared at a regional ministerial meeting in 2018. In terms of direct support to the partner countries, specific efforts to promote the European Entrepreneurship Competence Framework in Ukraine resulted in the competence being integrated into new education legislation and the introduction of strategic curricula piloting and teacher training. In Tunisia, the entrepreneurship key competence was introduced into vocational school curriculum with a core group of teachers trained. The idea is to extend the pilot to all vocational schools by 2020.

Spotlight on Vocational Skills week

As part of EU Vocational Skills Week, Tunisian vocational students, teachers and entrepreneurs, as well as representatives of the government and the EU gathered in Tunis on 14 November 2017 at a forum on developing the entrepreneurial spirit organised by the Tunisian Ministry of Vocational Training and Employment in cooperation with the ETF. At the event, Tunisian Secretary of State for Training and Entrepreneurship, Saida Ounissi, signed a Charter for developing the entrepreneurial spirit and students presented their entrepreneurial projects in a dedicated pitching session. The forum was web streamed live on the ETF's Facebook page and YouTube Channel. Giving young people the confidence and the competences to start their own businesses is key to strengthening the country's economy. A generation of young people with an entrepreneurial mind set also stands to benefit employers. The ETF has been actively supporting projects in Tunisia since 2012, as part of its medium to long-term support to the country. The ETF's intervention strategy for 2017–20 focuses on improving youth employability and access to the labour market.

b) Key Performance Indicators (KPIs)

The ETF, as a 'cruising' agency of the European Union, achieved a very high level of performance in all of its organisational areas in 2017. This is evidenced by the fact that in 13 out of the 14 Key Performance Indicators (KPIs) the agency is above or well above target. Additionally the productivity and quality indicators provide evidence of sound quantitative and qualitative performance in all process areas. Conclusions drawn from external audit and evaluation reports and internal monitoring also support the assessment of the maturity and stability of the agency.

The comparative table of the 14 KPIs presented on the next page provides an overview of achievements for the period 2014–17. Overall a positive trend emerges towards the full achievement of the goals set in the Mid Term Perspective (MTP) 2014–17. In particular:

- The activity completion rate is above the target at 93%, as is the timely completion rate at 88%, even though the situational context in which the ETF operates is dynamic and can at times be volatile in terms of social and political developments in the countries. The networks and trust that the ETF has established in the partner countries enables the agency to plan, adapt and respond appropriately without compromising administrative goals.
- In terms of financial resources, the ETF has maintained its high level of budget discipline and management which resulted in a high level of achievement in all of the financial indicators. Contributing factors have been an increased effort in accurate contract management and monitoring of activities. The financial indicators with regard to the rate of cancellation of payment appropriations (0.29%) and timely payments (94%) are at the highest they have been in the last six years. The 99.93% commitment rate and the rate of outturn at 99.93%, also indicate a high level of financial management performance.
- The rate of implementation of audit recommendations is 100% for the second year in a row, illustrating the commitment from the management to follow up on audit recommendations.
- The level of satisfaction from the European Commission services for the support received from the ETF addressing specific requests from EU Delegations and services is 100% - for the quality of the support either very good or good, the support was assessed as either very useful or useful and timeliness either very good or good.
- With regard to the progress of partner country progression within a policy stage or to the next stage, 80% of countries (target 70%) made progress in at least one policy area.
- The ETF has identified 936 key partner country stakeholders from 27 countries with whom to engage in human capital development activities. Through the various dissemination actions, the ETF has a 99.5% dissemination reach (weighted sum reach through digital media, events, downloads, publications).
- The average occupancy rate of ETF staff in authorised posts is 97%, a level which has been relatively constant over the medium term. The staff engagement indicator arising from a staff survey was not measured in 2017 because of the active measures put in place after the survey was conducted in 2015 to address the issues raised. The next survey will be conducted in 2018.

KPIs for Overall Performance

KPIs		Description and target	2017	2016	2015	2014
1. Activities completion rate ^{8*}	😊	Rate (%) of completion of the activities of the ETF Work Programme Target >90%	93%	94.07%	96%	97%
2. Timely achievement of activities of WP*	😊	Rate (%) of activities of the ETF Work Programme timely achieved in year: Target 80%	88%	90.7%	83%\$	83%
3. Timely submission of WP/SPD to EC*	😊	The Annual WP/SPD timely submitted to the EC. Target 100%	100%	100%	100%	100%
4. Administrative support, / operational staff ratio*	😊	(Administrative support and coordination job type category)/(Operational job type category / Neutral job type category) Target <30%	18.08%	18.6%	23.5%	22%
5. Level of satisfaction of EC requests	😊	Rate (%) of positive feedback from EC project request implemented in Year Target 80%	100%	100%	100%	100%
6. Countries' policy development progress	😊	Rate (%) of countries successfully progressed within stage or next stage of policy development. Target 70%	80%	n/a	n/a	n/a
7. Dissemination reach	😊	Weighted sum of: no. people reached through digital media, downloads and events in 2017	99.5%	n/a	n/a	n/a
8. 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 December. Target >95%	97%	99%	98%	98%
9. Staff engagement*	😊	Rate (%) of staff engagement from satisfaction survey within the agency. (every two years) Target >2% increase	next survey 2018	56% in 2015	56%	na
10. Commitment appropriation implementation*	😊	Rate (%) of implementation of Commitment Appropriations. Target >98%	99.93%	99.99%	99.89%	99.99%
11. Payment appropriations cancellation rate*	😊	Rate (%) of cancellation of Payment Appropriations Target <2%	0.29%	0.44%	1.85%	0.93%
12. Timely payments*	😊	Rate (%) of payments executed within the legal/contractual deadlines. Target >80%	94%	91.3%	85%	79%
13. 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 Target >96%	99.93%	99.99%	98.51%	99.47%
14. Audit recommendation implementation*	😊	Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines. Target >90%	100%	100%	95%	92%

* KPI's for Directors & benchmarking

c) ETF performance in financial management and internal control

In accordance with the governance arrangements of the European Commission, the ETF conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting a high level of professional and ethical standards.

The ETF has adopted a set of internal control standards and corporate performance KPIs based on international good practice, aimed at ensuring the achievement of operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards. The ETF has assessed the internal control systems during the reporting year and has concluded that the internal control standards are implemented and function as intended. (Please refer to Section 2.1.3 for further details).

The ETF has conducted an annual assessment of its internal controls since 2004 in line with the requirements of Internal Control Standard 15⁹. The assessment ensures that the ETF is able to ensure compliance, report on effectiveness and obtain reasonable assurance that control systems function correctly, and that any potential weaknesses are addressed in the form of corrective actions. 2017 is a transition year for ETF internal controls, as the ETF revised its internal control framework and the Governing Board adopted the ETF Internal Control Principles in 2017¹⁰, ready for implementation as of 2018. The 2017 assessment is therefore based on the 16 Internal Control Standards in place in 2017.

The 2017 annual review of the internal control system and organisational performance provide 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. Overall the results are positive as 10 out of 16 internal control standards were assessed as having an 'adequate system in place'. Six internal control standards were assessed as needing 'slight improvements'. No internal control standard was perceived as needing 'significant improvements' and no internal control standard was assessed as having 'no system in place'.

Additionally, since 2015, the ETF has used a set of corporate performance KPIs to track and monitor organisational performance. They include the KPIs for Directors of EU decentralised agencies and other already existing corporate performance KPIs. They show that in 2017, 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 benchmarks and targets.

In addition, the ETF systematically examined the available control results and indicators, 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 Section 2.1 for further details).

In conclusion, the ETF's management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in his capacity as Authorising Officer has signed the Declaration of Assurance for 2017.

⁹ 16 Internal Control Standards adopted by ETF GB on 3 March 2009 GB/09/DEC/004. ICS 15 specifies that *"internal control systems are assessed by management at least once a year"*.

¹⁰ 17 Internal Control Principles adopted by ETF Governing Board on 17 November GB/17/DEC/014

1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF OBJECTIVES

In 2017, the ETF contributed to the overall objectives of the EU in the field of human capital development by projecting the external dimension of EU VET skills policies in the partner countries. This was achieved through the successful achievement of the objectives and outcomes of the strategic projects as set out in the 2017 ETF Work Programme¹¹.

The tables below outline the objectives, outcomes and indicators of achievement for each of the ETF strategic projects according to the 2017 Work Programme.

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

Objective: EU policy dialogue on HCD issues is enhanced in partner countries through ETF policy and thematic contributions

Outcome 2017-18	Indicators	2017 achievement
The relevance of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to programming and project design	80% of the EU services supported for policy dialogue, programming/project design, monitoring and evaluation and implementation assess the ETF contribution positively ¹² The ETF is requested to support the design, implementation, monitoring or evaluation in 50% of eligible partner countries	100% of EU services surveyed in 2017 assessed the ETF's contribution positively.
The efficiency and effectiveness of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to implementation, monitoring and evaluation		The overall quality of the support ETF provided either very good or good
EU policy dialogue on HCD issues is enhanced in partner countries through ETF policy and thematic contributions		The ETF's support either very useful or useful, the timeliness of ETF's support either very good or good The ETF supported design, implementation, monitoring and evaluation in 62% of its partner countries.

KEY OUTPUTS

- Georgia: Action Document for the new 50M Euro EU Sector Reform Contract for Skills Development for Employment
- Belarus: a preliminary draft for a new EU intervention on learning regions was prepared at the request of the EUD.
- Algeria: methodological support to the EUD to mainstream employability into all the EU interventions in the phase of formulation.
- Jordan: ETF undertook the second pre-assessment of the SRC Skills & Employment for Social Inclusion at the request of the EUD.
- Albania: sector policy dialogue workshops with the EUD and responsible ministries and institution and the ministry of finance,
- Azerbaijan: ETF started the CMA/grant scheme monitoring at the request of the EUD.

¹¹ ETF Work Programme 2017

¹² Source of verification: ETF administers an on-line feedback survey to EU services on completed requests

1.2 Policy analysis and system wide progress monitoring

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

Outcomes 2017-2018	Indicators & target	2017 achieved
Partner country policy making processes are increasingly evidence based, holistic and participatory, and take into account the results of the Torino Process.	An increasing number of partner countries progress within, or to the next, policy development stage with regard to the use of policy analysis in the policy cycle Target : At least 10 countries make progress in one of the principles vis a vis the 2015 assessment At least 3 countries move to a higher development stage	In terms of country progress 20 countries out of 25 have moved ahead in at least 1 principle. (8 in one; 6 in two; 5 in three and 1 in all four) overall 4 countries have moved ahead in development stage. Progress in PC capabilities is measured through the TRP principles where overall there has been progression on 3 areas (evidence, participation and ownership), while little progress has been made on holistic view of VET.
Sound policy analysis and reporting by candidate countries for the Riga Process complies with the new methodology.	Increased quality of partner country reports to the Copenhagen-Bruges-Riga process measured using Cedefop feedback on the usability of evidence for the report.	There is a higher degree of comparability of data between CC and EU for at least 1 MTD area – target achieved for all MTDs

KEY OUTPUTS

- 25 country reports published
- 4 regional reports published (long and short versions, for SEET, SEMED, EaP and CA), 1 TRP highlights published.
- 2 regional conference organized (TRP-SEET region, TRP-SEMED region)
- Torino Process Conference 'Changing skills for a changing world' – 300 participants, more than 10,000 people reached online, 50 blogs reaching around 15,000 followers
- Website and online self-generation report tool developed at www.torinoprocess.eu
- 3 workshops for CAEP (Central Asia Education Initiative) on Evidence based policy making, delivered
- RIGA monitoring exercise in Candidate countries, ETF produced all country chapters and a regional contribution for the interim report
- a regional meeting (ACVT preparatory meeting) with candidate countries.
- 3 joint ETF-Cedefop background papers were produced based on the candidate country Riga 2017 reports on promotion of key competences in VET (MTD 4); on access to VET and qualifications (MTD 3) and on implementation of all Riga MTDs in 2016-17.

1.3 VET governance

Objective: to improve VET system governance by empowering stakeholders to design, formalise and implement coordination mechanisms at national, regional, sectoral and local levels.

Outcomes 2017-18	Indicators	2017 achieved
Policy options for good multi-level governance, including financing, build on recommendations from ETF reviews, inventories and legislative advice in selected partner countries	Coordination mechanisms, legislation, multilevel governance methodologies, introduced in targeted countries (85%). The ETF VET governance inventory is updated.	Achieved progress in system level coordination mechanisms in EGY, KOS, SER, UKR, the capacity building on VET financing methodology in GEO and KAZ. The governance inventory country fiches were validated by stakeholders in 20 countries and the cross-country analytical report was drafted.
Policy development and implementation of VET decentralisation is strengthened, and human resources is key asset in territorial strategies for sustainable development in selected regions/countries	Targeted countries introduce mechanisms for national and sub-national coordination in VET (85%).	Mechanisms for national and sub-national coordination in VET are well on target, considering good advance of national and sub-national coordination in Tunisia and Ukraine; evidence developed and awareness raised in Serbia; and first situation appraisal in BEL. Target achieved on social partners' capacity, with increased active involvement in VET GOV actions, dedicated capacity building, and attendance of an EU-level expert meeting on social dialogue, namely for MDA, MOR, SER, TUN, UKR. Awareness raising of Economic and social councils of Western Balkans, and involvement of one BiH representative in an ETF technical workshop. The plan to enhance advocacy for CSO in VET policy cycle was developed, and advice on a grant scheme for CSO provided in JOR.
Increased capacity of social partners and other civil society organisations to take an active role in VET governance at national and/or territorial level in selected partner countries	Social partners and other civil society organisations actively involved in VET governance actions.	

KEY OUTPUTS

- New methodology to assess country VET strategies' solidity;
- Training of EUDs staff on VET financing;
- Participation in regional platforms (UfM, ESAP);
- VET financing position paper and two technical notes;
- VET decentralisation policy messages
- Cooperation with Eurofound on social partnership
- Synergy with EGPA expertise was used especially on VET decentralisation.

1.4 VET provision and quality assurance

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

Outcomes 2017-18	Indicators	2017 achievement
Work-based learning enhanced in different forms, with special attention to apprenticeships and internships/traineeships, by involving social partners, companies, chambers and VET providers	All five candidate countries implement MTD WBL policy options and participate in EaFA. A majority of EaP countries implement new WBL schemes / initiate demonstration projects for WBL Selected SEMED countries develop action plans on WBL enhancement. All SEET countries implement the final round of CPD demonstration projects and a selected number of candidate countries implement MTD CPD policy options Quality assurance in VET:	All five candidate countries implemented MTD's 1,2 and 5 with ETF support. Final round of CPD demonstration projects in implementation "Demonstration project" Moldova: draft set QA tools for WBL in Moldova achieved "Demonstration project" Georgia: financial and non-financial incentives for companies for WBL enhancement first started. Kazakhstan design of workshop on development of financial incentives is achieved
Further development and implementation of quality assurance mechanisms in VET in line with the EQAVET recommendation	50% of partner countries participate in the QA policy learning forum and 15% are committed to develop a systemic QA approach and focus on systematic monitoring of QA improvement	PLA Visit on cooperation between VET schools and Companies in Sweden for stakeholders from Azerbaijan, Belarus and Ukraine, is designed and confirmed WBL platform enriched and updated
Systematic approaches to, and opportunities for continuous professional development of VET teachers, trainers and mentors introduced	Seven demonstration projects contribute to implementation of CPD policies in all SEET countries A selected number of candidate countries Progress in the implementation of MTD CPD in at least two candidate countries,	Over achieved – 16 out of the planned 14 countries committed to QA Forum. All projects contributing to implementation of CPD policies Identifiable progress in systematic implementation of MTD 5 in Albania and Montenegro. Fully achieved (Albania and Montenegro)

KEY OUTPUTS

- Comparative report on Work Based Learning in candidate countries published on ETF website
- ILO-ETF training course
- Synthesis report on SEET
- QA Forum successfully launched. 16 countries joined the Forum
- Handbook on quality assurance

1.5 Qualifications and qualifications systems

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

Outcomes 2017-2018	Indicators	2017 achieved
Lifelong learning qualifications systems progressed and skills and knowledge of partner country institutions and stakeholders developed.	Partner countries progress within, or to next, policy development stage ¹³	<p>80% of countries have progressed within. Or to the next policy stage in qualifications development.</p> <p>100% of partner countries developing NQFs reported on in the ETF NQF inventory – (24 participating partner countries)</p> <p>Progress in Ukraine (Feasibility study on the NQF communication completed), Turkey (ETF-prepared chart validated for use by Turkish authorities and international actors); in Tunisia NQF re-launch event held, stakeholders awareness raised and roadmap drafted.</p> <p>Updated edition of Toolkit produced.</p> <p>2 workshops held to support Albania in EQF referencing preparations.</p>
Evidence based-policy and international policy discussions, moderated by ETF, inform PCs' reforms of qualifications systems.	100% of partner countries developing NQFs and working with ETF analysed and reported in NQF Inventory.	
Candidate and potential candidate countries progress towards referencing their NQFs to the EQF. External dimension of EQF implemented in relevant partner countries..	Measures for transparency, quality, labour market relevance and portability of qualifications implemented by AL, BA, RS, TR,	

KEY OUTPUTS

- Turkey - an innovative new tool was produced to support authorities in assisting Syrian refugees by outlining routes to validate skills or recognise qualifications.
- Azerbaijan – ETF evaluation of occupational standards validated by stakeholders for use in national system.
- Bosnia – Inventory and analysis of national vocational qualifications completed and validated by stakeholders for use reviewing qualifications and in EQF referencing work.
- Former Yugoslav Republic of Macedonia – VNFIL handbook on assessment produced and disseminated. Assessors trained.
- Kosovo – VNFIL policies and procedures document produced by ETF and validated by national authorities.
- Georgia – Analysis of NQF structure and draft legislation informed national authorities' strategies for revised NQF.
- Eastern Partnership event on functions of validation and recognition to support mobility
- Qualifications Platform has reached 800 members internationally from 77 countries

¹³ Measured against ETF policy stage indicators

1.6 Employment, skills and employability (including skills and migration)

Objective: to support partner countries to improve both initial and continuing VET in terms of labour market intelligence and skills for employability

Outcomes 2017-18	Indicators	2017 achieved
Development and implementation of partner countries' mechanisms to monitor labour market trends and use information on skills needs for effective VET policy implementation	At least half of countries receiving ETF support in LM field have developed mechanisms to increase the relevance of VET provision in respect of the labour market	A number of countries (e.g. Algeria, Serbia, BiH, KS, AZ, etc.) are developing mechanisms to anticipate skills needs and use information to adapt VET provisions and labour market policies MISMES dissemination events have taken place in two countries (Jordan and Lebanon) in July Reports on mapping youth transition to work in 5 EE countries are under final peer review.
Increased information and awareness of partner countries about Mobility Partnerships with the EU to develop and implement migrant support measures;	In at least four of the partner countries with Mobility Partnership agreements, National systems provide opportunities for labour market integration through validation/recognition of migrants' skills.	
Development and implementation of partner countries' comprehensive policies and mechanisms to facilitate young people's transitions to work	Five partner countries have started to develop and implement mechanisms to facilitate young people's transitions to work.	

KEY OUTPUTS

- Methodological framework for skills mismatch analysis produced and carried out analysis in Georgia, Serbia, Egypt and Morocco.
- Analysis of labour market trends and employment policy developments in the partner countries as an input to the EU programming and/or project design, - input to ERPs in the SEET countries; developed employability country fiches for the neighbourhood countries (both the EE and SEMED regions) and supported several EU Delegations (e.g. Algeria, Egypt, Georgia) in designing EU-funded programmes on employment and skills development
- Mapping of policies to support youth transition to work in Azerbaijan, Armenia, Belarus, Georgia, Moldova and Ukraine. National reports and regional synthesis report will be published in 2018.

1.7 Entrepreneurial learning and enterprise skills

Objective: to support partner countries to improve both initial and continuing VET in terms of entrepreneurial learning and enterprise skills.

Outcomes 2017 -18	Indicators	2017 achievement
Progress achieved in partner countries implementing SBA human capital recommendations	Improvement in SBA performance on the HCD dimensions in at least three partner countries	Improvement in SBA performance on HCD dimensions in Montenegro, Tunisia and Ukraine - all SBA-related activities including follow-actions have been completed.
Partner countries develop mechanisms to identify and develop SMEs skills	Up to 10 SME skills good practices peer reviewed and available on ETF platform	<p>Tunisia: good practice developments in entrepreneurship, resulted in a national Charter for forward policy developments and enhance capacity of vocational training centres in promoting entrepreneurship key competence based on revised curriculum and teacher training.</p> <p>Montenegro: agreement with Minister of Education on next steps development of Entrepreneurial Partnership building, including leadership of the Minister in cross-ministerial dialogue and cooperation.</p> <p>Ukraine: entrepreneurship key competence is embedded in the new Law on Education 2017, including new capacity in the training of teachers and curriculum specialists on European Entrepreneurship Competence Framework.</p> <p>Five examples of good practice peer reviewed with three site visits, resulting in four training programmes, achieving ETF's good practice star status: three from Turkey and one from Albania.</p>

KEY OUTPUTS

- Revised SBA instrument for the pre-accession region following a request from NEAR
- Good practice call for the EU skills week
- Montenegro and Tunisia - SBA follow-up
- Enlarged policy dialogue to include digital key competence in BiH, GEO and UKR.

1.8 ETF added value

Evaluations are an integral part of the learning and accountability culture of the ETF. All commissioned evaluations on the work of the Agency include an assessment of the 'DAC¹⁴' criteria and the 'added value' of the ETF work in the partner countries.

Findings from the recent external evaluations consistently confirm the ETF's added value as being its high level of expertise, coupled with an independent perspective that enables the building of networks and trust to enable reforms in the partner countries. The recently concluded external evaluation¹⁵ of 2016 states that "attributing tasks and responsibilities from the EU to the ETF provides added value because it has built up a centre of expertise that is also perceived as having, and is valued for, its independence and impartiality, especially in partner countries."

In the two evaluations commissioned by the ETF in 2017, on VET Governance and Continuing Professional Development of Teachers and Trainers activities, similar conclusions are reached.

In terms of the added value of ETF governance work, the evaluation (<http://europa.eu/lcx66bB>) explains that "the establishment of open discussions with a broader range of stakeholders, provided fast access to knowledge and information, covers a broad range of governance issues, brings a comparative perspective from multiple countries and regions, a high level of impartiality and continuity responsive to country needs. The ETF's higher flexibility to partner country needs on VET governance and the accessibility of expertise coupled with higher level expertise, greater thematic and geographic scope facilitates the materialisation of faster change, than if only the actions of other development actors were implemented.

The evaluation of the ETF's work in continuing professional development of teachers in the SEET region (<http://europa.eu/lJK77WQ>) recognises the ETF "as a credible actor that can aptly provide policy advice on the EU agenda and research expertise, also in virtue of its long standing presence in the SEET regions since the pre-accession period. There is a broad and uniform consensus on the added role of the ETF in shaping CPD developments in the SEET region that appears to be complementary to the role of other donor organisations." These findings are also consistent with the recent external evaluation on the ETF commissioned by the European Commission that notes that the ETF contribution "to partner country developments has been especially strong in respect of governance, systems and policy-making"¹⁶.

Annex 9 provides additional detail and summarises the findings and recommendations for future actions from the ETF VET Governance and Continuing Professional Development evaluations.

¹⁴ The five Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) evaluation criteria of Relevance, Effectiveness, Efficiency, Impact and Sustainability

¹⁵ External Evaluation of the European Training Foundation (ETF). Final Report by the EFECTIV Consortium October 2016 p. 135

¹⁶ EC (2016) External Evaluation of the European Training Foundation (ETF)

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section reports on the control results and all other relevant information that support the ETF's management assurance on the achievement of the financial management and internal control objectives.

2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director. The reports produced are:

- Quarterly Management Report
- Annual Progress and Performance Report
- The annual assessment and review of internal controls by the ETF management and internal control coordinator
- Ex-post audit reports
- The observations and recommendations reported by the Internal Audit Service (IAS)
- The observations and the recommendations reported by the European Court of Auditors (ECA)

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. The ETF's assurance building and materiality criteria are outlined in Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

Overall Budget ETF (EU Contribution) (€)	2017	2016	2015	2014
	20,144,089	20,146,132	20,153,042	20,158,053

Out of the €20 144 089.47 available as the EU contribution (€20 144 000 as EU funds and €89.47 as accumulated interest), in 2017 the ETF committed 99.93% (compared to 99.99% in 2016 and 99.89% in 2015), paid 97.97% (97.66% in 2016, 96.04% in 2015) and has performed seven budgetary transfers (compared to seven in 2016 and nine in 2015).

Overall ETF budget 2017 (EU contribution)

	2017	2016	2015	2014
Overall Budget ETF (EU Contribution)	20,144,089	20,146,132	20,153,042	20,158,053
Committed (C1)	20,128,994	20,144,796	20,130,677	20,137,595
Rate (%) of implementation of Commitment Appropriations	99.93%	99.99%	99.89%	99.90%
Rate (%) of cancellation of Payment Appropriations	0.29%	0.44%	1.85%	0.93%
Rate of payments executed within the legal/Contractual deadline	94%	91%	85%	79%
Rate (%) of outturn (Total payments in year N and carry-forwards to Year N+1, as a % of the total EU funding and fee income, where applicable, received in Year N).	99.93%	99.99%	98.51%	99.47%
Overall Budget execution (Com) COM/Budget C1	99.93%	99.99%	99.89%	99.90%
Overall Payment Consumption (T1&2 COM C1 + T3 PAY C1&C8)/Budget	99.93%	99.99%	98.51%	99.55%
Payment Execution of C1 PAY C1 / Budget	91.31%	89.87%	88.40%	86.76%
Payments Executed out of year's budget (PAY C1+ PAY C8T3) / Budget	97.97%	97.66%	96.04%	94.85%
T1&2 Payment Rate paid /committed C1 T1&2	97.45%	98.87%	96.70%	93.64%
PA Title 3 execution	99.96%	99.96%	94.43%	98.54%
CF and RAL of N-1 execution Paid out of CF and RAL	86.24%	85.01%	90.57%	90.05%
CF of N-1 execution Paid/Budget C8 T1&T2	90.84%	82.33%	94.32%	89.51%
Rate (%) of cancellation of PA (unpaid T1,2 C8+ uncomm T1,2 C1+unpaid T3 C1 PA)	0.29%	0.44%	1.75%	0.92%
Overall CF+RAL into N+1	9.09%	10.12%	11.55%	13.14%
Amount CF+RAL into N+1	1,831,540	2,039,124	2,326,674	2,679,538
CF in N+1 - T1	0.6%	1.2%	1.4%	1.5%
CF in N+1 - T2	16.9%	18.4%	16.1%	36.2%
Total CF (T1&T2)	2.6%	3.1%	3.3%	6.4%
RAL in N+1 - T3	30.8%	30.3%	36.4%	32.4%
Number of Transfers	7	7	9	8
Transferred budget	5.4%	6.1%	8.2%	7.1%
Lines with more than 3 transfers	13	15	10	15
Number of transfers in the last 2 months	3	3	5	4
Amount committed last two months for T2	26.7%	24.0%	22.4%	34.8%
Amount committed last two months for T3	10.6%	11.0%	14.5%	12.6%
Cost of GB meetings (2 or 3* per year)	152,100.64	199,589.56	226,811.15	189,781.92
Payments within deadline	94.01%	91.34%	85.03%	78.59%
Total to be reimbursed to EC:	57,010.39	87,703.81	373,397.00	188,193.47
	0.29%	0.44%	1.85%	0.93%
T1 CA uncommitted (C1, C5)	12,427.78	582.99	16,388.71	13,714.00
T2 CA uncommitted (C1, C5)	20.99	438.76	3,996.48	373.52
T1 C8 Unpaid	27,638.72	30,954.02	38,427.07	45,045.00
T2 C8 Unpaid	15,286.63	56,834.77	14,977.00	40,084.00
T3 PA Unpaid:	2,001.47	1,871.00	279,548.72	86,294.00
Other Corrections	-365.20	-2,977.73	20,059.02	2,682.95
T3 C8 decomm (€)	147,708.97	247,904	185,479	156,467

Commitment and payment rates

Budget 2017	Available Budget (€)	Committed (€)	%	Paid (€)	%	Carry Forward/RAL into 2018 (€)	%	Carry Forward/RAL from 2016 Paid (€)	%
Title 1	13,625,733	13,613,305	99.91%	13,536,169	99.3%	77,137	0.7%	127,548	82%
Title 2	1,873,976	1,873,956	100.00%	1,556,584	83.1%	317,371	16.9%	298,164	95%
Title 3	4,644,380	4,641,734	99.94%	3,300,961	71.1%	1,435,732	30.8%	1,345,018	85%
of which:									
GOV	429,240	429,240	100.00%	285,163	66.4%	144,078	33.6%	167,999	95%
SUPEU	122,266	121,960	99.75%	97,968	80.1%	23,993	19.9%	32,169	98%
TURIN	730,346	730,346	100.00%	620,520	85.0%	109,826	15.0%	327,871	93%
EL	214,845	214,828	99.99%	188,926	87.9%	25,902	12.1%	30,663	93%
EMPL	491,847	491,847	100.00%	274,064	55.7%	217,783	44.3%	77,734	93%
PROVQ	594,544	593,899	99.89%	317,156	53.3%	276,743	46.7%	240,543	93%
QUALF	679,681	679,681	100.00%	484,369	71.3%	195,312	28.7%	197,732	76%
Grand Total	20,144,089	20,128,994	99.93%	18,393,714	91.3%	1,831,539	9.1%	1,770,730	86%

The 2017 commitment rate (99.93%) maintains the excellent level of previous years and indicates the continued upholding of high standards for budget management, planning and monitoring.

Commitment rate evolution						
2017	2016	2015	2014	2013	2012	2011
99.93%	99.99%	99.89%	99.90%	99.78%	99.91%	99.69%

The uncommitted amount of (€15,122€) comes mainly from training (€11,684), for which a planned module could not be launched in the last days of the year, the rest are small amounts spread across various budget lines.

The overall payment rate (97.97%) is similarly the highest in recent years, and confirms the benefits of the increased monitoring of payments.

Payment rate evolution						
2017	2016	2015	2014	2013	2012	2011
97.97	97.66%	96.04%	94.85%	95.72%	95.58%	97.00%

Transfers

The ETF carried out seven budgetary transfers (compared to seven in 2016, nine in 2015), maintaining the improvement from previous years. The overall amount transferred was less than in previous years (5.4% in 2017, 6.1% in 2016 and 8.2% in 2015). This is attributed to the fact that a list of negative priorities was maintained during the year.

Payment Times

During the whole of 2017, the ETF continued to respect payment times with only 56 out of 935 payments being paid after the deadline (6%). This is a significant improvement compared to previous years (8.7% in 2016 and 15% in 2015).

Amount returned to the EU budget (Budget outturn)

The amount to be reimbursed to the EU budget is €57,070.39, representing 0.28% of the total EU contribution, which is comparable to the low amounts the ETF has returned in the last years (€87,703 in 2016; €373,397 in 2015; €188,193 in 2014). This is a very good result, considering that the threshold which would have an impact on budget negotiations is 5%.

Carry Forward and RAL 2017-18

Overall, the carry forward (Titles 1 and 2) has decreased from 6.4% in 2014-15; 3.3% in 2015-16 and 3.1% in 2016-17 to 2.6%, which is an indication of the improved alignment of the ETF's administrative activities and their payments to its annual cycle and increased monitoring of open commitments and follow-up of payments. The RAL (reste à liquider) is also stable as in previous years, 30.8% compared to 30.3% in 2016-17; 36.4% in 2015-16; 32.4% in 2014-15 and 34.0% in 2013-14.

In Title 1, the €78,436 (0.6%) carried forward represents a further improvement from the 2016 figure of (€155,186 - 1.2%); 2015 (€180,398 - 1.4%) and 2014 (€183,350.40 - 1.5%) (attention threshold 10%), and is linked mainly to:

- Learning and development €41,823 (€72,972 in 2016-17)
- Payment for end of year interim support , relocation and reception services for €11,703(€47,683 in 2016-17)
- Administrative missions €10,206 (€13,548 in 2016-17)
- Other smaller amounts which represent social activities €7,940 (€7,394 in 2016-17), consultancy €4,482 and medical expenses €2,283

In Title 2, the €317,371 (16.9%) represents a continuation of the excellent performance of 2016 (€313,450 - 18.4%) and 2015 (€316,442.29 -16.1%) (attention threshold 20%) and is derived mainly from:

- Building maintenance €170,718 (€45,509 in 2016-17)
- Software development €68,002 (€69,409 in 2016-17)
- Telecommunications €49,549 (€37,140 in 2016-17)
- Other smaller amounts represent furniture €9,706, stationery €8,763, hardware €6,092, mailing €3,709, publications €850

The achievement of maintaining a below-threshold carry forward level for Title 2 can be attributed to the anticipation of activities, as well as to precise contract management and monitoring of activities and payments.

The main items of expenditure which have generated unspent carry forward in previous years (training, telecommunications) were followed up more closely and the amount of their carry forward in 2018 has been kept under control.

In Title 3, the RAL of 30.8% has been maintained at similar levels to previous years (32.4% in 2014, 36.4% in 2015 and 30.3% in 2016), mainly due to the considerable reduction in open mission claims payments, and better planning/scheduling of activities. The operational RAL largely concerned activities completed in 2017 but which would be paid only in 2018 (15.1%) or activities already planned for 2018 (14.2%) with only 1.6% the result of delays.

	Title	Subvention 2017	Committed in 2017	Paid in 2017	To be paid in 2018	of which		
						Done in 2017 pending payment	To be implemented in 2018	
							planned	delayed
Admin (CF)	T1	13,625,733	99.91%	99.3%	0.6%	0.3%	0.2%	0.0%
	T2	1,873,976	100.00%	83.1%	16.9%	6.7%	10.1%	0.1%
	T1+T2	15,499,709	99.92%	97.4%	2.5%	1.1%	1.4%	0.0%
Operational (RAL)	T3	4,644,380	99.94%	71.1%	30.8%	15.1%	14.2%	1.6%
	T3 – pre-2017	1,584,687	90.68%	84.9%				
Overall ETF		20,144,089	99.93%	91.3%	9.1%	4.3%	4.4%	0.4%

Carry Forward from 2016 - (Titles 1 and 2)

Out of the total €468,637 carried forward for administrative expenditure (Title 1 and 2), the ETF has paid 90.84% (82.33% in 2016, 94.32% in 2015, 89.51% in 2014), with €42,925 being declared “lost” (€87,788 in 2016; €53,404 in 2015; €85,129 in 2014). The highest cancellation is in the area of :

- missions - €9,271 for administrative missions corresponding to 8.8% of the 2016 budget for administrative missions
- training - €11,312 corresponding to 5.5% of the 2016 budget for training

Reste à Liquider from previous years (Title 3)

Of the €1,584,687 “reste à liquider” (RAL) from previous years, the ETF has paid 85% (86% in 2016; 89% in 2015; 91% in 2014) with €147,708.97 being declared a “lost opportunity” (€245,654 in 2016; €185 479 in 2015; €156 467 in 2014). The highest cancellation is in the area of:

- missions - €13,421 for operational missions, corresponding to 1.7% of the 2016 budget
- communication and operational activities - €134,288 corresponding to 2.6% of the 2016 budget.

There is an amount of €91,960 of RAL (corresponding to development of ETF’s website and audit of accounts, activities initiated under the 2016 budget) which will be further moved into 2018.

Cancellation of carry overs

At the end of 2017, the cancelled carry overs amounted to €42,925 (€87,788 in 2016; €53,404 in 2015; €85,129 in 2014). Out of the total €468,637 carried forward for administrative expenditure (Title 1 and 2), the cancelled carry overs represent amounts which were committed in 2016, carried forward into 2017, not paid in 2017 and as a consequence were cancelled.

In order to reduce the amount of cancelled appropriations, the ETF has implemented a series of measures such as:

- planning of activities - the start and end date of activities are critically assessed and activities are planned so that the general carry overs are reduced;
- budget reallocation - out of the list of reserved activities which could receive funding should there be appropriations available, the ones which generate a reduced carry over and with the highest likelihood to be paid are preferred;
- appropriation management - the ETF implements its Title 3 budget as differentiated appropriations thus generating "Reste à Liquider"(RAL) rather than carry forward; unpaid RAL does not lead to cancellation of appropriations, as long as the payment appropriations allocated for them are re-assigned to other ongoing payments;
- re-evaluation of commitments - in the last months of the year (usually December) all open commitments are re-evaluated, so that only the amount actually needed is carried over;
- risk assessment - in the case of some commitments where the incertitude is higher (missions, events, utilities), a risk assessment is made and commitments reduced so that they cover the most likely expenditure/participation, taking the conscious risk therefore that in N+1 there might be a small additional commitment.

Cost effectiveness and efficiency

Based on an assessment of the most relevant key indicators and control results, the ETF has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

Fraud prevention and detection

In 2017, the ETF launched an obligatory on-line anti-fraud awareness exercise among its existing staff. The exercise is also used as part of the obligatory induction exercise for new staff.

The outcome of the campaign is that by the end of 2017, 93% of all ETF staff had successfully carried out the exercise (122 of 131 staff).

2.1.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports 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 both internal and external independent auditors: its internal audit is the Commission Internal Audit Service (IAS) and the European Court of Auditors (ECA).

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. 2017 was no exception and no critical recommendations were issued.

European Court of Auditors (ECA)

In February 2017 the ECA carried out an audit desk review for the financial year 2016: no findings were reported as result. In March 2017, an audit company was contracted under the competing inter-institutional framework contract for audits and controls, based on technical specifications agreed between the Court of Auditors and DG BUDG. It carried out an audit on the ETF accounts for the year ending 31 December 2016. Its conclusions did not impact on the positive opinion on the 2016 ETF accounts.

The first of two audits on the financial year ending 31 December 2017 was conducted by ECA through an on site visit in October 2017. The audit resulted in one preliminary finding for which the ETF submitted a formal reply which is pending ECA follow up.

Internal Audit Service (IAS)

In 2017, the IAS carried out an audit on Progress Monitoring in VET through the Torino Process. The audit conclusion was positive and IAS concluded in the Final Audit Report that *“the design and functioning of the internal control system put in place by ETF in relation to the Torino Process is effective and efficient”*. The audit resulted in four recommendations: three of which are ranked by IAS as ‘important’ and one ‘desirable’. The ETF has developed an action plan to address all recommendations and actions are due to be implemented in 2018 in line with agreed target dates.

The ETF does not have any outstanding open audit recommendations issued by IAS prior to 2017 and the ETF has never received any audit recommendations by the IAS ranked as ‘critical’. In 2017 the ETF Governing Board adopted the revised Mission Charter of the IAS.

Based on the above, the positive results of audits carried out in 2017 confirm the positive trends of audit results over the last ten years in the ETF and they are strong indicators of ETF performance that support management’s assurance on the achievement of the internal control objectives¹⁷.

2.1 3 Assessment of the effectiveness of the internal control systems

The ETF has carried out an annual assessment of its internal controls since 2004 in line with the requirements of ICS 15¹⁸. The assessment helps the ETF to ensure compliance, report on effectiveness and obtain reasonable assurance that control systems in place in the ETF function correctly, and that any potential weaknesses are addressed in the form of corrective actions.

The ETF Performance Management Framework has integrated the ICS control standards to provide quality standards for efficiency and effectiveness of operations while ensuring accountability. 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 2017 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

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

The 2017 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 2017 financial transactions. The outcomes of the 2017 ex-post controls confirm that:

- The expenses included in the payment transaction listings, reflecting expenditure incurred between 1 January and 31 December 2017 through light workflow for low risk transactions, were properly documented and duly authorised;

¹⁷ 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).

¹⁸ 16 Internal Control Standards adopted by ETF GB on 3 March 2009 GB/09/DEC/004. ICS 15 specifies that *“internal control systems are assessed by management at least once a year”*.

- 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 2017 risk management process was embedded into ETF activities at various levels: high level macro level risks were assessed in the 2017 programming week, this led to the development of the ETF risk register for 2018. In addition, risk assessments were embedded into the planning of projects to ensure that discussions on activities planned for the next year took into account any risks which could hinder the achievement of the results. Such risks could then be addressed in the planning phase. Operational level risks identified throughout the year were assessed and monitored on a quarterly basis to ensure mitigating actions were implemented where necessary.

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 in 2017 showed that the risk profile of the organisation is medium/low. The same risk profile was recorded in 2016 and in 2015.

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 clustered 38 key processes (critical for the success of the organisation), in the following categories:

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

The processes are further 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.

2017 saw the update of 11 primary process documents, one secondary process document, and 16 tertiary documents, out of a total of respectively 24, 15, and 126 process documents.

Results of the management self-assessment

2017 is a transitional year for ETF internal controls, as the ETF revised its internal control framework and the Governing Board adopted the ETF Internal Control Principles in 2017¹⁹, ready for implementation as of 2018. The 2017 assessment was based on the 16 Internal Control Standards in place in 2017.

¹⁹ 17 Internal Control Principles adopted by ETF Governing Board on 17 November GB/17/DEC/014

The table below summarises the results of the 2017 collective assessment by standard:

% of the 16 Internal Control Standards assessed in 2017 as:			
Adequate system in place	Slight improvements needed	Significant improvements needed	No system in place
62.5% (10 standards)	37.5% (6 standards)	0% (0 standards)	0% (0 standards)

The 2017 results are positive as 10 out of 16 Internal Control Standards were assessed as having an 'adequate system in place'. Six Internal Control Standards were assessed as needing 'slight improvements'. No Internal Control Standard was perceived as needing 'significant improvements' and no Internal Control Standard was assessed as having "no system in place". The detailed outcomes of the self-assessment are provided in Annex 11.

The improvement actions implemented by the ETF in 2017 in internal controls mainly addressed issues linked to ICS 5 (strategic planning) and ICS 7 and ICS 12 (cross departmental projects). In particular, the ETF strengthened its departmental plans to include negative priorities and key improvement actions. With the aim of increasing the efficiency and effectiveness of internal working processes, three transversal projects were established on stakeholder management, digitalisation and events management.

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 key risks effectively, and (c) no instances of ineffective controls that have exposed the ETF to key risks

In conclusion, in 2017 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.

Analysis of registered exceptions

The combined value of all six exceptions/non-compliances for 2017 is €47,382.93 that represents 0.24% of the total 2017 budget (two non-compliances were registered for 2016 with a financial value of 0.07% of the total 2016 budget).

Data Protection

2017 saw both the "ordinary maintenance" of compliance with Regulation 45/2001, and the start of preparations for the introduction of a new Data Protection regulation for the EU institutions which will be aligned with the new European General Data Protection Regulation (GDPR), and enter into force on the same date in May 2018.

Ordinary maintenance: updated two notifications ex art. 25, created two new privacy statements, provided five pieces of advice on data protection issues recorded and successfully resolved two minor internal data protection incidents.

Preparations for the new 2018 regulation concentrated on participating in multiple workshops with the EDPS and the DPOs network, preparation of new guidelines and templates for drawing records, privacy statements and performing compliance checks, risk screenings and threshold assessments, and an initial review of the existing data protection framework at ETF in view of the upcoming regulatory obligations. In the course of the year, the data protection function was carried out by the Data Protection Officer and Deputy Data Protection Officer.

Declaration of assurance in cascade²⁰ by (Sub) Delegated Authorising Officers

In 2017, budgetary implementation powers were delegated by the Authorising Officer through a Director's Decision²¹, which allocated the different budgetary areas, including specific budget lines, to the delegated and sub delegated authorising officers ((S)DAOs). In line with ETF rules and procedures on the deputising mechanism and the presence of managers on the ETF premises²², 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 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. The statement of the (Sub) Delegated Authorising Officers (see template in Annex 1) aims also at informing the flow between ETF Managers and the Director on internal control matters in the context of the preparation of the Annual Activity Report.

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 sections 2.1, 2.2 and 2.3 stem 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 2016 Annual Activity Report did not contain any reservations.

Based on the criteria established by the ETF policy to define the materiality criteria for the Director to base his 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 2017.

In conclusion, management has reasonable assurance that, overall suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5 Declaration of Assurance

The Director has reasonable assurance that, overall suitable controls are in place and working as intended; risks are appropriately monitored and mitigated; and necessary improvements and reinforcement measures are being implemented. As a result, there have not been reasons to introduce any reservation for the year 2017.

²⁰ Annex 1 – Declaration of assurance in cascade

²¹ ETF/12/DEC/002 Issue 5

²² ETF/12/DEC/003

DECLARATION OF ASSURANCE

I, the undersigned, Cesare ONESTINI, Director of the European Training Foundation in my capacity as Authorising Officer,

- declare that the information contained in this Consolidated Annual Activity Report 2017 gives a true and fair view²³,
- 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 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.

Turin, 15 June 2018

(signed)

²³ 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, governance and ICT systems as well as facility management.

In the area of financial and procurement management, 2017 has seen good progress in the area of digitalisation of processes and electronic means of communication with tenderers and contractors. In particular, the ETF has fully deployed the e-invoice and e-submission modules from the e-prior suite reaching the receipt of 20% of its incoming invoices in electronic format and enabling the receipt of electronic offers for its procurement procedures.

In addition, efforts to simplify financial workflows have continued with streamlined checklists and simpler procurement templates leading to improved efficiency of processes.

In terms of sharing services with other EU services, the ETF has participated in five joint tenders in 2017 and 16% of contracts managed by the ETF in 2017 were concluded following joint procurement tenders with other agencies or with the European Commission services.

In terms of the effectiveness of the ICT system and facilities, the indicators are both within target in 2017, as in previous years and are :

Area	Indicator and Target	Achievement 2017	Achievement 2016
Information and Communication Technologies	Availability of IT critical systems (target >99%)	99.8%	99.8%
Facilities	Annual reduction of building cost/m2 (target >1% after correction for inflation and energy costs)	1.85%	1.85%

2.2.1 Human resource management

Besides continuously adapting policies, processes and procedures in line with best practice while respecting the legal framework, the ETF, in accordance with its 2017 Work Programme focussed on four main pillars; the overall scope being to contribute to overall staff performance and efficiency and thus the ETF's. The following main achievements were reached:

Staff learning and performance development

1. Implementation of learning and development programmes in line with the anticipation of expertise needs launched in 2015;
2. All staff participated in at least one of the 141 (98 in 2016) learning and development activities offered; feedback on quality of the training reached 4.2 on a scale 1-5;
3. Revamped guidelines on staff performance management were produced, IT tools to support the matrix organisation were organised, including related information sessions for all staff and dedicated sessions for managers.

Management development

1. Design and launch of a tailor-made development programme for managers and team leaders (eight modules between end 2016 and 2017) as a follow-up to the 360° feedback exercise for development completed in 2015;
2. Fostering of internal collaboration within the management team through specific corporate and team activities.

HR integrated software

1. Continuous improvement of existing HR software (ALLEGRO) for continuous efficiency gains for end users;
2. Following the decision taken to adopt the Commission HR software (SYSPER), required preparatory work both from an HR and IT was undertaken throughout the year to ensure delivery of SYSPER planned for 2019.

Staff health and well-being

1. Extension of the services provided in the area of psycho-social support, introduced for the first time in the ETF in late 2016;
2. Information campaign regarding existing support in the area of prevention of harassment;
3. Staff encouraged to attend broader annual medical check-ups and make more use of the ETF Medical Advisor services resulting in an increase in use;
4. Dedicated gym room enlarged and refurbished and a new room made available and furnished for yoga and meditation related activities.

2.2.2 Information management aspects

The ETF concentrated its efforts on completing its SharePoint project as a single internal document creation, collaboration and filing repository. SharePoint was rolled out to the whole organisation and network drives have become read only.

A dedicated solution for the management of ETF regulatory documentation (Director and Governing Board decisions) was piloted and subsequently refined. The system is up and running and will become fully operational in 2018.

The ETF ensured the ordinary maintenance of Dashboard, its dedicated tool for the planning, monitoring and reporting of ETF activities and related resources.

Last but not least, the ETF continued to use its external collaboration platform, in 2017 extended with a dedicated community for the Torino Process.

2.2.3 External communication activities

Good communication is central to the ETF's mission of achieving policy and system change in its partner countries. This entails identifying key stakeholders, engaging effectively, raising awareness, informing, educating, changing minds and ultimately changing behaviours. Good communication is also essential to the ETF's accountability towards the EU Institutions, the Member States and more broadly to the EU taxpayer for the effective and efficient use of the resources entrusted to it.

In 2017, communication around the Torino Process included development and content production for a new dedicated online platform, publication of over 60 reports, 35 blog posts, production of communication materials (leaflets, flyers, posters, videos), Communication drove a great deal of innovation around the conference, in particular a market place of ideas showcasing ground breaking projects implemented by young people, a multi-media experience room (with audio visuals, virtual reality and 3D printing) and avant-garde use of social media (live Facebook streaming, online audience interaction and a regular blog on the Torino Process that was updated weekly throughout the year). As a testament to this campaign's success, there was a 10% increase in the number of Facebook followers to 11,539 by the end of the year, similar to the increase of 1,500 in 2016. Followers on Twitter grew to over 4,600 and the ETF revived its activity on LinkedIn attracting a total of 2,300. A more structured approach to social media engagement and closer collaboration with partners in the Commission and the EU Delegations have also contributed to this increase. Working closely

with DG EMPL, content is routinely picked up and disseminated through DG NEAR's EU Neighbourhood Info networks

Press and media coverage also picked up in 2017, particularly in Ukraine and Tunisia. A notable outcome of the cooperation with the EU Neighbourhood Info network was their decision to include a film about an ETF project in Jordan in their EU4Youth campaign.

Other significant achievements in 2017 were the development of a distance learning platform on work-based learning, communication support, including infographics, for the MISMEs initiative in Jordan and Lebanon, and the production of a new corporate video in line with the new communication approach focusing on impact on people. In support of communicating the ETF operations, a total of 50 videos were produced in 2017 compared to 48 in 2016.

The development of the new ETF website got under way in 2017 and will be up and running in mid-2018. 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, while 82 web news items were published and distributed across various channels.

In internal communication the main achievement has been the launch of a corporate social media channel and the associated project to develop a new SharePoint-based intranet. Workplace has proved very successful in increasing information sharing among staff about what is going on both in the ETF and in its external environment, as well as being an effective channel for top-down information to staff.

One plank of the new communication strategy is close cooperation with the different project teams in planning and implementing strategic communication in the achievement of project objectives. Initiated in 2015, this approach has been gaining strength and has led to a greater awareness of the importance of communication at project level.

COMMUNICATION AND DISSEMINATION INDICATORS		2017	2016
Digital Communication	Number of page views:	4,614,552	5,783,875
	Visits of website	861,754	783,987
	Number of unique visitors to the website	444,667	418,559
	Number of downloads of PDFs	837,236	1,181,462
	Facebook likes	11,539	9976
	Twitter followers	4,763	3,572
	LinkedIn sub.	2,041	98
External Communication	Video production	50	48
	Web news items	82	106
	Live & Learn	3	3
Face-to-face communication	Number of participants in international and regional events	1077	1046
	Number of papers finalised/published (web and/or print)	128	
Written communication	In house printing (number of sheets)	400,000	
	External/offset printing (number of prints)	15,660	
	Number of papers reviewed by Editorial Board	8	

ANNEX 1: TEMPLATE 2017 CASCADING DECLARATION OF ASSURANCE BY (SUB) DELEGATED AUTHORISING OFFICER

2018-xxxx

I, the undersigned,

FULL NAME

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

1 January 2017 – 31 December 2017

In accordance with Director Decision ETF/12/DEC/002 (issue 5)²⁴ 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 transactions²⁵ 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 2017.²⁶

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 framework²⁷
- 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.

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

Signature:

Date:

²⁴ ETF/12/DEC/002 Issue 5: Delegation of (Sub) Authorising Officers for Budget Implementation

²⁵ Annex 1 contains budget execution, exceptions registered, negotiated procedures ex article 134 RAP and issues of material/significant reservation related to the respective DAO for 2017.

²⁶ ETF/09/DEC/018-issue 2 ETF Policy on materiality criteria to establish reservations in AAR.

²⁷ ETF Performance Management Framework: ref. ETF/12/DEC/010 issue 2 of 29/07/2015 for the period 01/01/2017 to 25/04/2017 and ref. ETF/1/DEC/005 of 26/04/2017 for the period 26/04/2017 to 31/12/2017

[Enc.](#) Annex containing budget execution rates, registered exceptions, direct agreements and issues of material/significant reservation related to the respective (S)DAO in 2017.

Annex A

[Full Name] Head of XXX

Table 1: Budget Execution 2017

Table 2: Exceptions registered in 2017

Table 3: Negotiated procedures ex article 134 RAP above € 15,000 concluded in 2017

Table 4: Problems that could be subject to reservation in the Annual Activity Report 2017

Table 1: Budget execution 2017²⁸

Committed (€)	Paid (€)

Table 2: Exceptions registered in 2017

Exception Ref.	Subject	Type of exception	Value (€)
Total Value (€)			

Table 3: Negotiated procedure ex article 134 RAP above € 15,000 concluded in 2017

Contract N°	Negotiated procedure ex article 134 RAP Ref.	Contractor Name	Type of purchase	Value (€)
Total Value (€)				

Table 4: Problems that could be subject to reservation in the AAR 2017

Identified existing or potential problems/reservation	Measures taken or proposed to solve problems identified	Materiality/Significance

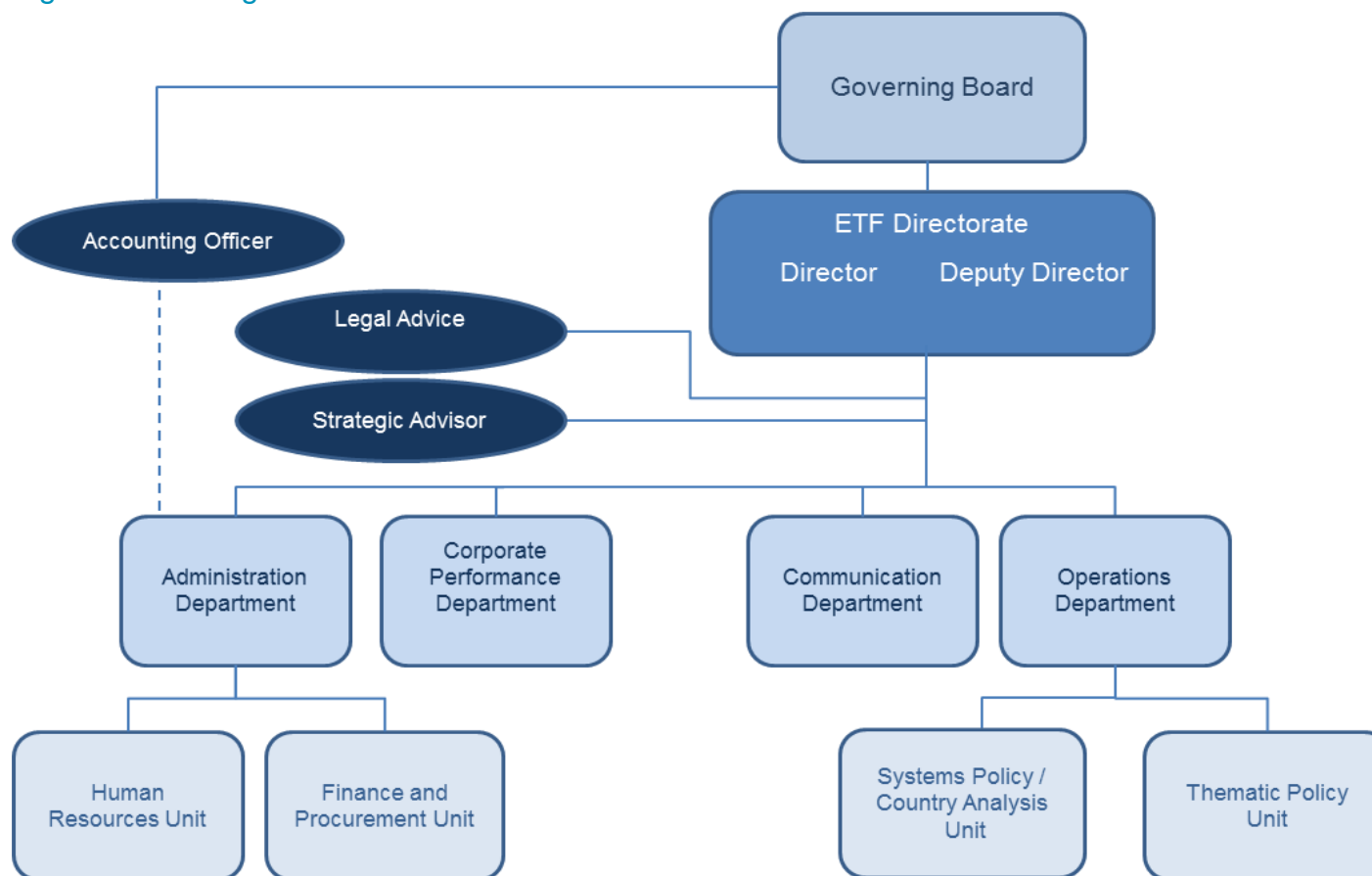
Signature:

Date

²⁸ C1 funds of 2018; C8 relates to funds carried forward from 2017 to 2018

ANNEX 2: HUMAN RESOURCES, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION

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 voted EU Budget 2017		Filled as of 31/12/2017	
	officials	TA	officials	TA
AD 16		0		0
AD 15		0		0
AD 14		1		1
AD 13		3		2
AD 12		12		5
AD 11		9		8
AD 10		5		7
AD 9		13		15
AD 8		13		8
AD 7		1		7
AD 6		0		1
AD 5		0		1
Total AD	0	57	0	55
AST 11		2		0
AST 10		4		1
AST 9		10		8
AST 8		6		6
AST 7		4		3
AST 6		4		3
AST 5		1		4
AST 4		0		5
AST 3		0		0
AST 2		0		0
AST 1		0		0
Total AST	0	31	0	30
AST/SC1				
AST/SC2				
AST/SC3				
AST/SC4				
AST/SC5				
AST/SC6				
Total AST/SC	0	0	0	0
TOTAL	0	88	0	85

b) Contract agents

Function group	Posts filled as of 31/12/2017
FGIV	9
FGIII	23
FGII	8
Total	40

c) Local agents

Function group	Posts filled as of 31/12/2017
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 2017 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 56.5% in 2017 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 2014-17 for statutory staff.

Job type (sub category)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
Administrative support and coordination	22.18	23.83	18.56	18.15
Administrative support	15.68	16.69	14.55	14.23
Coordination	6.50	7.14	4.01	3.92
Operational	61.65	62.78	69.47	70.31
Top level operational coordination	3.76	3.01	2.27	2.31
Programme management and implementation	46.99	50.00	55.08	56.46
Evaluation and impact assessment	3.38	4.51	4.55	4.62
General operational	7.52	5.26	7.58	6.92
Neutral	16.16	13.38	11.97	11.54
Finance/Control	15.41	12.63	11.59	10.77
Linguistics	0.75	0.75	0.38	0.77

Gender and geographical balance

Gender balance

The data provided below refers to **posts occupied** on 31 December 2017 and not FTEs, therefore 126 (85 TAs, 40 CAs, 0 SNE and 1 LA).

Contract (Function Group)	F	M	Total
Temporary Agents (AD)	31	24	55
Temporary Agents (AST)	24	6	30
Local Agents (AL/N2)		1	1
Contract Agents (II)	5	3	8
Contract Agents (III)	21	2	23
Contract Agents (IV)	6	3	9
Seconded National Expert (SNE)			
Grand Total	87	39	126

TA, CA, LA, SNE	F	M	Total
AD associated level	37	27	64
AST associated level	50	12	62
Total	87	39	126

Managerial positions	F	M	Total
Middle managers	3	1	4
Senior managers	1	3	4
Total Managers	4	4	8

Geographical balance

The data provided below refers to **posts occupied** on 31 December 2017 and not FTEs, therefore 126 (85 TAs, 40 CAs, 0 SNE and 1 LA).

Nationality	Total	%
AT ²⁹	3	2%
BE	7	6%
BG	2	2%
CY	1	1%
CZ	1	1%
DE	6	5%
DK	1	1%
EE	2	2%
ES	6	5%
FI	4	3%
FR	5	4%
GR	2	2%
IE	3	2%
IT	53	42%
LU	1	1%
LV	1	1%
MA	1	1%
MK	1	1%
NL	4	3%
PL	2	2%
PT	2	2%
RO	5	4%
SE	1	1%
TN	1	1%
TR	1	1%
UA	2	2%
UK	8	6%
Grand Total	126	100%

²⁹ 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).

ANNEX 3: DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS

BALANCE SHEET	31/12/2017	31/12/2016
<i>NON-CURRENT ASSETS</i>		
Intangible fixed assets	1,315,649.42	1,653,555.89
Property, Plant and Equipment	718,264.00	632,650.00
<i>CURRENT ASSETS</i>		
Receivables and recoverables	165,330.76	142,530.84
Pre-financing	176,590.68	2,090,243.07
Cash and cash equivalents	440,842.03	613,542.25
TOTAL ASSETS	2,816,676.89	5,132,522.05
<i>CURRENT LIABILITIES</i>		
Payables	-1,181,867.20	3,273,909.51
TOTAL LIABILITIES	-1,181,867.20	3,273,909.51
<i>NET ASSETS</i>		
Accumulated surplus/deficit	1,858,612.54	2,207,039.73
Economic result of the year	-223,802.85	-348,427.19

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
Operating revenue	20,091,198.16	20,631,730.74
Operating expenses	-20,313,713.85	-20,979,854.42
Financial expenses	-199.36	-303.51
Extraordinary losses - exchange rates	-1,087.80	
ECONOMIC RESULT OF THE YEAR	-223,802.85	-348,427.19

CASH FLOW STATEMENT	2017	2016
Cash and cash equivalents at beginning of the year	613,542.25	1,605,699.70
Net decrease in cash and cash equivalents	-172,700.22	-992,157.45
Cash and cash equivalents at year-end	440,842.03	613,542.25

BUDGET RESULT ACCOUNT	2017	2016
Revenues	20,161,249.30	20,200,627.28
Expenditures	-20,217,426.79	-20,954,769.28
Outturn for the year	-56,177.49	-754,142.00
Adjustment for carry forward from previous years	42,925.35	83,430.34
Appropriations carried forward and cancelled	71,125.85	757,423.69
Exchange gains/losses	-863.32	991.78
Balance for the financial year	57,010.39	87,703.81
Balance carried over from previous year	87,703.81	373,397.49
Amount reimbursed to the EC	-87,703.81	-373,397.49
Amount related to 2017 to be reimbursed to EC	57,010.39	87,703.81

ANNEX 4: MATERIALITY CRITERIA

ETF Policy on Materiality criteria to establish reservations in the annual declaration of assurance if the ETF director in the Annual Activity Report³⁰

Legal Basis

Article 47 of ETF Financial Regulation³¹, “Consolidated *Annual Activity Report*

1. The authorising officer shall report to the Governing Board on the performance of his duties in a form of a consolidated annual activity report containing:

(a) Information on:

(b) A declaration of the authorising officer stating whether he has a reasonable assurance that unless otherwise specified in any reservations related to defined areas of revenue and expenditure:

ETF/05/JAN/01 and ETF/06/DEC/018 Director’s decisions establishing a Register of Exception and subsequent revisions;

ETF ICS no. 8 ‘processes and procedures’ of the revised 16 ETF Internal Control Standards adopted by the GB in March 2009 and subsequent revisions;

EC annual guidelines and practice applied at the Commission level for annual activity reporting stating that only material reservations can be used to qualify the annual declaration and even in case no reservation is issued, the AAR should explain the materiality criteria considered applicable to their operations.

Purpose

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

The concept of materiality

The concept of materiality provides the ETF Authorising Officer (and the Delegated Authorising Officers) with a basis for determining significant deficiencies that should be subject to a formal reservation to his/her 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, ETF has decided to apply the same common approaches as regards the assessment and quantification of significant deficiencies and materiality thresholds.

³⁰ ETF/09/DEC/018

³¹ GB/13/DEC/014 and GB/14/DEC/023

Types of significant deficiencies

Deficiencies leading to reservations should fall within the scope of the declaration of assurance: they 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 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**.

Qualitative assessment

In qualitative terms, when assessing the significance of any deficiencies, 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);
- The existence of effective remedial actions to correct the deficiencies (action plans and financial corrections) which have had a measurable impact.

Quantitative assessment

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

The ETF standard quantitative materiality threshold is 2% of its overall budget. This means that when a detected deficiency has an exposure risk value representing 2% (or more) of ETF

total budget ("at risk"/"exposure") a reservation should always be reported in the annual declaration of ETF director.

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

Final provision

This policy complements and is complemented by the provision of the ETF Decision establishing a register of exception and the related procedure (ETF/06/DEC/018 and ETF/PROC/RM/2007-01) concerning the materiality criteria which fall under the objective and scope of that procedure. In particular the objectives of the for the purpose of the register of exception procedure is to ensure that the ETF Director and (Enlarged) Management Team (delegated and sub delegated authorising officers) register any significant deviations to regulations and report them to the Governing Board and Discharge authorities in accordance with the principle of transparency.

This procedure covers deviations to the provision of the ETF Regulatory Framework. In particular to:

- The ETF Financial Regulation, its Implementing Rules and the Vademecum on Public Procurement;
- The Staff Regulation and its Implementing Rules and policies;
- The ETF founding Council Regulation;
- The Data Protection Regulation; and

Decisions/Procedures adopted by the ETF and the ETF Governing Board.

For the purpose of this procedure exception means all circumstances where overriding of controls or deviations from the established and in force ETF regulatory framework. The 'exception' must be documented, justified and approved at an appropriate level before any action is taken.

A deviation to the ETF Regulatory Framework shall be registered if it falls under one of the following categories:

- Significant Financial Risk: All instances of overriding of controls or deviations to regulations which have a direct financial impact of equal to or greater than € 1,000. In particular
 - If a deviation leads to a financial impact equal to or greater than € 1,000 EUR and below € 50,000 should be signed and approved by the responsible DAO;
 - If the deviation leads to a financial impact of equal to or greater than € 50,000 should be signed and approved by the Authorising Officer (Director)
 - If the deviation is equal or exceeding 2% of ETF total budget should be reported by the Director in the AAR in line with the underlying policy.
- Significant Reputation Risk: All deviations to regulations which have an impact on the reputation of the ETF or on the perception of staff, in particular concerning deviations from Data Protection Regulations and the ETF Staff Regulation and its Implementing Rules and corresponding policies
- System Weakness: Repeated deviations due to a control system weakness.

The provisions of this policy are subject to regular review.

ANNEX 5: INDICATORS TO MEASURE PERFORMANCE OF CONTROL SYSTEMS – 2018 INTERNAL CONTROL PRINCIPLES

2017 is a transitional year for ETF internal controls, as the ETF revised its internal control framework and the Governing Board adopted the ETF Internal Control Principles in 2017³², ready for implementation as of 2018.

Internal Control Principle (ICP)	ETF Internal Control Principle Indicators	Target
1. We demonstrate a commitment to integrity and ethical values.	1.1 No of annual awareness raising initiatives in the ETF on ethics, integrity and conflict of interest and/or fraud (target: at least 1 per year in one or more areas) 1.2 % of newcomers who take part in the induction programme on ethics, integrity and conflict of interest, and who meet the Head of HR on ETF values, expected behaviours 1.3 Managers and Team Leaders are promoting a fair, flexible and respectful workplace	1 per year 90% 90% of respondents agree
2. ETF Management exercises oversight of the development and performance of internal control.	2.1 (Y/N) The ETF Consolidated Annual Activity Report (CAAR) includes the Declaration of Assurance of the Director as an annex. The (Sub) Delegated Authorising Officers (S(Y/N) (S)DAOs sign a cascading declaration of assurance covering their areas of responsibility.	Yes
3. Management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	3.1 (Y/N) The ETF has clear rules of procedure in place 3.2 (Y/N) Financial circuits: roles and tasks clearly defined	Yes Yes
4. We demonstrate a commitment to attracting, developing, and retaining competent individuals in alignment with objectives.	4.1 No. of L&D activities 4.2 Satisfaction rate and relevance of L&D activity to the job from feedback received upon participation in L&D activities taking place at ETF 4.3 % of authorized posts of the annual establishment plan filled at end of year, including job offers sent before 31st Dec	2017 80% 95%
5. We hold individuals accountable for their internal control responsibilities in the pursuit of objectives.	5.1 All Managers have internal control responsibilities in their Job Description 5.2 Appraisal reports concluded (target 100% staff have their report concluded)	100% 100%
6. We specify objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.	6.1 (Y/N) The ETF Performance Management Framework (PMF) includes a number of performance enablers that help the ETF to measure performance 6.2 (Y/N) Risk management in the ETF is embedded in the planning process and is assessed at all levels of the ETF (macro and activity level) 6.3 ETF KPI 11 (Commitment Appropriation Implementation) 6.4 ETF KPI 12 (Payment Appropriations cancellation rate) 6.5 ETF (KPI 13) Timely Payments Rate (%) of payments executed within the legal/contractual deadlines	Yes Yes (draft Risk Register by Sept) 98% <5% >80%

³² 17 Internal Control Principles adopted by ETF Governing Board on 17 November GB/17/DEC/014

Internal Control Principle (ICP)	ETF Internal Control Principle Indicators	Target
7. We identify risks in relation to the achievement of its objectives across the organisation and analyses risks as a basis for determining how the risks should be managed.	7.1 Timely completion of ETF Risk Register based on objectives of WP for the year N+1 (target: draft risk register for year N+1 included in draft SPD in Sep of year N) 7.2 (Y/N) Risks have been monitored and mitigated at the appropriate level according to the approved ETF risk management methodology	Draft WP N+1 includes draft risk register Yes
8. The ETF considers the potential for fraud in assessing risks to the achievement of objectives.	8.1 (Y/N) The risk of fraud has clearly been included in the scope of the risk assessment exercise 8.2 (Y/N) The ETF has an up to date anti-fraud strategy (not older than 3 years)	Yes Yes
9. The ETF identifies and assesses changes that could significantly impact the internal control system.	9.1 (Y/N) The preparation of the PD includes a review of the ETF risk register	Yes
10. We select and develop control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	10.1 (Y/N) The ETF defines performance actions in line with the CHECK phase of the performance Management Framework. 10.2 (Y/N) Business continuity arrangements identified in the ETF Business Continuity Plan are tested regularly (target: at least once a year) 10.4 (Y/N) 4 eyes principle has been ensured in all financial workflows	Yes 1 test every year Yes
11. We select and develop general control activities over technology to support the achievement of objectives	11.1 (Y/N) The ETF has an up to date ICT strategy in place (not older than 3 years) 11.2 No. of information security breaches/incidents	Yes 0
12. We deploy control activities through corporate policies that establish what is expected and in procedures that put policies into action.	12.1 (Y/N) Exceptions reported have been reviewed and reported every quarter 12.2 (Y/N) Evaluation results are followed up and embedded in the ETF Improvement Plan	Yes Yes
13. We obtain or generate and use relevant quality information to support the functioning of internal control.	13.1 (Y/N) Dashboard is used as an internal information system as a basis for monitoring and quarterly progress reporting and including information risk identification and management	Yes
14. We communicate information internally including objectives and responsibilities for internal control necessary to support the functioning of internal control.	14.1 Y/N Internal Communication Policy is up to date (not older than 3 years) 14.2 (Y/N) whistleblowing procedure in place, easily accessible to all staff (on intranet) 14.3 (Y/N) Staff members are aware of the ICPs .	Yes Yes Yes
15. The ETF communicates with external parties about matters affecting the functioning of internal control.	15.1 (Y/N) The ETF has an up to date Communication Policy in place (not older than 3 years) 15.2 No. of publications, news, articles and blogs published (P) dissemination reach (Q)	Yes 2017
16. We select, develop, and perform ongoing and/or separate assessments to ascertain whether the components of internal control are present and functioning.	16.1 (Y/N) The ETF annual audit plan is approved by MT 16.2 (Y/N) The results of the regular monitoring and annual assessment of internal controls in the ETF are integrated and followed up in the ETF Improvement Plan	Yes Yes
17. We assess and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management as appropriate.	17.1 (Y/N) The results of the continuous and specific assessments have been properly disclosed in the Consolidated Annual Activity Report (CAAR) 17.2 KPI 15 (audit recommendation implementation) Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines	Yes 90%

ANNEX 6: COLLABORATION WITH EUROFOUND



Area of cooperation	Actions	Progress update Q4
1. Areas of cooperation between the two agencies	<p>1.1 European Company Survey ETF and EF will undertake preparatory work for the analysis of results of the Company Surveys, particularly in relation to the candidate countries. The field work for data gathering will take place in 2018-2019 and results will be analysed in 2019 with a specific involvement of ETF in the analysis of results in the candidate countries included in the Survey. Contact person ETF: Manuela Prina Contact person EF: Stavroula Demetriades</p>	<p>Agreement to follow up in the second half of May through a online meeting with Gijs van Houten manager of the ECS, at the moment still under preparation of tendering. Meeting arranged for week 15-19 May Agreed that ETF will validate results of the survey in candidate countries in 2019-20 within the Torino process. From ETF side Mircea Badescu and Mihaylo Milovanovich will be involved. See below under 1.3</p>
	<p>1.2 Social partnership Cooperation will focus on exchange of information and knowledge, with a special focus on firm level. This will take the form of mutual participation to relevant events and meetings organised by EF/ETF. A knowledge sharing seminar (KSS) or webinar is also to be organised. Contact person ETF: Siria Taurelli Contact person EF: Christian Welz</p>	<p>Information on planned activities has led to identify the capacity building of social partners as a potential area for expertise exchange July and September: Further exchange of information on respective work on social partnership, with a view to select the topic for the knowledge sharing. ETF and 4 partner country social partner representatives fruitfully participated in the EF expert meeting "Mapping Social Dialogue and Industrial Relations at EU and national levels", on 27-28/11/2017. ETF and EF agreed that in 2018 EF will peer review the ETF work on public-private partnerships in VET. Moreover, additional knowledge sharing will be organised, starting the 22/1/18 at ETF</p>
	<p>1.3 Quality Assurance in Analytical work Cooperation will focus on sharing of information on practices that the two organisations are following to enhance quality of methodologies and results of analyses. A knowledge sharing seminar (KSS) or webinar is also to be organised. Contact person ETF: Manuela Prina Contact person EF: Stavroula Demetriades</p>	<p>5/5: Online exchange with Ms Demetriades, Agreement to follow up in the second half of May through an online meeting Possible involvement on policy analysis training in 2018 In Q4 Euro fund updated on 2018 work programme and invited to take part in expert meeting on policy evaluation in February.</p>
2. Development of work programmes	<p>Exchange of draft work programmes before their approval by the respective Administrative Boards. Both agencies will refer to each other's work and cooperation where appropriate. Contact person ETF: Anastasia Fetsi/Samuel Cavanagh Contact person EF : Sylvaine Recorbet / Manuel Gómez Martín</p>	<p>Draft WP have been exchanged in July 2017 Draft table of cooperation for 2018-19 included in the ETF SPD/AWP 2018.</p>
3. Annual review of activities	<p>Organisation of an annual meeting (possibly teleconference) to discuss and assess progress on the above and other relevant issues. Contact person ETF: Anastasia Fetsi/Samuel Cavanagh Contact person EF : Manuel Gómez Martín</p>	<p>Teleconference held on 13 November 2017.</p>

ANNEX 7: COLLABORATION WITH CEDEFOP



Core Themes	Specific themes for 2017	Exchange of information and good practice	Joint actions	Progress 2017	Knowledge sharing seminars and major events
Vocational education and training system development and provision	VET policy reporting	Exchange of information and experience on EU and third country policy and operational issues	ETF and Cedefop will continue working together on the Monitoring of the MTDs in candidate countries and member states respectively. The 2 agencies will continue using the same online policy reporting platform as developed by Cedefop. ETF and Cedefop will work jointly on reporting progress through the Riga 2017 interim report. ETF and Cedefop will continue close collaboration within the ACVT/DGVT platforms to ensure follow up of all related Riga activities within the agenda of each EU presidency.	<p>The 2 Agencies delivered and presented a joint background note at the April ACVT meeting on key competences. The note findings came from a jointly implemented Questionnaire</p> <p>The 2 Agencies delivered a joint background note on the 2nd round of Riga Monitoring for the DGVT meeting in Malta</p> <p>The 2 Agencies cooperated for the preparation of the joint Riga interim report and presented the findings together at the DGVT meeting in Tallinn.</p> <p>The 2 Agencies delivered the joint Riga Interim Report and presented it at the ACVT meeting in December in Brussels. For 2018, the agencies held discussions on a proposal to revise the common Questionnaire. It has been agreed that for 2018, the 2 Agencies will modify the Questionnaire having eventually 2 different but compatible versions, one for ETF and one for Cedefop.</p>	<p>KSS in Thessaloniki on 22 May 2017</p> <p>KSS in Turin held on 14 December 2017.</p> <p>The Future of VET was discussed</p>
	Work-based and work-placed learning		Mutual contributions to events on Work-based learning and quality assurance in VET	<p>Cedefop contribution to the ETF Expert meeting 'Monitoring of WBL in Turkey', 17 January, Turin</p> <p>Mutual contributions in the frame of the Interagency Group on WBL (e.g. Advocacy tool for WBL, analytical framework for WBL)</p> <p>Cedefop provided video input at ETF Regional meeting for EaP countries and Kazakhstan in Moldova, 19-21 September</p> <p>Joint initiative for a 'jour-fixe' on WBL launched to regularly exchange and discuss WBL matters</p> <p>ETF contribution to Cedefop Policy Learning Forum 'VET as a solution to leaving education early', Thessaloniki, 16-17 May</p> <p>Sharing a panel session at the EQAVET Conference in Malta, 8-9 June</p> <p>Cooperation in the frame of the EQAVET Steering Committee</p>	

Core Themes	Specific themes for 2017	Exchange of information and good practice	Joint actions	Progress 2017	Knowledge sharing seminars and major events
	Qualifications development		Cooperation (also with UNESCO) will continue on global qualifications frameworks developments, including in co-producing, with UNESCO the third edition of the Global NQF Inventory.	<p>Global NQF Inventory (co-production Cedefop-ETF-UNESCO): ETF provided thematic chapter and 24 partner country chapters. ETF and Cedefop, with UNESCO, prepared and delivered a joint presentation of the Inventory to Asia-Europe Ministers' meeting in Seoul, 20 November.</p> <p>EQF Advisory Group – continuous collaboration with Cedefop in updating them and DG EMPL on SEET partner country progress in NQF implementation and preparations for referencing their NQFs to the EQF. Likewise, advising Cedefop and DG EMPL of implications of new EQF Recommendation for all ETF partner countries.</p> <p>Knowledge-sharing and planning cooperation: ongoing, but in particular session hosted by Cedefop in May in Thessaloniki in which both agencies shared recent publications and studies, in ETF case "Getting Organised for better qualifications" publication.</p> <p>Sharing intelligence: Cedefop provided contacts and cases of EU Member State validation and recognition practices for our Eastern Partnership October conference on qualifications and mobility; also, Cedefop provided MS practices to support refugees to inform ETF tool developed to support Syrian refugees in Turkey.</p> <p>Studies: Cedefop lead study on Level 3 and 4 qualifications, on qualifications types; ETF provided partner country examples.</p>	
	Skills matching and anticipation/identification		Co-operation will continue in the area of skills matching, with a special focus on anticipation	ETF participated in the knowledge sharing seminar on 22 May in Thessaloniki. Bilateral discussions were held to agree on the future cooperation. Possible areas of cooperation: Cedefop's policy learning forum 2018 on using the results of skills anticipation analyses in policy-making, and ETF's conference on skills development challenges focusing on skills mismatches and data problems faced in the developing and transition countries.	
	Migration and skills		Exchange on methodologies and tools on labour market integration and skills validation/recognition of migrants	ETF has been drawing on Cedefop expertise and knowledge of EU MSS systems to develop the tool for validation of refugees' skills, in our work Turkey. ETF contributed to the Cedefop-OECD Experts Forum on 'upskilling, reskilling and employing adult refugees' and shared its experiences from Jordan and Lebanon. ETF has cooperated with Cedefop in identifying the best practice in recognition for the Eastern Partnership event in October. Together with Cedefop, ETF provided comments on the EU Skills Profile Tool for Third Country Nationals.	

Core Themes	Specific themes for 2017	Exchange of information and good practice	Joint actions	Progress 2017	Knowledge sharing seminars and major events
	Governance		Unplanned	ETF attended Cedefop workshop on results of 1st European Public Opinion Survey on Vocational Education and Training. The survey provides unprecedented data on European's opinions on awareness, attractiveness and effectiveness of vocational education and training in Europe, and has been found a very useful tool for current activities of SP VET Governance in Ukraine, linking to the on-going work in VET decentralization, and the issue of how to work together for better image and attractiveness of VET in the country.	
Strategic issues	Participation in the Governing Board meetings	Cedefop GB: June 2017 ETF GB: June 2017 and November 2017		Cedefop and ETF mutually participated to the respective Governing Board meeting. The new Framework for cooperation agreement was approved and presented to the ETF Governing Board in November.	

ANNEX 8: REGIONAL OVERVIEW

Highlights from the Geographic regions for the year were :

South Eastern Europe and Turkey

The ETF supported the implementation of the renewed Enlargement Agenda, in November 2017, by extending the co-operation agreement with the Regional Co-operation Council (RCC) which was welcomed by DG NEAR and DG EMPL. The agreement (2018-2020) envisages deepening and widening of the cooperation to include monitoring and data collection of education indicators, quality assurance, continued ETF expertise input to the regional Employment and Social Affairs Platform (ESAP, managed by RCC on behalf of DG EMPL) and support to MAP agenda in Recognition of qualifications and skills development in the region.

Also at regional level the ETF has continued its cooperation with the Education Reform Initiative for South East Europe (ER I SEE - which has after years finally received legal status in November and does not base its interventions on an interim Secretariat anymore), in particular through participation in Steering Committee Meetings, but also through expertise input to the draft regional proposal on work-based-learning and qualifications put forward by the VET Centres and Chambers of WB Six (also an initiative under the Berlin Process). ERI SEE has also a mandate in MAP in relation to implementation of the Mobility Agenda jointly with RCC.

The ETF released the Regional SEET Torino Process Report and for the candidate countries, the ETF has also provided its input for the 2017 Interim-Riga report and presented its findings at the DGVT meeting in October in Brussels, the ETF-ACVT Preparatory meeting in Turin in December and the ACVT meeting in December in Brussels.

At country level, the implementation of Riga Conclusions in the candidate countries has continued in areas such as work-based learning, continuing professional development or entrepreneurship development (c.f. related SPs as per work programme). In Bosnia and Herzegovina and Kosovo implementation has been linked to the ETF Torino Process findings.

At regional level, the regional EAfA meeting in Montenegro organised by ETF, DG EMPL and the Montenegrin Government has demonstrated that candidate countries have made good progress with work-based learning. The SBA 2018 assessment round for all SEET countries has been launched in Paris in September and has been followed by country meetings and will be in full implementation in 2018. The ETF Forum for VET Quality Assurance for SEE T has also been launched in November in Turin, and will continue up to 2020 involving all SEE T countries. The ETF has ensured that the SEET countries are part of the Global NQF Inventory and has also worked with Cedefop on the VINFIL Inventory to include also the SEE T Countries. The ETF has provided its expertise input to the Mobility Component of MAP, stressing in particular that mutual recognition of qualifications needs to take place in the context of LLL and not only focus on higher education.

Southern and Eastern Mediterranean

In 2017 and in addition to its country initiatives, the ETF pursued its contribution, at regional level, to address the challenges of youth employability; skills development and matching to labour market needs through the following actions:

Pursuing support the EC (DG GROW) with analysis and reporting on the country's progress on the human capital pillars of the Small Business Act for Europe (SBA). In 2017, an interim assessment has focused on policy framework for entrepreneurial learning, training for women's entrepreneurship and SME skills intelligence. A report from the SBA assessments and dissemination will follow in 2018. The Euro-Med Industrial Ministerial Conference is planned for May 2018.

Launching a regional study on work-based-learning (WBL) in close collaboration with UNESCO. ETF has finalised the studies for MA and TN and launched the one for DZ. UNESCO will cover the remaining SEMED countries. A cross-country report will be drafted and disseminated in 2018.

Pursuing support to DG-NEAR in the design (and Pagoda ToRs) of a new regional project on youth employment (YEM: Youth Employability in the Mediterranean) which will be implemented by UNESCO. ETF will take part of the steering committee of this regional project together with DGNEAR

Eastern Europe

In 2017, the ETF has continued its work in the framework of the Eastern Partnership, and completed the implementation of the 'Make it Match network' which closed the cycle of activities in 2017 with the final conference under EaP platform II that took place on 27-28 June in Riga (Latvia). The network will continue in 2018 under the second phase of the EaP programme 2018-20.

Furthermore, at the regional level the ETF has been active through the Skills connexion project in the area of Work Based learning, where all countries in the region have updated their WBL country snapshots and recommendations. The project results will be published in 2018 with country fiches and a regional study.

Under the Torino Process the ETF has published the regional report on the progress of VET in the region, identifying priorities common to all countries in the region, including a continued focus on skills anticipation and matching, work based learning, career guidance and the quality of teachers and trainers. and the upraising need for entrepreneurial and digital learning actions.

The ETF delivered expertise inputs to EC services (ENI-East employability fiches) and EU DELs for EU-PC policy dialogue and EU programming and provided input to the regional policy dialogue through expert contribution to EaP panel on Youth employment and employability

In 2017, the ETF launched a mapping of policies to support youth transition to work in Azerbaijan, Armenia, Belarus, Georgia, Moldova and Ukraine, which outputs will be presented in 2018 to the kick off meeting of the second phase of the EaP programme 2018-2020.

The ETF has supported activities in the region to continue the development of National Qualification Frameworks (NQF) and contributed to developments at the national level as well as active regional peer learning through the Qualification Platform and the Conference organized within the Eastern Partnership on qualifications and mobility/migration for the 6 Eastern partnership countries, focusing on recognition and validation, hosted in Georgia on 25-26 October 2018

Central Asia

In the course of 2017, the ETF developed and delivered the content for the three (February, May, October) Central Asian Education Platform (CAEP) working group sessions on data collection and evidence-based policy making. ETF also provided input for the EU-CA Ministerial meeting which took place in Astana in June 2017 and took part in the event, delivering a presentation on findings of the 2016 Torino Process round. The Astana Ministerial meeting resulted in the adoption of the Astana Declaration, which confirmed the priority areas of work to be covered by CAEP. Furthermore, ETF provided input to the work of the National Qualification Framework working group.

The current phase of CAEP will be extended until March 2019. Agreement has been reached between ETF and CAEP that a further 2 working session on data collection will be developed and delivered by the ETF in the course of 2018 (indicatively in May and October 2018).

ANNEX 9: PERFORMANCE INFORMATION INCLUDED IN EVALUATIONS

Evaluation of the ETF activities in the field of VET Governance	
ABB activity:	Governance
Type of evaluation:	Interim Evaluation
Summary of performance related findings and recommendations:	<p>The main findings of the evaluation were that the ETF demonstrated a very strong capacity for providing differentiated governance interventions to its partner countries and governance interventions were not only relevant, but also made a considerable contribution to building teams of VET reformers in partner countries. The ETF has facilitated these processes particularly well and developed unique VET governance products and services which provided high utility and added value for the work of ETFs immediate stakeholders. Furthermore, survey and interview findings alike showed that ETF governance products and services have improved the capacity of the Agency's immediate stakeholders, representing all levels of VET governance system. Those who benefitted most were the representatives of sub-national stakeholders, social partners and other non-state actors – the groups traditionally excluded from the decision-making process in most partner countries.</p> <p>The evaluation also showed that the ETF Governance activities were highly relevant and the most complementary to the work of the EU delegations as good governance is a key criterion for activating EU financial support.</p> <p>Added value of ETF Governance work was – the establishment of open discussions with a broader range of stakeholders, provided fast access to knowledge and information, covers a broad range of Governance issues, brings a comparative perspective from multiple countries and regions, a high level of impartiality and continuity responsive to country needs with a higher level of expertise – ETF's higher flexibility to partner country needs on VET governance and the accessibility of expertise coupled with higher level expertise, greater thematic and geographic scope facilitates the materialisation of faster change, than if only the actions of other development actors were implemented.</p> <ul style="list-style-type: none"> ETF's products and services in the area of VET governance were in line with the needs of Partner Countries. They have proved very useful to Partner Country stakeholders and were difficult to substitute with the products and services of other actors. ETF VET governance interventions were based on effective learning approaches. They have improved stakeholders' capacity, facilitated their participation in VET policy making, and made a considerable contribution to developing more effective teams of reformers. Active participation and improved capacity has led to consensus-building debates among key stakeholders. Partner Country stakeholders already share a broad consensus that multilevel governance is the way forward in modernising VET. ETF's governance actions have contributed to this outcome. Management of VET governance actions within ETF was found to be in a healthy state. Operational-level priorities were in line with the corporate approaches, with no visible issues in the delivery of planned outputs. <p>The key recommendations arising from the report are that the ETF should consider to:</p> <ul style="list-style-type: none"> Products and services in the area of VET governance could have reached more stakeholders if SP GOV had made some of its outputs more accessible and less complex, and established better communication with other international actors. Interventions would have yielded more sustainable results if SP GOV had more effectively addressed systemic conditions in the Partner Countries, and planned follow-up interventions well in advance. Key stakeholders would have derived greater benefit from ETF missions if they had been better sequenced. Synergies between strategic projects could have been more systematic if internal cooperation mechanisms had been better developed, and a consensus established as to the scope of SP GOV work.
Report:	http://europa.eu/lcx66bB

Evaluation of ETF Activities in improving Continuing Professional Development of Vocational Teachers and Trainers

ABB activity:	Continuing Professional Development of Vocational Teachers and Trainers
Type of evaluation:	Interim Evaluation
Summary of performance related findings and recommendations:	<p>The main findings of the evaluation were that in the light of global and European priorities, working on CPD for VET teachers is relevant in SEET and through the ETF approach to CPD for VET teachers, combining research, networking and small-scale projects, ETF has a continuous engagement with many different stakeholders and possibilities to support policy development and implementation in the partner countries. The ETF activities have in at least half of the countries led to evidenced impact at policy level.</p> <p>ETF has been able to expand the engagement of teachers and VET schools and to support them in capacity building.</p> <p>The key recommendations arising from the report are that the ETF should consider:</p> <ul style="list-style-type: none"> to revise the demonstration project approach and make it in general more policy-relevant, and devote more attention to 1) deciding when a demonstration project is relevant given the country context; 2) setting procedures and criteria for the selection and design of the project; and finally, 3) organising the follow-up activities in terms of policy dialogue. better position the demonstration projects (from their initiation to their finalisation) in a broader knowledge development framework. The projects need to be compared with other (good) practices and analysed in terms of whether and why they work, for which processes, and in what context (roles, responsibilities stakeholders, governance structures, legal/financial frameworks) so that ETF gathers insight in the working (and non-working) mechanisms of the demonstration projects. Enhanced policy dialogue and networking activities to increase cooperation could further increase sustainability. <p>Added value - The ETF is recognized as a credible actor that can aptly provide policy advice on the EU agenda and research expertise, also in virtue of its long standing presence in the SEET regions since the pre-accession period. There is a broad and uniform consensus on the added role of the ETF in shaping CPD developments in the SEET region that appears to be complementary to the role of other donor organisations. These findings are also consistent with the recent external evaluation on the ETF commissioned by the European Commission that notes that the ETF contribution “to partner country developments has been especially strong in respect of governance, systems and policy-making”³³.</p>
Report:	http://europa.eu/!JK77WQ

³³ EC (2016) External Evaluation of the European Training Foundation (ETF)

ANNEX 10: ACTIVITY-BASED BUDGETING

The ABB for operational activities is broken down into seven thematic areas. Overall, actual expenditure vs planned has a high level of correlations with slight variations. The same applies to the geographic regional planned vs actual expenditure for 2017.

Operational activities 2017 Strategic Projects	Planned budget (m€)	%	Actual (m€)	%
Support to EU assistance in the context of EU external policies	2.22	11%	1.56 ³⁴	8%
Policy analysis and system wide progress monitoring	3.63	18%	3.01	15%
VET governance	2.82	14%	2.95	15%
VET provision and quality	3.22	16%	3.99	20%
Qualifications and qualifications systems	3.63	18%	3.60	18%
Employment, skills and employability (including skills and migration)	2.82	14%	3.25	16%
Entrepreneurial learning and enterprise skills	1.61	8%	1.77	9%
Total Strategic Projects	20.14	100%	20.13	100%

Geographical region	Planned budget (m€)	%	Actual (m€)	%
South Eastern Europe and Turkey (SEET)	7.33	37%	6.91	34%
South and Eastern Mediterranean (SEMED)	5.51	27%	4.79	24%
Eastern Europe (EE)	5.83	29%	6.27	31%
Central Asia (CA)	1.48	7%	1.99	10%
Total Budget	20.14	100%	20.13	100%

³⁴ Support to EC programming and implementation in the partner countries directly, excluding the support to EC services from thematic projects i.e. employment fiches, etc.

Resource allocation planned vs actual per country for 2017

Geographical region	Planned budget (m€)	%	Actual (m€)	%
SEET	7.33	36%	6.91	34%
Albania	1.08	5%	1.16	6%
Bosnia and Herzegovina	0.90	4%	1.02	5%
Kosovo	0.95	5%	0.65	3%
Montenegro	1.01	5%	0.93	5%
Serbia	1.22	6%	1.23	6%
Turkey	1.19	6%	1.11	6%
former Yugoslav Republic of Macedonia	0.99	5%	0.82	4%
SEMED	5.51	27%	4.79	24%
Algeria	0.54	3%	0.39	2%
Israel	0.44	2%	0.23	1%
Jordan	0.80	4%	0.56	3%
Lebanon	0.59	3%	0.59	3%
Morocco	1.03	5%	0.76	4%
Occupied Palestinian Territory	0.54	3%	0.29	1%
Tunisia	0.97	5%	1.47	7%
Egypt	0.60	3%	0.50	2%
EE	5.83	29%	6.27	31%
Armenia	0.44	2%	0.55	3%
Azerbaijan	0.74	4%	0.69	3%
Belarus	0.61	3%	0.71	4%
Georgia	0.64	3%	0.93	5%
Moldova	1.08	5%	1.07	5%
Russia	0.44	2%	0.26	1%
Ukraine	1.88	9%	2.06	10%
	0.00		0.00	
CA	1.48	7%	1.99	10%
Kazakhstan	0.33	2%	0.47	2%
Tajikistan	0.31	2%	0.40	2%
Turkmenistan	0.35	2%	0.36	2%
Uzbekistan	0.25	1%	0.45	2%
Kyrgyzstan	0.25	1%	0.31	2%
Total	20.14		20.13	

ANNEX 11: ASSESSMENT OF COMPLIANCE AND EFFECTIVENESS OF INTERNAL CONTROLS

Priority Area / Building Block	ICS	Management self-assessment	Improvement Actions
Human resources	ICS 3. Staff Allocation and Mobility (important)	HR Strategy is outdated and needs updating. Not all staff appear to be used to their full potential. Staff mobility could be promoted in a transparent way in the interest rest of the service	Review the HR strategy in line with organisational goals to: -increase flexibility in staff allocation, based on ETF needs and available skills and competences. -Promote transparent internal mobility to increase interdepartmental cooperation and staff motivation. Actions already addressed by the 2017/2018 reflections on the future of the ETF
	ICS 4. Staff Evaluation and Development (important)	L&D should be more clearly aligned to the strategic and developmental objectives of the ETF. L&D and study support scheme are not equally treated and lack transparency.	Review the ETF Learning & Development strategy to align it with organisational development goals. Main responsibility/accountability for learning and development to be aligned with managerial roles. Actions already addressed by the 2017/2018 reflections on the future of the ETF
Operations and Control Activities	ICS 7 Operational Structure (important)	The roles of SPLs and HOU's occasionally overlap. The distribution of staff across functions not optimal.	Reinforce country intelligence and review SPL and management roles Review the role of CPD in terms of a more corporate and strategic function. Actions already addressed by the 2017/2018 reflections on the future of the ETF
	ICS 8 processes and procedure (desirable)	Processes are mapped, although they could be simpler.	Simplify process mapping and concentrate on core processes.
	ICS 11 Document management (important)	SharePoint is a good tool but not always used in an appropriate manner.	Review the ETF DMS (SharePoint) with external support and ensure a more adequate use of the system for effective implementation Action already addressed by the performance/peer review of SharePoint due to be carried out in Q1-2018

ANNEX 12: LIST OF ABBREVIATIONS

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
CORELAP	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 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
ETF	European Training Foundation
ET 2020	Strategic framework for European cooperation in education and training
EBRD	European Bank for Reconstruction and Development
EAfA	European Alliance for Apprenticeship
EC	European Commission
EEAS	European External Action Service
EESC	European Economic and Social Committee
EQARF	European Quality Assurance Reference Framework
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
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
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
NEET	Not in education, employment, or training
NQF	National qualifications framework
OECD	Organisation for Economic Co-operation and Development
QA	Quality Assurance
RCC	Regional Cooperation Council
RCI	Regional Competitive Initiative
SBA	Small Business Act
SEE	South Eastern Europe
SEECCEL	South East European Centre for Entrepreneurial Learning
SME	Small and medium-sized enterprise
SRC	SRC Sector Reform Contract
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 Acronyms³⁵

South Eastern Europe and Turkey	SEET
Albania	AL
Bosnia and Herzegovina	BA
Kosovo ³⁶	XK ³⁷
the former Yugoslav Republic of Macedonia	MK ³⁸
Montenegro	ME
Serbia	RS
Turkey	TR
Southern and Eastern Mediterranean	SEMED
Algeria	DZ
Egypt	EG
Israel	IL
Jordan	JO
Lebanon	LB
Libya	LY
Morocco	MA
Palestine ³⁹	PS
Syria	SY
Tunisia	TN

³⁵ Acronyms taken from International Standardisation Organisation (ISO) and based on practice by the European Commission. <https://www.iso.org/obp/ui/#search>

³⁶ 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.

³⁷ 'XK' is a code used for practical reasons and not an official ISO country code.

³⁸ '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.

³⁹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

Eastern Partnership	EaP
Armenia	AM
Azerbaijan	AZ
Belarus	BY
Georgia	GE
Republic of Moldova	MD
Ukraine	UA
Central Asia	CA
Kazakhstan	KZ
Kyrgyz Republic	KG
Tajikistan	TJ
Turkmenistan	TM
Uzbekistan	UZ
Other partner country	
Russia	RU

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