

CONSOLIDATED ANNUAL ACTIVITY REPORT 2020

EUROPEAN TRAINING FOUNDATION

In pursuance of FR 2018/1046, FFR No 2019/715¹

¹ Commission Delegated Regulation (EU) 2019/715 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

Our enhanced support for the EU's neighbours in the years to come will mean a more vital role for the ETF as a catalyst for change and a resource for the European Union in targeting assistance to make the most of human potential in our partner countries.

David Sassoli, President of the European Parliament²

² European Training Foundation 1994-2019, ETF 2020,
https://www.etf.europa.eu/sites/default/files/2020-09/etf_1994-2019.pdf

CONTENTS

EXECUTIVE SUMMARY	5
The ETF in brief	5
Policy Achievements for the year	6
Geographical reach	8
Key Performance Indicators (KPIs)	12
Key conclusions on financial management and internal control	13
PART I - ACHIEVEMENTS FOR THE YEAR - IMPLEMENTATION OF THE ETF'S ANNUAL WORK PROGRAMME 2020	15
1.1 Support to EU assistance in the context of EU external policies	15
1.2 Intelligence and evidence gathering, analysis and diagnosis	18
1.3 Methodological development	19
1.3.1 Relevance of skills	19
1.3.2 Development of skills	21
1.3.3 Institutions and system efficiency	23
PART II MANAGEMENT	24
2.1 Governing Board	24
2.2. Major Developments	24
2.3 Budgetary Financial management	26
2.4 Delegation and sub-delegation	28
2.5 Human resource management	29
PART II B) EVALUATION	34
PART III - ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS	36
3.1 Effectiveness of internal control systems	36
3.2 Conclusions of assessment of internal control systems	39
3.3. Statement of the manager in charge of risk management and internal control	40
PART IV MANAGEMENT ASSURANCE	41
4.1 Review of the elements supporting assurance	41
4.2 Reservations	44
4.3 Conclusions on the assurance	44

PART V DECLARATION OF ASSURANCE	46
LIST OF ACRONYMS	47
Annex I Core Business Statistics	50
Annex II Statistics on Financial management	51
Annex III ETF organisational structure 31.12.2020	52
Annex IV Establishment plan and additional information on Human Resources management	54
Annex V. Human and financial resources by activity	62
Annex VI Contribution, grant and service level agreements. Financial Framework Partnership Agreements	64
Annex VII - Environment management	65
Annex VIII – Draft annual accounts and financial reports	66
Annex IX Cooperation with international and bilateral organisations	67
Annex X – Collaboration with CEDEFOP 2020	70
Annex XI – Collaboration with EUROFOUND 2020	71
Annex XII – Evaluation of EU Agencies in the field of employment and social affairs	72

EXECUTIVE SUMMARY

This report provides evidence of the successful implementation of the ETF's 2020 Annual Work Programme in line with the Communication from the Commission on the strengthening of the governance of Union Bodies under Article 70 of the Financial Regulation 2018/1046 and on the guidelines for the Consolidated Annual Activity Report³. The report also takes into account that 2020 was the last year of implementation of the midterm perspective 2017 – 2020 and a bridging year for the launching of the Strategy 2027 implementation in 2021. Comparative data and indicators for the four-year perspective are presented in the annexes in the financial and human resource tables.

The ETF in brief

The European Training Foundation (ETF) is the European Union Agency that supports countries outside the EU in improving their human capital development, in the context of European Union (EU) external relations policies. Currently the ETF cooperates at country and regional level with the countries of the EU Neighbourhood and Enlargement regions, and in Central Asia, as well as contributing to the EU external policies and programmes at Pan-African level.

In 29 partner countries⁴, the ETF contributes to the development of human capital by providing advice and support to the countries themselves and to the EU Delegations on the reform of education, training and employment policies and systems. This contributes to social wellbeing, stability and prosperity in the countries surrounding the European Union.

Through the Torino Process, the ETF produces regular monitoring reports on the status and priorities of skills policies, and system performance in all the countries where it is active. Furthermore, the ETF gathers thematic and country intelligence to ensure sound, evidence based and participatory input for policy development, project and programme design, and policy evaluation. The ETF has expertise in a range of themes including the modernisation of qualifications and their alignment with the European qualifications' framework; and the analysis of skills gaps and skills needs through quantitative and qualitative methods. The ETF also works on improving the relevance of skills with an emphasis on work-based learning, key competences, policies for inclusion and excellence, and the professional development of teachers and trainers.

The ETF has established a sound reputation in nearly three decades of work as a centre of expertise in these policy areas, working closely with the European Commission and the European External Action Service (EEAS) as well as the EU Delegations on policy dialogue and programme support. The ETF also works closely with other EU agencies in support of EU priorities as in the newly agreed Osnabrück Declaration agreed by the EU member states and candidate countries in 2020.

Central to the work of the ETF is lifelong learning, which is identified by the UN Sustainable Development Goals, the European Consensus on Development, and the report of the ILO Global

³ This Consolidated Annual Activity Report has been prepared in accordance with art.13 of the ETF regulation and art.48 of the ETF FR and in the format defined by the EU Agencies Network in cooperation with the Commission in [C\(2020\)2297/F1 - EN \(europa.eu\)](#)

⁴ Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Egypt, Georgia, Israel, Jordan, Kazakhstan, Kosovo (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), Kyrgyzstan, Lebanon, Libya, Moldova, Montenegro, Morocco, North Macedonia, 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.

Commission on the Future of Work as essential to promote sustainable growth. It is also a condition for building inclusive and stable societies, as well as peace and regularisation of migration in the EU and its wider neighbourhood.

The Governing Board of the ETF is chaired by the Director General of DG Employment, Joost Korte, and includes one representative of each Member State, three representatives of the Commission, three non-voting experts appointed by the European Parliament, and three observers from the ETF partner countries.

Policy Achievements for the year

2020 was the final year of the successful implementation of the ETF mid-term perspective 2017-2020. The annual activity reports and the summary activity resource allocation tables in Annex V document the ETF's consistent achievement of the planned goals and objectives for that perspective. Over the period, the ETF contributed to the EU external action policies by integrating the principles of EU priorities on employment, social rights, social inclusion, skills and qualifications into the support and development of human capital practices and policies in the neighbourhood countries.

In 2020, the ETF implemented the work programme by adapting the activities planned to the challenges faced by partner countries in coping and responding to the COVID-19 pandemic. This response also created an opportunity for the ETF to put in place the groundwork for the new ETF strategy 2021-27 which would be launched in 2021. The ETF Strategy 2027 is a response to the need for a paradigm shift towards lifelong learning, more flexible learning pathways, formal and informal ways of learning, encompassing hard and soft skills. The ETF had to broaden its expertise to be able to serve these changing needs and to approach lifelong education and training system reforms with a broader and more comprehensive perspective, moving away from isolated solutions towards integrated actions. The following pillars represent the ETF core services and operational modalities on which the Strategy 2027 is based:

- Policy advice and input to EU external action priorities; the increased investment in Human Capital Development, will lead to an increased request for policy advice from both the partner countries and the EU.
- Diagnosis and assessment through the consolidation, use and application of ETF developed diagnostic and assessment methodologies.
- Knowledge hub. In this area, building on the wealth of Human Capital Development related expertise, the ETF will provide and produce guides, toolkits, and other learning materials to target experts in the process of education and training system transformation and modernisation.

In response to the COVID-19 pandemic the ETF:

- set up a system to regularly map measures in place in the EU neighbourhood in education and training systems to cope and respond to the impact of the pandemic and socioeconomic issues. The reports were shared with partner countries and the Commission services;
- increased collaboration with partners such as UNICEF, UNIDO, EBRD, CEDEFOP, ILO in areas including skills for enterprise, youth and career guidance;

- launched the #LearningConnects web-campaign to offer support during the COVID-19 crisis, as well as producing webinars for professionals in education and training.

At the request of the Commission, the ETF continued to support the EU funded programme for the African Union 'Skills for Youth Employability', specifically on the key output of developing an African Continental Qualifications Framework (ACQF).

With regard to support for EU accession, the ETF provided information and analysis to the Commission for progress monitoring on the accession negotiating chapters concerning social policy and employment, enterprise and industrial policy, science and research, and education and culture. In support of economic governance, it provided inputs for the Commission's assessment of the Economic Reform Programmes on labour market, education and social policies.

During the year, the ETF's expertise was used in the formulation, implementation, monitoring and evaluation of European Union external programmes in skills and human capital development amounting to approximately €305 million.

The 5th round of the Torino Process, an ETF led periodic assessment of the state of play in the reform of education, training and employment systems in partner countries, was completed in 2020 with the broader scope of human capital development. It will culminate in an International conference foreseen in a hybrid format in the week of 21-25 June 2021.

In addition, ETF supported countries in using EU tools and platforms, such as the European Qualifications Framework (EQF), European Quality Assurance in Vocational Education and Training (EQAVET) and the European Alliance for Apprenticeships (EAfA).

In the context of the Osnabrück Declaration agreed by EU stakeholders at a ministerial virtual meeting on 30 November during the German presidency of the European Union, the ETF will support the implementation of actions in the EU's candidate countries working closely with its sister EU agency Cedefop which will support implementation and undertake monitoring in the EU member states.

The ETF actively supported DG EMPL in the European Vocational Skills Week, promoting the initiative in the ETF partner countries, leading the conference on VET internationalisation and organising the ETF Innovation and Skills Award under the VET Excellence Awards.

In 2020, ETF continued to collaborate with EU agencies, notably Eurofound and Cedefop, with a joint programme of action included in the respective agency work programmes and participated as an Observer on the ELA and Cedefop Management Boards.

The ETF together with the other Agencies working with DG EMPL, contributed to a consultation meeting organised by DG EMPL in October 2020 as part of the consultation launched by the Commission Communication "A strong social Europe for just transitions" to prepare the Action Plan for the European Pillar of Social Rights.

In 2020, the ETF engaged directly with over 5 000 country stakeholders in 28 countries surrounding the EU and additionally reached over 100 000 people through its digital communication channels.

Geographical reach

The ETF responded and adapted its support to partner countries in the reform of their education, training and employment policies and systems taking into account the reinforced pressure on countries to address their human capital development needs.

South Eastern Europe and Turkey (SEET)

Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia, Turkey



Youth study SEET policy recommendations and dissemination: SEET Youth report “*Unlocking Youth Potential in South Eastern Europe and Turkey: Skills development for labour market and social inclusion*” published. Three online events organised jointly with the EBRD and WBCIF Factsheet/summary published. National report in Serbia finalised and webinar for discussing findings organised. Content steering of the communication campaign – facilitation of interviews with representatives of RYCO, RCC, ILO Budapest, ILO Turkey, UNICEF’s ECA regional and country offices including young people

Digital Skills and Learning in SEET: Reports submitted finalised for Turkey, Montenegro and Republic of Serbia on pilot SELFIE WBL. Georgia also joined the pilot implementing the same project structure as the SEET region countries involved. Multilingual webinar organised. A follow-up assignment has been approved for 2021, for which experts will provide a more comprehensive version of the reports, commented by stakeholders, JRC and ETF. Reports should be edited and published in Spring 2021.

WBL intervention EAfA: The webinar for Candidate Countries “European Alliance for Apprenticeships - Webinar for Candidate Countries: Key developments on work-based learning since Riga summit” was held on 24/09 and focussed on key developments in Work Based Learning between 2015 and 2020. Speakers from Albania, Montenegro, Serbia, Turkey and North Macedonia presented the main achievements in terms of reforms, new regulations, progress in Work Based Learning/dual-education and examples of good cooperation between schools and enterprises in WBL. The representative from the German Presidency of the EU presented possible future scenarios on WBL and apprenticeship in Europe. The event was organised in cooperation with the European Commission - DG Employment, who offered their online platform (WebEx) and took care of the technical arrangements. About 70 participants joined the online event.

Advising EU services: Western Balkans Innovation Agenda and IPA III - Close involvement with EC in the development of the Western Balkans Agenda for Innovation, Research, Education and Culture and with regard to the European Pillar of Social Rights, the Council Recommendation on Vocational Education and Training and the New Skills Agenda.

Input to the development of the IPA III Regulation and with regard to the European Pillar of Social Rights, the Economic Investment Agenda and relevant EU Agencies.

Cooperation agreements in place are with the [Western Balkans Six Chamber Investment Forum](#); the [Education Reform Initiative of South Eastern Europe](#) (ERI SEE) and with the [Regional Cooperation Council](#) (RCC).

Southern Eastern Mediterranean (SEMED)



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

Youth study SEMED: Report finalised, including leaflet/summary and infographics. Communication activities organised. Contract with Oxford Research closed in December 2020. The Report currently under external editing, will be translated in FR and AR.

Cooperation with UfM and regional policy dialogue

The ETF continued to be active providing input to the follow up of the UfM Ministerial Declaration on Employment and Labour together with DG EMPL and UfM Secretariat. The input consisted in i) fine tuning and further conceptualisation of matrix to be used as a basis for the development of a monitoring framework; ii) incorporating and discussing revisions to the indicators proposed in the matrix, following a written consultation with the regional platform on employment and labour (RPEL); iii) presentation and discussion of the revised matrix during the 10th meeting of the RPEL on 19th November. As a further follow up, a coordination meeting was held in the beginning of December with UfM and DG EMPL to discuss further revisions and next steps.

The ETF contributed to the following UfM-led events: Social dialogue Forum in the beginning of November with a presentation on the role of social partners in monitoring skills development; Med4Jobs (biannual forum) with a presentation of the SEMED youth Study and Smart specialisation methodology. UfM took part in ETF events on Skills for Enterprise and ALMPs in response to COVID-19 pandemic.

Other partnerships/cooperation

- ISPI – participation in the youth forum as member of the Jury for the call for projects and project ideas on innovative areas proposed by young people (end of November 2020)
- Participation and contribution to the BusinessMed workshops in December with a presentation of the youth study in SEMED and the role of employers in VET
- UNIMED cooperation ongoing, the ETF is invited to take part in the Start Cup Competition in 2021
- Womenpreneur – participation in the women week conference with a presentation on women entrepreneurship

Eastern Neighbourhood/Partnership



Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine and Russia

EaP policy advice on employment policies including EaP summit and Ministerial meeting - During 2020, ETF actively supported the EC services in the area of employment and particularly youth employment and employability. Further to the 2019 Regional conference on Supporting Youth Transitions to Work, ETF provided policy advice on the Youth Guarantee and possible transposition of its certain elements to the EaP countries. An active contribution on employment and employability elements were provided at the national round tables organised by DG NEAR and EU4Youth in Georgia, Moldova and Ukraine. An active contribution to the Youth Engagement Summit was provided in July, including a high-level participation, presentations and workshops. In addition, the work focused on active labour policies supporting skills development in the times of crisis and recovery took place through engagement webinars focused on cooperation with Public Employment Services.

Study on new forms of work and platform work in EaP: A Study on New forms of work and platform work brings additional elements for policy advice on employment in the 6 EaP countries and will be further finetuned in 2021. Six Country Profiles; draft regional report; draft Policy brief produced. The deliverables will be revised in line with the ETF comments and final versions submitted in 2021.

Support to digital and online learning skills EE: Mapping of progress on DSC and DOL policy and practices in VET in Armenia, Azerbaijan and Belarus done. Factsheets produced and shared with relevant institutions. National webinars organised to present and discuss the factsheets. The programme of the webinars also included break-out groups during which participants discussed and formulated proposals to three questions: 1) What are the priorities for development of digital skills and competences of students in VET? 2) How can the system of continuing professional development be improved for better quality of digital skills and competences for VET teachers? 3) What are the priorities for digital and online learning (DOL) in VET and CVET? The factsheets have published on the ETF website.

Support to SELFIE pilots in Moldova, Georgia and Ukraine : A comprehensive report “Scaling up and integrating SELFIE tool for schools digital capacity in the VET system” has been produced and a meeting organised with several key stakeholders in Moldova to present findings and recommendations of the report. Based on the needs of the Georgian stakeholders ETF support included both support to SELFIE pilot in general education and in VET. Training on SELFIE tool for technology experts for general secondary education delivered and training on SELFIE tool including WBL module for VET school representatives delivered. Analysis of SELFIE pilots and provision of recommendations on possible scale-up and integration into national system. Consultations with different stakeholders in the Ministry of Education, during which clarifications were provided on the tool, its potential benefits and how the ETF could support the pilot in Ukraine.

Make it Match: Multi-lingual webinars organised to inform about the current achievements of the Big Data for Labour Market Intelligence project, (data system, results and baseline dashboard) discuss results and next steps.

WBL annual Forum financed by EaP Platform 4: Regional Forum organised covering two topics: Recent developments in WBL and country priorities for the next period was delivered on 21 and 28 October (half days). The event was organised under EaP Platform IV by the DG NEAR Contractor Cecoforma. 80 participants were registered and attended the event. The event involved extensive preparatory work and prior engagement of the participants who were requested to discuss within country delegations and provide brief information on recent developments in advance and on country priorities before the Day 2 of the event. The programme of Day 1 also included break-out groups “Looking ahead to WBL: main lessons from the COVID-19 crisis”, during which participants from different countries shared experience on different approaches and strategies applied during lockdown allowing to continue training process. It should be noted that the platform used for the event WebEx, which was a requirement of the EC, did not allow high interactivity and exchange and in the ETF team’s opinion Zoom would be much better. Report prepared.

Central Asia



Kazakhstan, Kyrgyzstan, Tajikistan,
Turkmenistan, Uzbekistan

ETF organised a regional online consultation on distance and on-line learning in Central Asia, as an input to the regional Torino Process. The Central Asian Torino Process report will be completed early 2021. The consultation involved VET students, teachers, and provider managers as well as policy makers and international development partners active in Central Asia. The consultation provided an opportunity to share experiences and develop ideas for possible cooperation on DOL among Central Asian countries in the future.

ETF took part in the EU-Central Asia Society forum organised by the office of the EU Special Representative for Central Asia.

Key Performance Indicators (KPIs)

In spite of the extraordinary circumstances due to the COVID-19 pandemic under which the ETF and the partner countries operated in 2020, the Agency was able to implement the annual work programme through an effective re-planning exercise which began in March and was updated continuously until end of June, 2020. The effect on the achievement of the Key Performance Indicators (KPIs) was that only 3 KPIs measured slightly below target. However, all the KPIs for financial management remained high, well above target and almost at the same high levels as in previous years. The commitment rate was 99.88% compared to 99.96% in 2019 and the timely payment rate maintained at 94%, above the target of 90%. The rate of cancellation of payment appropriations was 1.46% (1.21% in 2019) and the rate of outturn was 98.79% (98.88% in 2019), both indicators well within the targets set as in previous years, illustrating the fact that the measures the ETF put in place in response to the pandemic were very effective in ensuring a continued and very high level of delivery of the annual work programme.

The rate of implementation of audit recommendations remained unaffected and remained at a consistent high of 100% as in the previous four years, illustrating the commitment from the management to follow up on audit recommendations.

Although the ETF responded quickly and effectively in response to the Covid-19 pandemic to ensure continuity of implementation, as expected, the rate of achievement of planned activities in the work programme 2020 was 87% and timely achievement of activities 76%, only just below the targets of 90% and 80% respectively, indicating that the measures put in place by the ETF very effectively addressed the constraints imposed on the ETF operational work and the conditions in the partner countries.

The main effects of the pandemic in terms of financial management has been on the carry forward which is slightly higher than the year before. Out of the €1,443,624 “**reste a liquider**” (RAL) from previous years (€1,341,810 in 2019) the ETF has paid 81% (91% in 2019), with € 273,147.83 being declared “lost opportunity” (€119,016 in 2019).

The comparative table of the 15 KPIs is presented in Annex 1, for the midterm perspective 2017 – 2020. The table consists of 11 KPIs used for the assessment of Directors and benchmarking between agencies and 4 operational KPIs targeting the key activities of the work of the ETF in the partner countries.

Over the mid-term the ETF has consistently achieved all KPIs above target, with only a few exceptions. In 2020, as a direct result of the COVID-19 pandemic, the activity completion and timely completion of activities were adversely affected, but only to a very small degree, by the cancellation and postponement of actions in the partner countries. The staff engagement indicator was below target in 2015 but has slowly increased as measures to address the issues identified in the staff survey have been put in place.

In terms of the operational indicators, only one, the Country policy development indicator which is measured annually was 57%, below target for the first year since the ETF has used this indicator, illustrating the direct effect on policy developments in partner countries as a result of the worldwide pandemic. For 2017, 2018 and 2019 country policy development progress was consistently above the target illustrating the relevance of the ETF actions in the partner countries. The other operational indicators remain at the same high levels, well above target. The level of satisfaction from the

European Commission services for the quality, timeliness and usefulness of the support received from the ETF addressing specific requests from EU delegations and EU services is 100% (rated either very good or good). Through the implementation of its human capital development activities in the countries the ETF has actively engaged 90% of its key country stakeholders (700 from 28 countries). The dissemination reach – i.e. the change in the number of people reached through digital media, website downloads and international and regional events – was 95%, slightly lower than the previous year of 107% due to the decrease in the number of missions and visits to the ETF of partner country stakeholders.

The results of the job screening exercise in 2020 demonstrate how the ETF has gradually managed to increase the overall allocation of staff to the operational job category from 61.7% in 2014 to 72.7% in 2020 while reducing administrative support and coordination. The related indicator for administrative support vs operational staff ratio is 18%, well within the target level of < 30%.

The average vacancy rate of ETF staff in authorised posts is 1%, with all posts filled at the end of December 2020.

Under the extraordinary circumstances in 2020, the ETF, once again achieved a high level of performance in its financial and operational areas. The indicators reflect a high level of financial discipline, sound organisational management as well confirmation of the impact of ETF work in the partner countries. Conclusions drawn from external audit and evaluation reports and internal monitoring also support the assessment of the maturity and stability of the agency.

Key conclusions on financial management and internal control

In accordance with its governance arrangements, the ETF conducts 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.

To ensure the achievement of policy and management objectives, the ETF has adopted a set of internal control principles and corporate performance KPIs based on international good practice, aimed to ensure 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 principles. The ETF has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended. (PART III for further details).

The 2020 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 all the Internal Control Principles were assessed as effective or present and functioning with no principles assessed as having critical weaknesses.

The ETF uses 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 2020, the ETF managed the resources provided by the EU to

deliver its activities in an efficient and effective manner and 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's assurance as regards the achievement of control objectives (PARTS II, III & IV).

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.

PART I - ACHIEVEMENTS FOR THE YEAR - IMPLEMENTATION OF THE ETF'S ANNUAL WORK PROGRAMME 2020

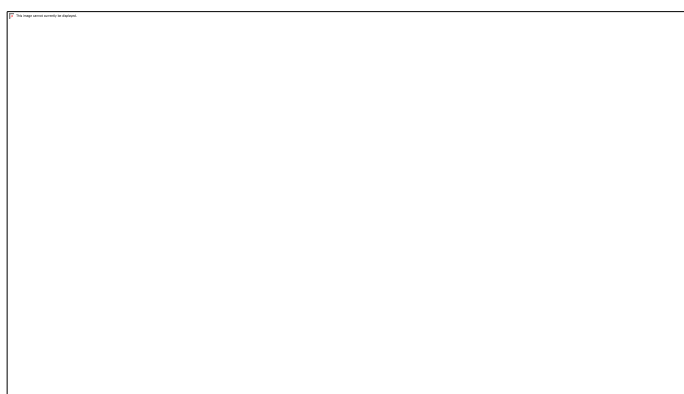
This section summarises the achievements for 2020 activities under the three specific objectives in the annual work programme 2020: 1. supporting EU assistance in the context of EU external policies, 2. ensuring intelligence and evidence gathering, analysis and diagnosis, 3. leading methodological development to support skills policies and systems change in partner countries.

The ETF increased the performance and quality of education and training systems in the partner countries in line with the [VET Recommendation](#), [the European Skills Agenda](#), [Bridge to Jobs](#), [Recommendations for Youth Guarantee update](#) and identified changing skills demands in the EU neighbourhood, working closely with EU Delegations, international donors, and other EU bodies to improve the effectiveness of assistance and development projects.

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

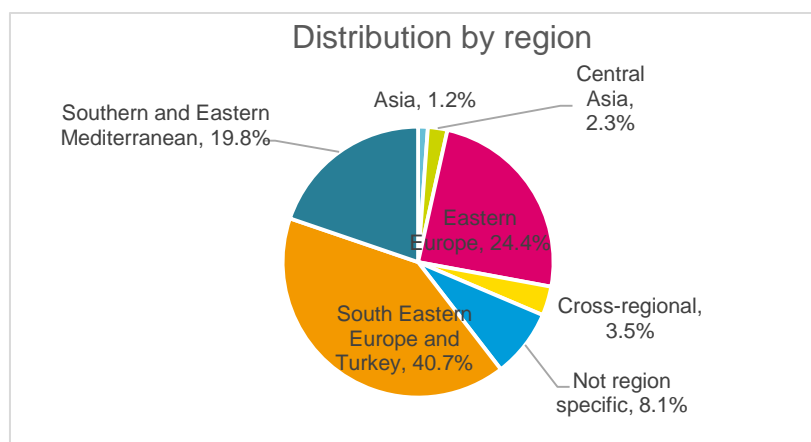
ETF support to EU external assistance programming and project cycle phases both for project and budget support aid modalities, was rated as good quality and useful as assessed through the annual online survey. The ETF also contributed to the implementation of EU regional initiatives and programmes with technical advice and provided inputs to the bilateral and regional policy dialogue embedded in the EU external relations and policy assessment processes by mobilising policy analysis and assessment results, such as those from Torino Process and thematic studies.

In 2020, the ETF's expertise was used in the identification, formulation, implementation, monitoring and evaluation of European Union external programmes in skills and human capital development amounting to approximately €305 million at a cost of €1.3 million.



Outcomes	Indicators	Progress
The relevance of EU interventions in the partner countries on human capital development is enhanced with the ETF's support to programming/project design, monitoring and evaluation, implementation and policy dialogue	80% of the EU services supported for programming/project design, monitoring and evaluation, implementation and policy dialogue assess the ETF contribution positively	100% of the respondents assessed the quality of ETF support of very good quality or good quality (81% very good quality). 95% of the services delivered were assessed by the respondents as very useful or useful (82% very useful). 94% of the respondents reported the support had been delivered in time.
The efficiency and effectiveness of EU interventions in the partner countries on human capital development are enhanced with the ETF's support to implementation, monitoring and evaluation	The ETF is requested to support implementation, monitoring or evaluation in 50% of its partner countries	ETF is supporting implementation, monitoring or evaluation in 62% of partner countries eligible for EU support (16 out of 26 eligible countries, same as 2019). The new requests received in 2020 within the category of implementation, monitoring and evaluation include Georgia (evaluation of VET Strategy implementation), Ukraine (content monitoring of EU4Skills Better Skills), Bosnia and Herzegovina (operationalisation of IPA 2018), Libya (advice to LMIS study and LM assessment), North Macedonia (support to the operationalisation of the SRPC IPA 2018), Serbia (preparing for the IPA2020 intervention with focus on non-formal learning system), Jordan (advice for a tracer survey of Syrian refugees & vulnerable Jordanians the scholarships project), Algeria (operationalisation of AFEQ II). In addition, work continued in several other countries. In total 16 countries were supported in implementation, monitoring and evaluation, namely: Bosnia and Herzegovina, Kosovo, North Macedonia, Serbia, Turkey, Armenia, Azerbaijan, Belarus, Georgia, Ukraine, Algeria, Egypt, Jordan, Lebanon, Libya and Tajikistan. ETF is also working with African Union in an EU funded continental project.

Due to the pandemic, the number of EU requests recorded in 2020 (86) was slightly lower than the number of requests received in 2019 (116). This is directly attributed to the COVID-19 crisis and its effect on EU interventions and the postponement of some policy dialogue events in the partner countries. The EU delegations and DG EMPL made most of the requests in 2020 while in 2019 the main requestors were EUDs and DG NEAR.



Key actions and achievements:

- ETF input to Western Balkans Innovation Agenda for Education, Research, Youth and Culture provided to DG EAC. Document to be approved in May 2021. VET and ETF an integral part of the draft document. ETF Director provided Keynote speech at Western Balkans Ministerial Platforms Meeting, including DG EAC, Research and Innovation, DG NEAR, JRC on 2 December 2020. All WB 6 Ministers confirmed inclusion of VET in the WB Innovation Agenda, which is part of the Economic Investment Plan for the Western Balkans.
- Regular dialogue and exchange with RCC in the areas of education, youth, digital skills and employment including mutual expertise contributions to relevant initiatives. This included ETF membership and expertise input to the RCC managed regional Multi-Stakeholder Working Group in support to digital skills strategies in the countries in the region (IPA-MB-Funding) as well as to the Employment and Social Affairs-ESAP Platform. It also includes ETF input to the Youth Policy Lab, (IPA-MB-Funding). The RCC provides expertise input to the ETF work on digital learning and in particular SELFIE, and the ETF Youth Study in SEET. Extension of cooperation agreement for cooperation in 2021 was signed.
- Regular dialogue and mutual expertise input with UNICEF (Geneva office). This has resulted in a joint ETF-UNICEF-Study on "Youth and Impact of COVID-19". Findings have been shared in an ETF, EBRD, ILO, UNICEF meeting on 10 December 2020. In September 2020 first findings of the study were shared with the EU Parliament CULT Committee organised by UNICEF and with input from ETF. UNICEF also provided input to the ETF webinar on evidence collection/availability for Youth Policy Making and Implementation (2 July 2020) in the context of the ETF Youth Study and Skills that was published in November 2020.
- Further development of the ETF work on digital learning with the countries in the SEET region happened, and in particular through the launch of the pilot WBL SELFIE with JRC in Serbia, Montenegro and Turkey. Implementation to started second half October 2020 with first results year end. Activities will continue in 2021.
- Regular dialogue and cooperation with ERISSEE and in particular on CPD for Teachers and their need for digital skills and competences continued. Webinar to launch the initiative took place in September and countries committed to the development of a TNA tool and piloting with selected schools (general and secondary education). Another example is the webinar that took place with ERI SEE in September on Quality of Education. Discussions with ERI SEE took place in December to extend cooperation in 2021 namely to the area of Quality Assurance involving the ETF Platform for QA and the work of ERI SEE on Q.A. in higher education and general secondary education.
- Virtual EAfA Meeting with DG EMPL and input from Western Balkans 6 Chamber Investment Forum and the candidate countries took place on 24 September on the achievements with deliverable WBL under Riga.
- Follow-up cooperation with Regional Youth Cooperation Office (RYCO) and involvement of RYCO in ETF SEET Youth Study, through inviting them to ETF including interview with General Secretary and RYCO expertise input provided to ETF Youth Webinar on 2 July as well as to the ETF, EBRD, ILO, UNICEF meeting on 10 December 2020. Also, the RYCO GS is part of the video on the main findings of the ETF UNICEF study on Youth.
- Follow-up dialogue with WB 6 CIF, and in particular the General Secretary, on joint work in the area of youth and private sector involvement in education and employment of youth and inputs like to 16 October webinar, ETF, EBRD and WB 6 CIF on Youth Entrepreneurship in COVID times, to November webinar on inclusiveness.
- ETF member of the evaluation of the VET Pilot Mobility Scheme for the Western Balkans with DG EAC with evaluation of second call, for 4 million Euro completed and contracts signed.
- DGVT and ACVT meetings and ETF/CEDEFOP Riga conference with candidate countries input and participation.
- ETF-JRC preparatory work underway on cooperation on SME Skills and Financing Models in the Western Balkans and in relation to WB EDIF, Enterprise Development Facility of DG NEAR. Launch of initiative in January 2021.

1.2 Intelligence and evidence gathering, analysis and diagnosis

In 2020 the ETF continued gathering evidence and intelligence at both country and thematic level with a focus on (i) the completion of the fifth round of the Torino Process (TRP5), at national and regional level, (ii) reinforcing quantitative evidence collection with the updates of the KIESE and national data collection and (iii) completion of the ETF input to the Riga Conclusions and to the MTDs monitoring in candidate countries.

Outcomes	Indicators	Progress
Increased availability of indicators and information across partner countries	Quantitative indicators (KIESE and National VET and LM indicators) increased by at least 50% Torino Process reports concluded Thematic inventories concluded	Kiese finalised and published. 40 Torino Process reports: country reports (in Open Space): 24; ETF assessments (on web): 16
Increased policy relevance and uptake of ETF Torino process assessment by partner countries	Torino Process reports used in at least half of participating partner countries for national and/or EU policy dialogue Participation of stakeholders is increased by at least 10%	TRP5 has been implemented in all PCs except Turkmenistan. The outcomes have been used in national policy dialogue in 11 countries (6/6 in EaP and 5/7 in SEET) and on EU policy dialogue in 13 countries (6/6 in EaP and 7/7 in SEET); and at regional level in Eastern Partnership. Participation has increased by +114 in EaP and by +30 in CA (TJ, UZ). The TRP5 is still ongoing at regional level in SEMED and CA to be completed in 2021

Monitoring and Assessment Torino Process

Despite the pandemic, the dialogue with stakeholders has been maintained and the key deliverables (national reports and events, [ETF HCD assessments](#)) of the 5th round of the [Torino Process](#) have been finalised.



Key actions and achievements:

- Process completed in **South East Europe and Turkey (SEET)** and in the **Eastern Partnership (EaP)**. In EaP, an online regional event took place in September (EaP platform dialogue) led by the EC (DG NEAR)
- Process well advanced in **Southern and Eastern Mediterranean** where all national reports have been published, pending Algeria and Tunisia. ETF HCD assessments completed
- Process completed in **Central Asia**, with national reports finalised and published in [ETF Open Space](#) and ETF HCD assessments for Kazakhstan and Kyrgyzstan published.
- **All national dissemination events of Torino Process findings carried-out** (except Algeria and Lebanon in Q1-2021)
- **Regional reports: SEET and EaP published.**

1.3 Methodological development

Methodological development is a core area of ETF work to develop and deliver products that support country needs with the aim of: a) making skills relevant; b) developing skills; and c) making systems and institutions efficient. ETF utilises its online community, Open Space, to gather intelligence, develop expertise, disseminate products, and network and engage with partner country and other stakeholders.

1.3.1 Relevance of skills

The aim of the area 'relevance of skills' is to understand skills demands from a territorial, national, sectoral and international perspective, as well as the effectiveness of skills and employment policies to ensure an adequate transition from the learning to the work environment.

Outcomes	Indicators	Progress
NQFs and VNFIL systems developed or implemented in selected partner countries	100% of targeted partner countries apply ETF-developed policy recommendations, tools and methodologies in qualifications systems	Direct support activities delivered in 2020 in the area of NQFs and VNFIL systems in Egypt, Moldova, Morocco, Albania, Azerbaijan and BiH. NQF Inventory chapters updated. Expert input and advice provided to the EU-African Union programme on the development of a Pan-African Qualifications Framework
Countries orient qualification systems to EU systems and tools	SEET countries reference NQFs to EQF or progress towards; in SEMED and EE, NQF to EQF relationship is advanced; VNFIL and recognition systems progressed	Support to AUCQF on going with the mapping study, policy dialogue and dissemination and capacity building actions
Developed labour market and skills intelligence evidence, tools and mechanisms allow an improved alignment of E&T policies to the changing skills needs	At least half of the countries receiving ETF support uses labour market and skills intelligence tools to inform VET and skills development policies	For SEMED and EAP relationship to EQF, RQF and NQF stages paper developed. Support activities delivered in 2020 in the area of labour market and skills intelligence evidence, tools and mechanisms to support E&T including Make it Match webinars focussing on Big Data for Labour Market Intelligence, support to employers survey in Lebanon, support to evidence-based policy making in the field of active labour market policies in Moldova Reports published: <ul style="list-style-type: none"> • Future skills needs • Paper on smart specialisation in MNE • Report on smart specialisation in MLD • Three country case studies, Israel on agriculture, Morocco on the agrofood industry, Turkey on the automotive industry produced. Future of Work Compendium completed. • Mapping of research centres. • Big Data tools developed, dashboard and online vacancies.
Comprehensive policies and mechanisms to facilitate transitions to work integrated in skills policies	At least 50% of countries covered by ETF activities use the information provided to establish mechanisms to support transitions to work	Initiative "Active labour market measures, labour market transition and skills development in the context of Covid-19 crisis in ETF partner countries" launched Reports: <ul style="list-style-type: none"> • National report on Youth in Serbia • Youth regional studies in SEET and SEMED • Study on new forms of work and platform work in EaP including six Country Profiles and Policy Brief • Follow-up of UfM Ministerial declaration of Cascais incl. Development of a monitoring framework for its implementation

Increased information and awareness of partner countries about Mobility Partnerships with the EU to develop and implement migrant support measures

Follow-up reports to the EC services on progress achieved in the skills dimension of the Mobility Partnership in seven ETF partner countries

- Regional analysis of skills demand and supply in North Macedonia
 - Support to employment policies in BiH
- Expert input and advice provided to the EU-African Union programme on Skills for Youth Employability
Pilot Country Fiche on Migration (Morocco) drafted and discussed with EC services.
Serbia migration report



Skills Lab - Skills demand analysis in transition countries

Key actions and achievements:

- **Skills for the Future:** Studies on Israel (agri-tech: [The future of skills: A case study of the agri-tech sector in Israel | ETF \(europa.eu\)](#)), Turkey (automotive), Morocco (agri-business). 3 new case studies launched (energy in Tunisia and Albania, health and care in Ukraine).
- Skills for the future: **Flagship Publication** (January 2021).
- **Platform work** in the Eastern Partnership (EAP) region: research ongoing (2021).
- **Skills needs using Big Data:** (i) online job vacancy data systems and tools, studies on Tunisia and Ukraine ([Labour Market Information in Transformation: focus on Big Data. | ETF \(europa.eu\)](#)); (ii) Dashboard published (<https://public.tableau.com/profile/tabulaex#!/vizhome/ETF-BigDataLMI-Tunisia/Time>; <https://public.tableau.com/profile/tabulaex#!/vizhome/ETF-BigDataLMI-Ukraine/Time>).

Skills mismatch: collaboration with up to 15 partner countries to measure mismatch ongoing (2021).

- **Skills needs of migrants:** studies in SEET (2021), workshop in SEET.
- **Smart specialisation:** reports for Montenegro ([Skills for smart specialisation in Montenegro: Understanding and managing skills as a key resource for growth and competitiveness | ETF \(europa.eu\)](#)) and Moldova.
- **Skills needs in enterprises post COVID-19:** joint survey with UNIDO and report (<https://lkdfacility.org/resources/global-survey-analysis-changing-needs-for-skills-development-as-a-result-of-covid-19/>).
- **Mapping of research institutions and centres** in partner countries
- **Network of Experts:** concept under finalisation, Network to be launched by mid-2021

1.3.2 Development of skills

Outcomes

Work-based learning enhanced in different forms, with special attention to apprenticeships and internships/traineeships, by involving social partners, companies, chambers and VET providers

Partner countries exchange of good practice in vocational excellence and innovation in order to trigger change, reform and modernisation of HCD in partner countries

Countries develop capacity to innovate in curricula, teaching and qualifications

Indicators

All 5 candidate countries implement MTD WBL policy options and participate in EAfA
A majority of EaP countries participate in the WBL Annual Forum/Modular Training

Network of providers established in participating countries
Provision of information, knowledge, experience and advice on vocational excellence and innovation practices to experts, officials, institutions and providers from ten partner countries.
New learning, innovative curricula and teaching identified
ETF-developed methodologies applied
Sustained best practice networks established

Progress

Webinar "European Alliance for Apprenticeships - for Candidate Countries: Key developments on work-based learning since Riga summit" (EAfA) delivered
WBL annual Forum financed by EaP Platform 4 delivered
Study on how to monitor and evaluate WBL launched.
Skills for Enterprise action launched; studies underway.
Guidance Employment Offices in Lebanon mapping finalised
In Montenegro, policy advice on dual system
In Armenia policy advice on work-based learning including quality assurance
In Turkey, support to WBL Quality Assurance Framework
WBL country fiches for EaP completed and published.
Webinar to review the school/provider self-assessment tool. Partnership for brokerage function established.
Self-assessment tool completed.
CPD reports published on ETF web pages.
COVES network launched.

SELFIE currently used in all SEET and selected EaP countries (MD, GE, UA).
Algeria, Egypt, Tunisia, Albania, BiH, Kosovo.
Five studies completed in pedagogy, learning environments, educators/trainers, digital and online learning and key competences.
CPD analysis completed.
Careers Guidance study published.
Webinars and ongoing survey on assessment practices.
Webinars and laboratories, research and policy advice delivered to policy makers and practitioners to support teachers and trainers for distance learning and understand how best to extend the capability of teachers and trainers to provide Distance Digital Learning.
Input to Enlargement Agenda including the Western Balkans Digital Agenda, teacher training, quality assurance and practical learning.
Technical expertise to the EU for the Digital Programme including input to the digital agenda in Eastern Partnership
Albania technical support digital transformation of CPD in VET
Montenegro policy advice on continuing professional development
Tunisia support to Entrepreneurial Learning actions
Expert input and advice provided to the EU-African Union programme on the development of a Pan-African Qualifications Framework



Creating new learning: identifying and disseminating innovation in teaching and learning

Review completed of contemporary academic, evidence-based research around the key areas of new learning – to define trends in innovation in teaching and learning, as well as innovative practices globally:

- Five reports in key areas of innovation: “[Educators and educator qualifications](#)”, “[Personalised learning \(pedagogy\)](#)”, “[Curricula and key competences](#)”, “[Learning Environments](#)” and “[Digital and online learning](#)”. Research papers are published on ETF Open Space.
- Completed a “framework analysis” for gathering cross-thematic results and “coding” innovations.
- Online workshops to validate results and identify the areas of *new learning* relevant to the partner countries. This work will support innovative teaching and learning practices and action research from 2021 in different partner country contexts.
- Strategy for the CNL virtual community of practitioners and a design of new learning networking space. The strategy to be applied in 2021 to support main networking actions. In 2020 the CNL area on Open Space was launched and more than 20 blogs on new learning were published.



Centres of excellence: engines for VET development

Key actions and achievements:

- ENE ([ETF Network for Excellence](#)) was launched with 98 members from 13 partner countries (PCs) and 7 EU countries.
- A registry to act as a meeting point to establish partnerships/clusters; exchange knowledge and inform ETF of centres’ priority themes and developments.
- A Partnership in Autonomy of CoVEs and [Public Private Partnership](#) - 15 centres were involved in 6 PCs and 2 EU member states.
- A partnership on the role of CoVEs in [work-based learning](#). 7 CoVEs in 6 PCs and 2 EU member states involved.
- A [self-assessment tool](#) for CoVEs is developed. Analysis of results ongoing for more than 70 CoVEs involved.
- [Formal partnership established with Skillman](#); joint webinars agreed and executed.

1.3.3 Institutions and system efficiency

In support of institutions and system efficiency, the ETF work on governance was prioritised into three areas: (i) the vertical dimension of governance including providing policy advice on decentralisation and institutional coordination arrangements within and between national and sub-national levels; (ii) VET financing; and (iii) public-private partnerships applied to skills development policies, and the VET sector in particular.

The ETF Quality Assurance Forum ensured policy learning between the EU and partner countries in the form of the identification of further developments and implementation of quality assurance mechanisms in VET in line with the EQAVET recommendation.

Outcomes	Indicators	Progress
Social partners and other civil society organisations have stronger capacity 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 increased participation by 20% in VET governance actions in selected partner countries	CSO survey on partner country responses to COVID completed; country reports produced.
Targeted countries introduce mechanisms for national and sub-national coordination in VET	85% of targeted countries	Kosovo policy advice on VET governance
VET governance analyses inform policy options for good and multilevel governance including financing in selected partner countries	ETF analysis on the sustainability of VET strategy informs decisions on potential new EU intervention	Moldova review on good multilevel governance and support on Sector Committees North Macedonia continued support on VET Financing New format and methodology for GOV inventory piloted. Contributed chapter to the OECD skills strategy study
Further development and implementation of quality assurance mechanisms in VET in line with the EQAVET recommendation	At least 16 partner countries participate in the Transnational Forum on QA in VET and at least five partner countries identify systemic QA measures / or focus on the systematic monitoring of QA improvement	SEET and SEMED countries participated in webinar on self-assessment. Country QA fiches published. QA Policy Brief published.

PART II MANAGEMENT

This section explains how the ETF delivered the achievements described in the previous section. It covers all elements of the Agency governance and human and financial resource management, as well as follow up actions from audits and evaluations.

2.1 Governing Board

The ETF Governing Board is chaired by the Director-General of DG EMPL. One Governing Board meeting was organised in November 2020 and the June meeting was cancelled due to the COVID-19 pandemic. Decisions were adopted through a written procedure for the June meeting. The Board adopted 15 decisions in 2020, including: the adoption of the Consolidated Annual Activity Report 2019, Annual Accounts 2019, Revision of the ETF Organisational Structure, Annual Work Programme 2021, Budget 2021 and the 2021-2023 IAS Strategic Internal Audit Plan for the ETF.

In addition, DG EMPL organised and chaired two Structured Dialogue meetings between the Commission/EEAS Members and Observers in the Governing Board, and the ETF management. The bilateral meetings focussed on the ETF response to the COVID-19 pandemic and the Revision of the ETF Organisational Structure. In addition, the ETF Director and management participated in two Structured Dialogue meetings chaired by DG EMPL on ETF's draft Consolidated Annual Activity Report 2019, the draft agenda of the November GB meeting, the ETF's draft Annual Work Programme 2021 and the list of requests to ETF. On the eve of the Governing Board meeting in November, DG EMPL organised and chaired the Troika meeting to discuss the agenda of the GB meeting with the representatives of the current, former and future Presidencies, DG NEAR, DG DEVCO and the ETF.

The Governing Board is responsible for drawing up the annual estimate of expenditure and revenue as well as for adopting the annual work programme, draft establishment plan, definitive budget, annual activity report, rules of procedure and financial rules. It has the power to appoint and dismiss the director, as well as to prolong his/her term of office.

2.2. Major Developments

ETF response to COVID-19

As Italy was the first country affected by the pandemic in Europe, the ETF had to activate its established crisis management procedures early in the year and from the outset it was decided that concerning critical governance procedures, full transparency of information to the Governing Board and Chair was important. As a consequence, in consultation with the Chair of the GB, the ETF Director informed the GB of critical developments and decisions affecting the Agency.

Concerning key internal processes, the general approach was to

- put measures in place for staff to telework and restrict/limit access to the ETF building for the majority of 2020;
- ensure regular communication both internally amongst staff members, as well as externally with key stakeholders, partners and beneficiaries;
- provide means and tools to support coping with change and disruptive social and working environments as well as 'off the shelf' support to EU stakeholders in partner countries;
- focus on business continuity while at the same time quickly re-orienting priorities to free resources for COVID-19 related actions;
- adapt its work programme to address the immediate demands and offer flexible and customized support to its stakeholders, as well as ensure the focus on medium- and longer-term transformations.

The ETF successfully achieved the objectives set in the 2020 Work Programme even under the exceptional circumstances of the COVID-19 pandemic. As the effects of the pandemic unfolded, the Agency very quickly activated its emergency response protocols which were continuously refined and updated whilst the effects of the pandemic continued to challenge countries such as Italy, where the ETF is based, and the partner countries with which the ETF engages.

Already in March 2020, the ETF began a replanning and reprioritisation exercise with staff working offsite and mission travel suspended. Experts quickly reached out to stakeholders in the partner countries to identify their needs and constraints and together reshaped the delivery of the planned actions from the work programme 2020 using innovative design and online formats.

Even under the difficulties of the pandemic the ETF managed to respond quickly and effectively in response to the pandemic to ensure continuity of implementation by redesigning and replanning the activities in the work programme 2020, the rate of achievement of planned actions for the year was 87% and the timely achievement of activities 76%. This was due to the fact that many actions were postponed from the second to the last quarter of the year which put a strain on the implementation capacity of the ETF and on partner countries with some actions carried forward into 2021.

The system put in place, to respond to the COVID-19 pandemic and the evolving measures adopted by the Italian authorities, with the Crisis Management Team meeting weekly to assess the situation and publishing guidelines and advice on the ETF internal communication tool continued throughout the year and proved to be very effective enabling the ETF to respond quickly and effectively. Regular staff meetings were held and HR and management kept in close contact with staff. Director's Decisions on transitional measures for Teleworking and other policies were quickly adopted bridging the policy gap until new measures from the Commission come into effect in 2021. Some decisions were knowingly adopted by the ETF were exceptions to established rules, which resulted in an increase of entries in the ETF register of exceptions.

As the first lockdown came to an end, from March until June, a return-to-the-office protocol was drawn up. The required PPE was procured and the building sanitised. Access for ETF staff to COVID-19 testing was arranged. The pandemic also highlighted once again the deficiencies related to the medical cover for EU staff in Italy, with no automatic or negotiated access to the national health service. The ETF had to put in place additional medical support for its staff. The ETF will continue to raise the need to arrive at a solution with the relevant services in the Commission.

Most of the extraordinary measures put in place in are planned to be continued within the same parameters for the following year with teleworking being the preferred option, with a limited presence in the office, until at least the end of August 2021.

During the year concerted efforts were made to upgrade IT services and to provide staff with adequate systems and equipment whilst teleworking. The IT equipment on the ETF premises and virtual meeting rooms also continued to be upgraded to enable full virtual functionality even when there is a full return to the office as the situation in other countries will still be very unpredictable in the short term. Provision for smartphone and portable computers for all staff was delayed by supplier difficulties in respecting delivery deadlines. Staff were provided with lump-sum contribution of €250 towards costs incurred due to the extended teleworking in 2020 and, in case of medical or specific work-related needs, the possibility to apply for a reimbursement of specific equipment.

Budgetary Financial management

BUDGET MANAGEMENT

	2020	2019	2018	2017	2016
Overall Budget ETF (EU Contribution) (€)	20,957,000	20,546,000	20,144,018	20,144,089	20,146,132

Out of the €20,957,000 available as the EU contribution, in 2020 the ETF committed 99.88% (compared to 99.96% in 2019, 99.99 % in 2018, 99.93% in 2017, 99.99% in 2016), paid 95,65% out of the €20,400,000 payment appropriations available (96.01% in 2019, 98.07% in 2018, 97.97% in 2017, 97.66% in 2016) and performed 8 budgetary transfers (4 in 2019, 7 in 2018, 7 in 2017, 7 in 2016).

COMMITMENT AND PAYMENT RATES BY TITLE

Budget 2020	Available Budget Comm. (€)	Committed (€)	%	Available Budget Pay. (€)	Paid (€)	%	Carry Forward/RAL into 2021 (€)	%	Carry Forward/RAL from 2019 Paid (€)	% (of total CF/RAL of 2020)
Title 1 Staff	14,023,515	14,023,148	100.0%	14,023,515	13,852,226	98.8%	170,922	1.2%	123,036	81%
Title 2 Infrastructure	2,261,250	2,260,697	100.0%	2,261,250	1,840,814	81.4%	419,883	18.6%	414,603	96%
Title 3 Operational	4,672,234	4,647,008	99.5%	4,115,234	3,820,055	92.8%	826,953	17.7%	1,163,949	81%
Grand Total	20,957,000	20,930,853	99.9%	20,400,000	19,513,095	95.7%	1,417,758	6.8%	1,701,588	84%

The ETF continued to maintain a high commitment rate of (99.88%) in 2020 maintaining the excellent level of previous years and indicates the continued upholding of high standards of budget management, planning and monitoring.

Transfers

The ETF carried out 8 budgetary transfers (compared to 4 in 2019, 7 in 2018, 2017 and 2016 respectively), The overall amount transferred was higher than in previous years (6.4% in 2020 compared to 2.7% in 2019 , 4.2% in 2018, 5.4% in 2017, 6.1% in 2016). This is attributed to the need to the revision of priorities linked to the COVID-19 crisis.

Payment Times

The ETF continued to respect payment times with only 43 out of 749 payments being paid after the legal due date (5.7%). This marks a small improvement compared to previous years (6.3% in 2019, 6.7% in 2018, 6% in 2017, 8.7% in 2016).

Amount returned to the EU budget (Budget outturn)

The amount to be reimbursed to the EU budget is €347,202 representing 1.7% of the total EU contribution. Although the amount increased compared to previous years (€246,713 in 2019, €20,101 in 2018, €57,070 in 2017, €87,703 in 2016) it continues to represent a good result, considering that the threshold which would have an impact on budget negotiations is 5% (1 M€). The main reason for the increase is linked to the small time-shift of operational activities due to the efforts of re-prioritisation.

Carry Forward and RAL 2020-21

Overall, the carry forward (Titles 1 and 2) has decreased from the higher level of last year (3.4% in 2020-21 compared to 3.8% for 2019-20, 2.5% in 2018-19, 2.6% in 2017-18, 3.1% in 2016-17, 3.3% in 2015-16), and continues to illustrate a positive alignment between the ETF's administrative activities and payments to its annual cycle through regular monitoring of open commitments and follow-up of payments. The RAL (*reste à liquider*) under Title 3 is higher than previous years at 42%, due to the same delay of operational activities mentioned above as result of the effects of the pandemic (29.6% in 2019, 27.8% in 2018, 30.8% in 2017-18, 30.3% in 2016-17; 36.4% in 2015-16).

2020 BUDGET IMPLEMENTATION OVERVIEW

	Title	Subvention 2020	Committed in 2020 (%)	Paid in 2020	To be paid in 2021 (CF + RAL) (%)	of which (%)		
						Done in 2020 pending payment	To be implemented in 2021	
							planned	delayed
Admin (CF)	T1	14,023,515	100.0%	98.8%	1.2%	0.3%	0.9%	0.0%
	T2	2,261,250	100.0%	81.4%	18.6%	9.6%	7.8%	0.5%
	T1+T2	16,284,766	100.0%	96.4%	3.6%	1.6%	1.9%	0.1%
Operational (RAL)	T3	4,672,234	99.5%	64.5%				
	T3 – pre-2017	1,443,624		80.6%	42.8%	4.2%	35.1%	3.4%
Overall ETF		20,957,000	99.9%	89.9%	12.4%	2.2%	9.3%	0.8%

Cancellation of carry overs from 2019

At the end of 2020, the cancelled carry overs amounted to €51,565 higher than the trend of previous years, (€18,733 in 2019, €10,235 in 2018, €42,925 in 2017, €87,788 in 2016) linked mainly to the impossibility to carry out some of the learning and development activities and other activities due to COVID-19 travelling restrictions..

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

- 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 provided 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 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.

Inter-institutional tenders

Synergies with other institutions (EC or agencies) on procurement has been sought with a systematic ad-hoc opportunity assessment to all procurement needs. In 2020, the ETF was part of 56 inter-institutional contracts and has 7 ETF contracts open to other agencies.

2.4 Delegation and sub-delegation

Materiality criteria

The ETF has decided to follow the same approach as the Commission regarding the assessment and quantification of significant deficiencies and materiality thresholds. Main potential areas of deficiencies are:

- Significant occurrence of errors in the underlying transactions (legality and regularity)
- Significant control system weaknesses
- Insufficient audit coverage and/or inadequate information from internal control systems
- Critical issues outlined by the European Court of Auditors, the Internal Audit Service and OLAF
- Significant reputational events.

The ETF's quantitative materiality threshold is 2% of its overall budget. This means that for any deficiency with an exposure risk value judged to be at least 2% of the total ETF budget a reservation must be reported in the annual declaration of the ETF director.

To support the quantitative judgment of a deficiency, the following qualitative factors are also considered:

- The nature, scope and duration of the deficiency;
- The existence of 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.

2.5 Human resource management

2020 has been a particular intense year for the whole team considering that in addition to the standard HR work, there has been the management of the COVID crisis, the finalisation of new HR strategy, and the preparations for the new ETF structure.

Adoption of the HR Strategy (after all staff and management consultation) and initial work on implementation plan development started.

Management of the COVID crisis included implementation of additional support measures (online psychological support), adaptation of policies and processes in remote way (learning and development, recruitment, induction, reclassification), frequent updated information shared with staff on medical related issues, helpdesk page created on ETF's internal Workplace etc.

To ensure an effective and smooth entry into force of the Strategy 2027 and the new organisational structure at the start of 2021, preparations for the setting up of the new units and departments were made through a Taskforce21 mandated to identify the functions of the new units and departments. New Heads of Department and Unit were appointed and confirmed. Other staff have been appointed directly where job functions remained the same and appointments through calls for expressions of interest and external recruitment for new posts continued into 2021.

Environment Management

Good results from the EMAS audit first visit with certification expected to follow second visit in February 2021. The work completed in 2020 has included the completion of EMAS related procedures and requirements, including the ETF environmental policy, management and operative procedures, key indicators and the set-up of its governance system. Furthermore, preparations for EMAS certification have included renovation works in ETF premises leading to efficiency gains

Health and Safety, Security and Facilities management

Work in 2020 has very much focus on the management of the **COVID-19 crisis**. This has included the development of ETF COVID-19 anti-infection security protocol, dynamic management of outsourced services and of office space. Participation in the EUAN advisory group meetings on return to the office has been very useful as a place for exchange and learning

Regarding security, in addition to the development of the new security policy, work has very much focus on implementation of additional measures for ICT and cyber security (linked to the increase on digitalisation of processes and of management of information accelerated by COVID). The MoU with EEAS for security linked to missions has been put on hold, given these new priorities.

Data protection, Ethics and Integrity

Data protection

The COVID-19 pandemic had a large influence on the activities of the data protection function, which was involved in and advised on the definition and implementation of COVID-19 control measures, controlling the access to the ETF premises (self-declarations, temperature scans), contact tracing, involvement of ETF medical advisor, special teleworking arrangements, all while ensuring compliance with data protection principles. Similarly, advice was requested and provided on the use of cloud-based tools for virtual meetings and events.

In 2020 three personal data breaches were recorded and all reported to the EDPS, of which the most serious was a cyber-attack. The attack was spotted thanks to the increased monitoring of ETF network

activity by CERT-EU and blocked before damage could be done to the ETF, information and persons. ICT has taken measures to avoid future attacks of a similar nature.

Ethics and Integrity

In 2020, the Ethics and Integrity function is carried out by the ETF Legal Advisor (Ethics and Integrity Correspondent) with the support of the Deputy Ethics and Integrity Correspondent.

Furthermore, under the guidance of the Ethics and integrity correspondent, a cross departmental working group reviewed the ETF sensitive functions and brought about the adoption of the Director's Decision on Sensitive functions.

To continue raising awareness within the ETF, in addition to the induction sessions to newcomers and to the constant update of the related intranet and webpage, a monthly initiative named 'Tip of the month' was established and run online throughout 2020.

FACILITIES MANAGEMENT

Area	Indicator and Target	2020	2019	2018	2017
Facilities	Annual reduction of building cost/m ² (target >1% after correction for inflation and energy costs)	-16%	-5%	2%	1.85%

The ETF is aiming to have its environmental management practice certified under the EU **Eco-Management and Audit Scheme (EMAS)** by the end of 2021 and is in the final stages of obtaining certification. Taking the opportunity of some of the actions approved under the EMAS project (i.e. installation of LED lighting) the ETF invested in some extraordinary Health and Safety activities, by doing a deep cleaning and replacement of all the counter-ceilings and replaced them with ones easier to inspect and clean.

The COVID crisis impacted significantly on the building consumption costs, with a decrease in energy and building maintenance costs leading to a -16% annual reduction in costs and also created opportunities for improvements to the ventilation system.

During the year, the ETF invested resources in ensuring that ventilation system was in line with the latest regulations issued by the national competent authorities in the context of avoiding the spread of COVID in the workplace.

ICT management

Area	Indicator and Target	2020	2019	2018	2017
ICT	Availability of IT critical systems (target >99%)	99.75%	99.85%	99.6%	99.8%
Run vs Grow ICT	Budget ratio target <75%	77.7%	75,01%	70.8%	63.1%

Information and communication technologies

The overall IT budget has been increased due to the COVID emergency by nearly 30%. Grow investments have been mainly focused on enforcing ICT Infrastructure and provide better mobility options to staff to ensure smooth remote working.

On the other hand, running costs had increased especially for End User Support Services which had been reinforced to better support staff mainly working remotely in 2020. MS Office365 licensing cost increased to ensure high security standards for staff working remotely.

Several costs for EU systems and services become running costs in 2020 after being introduced in 2019.

Full remote working facility and access to all IT Systems has been provided for all staff from first day needed. End User Support Services have been reinforced and improved.

A Digitalisation Roadmap for ETF has been developed and approved. The Information Management about Geographic Expertise (IMAGE) has been finalized and put successfully into production.

Information security management

The Information security management project (introducing an Information security management system (ISMS) at the ETF, based on the ISO/IEC 27001 international standard) continued in 2020. The draft policy is finalised, ready for ultimate feedback round and coherence check with overarching ETF security policy in 2021.

Following a cyber security incident the ETF took a number of measures to further increase the security of access to the ETF ICT environment (both on premises and virtual).

Business Continuity Plan

In 2020 the Business Continuity Plan was kept up to date including related process maps and procedures.

2.6 Strategy for efficiency gains

In 2020, the ETF continued to identify opportunities to introduce efficiency gains in the operations of the Agency. The areas where efficiency gains were obtained are:

Green procurement: in 2020 initial work started on green procurement with the signing of an MoU with EP and the input to EMAS.

In 2020, the financial management process has been fully digitalised for both internal and external flows (paperless internal and external workflow)

- Implementation of e-signature and e-workflow for the management of specific contracts and procurement documents
- Simplified management of order forms reducing the approval chain in case of extension
- Simplified and harmonised financial template forms
- Early involvement in the OPS project planning phase for identification of procurement needs and grouping of tenders

Efficiency gains were also obtained through the introduction of the EMAS actions: (e.g., neon replacement with led, tap sensor in the restrooms): the gains will be measurable when the situation will come back to normality (building almost fully occupied).

In terms of inter-institutional contracts, the ETF participates in 56 inter-institutional contracts (with EC services or other Agencies) and is part of 9 SLAs. Additionally, the procurement team continued to participate actively within the NAPO network.

Efficiency gains through digitalisation measures in HR related processes have included:

- Salary slips and medical certificates available now in Allegro;
- transferring data and creating the structure in SYSPER;
- Helpdesk page created on WorkPlace;
- Request for digital signature for all staff.

KPIs show further increased quality or improvements compared to previous years as follows:

- Further reduction of administrative and coordination functions (16.59%) compared to operational functions (72.71%); this is particularly remarkable considering the increased amount of workload created by the pandemic;
- Vacancy rate of only 1%, with selection procedure launched in 2020 expected to be concluded by end Q1-2021.
- The number of learning and development activities offered remotely and no longer face-to-face due to the COVID crisis, remained very high and the satisfaction rate was excellent as in previous years with a slight increase from 86% to 90%. To be noted that the impressive number of courses (90) were followed by 41 staff on EU Learn.

2.7 Assessment of audit and ex-post evaluation results during the reporting year

2.7.1 Internal Audit Service (IAS)

IAS did not carry out an internal audit in 2020.

IAS Strategic Internal Audit Plan 2021-2023. IAS carried out a remote in-depth risk assessment in 2020, which led to the development of the IAS multi-annual planning document – the IAS Strategic Internal Audit Plan for the ETF for the period 2021-2023. The plan was adopted by the Governing Board.

Follow up on previous IAS audit recommendations: Having formally closed all previous IAS audit recommendations, the ETF does not have any outstanding open audit recommendations.

2.7.2 European Court of Auditors (ECA)

Audit on legality and regularity of transactions: The European Court of Auditors has concluded the audits on the legality and regularity of underlying transactions for the financial year 2020.

2019 Audit of legality and regularity of transactions: The report contains a clean unqualified audit opinion on the ETF.

Follow up of previous observations: The ETF has one open ECA observation which was issued in 2018 and reported as outstanding in 2019. This refers to a public procurement procedure for temporary agency services. The ETF applied award criteria that consisted mostly of non-competitive price elements. ECA concluded that the ETF should use award criteria that focus on competitive award price elements. As a follow up, this issue will be addressed by the ETF when launching the next procurement procedure for interim workers, and this will include competitive price elements in the award criteria.

ECA performance audit 2019 on the future of EU agencies and potential for more flexibility and cooperation: The special report 22/2020 was published by ECA in 2020. The report is positive for the ETF and there are no findings specifically for the ETF.

Audit on ETF accounts 2020: The audit on ETF accounts for the financial year 2020 was carried out in February 2021. This is an outsourced audit through the inter-institutional framework contract on audits and controls.

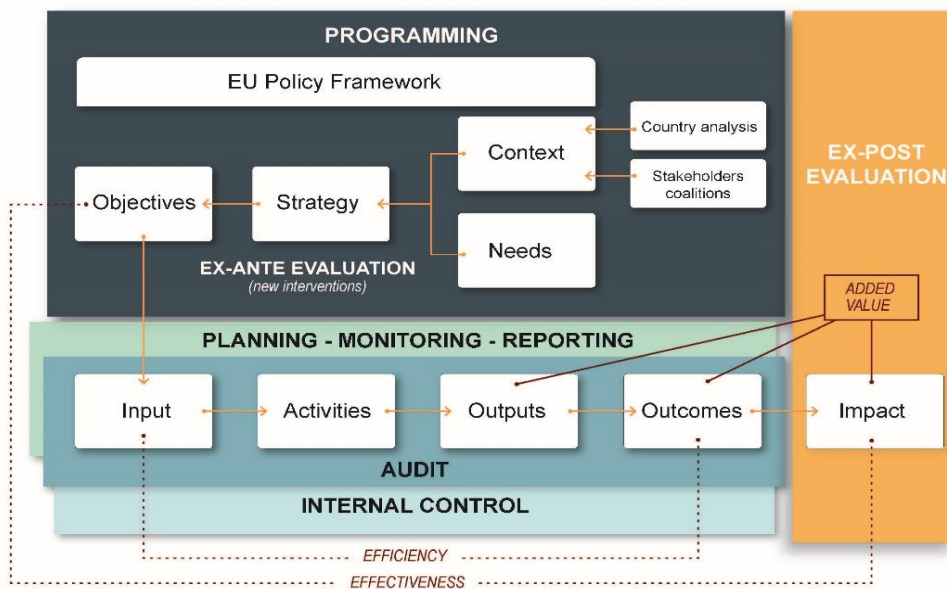
The information above confirms the trend of positive audit results and is a strong indicator of ETF performance to support the management assurance on the achievement of internal control objectives.

PART II B) EVALUATION

Evaluations in the ETF are integrated into the overall performance management system of the Agency and are commissioned either by the ETF or by the European Commission. ETF's evaluation practices are based on the principles of the European Commission, 'Better Regulation Guidelines and Toolkit':

- Capture the results of ETF's interventions and evidence of impact and added value;
- Improve the ETF's long-term capacity to achieve results and impact by identifying and disseminating the lessons learned from experience;
- Identify opportunities to adapt ETF's interventions according to achieved impact and country development stage (for example to scale up ETF work and/or put in place an exit strategy).

ETF LOGIC MODEL



As an Agency of the European Commission, the ETF is subject to regular (4 year) evaluation by the Commission in consultation with the Governing Board of the implementation of the ETF Regulation. The Commission presents the results of the evaluation to the European Parliament, Council and European Economic and Social Committee following which the ETF formulates an action plan to remedy any problems or implement any recommendations. Progress against the action plan is reported to the Commission and Governing Board and included in the Annual Activity Report (see Annex XII).

ETF commissioned evaluations mainly focus on assessing the extent to which the ETF's activities have achieved the planned results, the added value and impact. According to the ETF Financial Regulation⁵, retrospective evaluations shall be undertaken periodically and in sufficient time for the findings to be considered in ex-ante evaluations or impact assessments that support the preparation of related programme activities.

⁵ Financial Regulation of the European Training Foundation, Turin, 15 June 2019 (GB-19-DEC-008)

In 2020, the ETF commissioned two external evaluations on the Agency's operational work.

- i) **Evaluation of the ETF actions on the reform of qualifications systems in partner countries** – to assess the effectiveness and impact of the ETF actions on the reform of qualification systems in partner countries during the period 2014 – 2019.

The main findings were that the ETF activities in supporting the reform of qualifications systems had a 'high impact' in developing the mechanisms, frameworks, and processes of partner countries to undertake qualifications systems reforms.

There is substantial evidence that the ETF activities produce high impact in developing the mechanisms, frameworks, and processes of partner countries to undertake qualifications systems reforms. This is also confirmed by the survey results, with 60% of respondents attributing a (very) high impact to reforming qualifications systems.

While each type of ETF action had its contribution and perceived added value, it is in the combination of ETF actions that impact is reached: strengthening stakeholders' capacities and providing knowledge, insights and advice based on practically-grounded international comparative analysis and tool development, within a cooperation context.

- ii) **Evaluation of the ETF networks** – to map and assess the effectiveness of the different communities of practice, digital platforms, and networks the ETF has engaged with to achieve its objectives for the period 2014 – 2019.

Main findings were that through the use of networks in the delivery of its activities the ETF was very effectively able to support stakeholders through building communities of practice and bringing positive changes directly to partner countries through co-creation of knowledge as well creating opportunities to learn from EU member states practices.

Feedback from the stakeholders surveyed were that over 95% had gained knowledge that would be useful in the future and 86% had already put that knowledge into practice demonstrating that the knowledge sharing was highly relevant and useful.

A high percentage (76.3%) of surveyed stakeholders agreed that they have gained useful contacts or met new people who are relevant for their work through the ETF activities, and 79.7% stated that they could use the networks for discussing challenges and situations they experience in relation to VET systems transformation.

ETF added value

The added value of the work of the ETF is that it **is widely recognized as a knowledge source in the development of Human Capital reforms**. This is due to the fact that the ETF is able, more than other organisations, to combine in-depth understanding of the national context, the national needs and EU priorities and to connect stakeholders within countries and regions.

ETFs role as policy advisor is therefore highly valued. - Stakeholders interviewed stated that ETF technical expertise is highly valued by EU partners. EU partners view the ETF as having specific technical expertise that is not available internally or through other partners.

ETF expertise is linked to the **long term-approach, contextual knowledge and stakeholder relationships** that the ETF has in partner countries, which can be leveraged to support EU Delegations and to inform DG EMPL activities, such as the EQF Advisory Group.

The ETF is also viewed as being able to **give external perspectives** on topics such as the global inventory of NQFs, which are not visible to EU partners.

With regard to networks the added value of the ETF networks was – to quote one stakeholder “ETF is in a privileged position to communicate because everybody in the VET sector knows about the ETF – they address a gap which is not filled by any other organisation”.

PART III - ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

3.1 Effectiveness of internal control systems

The annual assessment of internal controls helps the ETF to ensure compliancy, report on the effectiveness and obtain reasonable assurance that control systems in place in the ETF function correctly. Any potential weaknesses are addressed in the form of actions for improvement and priority areas for the forthcoming year.

The impact of COVID-19 on internal controls

The 2020 assessment of internal controls was paramount, considering the situation of 2020 and sudden change in the way of working due to the impact of the COVID-19 pandemic. It was a good opportunity to reflect on the effectiveness of key controls and see which controls worked well and which needed to be tweaked.

The impact of COVID-19 and key challenges for the ETF are reflected in the ETF risk register. Risks have been identified in the areas of i) business continuity, ii) finance and iii) staff health, safety and wellbeing, and mitigating actions are in place to mitigate these risks.

2020 Process

⁶ Key improvements to the process in 2020 include:

- **Integrated approach:** ETF management and key colleagues carried out an assessment of the effectiveness of internal controls, through an internal survey. timing of the assessment was launched straight after the finalisation of the ETF risk assessment 2021 in order to strengthen the link between internal controls and risks.
- **Revision of ICP indicators:** In 2020, the ICP indicators were revised in terms of relevance. An improvement action planned for 2021 is the full integration of ICP indicators in the ETF framework of KPIs and indicators. This will ensure that ICP indicators are embedded in the planning and monitoring framework of the ETF and monitored through the quarterly progress reports.

Results

⁷ The Internal Control Coordinator carried out an overall review and assessment of each principle, taking into consideration the average scores. This resulted in a final assessment score for each principle, whereby the average score was either confirmed or re-assessed.

⁶ In 2020, as in 2019, the target group for the assessment included the EMT + Legal Advisor, ICT Coordinator, Accounting Officer, Monitoring & Evaluation Officer, Process Development Officer and Facilities Coordinator.

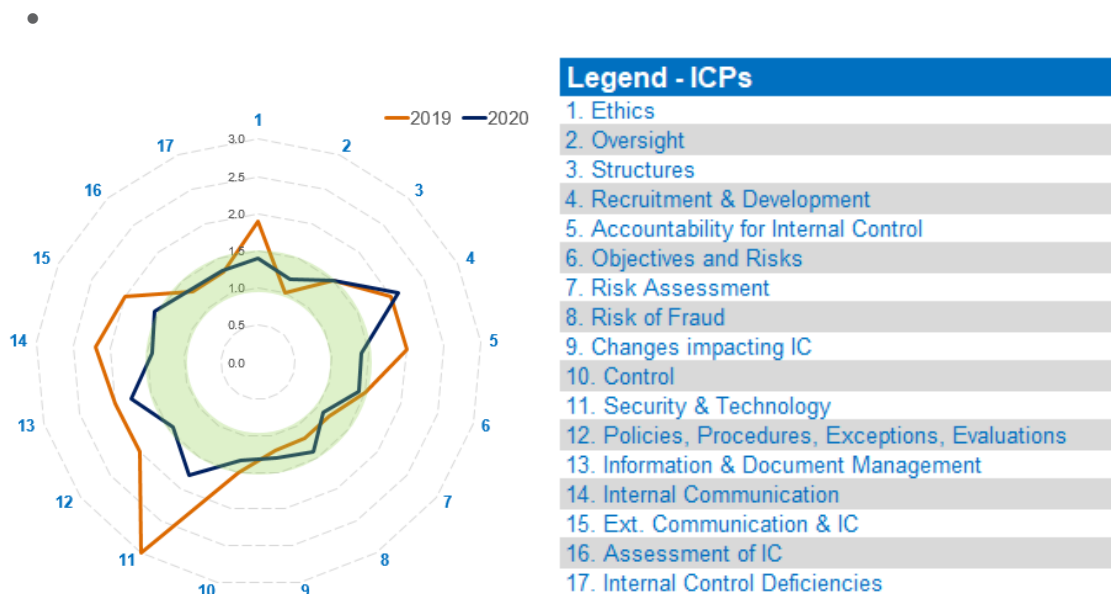
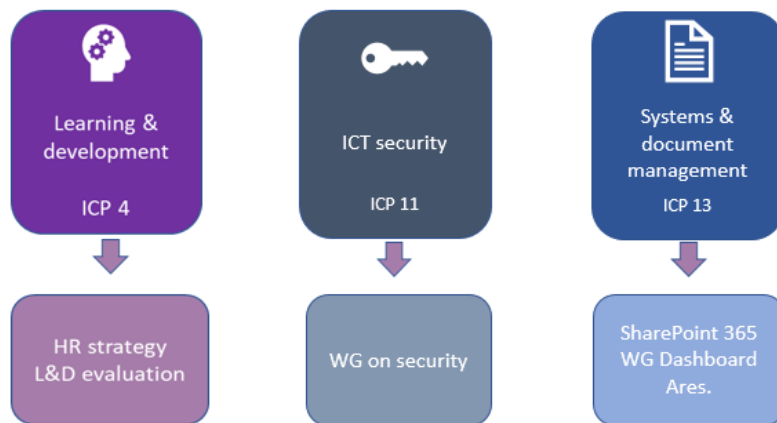
⁷

1. **Effective system in place:** principle is present and functioning well, only minor improvements needed (score 1.5 or below)
2. **Partially effective system in place (minor weakness):** principle is present and functioning but some improvements are needed (score 1.6 - 2.5)
3. **Partially effective system in place (major weakness):** the principle is partially present and functioning, major improvements are needed: (score 2.6 - 3.5)

The results of the 2020 assessment are positive. **71% (12 principles) were assessed as effective in 2020 and only 29%, (5 principles) were assessed as functioning well with some minor improvements needed in 2020.** No principles were assessed as ineffective.

This is an improvement compared to 2019, when 56% were assessed as effective (category 1) in 2019.

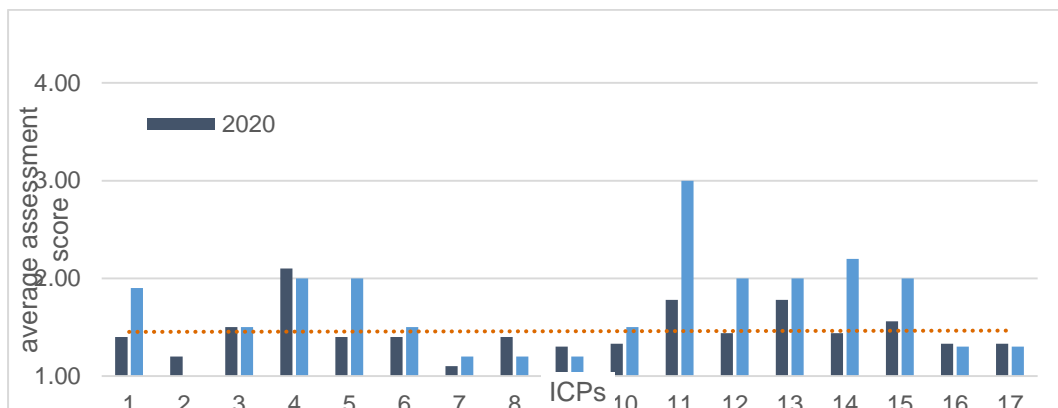
The results of the 2020 assessment of internal controls reflect the ETF's key risks identified during the risk-assessment workshop. Indeed, actions identified in during the risk assessment workshop and the internal control assessment will be followed up holistically. For example, the risks and controls in on cyber-security will be addressed through a newly created working group on security. This will address three strands of security: cyber-security, information security and security on mission. Likewise, the impact of COVID will be closely monitored throughout 2021 in terms of the impact on business continuity, the budget and the (longer term) impact on staff in terms of health and safety and security.



4. **Ineffective system in place:** The principle is not present and functioning (score 3.6 or above)

Comparison between 2019 and 2020

The 2020 results showed an improvement compared to the previous year (2019) as shown in the graph below (the graph should be viewed through the view of the lower the score, the more effective the controls are perceived to be). Seven principles showed an improved score compared to 2019



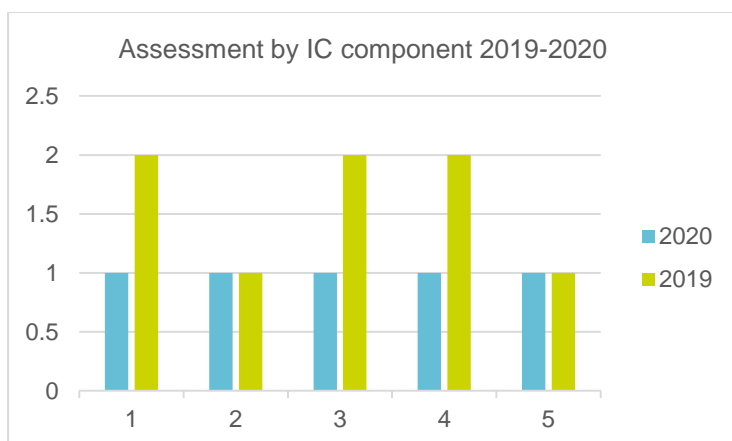
The improvements are particularly evident for the following principles:

- **ICP1 (ethics).** This is a big achievement following significant investment in 2020 in ensuring all ethics related policies and procedures are updated. ETF documents including the anti-fraud strategy and ETF policy on the management of sensitive functions were revised and successful awareness raising initiatives and targeted training were carried out in the areas of ethics, conflict of interest and fraud. In addition, the risk of fraud was clearly defined, assessed and included on the ETF risk register.
- **ICP 5 (accountability for Internal Control).** The definition of the HR strategy and first update of job descriptions are some of the actions implemented in 2020 under the cluster of this principle.
- **ICP 11 (ICT)** Actions were implemented in 2020 reflecting the improved assessment scores in this area (for example, close cooperation with CERT-EU and strengthened monitoring and awareness raising to address the threat of cyber-security). Despite the positive results and in view of the increased digitalisation of processes; cyber-security remains a key area of concern. A working group has been established to look at security holistically and to implement coordinated actions, encompassing cyber-security, information security and security on mission. In parallel, work on digitalisation continues to progress.
- **ICP 14 (internal communication)** The ETF has focussed on ensuring swift and clear communication internally as a follow up action from the staff engagement survey 2018.

Assessment by component

Following the assessment at the level of principles, the ICC carried out an assessment of the five components (clusters of principles). The results are positive, with all components assessed as functioning well.

The graph below shows the assessment results at the level of component for 2020 compared to 2019



3.2 Conclusions of assessment of internal control systems

The ETF uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The ETF has assessed the internal control system in 2020 and has concluded that it is effective. The internal control components and principles are present and functioning well.

The results of the 2020 assessment of internal controls are positive. 71% of internal control principles (12 out of 17 ICPs) were assessed as effective (effective system in place: assessment category 1) and 29% (5 out of 17 ICPs) were assessed as partially effective. This means all internal controls (100%) were assessed either as effective, or partially effective with only minor improvements needed. This is an improvement compared to 2019, when 88% of internal controls were assessed as effective or partially effective.

The results of the 2020 assessment of the effectiveness of internal controls support the Director's positive declaration of assurance in the CAAR 2020. They provide reasonable assurance that the internal control system in the ETF is present and functioning, with only some improvements needed.

3.3. Statement of the manager in charge of risk management and internal control



European Training Foundation

Ref: 2021-186

Statement of the Head of Department in charge of risk management and internal control

I declare that in accordance with the Commission's communication on the internal control framework⁸, I have reported my advice and recommendations on the overall state of internal control in the European Training Foundation in 2020 to the Director.

I hereby certify that the information provided in the present Consolidated Annual Activity Report and in its annexes is, to the best of my knowledge, accurate, reliable, and complete.

Turin, 7 June 2021

Signed by EVA INES JIMENO SICILIA
Eva Jimeno-Sicilia
on 07/06/2021 09:31:16 CEST

Eva Jimeno Sicilia
Head of Strategy and Resources Department

⁸ C(2017)2373 of 19.04.2017

PART IV MANAGEMENT ASSURANCE

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 PART III above, outlining the internal control principles and indicators used to measure the performance of the control systems.

4.1 Review of the elements supporting assurance

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 the ETF Internal Control Coordinator and management, who monitor 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 Reports
- Annual Progress and Performance Report
- Annual assessment of the effectiveness of internal controls
- Evaluation reports
- Audit reports - (observations and recommendations of the European Court of Auditors (ECA), the Internal Audit Service (IAS) and other ex post audits and assessments)

Cost effectiveness and efficiency of controls

Based on an assessment of the most relevant key indicators and control results, the ETF has positively assessed the cost effectiveness and efficiency of controls related to financial, budget and procurement management.

Legality and regularity of the transactions

The ETF has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, considering the multiannual character of programmes as well as the nature of the payments concerned.

Ex-ante control systems are in place with the definition and regular review of the financial circuits and related controls' roles and responsibilities. Segregation of tasks, risk management, avoidance of conflict of interests, adequate audit trails and procedures are control activities integrated in the ETF control strategy. This includes a variety of checks, supervision arrangements and where appropriate a balance of approaches to mitigate risks, considering manual and automated controls, and preventive and detective controls.

The ETF has never received any critical recommendations from controlling bodies and 2020 was no exception.

Results of ex-ante payment verification show a constant low rate of risk of errors with a proportion of 8% of transactions being stopped for correction or refused, in line with the 9% of 2019 and 8% of 2018.

Analysis of registered exceptions

There were twelve entries to the exceptions register in 2020, of which four were exceptions and eight were non-compliances. The financial value of the deviations from the regulatory framework registered was €163,121 that represents 0.78% of the total budget 2020.

In 2019, one non-compliance was registered with a financial value of 0.01% of the total budget 2019. The increase in the number of entries in 2020 was also due to the fact that in response to the COVID-19 pandemic, the ETF knowingly adopted some decisions (e.g. on teleworking, blue-ink signature, part-time and parental leave) which were exceptions to established rules, even though they were not registered *ex-ante*.

Fraud prevention, detection and correction

Since 2014 the ETF has put in place an overall approach to develop and implement an in-house anti-fraud culture.

In this context, in the course of 2020, the ETF sensitive functions policy was revised by a cross departmental working group. This activity led to the consequent adoption of the Director's Decision on Sensitive functions.

No cases of fraud were detected and/or reported in 2020.

Results of internal transactional ex-post controls 2020

The ETF implemented ex-post controls on financial transactions with a risk-based sampling of commitments and payments.

The 2020 exercise was carried out by internal financial verifying agents on the basis of the methodology reviewed by external in order to provide a reasonable assurance on the legality and regularity of its 2020 financial transactions. The outcomes of the 2020 ex-post controls confirm that:

- The expenses included in the payment transaction listings, reflecting expenditure incurred between 1 January and 31 December 2020 through light workflow for low risk transactions were properly documented and duly authorised,
- The funds were used for their intended purpose and disbursed in accordance with the ETF regulatory framework and the principles of sound financial management; and
- The control system set up surrounding low risk payments and budgetary commitments level 2 on level 1 is considered well designed and is operating effectively in all material respects.

Results of risk management process

In 2020 the ETF actively participated in the risk management peer review exercise together with 4 other agencies (Cedefop, Eurofound, EUOSHA, CdT) within the 'social and employment' cluster of agencies. The initial request came from the Secretary General of the European Commission and the Director General of DG BUDG, following a similar initiative with the Commission with the aim of strengthening risk management. Following the relevance of the first exercise it was subsequently extended to include agencies. Although the ETF did not have any critical level risks to share, the 2020 exercise proved to be exceedingly useful for the ETF, considering the common risks emerging in different agencies such as the impact of COVID-19 pandemic and threat of cyber-security faced by agencies. The ETF, together with the other 4 agencies plus ELA, agreed to continue the effective collaboration and the scope was extended to include a peer review of the implementation of the

internal control framework, in addition to sharing methodology on risk management. The ETF has participated in regular meetings and will continue to do so in 2021.

In 2020 the ETF carried out an in-depth risk assessment workshop with management. This led to the development of the institutional ETF risk register for the year 2021, which confirms the overall risk profile of the ETF as low/medium. The key risks identified by the ETF in 2021 are on the longer-term impact of the COVID-19 pandemic on staff, and in the area of security (cyber-security, information security and security on mission). During the risk assessment workshop, existing controls were assessed in terms of their adequacy, and new controls were identified to mitigate the risks further if deemed necessary. In particular, the ETF will follow a holistic approach to addressing risks. For example, in the area of security, a multi-disciplinary working group has been set up to bring together different areas of expertise under one roof. This will ensure that different strands of the risk come together under one roof on cyber-security, information security and security on mission. The risk register 2021 will be monitored on a regular basis.

Considering the benefits resulting from the control strategy, namely low risk of fraud, favourable audit opinions, low reputational damage, low number of errors, the budget related to the control strategy is considered effective overall.

In 2020, developments in financial and procurement management were guided by the overall objective of increased efficiency, digitalisation of processes and assessment of risks inherent to procedures, financial transactions and systems.

The review of the payment process initiated several years ago and the centralisation of the management of finance and procurement processes proved its worth in the reduction of the process duration and the removal of paper copies for procurement procedures and financial transactions. The e-procurement project progressed with the receipt of electronic invoices (54% of incoming invoices were received electronically in 2020 versus 42% in 2019 and 25% in 2018) and the receipt of electronic tenders for all open tenders (e-tendering and e-submission).

This was complemented by the deployment of an advanced electronic signature tool for both order forms and blue ink procurement documents ensuring a full paperless internal and external workflow in the area of procurement and financial management. This deployment represented the key factor ensuring business continuity in the area of work programme implementation.

The Time-to-pay has improved in 2020 (17.5 days on average, compared to 18.5 days in 2019, 20.63 days in 2018 and 20.09 days in 2017) with a concomitant reduction of the average time of suspension (1.37 days in 2020 vs 1.74 in 2019, 1.77 in 2018 and 2.22 in 2017), indicating an improvement considering the reduced resources in the ex-ante control system and the same volume of transactions. This is due to the redesign of the payment process implemented a few years ago with the implementation of the light payment circuit involving two actors for low risk payments as well as with a stricter monitoring of end date of activities with reports automatically produced for the financial circuit's actors. Within the late payments (5% in 2020 vs 6% in 2019, 7% in 2018 and 6% in 2017), none of them implied the payment of late interest in 2020.

The average Time-to-award was 2.1 months in 2020, which is in line with the previous years (2.2 months in 2019, 1.9 months in 2018).

The ex-ante control strategy can be said to be efficient overall. The results support the conclusions of the assessment of the effectiveness of internal control system, the risk management process and the results of audits and other ex-post analyses.

4.2 Reservations

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 2020.

4.3 Conclusions on the assurance

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 2018 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 2020.**

Overall Conclusion

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.

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

In 2020, budgetary implementation powers were delegated by the Authorising Officer through a Director's Decision⁹, 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 premises¹⁰, 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 informed 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.

⁹ ETF/12/DEC/002 Issue 5

¹⁰ ETF/12/DEC/003

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 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.

PART V DECLARATION OF ASSURANCE

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

- declare that the information contained in this report gives a true and fair view¹¹,
- 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, such as:

- 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, 31 March 2021



Cesare Onestini

¹¹ True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.

LIST OF ACRONYMS

ABAC	Activity-based accounting system
ABB	Activity-based budgeting
ADB	Asian Development Bank
AFD	Agence Française de Développement
ALMPs	Active Labour Market Policies
BC	British Council
ENABEL	Belgian Development Agency
Cedefop	European Centre for the Development of Vocational Training
CERT-EU	Computer Emergency Response Team – European Union
CORLEAP	Conference of Regional and Local Authorities for the Eastern Partnership
CPD	Continuous Professional Development
CVT/CVET	Continuing vocational training/ Continuous vocational education and training
DCI	Development Cooperation Instrument
DG	Directorate General
DG EAC	Directorate General Education and Culture
DG EMPL	Directorate General Employment, Social Affairs & Inclusion
DG GROW	Directorate General Internal Market, Industry, Entrepreneurship and SMEs
DG HOME	Directorate General Home Affairs
DG INTPA	Directorate General for International Partnerships
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
DigComp	European Digital Competence Framework
DOL	Distance and open learning
EaFA	European Alliance for Apprenticeships
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEAS	European External Action Service
EEdub	Entrepreneurship Education Hub
EESC	European Economic and Social Committee
ELA	European Labour Authority
EMAS	EU Eco-Management and Audit Scheme
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
EntreComp	Entrepreneurship Competence Framework
EPSO	European Personnel Selection Office
EQARF	European Quality Assurance Reference Framework
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualifications Framework
ERI SEE	European Reform Initiative of South East Europe

ERPs	Economic Reform Programmes
ESAP	Employment and Social Affairs Platform
ET 2020	Strategic framework for European cooperation in education and training
ETF	European Training Foundation
EU	European Union
EU-OSHA	European Union information agency for occupational safety and health
Euromed	Euro-Mediterranean Partnership
FTE	Full-time equivalent
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
HCD	Human capital development
ICT	Information and communications technology
IFI	International Finance Institution
ILO	International Labour Organisation
IPA	Instrument for Pre-accession Assistance
LuxDev	Luxembourg Development Cooperation
MISMES	Migrant Support Measures from an Employment and Skills Perspective
MTD	Medium-term deliverables
NEET	Not in education, employment, or training
NQF	National qualifications framework
OECD	Organisation for Economic Co-operation and Development
OIB	Office for Infrastructure and Logistics in Brussels
PET	Western Balkans Platform on Education and Training
PMO	Paymaster Office
PSD	Private Sector Development
QA	Quality assurance
RCC	Regional Cooperation Council
RCI	Regional Competitive Initiative
SBA	Small Business Act for Europe
SEET	South Eastern Europe and Turkey
SEE2020	South East Europe 2020 Strategy
SEECCL	South East European Centre for Entrepreneurial Learning
SME	Small and medium-sized enterprise
SPD	Single Programming Document
SRC	Sector Reform Contract
UfM	Union for the Mediterranean
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET/TVET	(Technical and) vocational education and training
VNFIL	Validation of non-formal and informal learning
WBL	Work based learning

ETF partner regions and country acronyms¹²

South Eastern Europe and Turkey	SEET
Albania	AL
Bosnia and Herzegovina	BA
Kosovo* ¹³	XK ¹⁴
North Macedonia	MK
Montenegro	ME
Serbia	RS
Turkey	TR
Southern and Eastern Mediterranean	SEMED
Algeria	DZ
Egypt	EG
Israel ¹⁵	IL
Jordan	JO
Lebanon	LB
Libya ¹⁶	LY
Morocco	MA
Palestine ¹⁷	PS
Syria ¹⁸	SY
Tunisia	TN
Eastern Partnership	EaP
Armenia	AM
Azerbaijan	AZ
Belarus	BY
Georgia	GE
Moldova	MD
Ukraine	UA
Central Asia	CA
Kazakhstan	KZ
Kyrgyzstan	KG
Tajikistan	TJ
Turkmenistan	TM
Uzbekistan	UZ
Other partner countries	
Russia ¹⁹	RU
Cooperation with other countries	
African Union	AU

¹² These acronyms are taken from International Standardisation Organisation (ISO) <https://www.iso.org/obp/ui/#search>

¹³ 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

¹⁴ 'XK' is a code used for practical reasons and not an official ISO country code.

¹⁵ ETF support to Israel takes place in the context of EU-Israel cooperation and related Guidelines on eligibility of Israeli entities and their activities in the territories occupied by Israel since 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards

¹⁶ ETF resumed cooperation with Libya in 2018. If conditions allow, this cooperation will continue in 2020-22

¹⁷ 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

¹⁸ No activities are currently envisioned in Syria

¹⁹ ETF support to Russia takes place in the context of EU-Russia cooperation and with respect to Council Decision 833/2014 and subsequent acts

Annex I Core Business Statistics

KPIS FOR ETF OVERALL PERFORMANCE

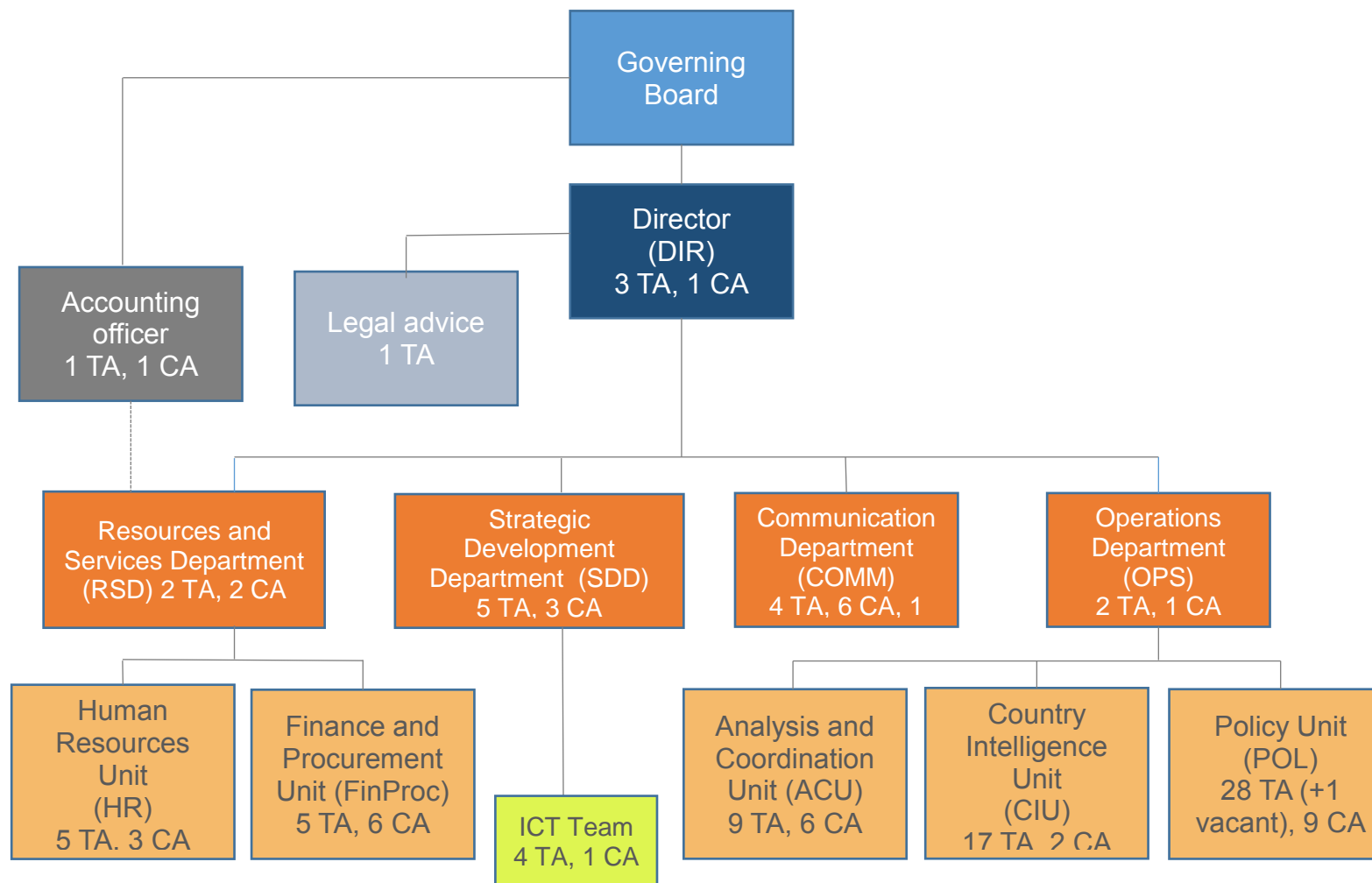
KPIs	Description and target	2020	2019	2018	2017
Activities completion rate*	Rate (%) of completion of the activities of the ETF Work Programme. Target >90%	86.84%	91%	91%	93%
Timely achievement of activities of WP*	Rate (%) of activities of the ETF Work Programme timely achieved in year. Target 80%	75.94%	85%	94%	88%
Timely submission of WP/SPD to EC*	The annual WP/SPD timely submitted to the EC. Target 100%	100%	100%	100%	100%
Administrative support, / operational staff ratio*	(Administrative support and coordination job type category) / (Operational job type category and neutral job type category). Target <30%	16.59%	17.19%	19%	18.08%
Level of satisfaction of EC requests	Rate (%) of positive feedback from EC project request implemented in year. Target 80%	100%	100%	100%	100%
Countries' policy development progress	Rate (%) of countries successfully progressed within stage or next stage of policy development. Target 70%	57%	79%	86%	80%
Stakeholder engagement	% of key country stakeholders participated in ETF activities / No of stakeholders. Target 90%	90%	90%	91.1%	90%
Dissemination reach	Weighted sum of No. of people reached through digital media, downloads and events	95%	107%	100%	99.5%
Average vacancy rate*	% of authorised posts of the annual establishment plan, which are vacant at the end of the year, including job offers sent before 31 December. Target <5%	1%	0%	1%	3%
Staff engagement*	Rate (%) of staff engagement from satisfaction survey within the agency (every two years). Target >2% increase.	56%	-	54%	-
Commitment appropriation implementation*	Rate (%) of implementation of Commitment Appropriations. Target >98%	99.88%	99.96%	99.99%	99.93%
Payment appropriations cancellation rate*	Rate (%) of cancellation of Payment Appropriations. Target <2%	1.46%	1.21%	0.11%	0.29%
Timely payments*	Rate (%) of payments executed within the legal/contractual deadlines. Target >90%	94.3%	94%	93%	94%
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%	98.79%	98.88%	99.94%	99.93%
Audit recommendation implementation*	Rate (%) of external and accepted internal audit recommendations implemented within agreed deadlines. Target >90%	100%	100%	100%	100%

*KPI for Directors and benchmarking

Annex II Statistics on Financial management

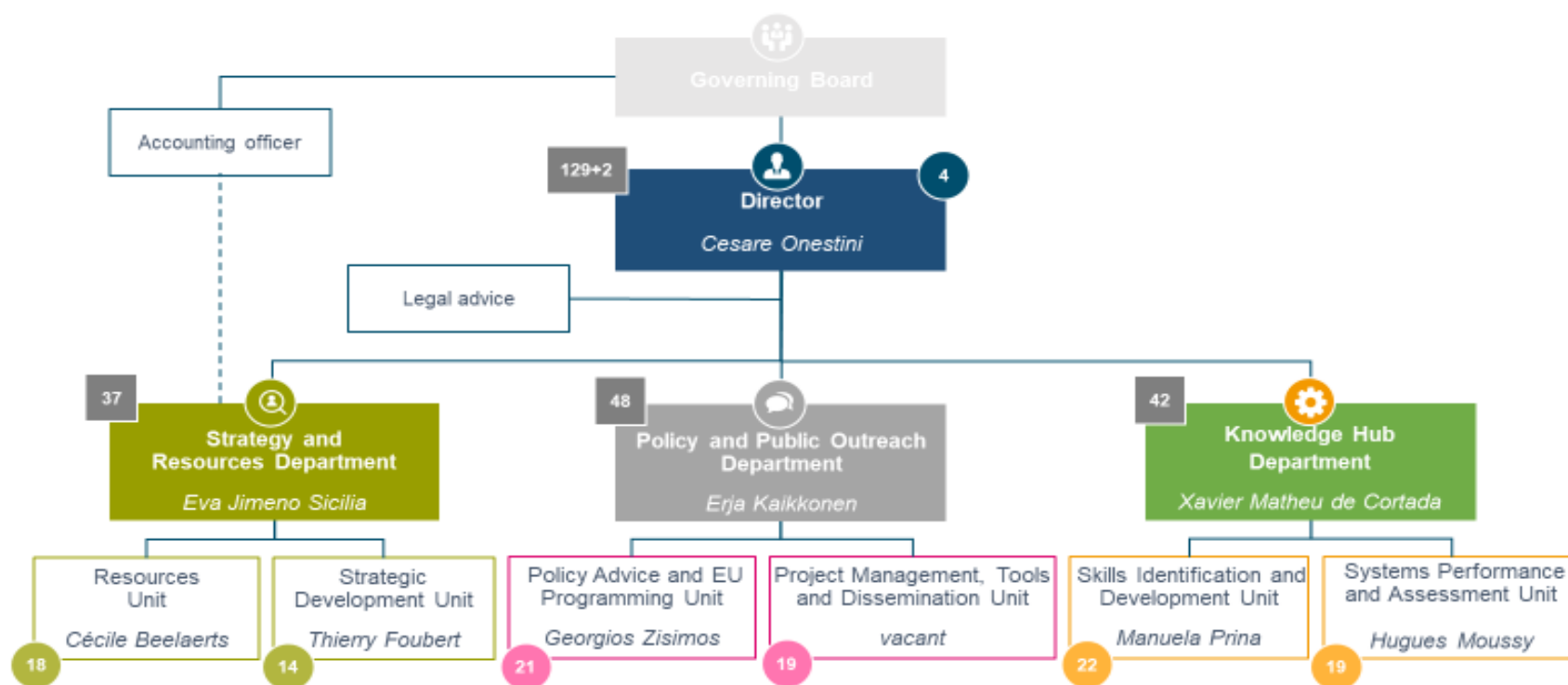
	2020	2019	2018	2017	2016
Overall Budget ETF (EU Contribution)	20,957,000CA 20,400,000PA	20,546,000	20,144,018	20,144,089	20,146,132
Committed (C1)	20,930,853	20,536,844	20,141,889	20,128,994	20,144,796
Rate (%) of implementation of Commitment Appropriations	99.88%	99.96%	99.99%	99.93%	99.99%
Rate (%) of cancellation of Payment Appropriations	1.70%	1.20%	0.11%	0.28%	0.44%
Rate of payments executed within the legal/Contractual deadline	94.3%	93.7%	93.3%	94.0%	91.3%
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).	98.55%	98.88%	99.94%	99.93%	99.99%
Payments Executed out of year's budget (PAY C1+ PAY C8T3) / Budget	95.65%	96.01%	98.07%	97.97%	97.66%
Overall CF+RAL into N+1	12.32%	9.89%	8.53%	9.09%	10.12%
Amount CF+RAL into N+1	2,581,707	2,032,829	1,719,011	1,831,540	2,039,124
CF in N+1 - T1	1%	1.1%	0.7%	0.6%	1.2%
CF in N+1 - T2	19%	22.9%	14.7%	16.9%	18.4%
Total CF (T1&T2)	3.6%	3.8%	2.5%	2.6%	3.1%
RAL in N+1 - T3	42%	29.6%	27.8%	30.8%	30.3%
Number of Transfers	8	4	7	7	7
Transferred budget	6.4%	2.7%	4.2%	5.4%	6.1%
Lines with more than 3 transfers	10	4	11	13	15
Number of transfers in the last 2 months	3	3	3	3	3
Amount committed last two months for T2	9.1%	21.3%	8.1%	26.7%	24.0%
Amount committed last two months for T3	23.1%	15.1%	12.0%	10.6%	11.0%
Cost of GB meetings (2 or 3* per year)	12,960.00	90,626.92	116,555.00	152,100.6*	199,589.56
Total to be reimbursed:	347,202	246,713.17	20,101.00	57,010.39	87,703.81

Annex III ETF organisational structure 31.12.2020



New ETF Organisation chart as of 1 January 2021

The ETF has revised the organisational structure to align it better to the new ETF Strategy 2027. It was adopted by the ETF Governing Board in 2020 and the new organisation chart entered into force on the 1st January 2021 (The staffing numbers are indicative as of 1st January 2021).



Annex IV Establishment plan and additional information on Human Resources management

A. Statutory staff and SNE

Human Resources	2020		
	Authorised Budget	Actually filled as of 31/12/2020 incl. job offers*	Occupancy Rate %
Administrators (AD)	56	55	98.2%
Assistants (AST)	30	30	100%
Assistants/Secretaries (AST/SC)	0	0	
ESTABLISHMENT PLAN POSTS	86	85	98.8%
Contract Agents (CA)	42	41	97.6%
Seconded National Experts (SNE)	0	0	
Local Agents	1	1	100%
TOTAL STAFF	129	127	98.4%

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

* During 2018, on the basis of article 38.2 of the ETF Financial Regulation, the ETF used for the first time the opportunity to “offset the effects of part-time work” by one additional appointment (function group AD). Should all posts be filled in since then, the number of TA employed would therefore be 86 +1. During 2021, it is expected to reach 86+2 should part time continue to be above 2 FTE.

** As anticipated in 2021 SPD, the ETF intends to offset long-term part times, recurrent parental leave amongst the same population (Contract Agents administrative officers) that are usually offset by interim workers, by 2 additional Contract Agents instead. Considering the evolution of the Italian legislation and its related restrictions for the use of interim workers, stable offsetting of the reduced working time of Contract Agents time is becoming impossible. Having therefore 2 long-term contract agents would be the sole alternative.

B. Other Staff

Structural service providers

	Actual filled as of 31/12/2020
Security	1
IT	1
Receptionist	1
Facilities support	1

Interim workers

	Actual filled as of 31/12/2020
Number	2

Table 2 – Establishment plan

Function group and grade	2020			
	Authorised Budget		Actually filled as of 31/12 * (incl job offers)	
	Perm. posts	Temp. posts	Perm. posts	Temp. posts
AD 16				
AD 15				
AD 14		1		1
AD 13		5		2
AD 12		10		5
AD 11		10		10
AD 10		9		12
AD 9		13		13
AD 8		6		6
AD 7		1		6
AD 6		1		1
AD 5				
AD TOTAL	0	56	0	56
AST 11		1		1
AST 10		3		
AST 9		10		11
AST 8		10		5
AST 7		4		2
AST 6		1		3
AST 5		1		4
AST 4				3
AST 3				
AST 2				
AST 1				
AST TOTAL	0	30	0	29
AST/SC 6				
AST/SC 5				
AST/SC 4				
AST/SC 3				
AST/SC 2				
AST/SC 1				
AST/SC TOTAL	0	0	0	0
TOTAL	0	86	0	85
GRAND TOTAL		86		85

*During 2018, on the basis of article 38.2 of the ETF Financial Regulation, the ETF used for the first time the opportunity to “offset the effects of part-time work” by one additional appointment (function group AD). Should all posts be filled in since then, the number of TA employed would therefore be 86 +1. During 2021, it is expected to reach 86+2 should part time continue to be above 2 FTE

External personnel

Contract Agents

Contract agents	Authorised 2020	Recruited as of 31/12/2020
Function Group IV	13	12
Function Group III	24	20
Function Group II	5	9
Function Group I	0	0
TOTAL	42	41

*The ETF intends to offset long-term part times, recurrent parental leave amongst the same population (Contract Agents administrative officers) that are usually offset by interim workers, by 2 additional Contract Agents instead. Considering the evolution of the Italian legislation and its related restrictions for the use of interim workers, stable offsetting of the reduced working time of Contract Agents time is becoming impossible. Having therefore 2 long-term Contract Agents would be the sole alternative

Local Agents

Local agents	Authorised 2020	Recruited as of 31/12/2020
Function Group AL/N2	1	1

Seconded National Experts

Seconded National Experts	Authorised 2020	Recruited as of 31/12/2020
TOTAL	0	0

Human Resources Qualitative

Appraisal and reclassification/promotions

Table 1 - Reclassification of temporary agents/promotion of officials

Average seniority in the grade among reclassified staff							
Grades	2016	2017	2018	2019	2020	Actual average over 5 years	Average over 5 years (annex IB SR)
AD05	0.0	0.0	0.0	3.8	0.0	3.8	2.8
AD06	0.0	2.0	3.5	0.0	0.0	2.8	2.8
AD07	4.5	3.2	6.0	2.5	2.2	3.7	2.8
AD08	3.0	3.6	4.3	2.8	2.8	3.3	3
AD09	2.8	0.0	5.4	5.9	3.2	4.5	4
AD10	0.0	0.0	4.5	5.0	2.0	4.1	4
AD11	0.0	22.7	0.0	0.0	16.2	19.5	4
AD12	0.0	3.5	8.3	0.0	0.0	5.1	6.7
AD13	0.0	0.0	0.0	0.0	0.0	0.0	6.7
AST1	0.0	0.0	0.0	0.0	0.0	0.0	3
AST2	0.0	0.0	0.0	0.0	0.0	0.0	3
AST3	7.0	2.5	0.0	0.0	0.0	5.9	3
AST4	3.0	3.5	2.0	0.0	3.5	3.0	3
AST5	3.0	2.0	0.0	5.5	0.0	4.0	4
AST6	4.5	0.0	0.0	4.5	3.5	4.3	4
AST7	11.5	2.0	3.5	0.0	0.0	6.7	4
AST8	4.0	2.5	0.0	0.0	4.8	4.2	4
AST9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AST10 (Senior assistant)	0.0	0.0	4.5	0.0	0.0	4.5	5
AST/SC1							4
AST/SC2							5
AST/SC3							5.9
AST/SC4							6.7
AST/SC5							8.3

Table 2 -Reclassification of contract staff

Function Group	Grade	Staff in activity at 1/01/2019	Staff reclassified in 2020	Average no years in grade of reclassified staff	Average no years in grade of reclassified staff according to decision C(2015)9561
CA IV	17				Between 6 and 10 years
	16	1			Between 5 and 7 years
	15	5	1	3.5	Between 4 and 6 years
	14	3	2	2.9	Between 3 and 5 years
	13				Between 3 and 5 years
CA III	11	7	1	3.0	Between 6 and 10 years
	10	8	1	3.0	Between 5 and 7 years
	9	5	2	3.6	Between 4 and 6 years
	8				Between 3 and 5 years
CA II	6	2			Between 6 and 10 years
	5	3	1	2	Between 5 and 7 years
	4				Between 3 and 5 years

Function Group	Grade	Staff in activity at 1/01/2019	Staff reclassified in 2020	Average no years in grade of reclassified staff	Average no years in grade of reclassified staff according to decision C(2015)9561
CA I	2				Between 6 and 10 years
	1				Between 3 and 5 years

Gender representation

Table 1 - Data on 31/12/2020 statutory staff (only officials, TA and CA)

		Official		Temporary		Contract Agents		Grand Total	
		Staff	%	Staff	%	Staff	%	Staff	%
Female	Administrator			30	35%	9	21%	39	31%
	Assistant (AST & AST/SC)			23	27%	24	57%	47	37%
	TOTAL			53	62%	33	79%	86	68%
Male	Administrator			26	31%	3	7%	29	23%
	Assistant (AST & AST/SC)			6	7%	6	14%	12	9%
	TOTAL			32	38%	9	21%	41	32%
GRAND TOTAL				85	100%	42	100%	127	100%

Table 2 - Data regarding gender evolution over 5 years of the Middle and Senior management²⁰

	2016		2020	
	Number	%	Number	%
Female Managers	5	56%	6	60%
Male Managers	4	44%	4	40%

Job screening exercise

In accordance with Article 38.1 c) of its Financial Regulation, the results of the job screening exercise in 2020 demonstrate how the ETF continues to gradually increase the overall allocation of staff to the core operational job category from about 47% in 2014 to 57.7% in 2019 while reducing administrative support and neutral functions.

The following table presents the outcome of the job screening exercise in 2014-20 for statutory staff.

Job Type (sub) category	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)
Administrative support and	22.18	23.83	18.56	18.15	19.00	17.19	16.59
Administrative Support	15.68	16.69	14.55	14.23	13.30	13.75	13.26
Coordination	6.50	7.14	4.01	3.92	5.70	3.44	3.33
Operational	61.65	62.78	69.47	70.31	70.47	72.42	72.71

²⁰ From Head of Unit only

Top level Operational Coordination	3.38	3.01	2.27	2.31	2.17	2.97	2.95
Programme management	46.99	50.00	55.08	56.46	56.28	57.73	57.36
Evaluation & Impact assessment	3.38	4.51	4.55	4.62	3.88	3.52	3.49
General operational	7.52	5.26	7.58	6.92	8.14	8.20	8.91
Neutral	16.16	13.38	11.97	11.54	10.47	10.39	10.70
Finance/Control	15.41	12.63	11.59	10.77	9.69	9.61	9.53
Linguistic	0.75	0.75	0.38	0.77	0.78	0.78	1.16

Geographical Balance

Explanatory figures to highlight nationalities of staff (split per Administrator/CA FG IV and Assistant /CA FG I, II, III)

Table 1 - Table on 31/12/2020 - statutory staff only (officials, TA and CA)

Nationality	AD+FGIV		AST+FGII+FGIII		Grand Total	
	Number	% of Total staff in AD + FGIV	Number	% of Total staff in AST+FGII+III	Number	% of total staff
AT	3	4%		0%	3	2%
BE	4	6%	3	5%	7	6%
CY	1	1%		0%	1	1%
CZ	1	1%		0%	1	1%
DE	4	6%	2	3%	6	5%
DK	1	1%		0%	1	1%
EE		0%	2	3%	2	2%
ES	5	7%		0%	5	4%
FI	3	4%	1	2%	4	3%
FR	5	7%	2	3%	7	6%
GR	3	4%		0%	3	2%
IE	3	4%		0%	3	2%
IT	16	24%	36	61%	52	41%
LU		0%	1	2%	1	1%
LV		0%	1	2%	1	1%
MA	1	1%		0%	1	1%
MK	1	1%		0%	1	1%
NL	3	4%	1	2%	4	3%
PL	2	3%	2	3%	4	3%
PT	2	3%		0%	2	2%
RO	2	3%	3	5%	5	4%
SI		0%	1	2%	1	1%
TN	1	1%		0%	1	1%
TR	1	1%		0%	1	1%
UA	2	3%	1	2%	3	2%
UK	4	6%	3	5%	7	6%
Grand Total	68	100%	59	100%	127	100%

Table 2 - Evolution over 5 years of the most represented nationality in the Agency

Most represented nationality	2016		2020	
	Number	%	Number	%
IT	49	37%	52	41%

The ETF receives constantly a higher proportion of applications from its host country despite the wide publication of its vacancy notices, in particular for administrative and support positions (AST/FGII-FGIII), which explains the constant higher number of Italian nationals recruited. The ETF selection procedures are merit-based but where there are equal merits, the ETF would favour the under-represented nationalities.

Annex V. Human and financial resources by activity

Distribution of planned and actual resources 2017 – 2020

Overall, actual expenditure vs planned has a high level of correlation with only slight variations, mostly due to rapidly changing socio-political environments in the partner countries.

	2017				2018				2019				2020			
Operational activities Strategic Projects/Thematic areas	Planned budget (m€)	%	Actual (m€)	%	Planned budget (m€)	%	Actual (m€)	%	Planned budget (m€)	%	Actual (m€)	%	Planned budget (m€)	%	Actual (m€)	%
Support to EU assistance in the context of EU external policies	2.22	11%	1.56	8%	1.65	8%	1.16	6%	2.26	11%	2.21	11%	2.31	11%	1.99	10%
Policy analysis and system wide progress monitoring	3.63	18%	3.01	15%	3.59	18%	3.24	16%	5.14	25%	4.81	23%	5.24	25%	4.89	23%
VET governance	2.82	14%	2.95	15%	2.45	12%	2.41	12%	1.85	9%	1.76	9%	1.89	9%	2.33	11%
VET provision and quality	3.22	16%	3.99	20%	4.00	20%	3.86	19%	3.70	18%	4.12	20%	3.77	18%	4.53	22%
Qualifications and qualifications systems	3.63	18%	3.6	18%	3.26	16%	3.62	18%	3.08	15%	2.54	12%	3.14	15%	2.10	10%
Employment, skills and employability (including skills and migration)	2.82	14%	3.25	16%	3.34	17%	3.75	19%	2.47	12%	2.92	14%	2.51	12%	4.37	21%
Entrepreneurial learning and enterprise skills	1.61	8%	1.77	9%	1.85	9%	2.10	10%	2.05	10%	2.18	11%	2.10	10%	0.71	3%
Total ETF	20.14	100%	20.13	100%	20.14	100%	20.14	100%	20.55	100%	20.54	100%	20.96	100%	20.93	100%

Distribution of ETF budget by Title 2017 - 2020

	2017		2018		2019		2020	
Actual expenditure by Title	Actual (m€)	%	Actual (m€)	%	Actual (m€)	%	Actual (m€)	%
Title 1 (Staff)	13.61	68%	13.34	66%	13.74	67%	14.02	67%
Title 2 (Infrastructure)	1.87	9%	1.98	10%	1.89	9%	2.26	11%
Title 3 (Operational Activities)	4.64	23%	4.82	24%	4.90	24%	4.65	22%
Total ETF	20.13	100%	20.14	100%	20.54	100%	20.93	100%

Annex VI Contribution, grant and service level agreements. Financial Framework Partnership Agreements

The ETF participates in several ongoing EC service level agreements for services provided by other entities such as with DIGIT for IT security support, IT hosting and e-prior services, with DG BUDG for the use of ABAC, with DG HR/PMO for the provision of SYSPER and management of entitlements as well as with CDT and EPSO.

Within the ETF mandate and Financial Regulation, and in addition to the EU contribution, the ETF may receive additional revenue from EC/Union bodies through **Contribution agreement or Service level agreement** and from Member states/third countries/international organisations/non-Union bodies through **bilateral cooperation agreement or bilateral agreement** for services performed.

From EC/Union bodies:

- Additional funds through **Contribution agreement** – *for actions compatible with the ETF mandate and objectives, justified by the specific expertise of the ETF, the nature of the additional tasks cannot be within the scope of the tasks already financed by the EC subsidy.*
- Funds/reimbursement through **Service level agreement** – *for provision of services*

From Member states, third countries, international organisations, non-Union bodies:

- Financial contribution to a specific project through **bilateral cooperation agreement** – *for contribution to ETF specific projects or actions*
- Reimbursement for services performed through **bilateral agreement** – *for provision of services*

Currently, the ETF has one ongoing **agreement** with the European Commission, DG INTPA, in place for additional funds related to delivery of VET training seminars and study for an overall amount of 102,739 Euros. It is planned to further benefit from the options allowed by both the mandate and financial regulation and obtain additional revenue from entities requesting ETF services.

Annex VII - Environment management

The ETF vision is to contribute to the Sustainable Development Goals following the EU approach²¹ and to promote environmental protection and sustainable development to optimize the use of resources by both reducing their use as much as possible and using renewable resources.

In order to contribute to environmental protection and to implement the above-mentioned vision, the ETF has established an Environmental Management System, which complies with the EU Eco-Management and Audit Scheme (EMAS)²². Within the overall regulatory framework, the ETF is committed to:

- Protecting the environment and minimize pollution through a sustainable use of resources;
- Complying with the relevant environmental legislation, regulations and other compliance obligations;
- Creating, maintaining and continuously improving the Environmental Management System and its environmental performance;
- Ensuring awareness of environmental issues and the active participation of all staff, with a view to reduce the ETF environmental impact;
- Encouraging suppliers and external stakeholders to abide by the environmental protection principles established by the ETF.

With the help of its Environmental Management System, the ETF pursues the following strategic environmental goals:

1. Shifting towards the use of renewable energy sources and reducing overall energy consumption;
2. Reducing the general use of resources and materials (incl. paper, plastics, gadgets, office equipment & furniture, stationery and other supplies);
3. Reducing greenhouse/polluting gas and particulate matter emissions resulting from ETF-related travels (incl. commuting by staff, staff missions, travels of event participants and contractors);
4. Reducing water consumption;
5. Reducing and effectively managing waste;
6. Shifting towards more sustainable events;
7. Raising awareness among staff on environmental issues.

Progress in 2020

The first audit towards EMAS certification was concluded in December 2020 and the second one is planned for the first quarter 2021. In this process the ETF began collecting data for the indicators on reduction of Co2 emissions, energy, water, paper and waste.

During the year staff awareness was raised through involving staff in an online survey and in a Agency wide EMAS project team.

²¹ https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development-0_en

²² https://ec.europa.eu/environment/emas/index_en.htm

Annex VIII – Draft annual accounts and financial reports

BALANCE SHEET	31/12/2020	31/12/2019
NON-CURRENT ASSETS		
Intangible fixed assets	1,184,131.78	1,272,920.85
Property, Plant and Equipment	824,329.00	659,394.00
CURRENT ASSETS		
Receivables and recoverables	210,354.55	195,786.91
Pre-financing	288,646.18	123,221.21
Cash and cash equivalents	947,876.40	824,671.34
TOTAL ASSETS	3,455,337.91	3,075,994.31
CURRENT LIABILITIES		
Payables	1,605,899.53	1,259,781.13
TOTAL LIABILITIES	1,605,899.53	1,259,781.13
NET ASSETS	1,849,438.38	1,816,213.18
Accumulated surplus/deficit	1,816,213.18	1,481,016.36
Economic result of the year	33,225.20	335,196.82

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
Operating revenue	20,068,175.20	20,312,528.82
	-	-
Operating expenses	20,033,238.21	19,974,803.26
Financial expenses	-1,232.06	-145.40
Extraordinary losses - exchange rates	-479.73	-2,383.34
ECONOMIC RESULT OF THE YEAR	33,225.20	335,196.82

CASH FLOW STATEMENT	2020	2019
Cash and cash equivalents at beginning of the year	824,671.34	363,912.08
Net increase in cash and cash equivalents	123,205.06	460,759.26
Cash and cash equivalents at year-end	947,876.40	824,671.34

BUDGET RESULT ACCOUNT	2020	2019
Revenues	20,424,932.28	20,561,154.13
	-	-
Expenditures	20,129,982.55	20,331,167.65
Outturn for the year	294,949.73	229,986.48
Adjustment for carry forward from previous years	1,149.57	0.00
Appropriations carried forward and cancelled	51,565.16	18,732.64
Exchange gains/losses	-461.71	-2,005.95
Balance for the financial year	347,202.75	246,713.17
Balance carried over from previous year	246,713.17	20,101.32
Amount reimbursed to the EC	-246,713.17	-20,101.32
Amount related to 2019 to be reimbursed to EC	347,202.75	246,713.17

Annex IX Cooperation with international and bilateral organisations

The ETF's cooperation with international and bilateral organisation contributes to the fulfilment of the ETF functions as outlined in its mandate²³, more specifically:

- to facilitate the exchange of information and experience among donors engaged in human capital development reform in partner countries; and
- to disseminate information and encourage networking and the exchange of experience and good practice between the EU and partner countries and among partner countries in human capital development issues

During 2019, the ETF has regularly engaged with international and bilateral development actors at the European, international and partner country level to extend the reach of the work of the ETF as well as to ensure that its interventions are sustainable and relevant to the partner context and complement the interventions of other actors.

EU Member States bilateral organisations

Through the ETF Governing board Members, the ETF has strengthened involvement of Member State representatives in its activities and cooperation with EU MSs bilateral organisations which are active in the field of HCD in particular with:

Agence Francaise developpement (AFD)	Cooperation at country level in all countries where the organisations are active.
Belgium Development Agency (ENABEL)	Annual exchange at institutional and operational level. Cooperation at country level in all countries where the organisations are active and in particular in Palestine and Jordan
British Council (BC)	Annual exchange at institutional and operational level. Cooperation at country level in all countries where the organisations are active.
German Development Agency Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)	Regular exchange at institutional and operational level. Cooperation at country level in all countries where the organisations are active. In particular cooperation with GIZ Jordan ²⁴ supporting the newly established National Sector Skills Councils (NSSCs), the National Qualifications Framework (NQF) and permeability between different education systems and Work-based learning Dual (cooperative)
KulturKontakt Austria	Regular exchange in Western Balkans on Work-based learning , Social inclusion (Albania Bosnia Herzegovina, North Macedonia)
Lux Development	Annual exchange at institutional and operational level. Cooperation at country level in all countries where ETF is active.

²³ Art.2 (paragraph c, d and f) of the ETF Regulation No 1339/2008,

²⁴ GIZ 6-year project (2017 – 2022) on “labour market oriented VET” with an overall budget of 8 million EUR.

International organisations and donors active in the area of human capital development globally:

- The ETF actively participates in the IAG-TVET group (and related working groups) coordinated by UNESCO for structured knowledge sharing and exchange of expertise among key players in VET with the ILO, OECD, UNIDO, WHO, WB, AfDB, EC, Cedefop, IADB and IDB.
- ITCILO and the ETF joint action with the city of Turin celebrating the 100 and 25th anniversaries of the ILO and the ETF presence in the city. Experts' Meeting on Lifelong Learning and the Future of Skills, 21 - 23 January 2020. Experts from around the world ranging from high-level public actors in charge of policy making and shaping, funding and local lifelong learning-focused authorities, social partners representatives, civil society, academia experts, company owners and youth leaders were brought together to develop innovative solutions to concrete challenges faced by the city of Turin in the areas of Lifelong Learning and Future Skills. The international participants came from more than 20 countries, including Asia, Latin America, Eastern Europe, Middle East, and the EU. Finally, the city stakeholders took commitment towards implementation that will start in 2020. In the specific case of Torino, stakeholders reflected on the future of skills, taking stock of the vision of the city and analysing (i) on the one side the impact of such vision on skills and labour market dynamics, (ii) on the other side the skills needed to realize such a vision in the medium term.

Anna Lindh Euro Mediterranean foundation for dialogue between Cultures	Cooperation to promote civil society organisations participation and share knowledge in the field of human capital development and intercultural dialogue
International Labour Office (ILO)	Seventh guide on skills anticipation and matching, specifically on the use of Big Data to feed labour market information.
International Training Centre of the International Labour Office (ITCILO)	Joint capacity building and trainings on career guidance, Quality apprenticeships, VET financing; ad hoc expertise input and cooperation in matching and anticipation of skills, skills for the future and migration.
Organisation for Economic Co-operation and Development (OECD)	Cooperation in the fields of Entrepreneurial Learning, Small Business Act, skills system governance
Swiss development	Annual exchange at institutional and operational level. Cooperation at country level in all countries where ETF is active. In particular in Bosnia Herzegovina, North Macedonia, Serbia
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Approaches, methodologies and tools in the areas of Policy Analysis, Qualifications and Work based learning. Global NQF Inventory, co-production ETF, Cedefop and UNESCO (survey and analysis of global trends in qualifications frameworks). Joint study WBL in Arab countries - 4th Euro-Mediterranean Employment and Labour High-level Working Group Meeting (informal economy)
UNESCO-UNEVOC International Centre for Technical and Vocational Education and Training	Cooperation for exchange of knowledge, the ETF contributes to Leadership academy and UNEVOC global events
United Nations Children's Fund UNICEF	Knowledge exchange and active participation in the areas under the Torino Process and on initiatives on skills/competences, reform of education sector and on Skills for Adolescents

International financial institutions investing in the area of human capital development globally

The expertise and experience of the ETF work in partner countries at policy level has been the main asset to complement the sector level approaches of the international financial institutions and demonstrates the complementarity between the institutions in terms of mandate, networks and policy entry points enabling the ETF to act as quality assurer/sparring partner and a bridge to EU and partner countries good practices.

Asian Development Bank (ADB)	Institutional level exchanges and operational cooperation in Central Asian countries, knowledge exchange and expertise input for publications and events
European Bank for Reconstruction and Development (EBRD)	Institutional level exchanges and cooperation on social inclusion and public private partnership at country level mainly in Albania, Egypt, Jordan, Kazakhstan Tunisia Turkey and Ukraine.
European Investment Bank	Institutional level exchanges
World Bank (WB)	Cooperation in the area of skills anticipation and matching Knowledge exchange on Human Capital Indicator and measures for policy analysis in development and transition countries

Regional bodies to enable building and benefiting from already existing partnerships, research and knowledge bases at regional and/or cross-country level.

African Union (AU)	In the context of the AU-EU cooperation agenda, the ETF is partnering with the EU and GIZ to support the development of the African Continental Qualifications Framework (ACQF), as defined in Action 4 of the Africa-Europe Alliance for Sustainable Investment and Jobs (adopted on 12/09/2018) over the period 2019-2022. The ACQF development activities are part of the AU-EU Skills for Youth Employability Programme and the Skills Initiative for Africa – a programme initiated by the AU in cooperation with the German government.
Asia-Europe Meeting education secretariat (ASEM)	Presentation of Global Inventory on Qualification Expertise input on EU cooperation in VET in third countries.
Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP)	Cooperation to strengthen the multi-level governance of the human capital development systems in the context of the neighbourhood policy;
Education Reform Initiative of South Eastern Europe (ERISEE)	Mutual contribution to knowledge sharing activities, access and support to regional network building and expert input in regional events, in areas that fall under the domain of human capital development and vocational education and training.
Euro-Mediterranean Regional and Local Assembly (ARLEM)	Cooperation to strengthen the territorial dimension of Euro-Mediterranean cooperation and multi-level governance in the neighbourhood policy
International Institute of Administrative Sciences - European Group for Public Administration (IIAS-EGPA)	Peer reviewing the Analytical Framework under the Torino process; Contributing to ETF dialogues, platforms through its permanent study groups; Contributing to the ETF initiatives on governance and policy leaders capacity building through conferences, training sessions, round tables, study visits
Regional Cooperation Council Secretariat (RCC)	Cooperation in the fields of human capital and economic and social development in South Eastern Europe, in: social inclusion; sustainable development; adult education; evidence based policy making; governance; labour market need; employability; entrepreneurial learning
Union for the Mediterranean Secretariat (UfM)	Information sharing on analytical work and country and regional intelligence, e.g. exchange of findings of country and regional or sub-regional work, methodologies, practices, publications
Mediterranean Universities Union - UNIMED	Knowledge exchange and mutual participation to events in the area of employment, qualifications, skills anticipation, entrepreneurial learning

EU Agencies

ETF actively participates in the **EU Agencies Network (EUAN)** for regular exchange of practices and exploring areas for joint actions or shared services.

As required by its mandate ETF has a cooperation agreement with Cedefop and Eurofound and an annual plan for cooperation has been established and implemented to ensure mutual benefit and exchange of experience between the EU and partner countries. See Annexes 6 and 7 which follow.

Annex X – Collaboration with CEDEFOP 2020

Theme	Joint activities progress
VET policy reporting Riga and post 2020	<ul style="list-style-type: none"> - Joint publication of Riga final report, June 2020 - Organization of a joint policy conference with Cedefop, 30 June – 1 July 2020, online - Joint presentations of policy reporting including Riga outcomes at ACVT-DGVT meetings - Development of a joint Strategy paper on the new challenges in VET, June 2020
Adult learning and continuing training with a focus on guidance, validation and work-based learning	<ul style="list-style-type: none"> - ETF participation in Cedefop-led CareersNET meeting (Oct 2020, European Expert Network) sharing good practices of career guidance system in candidate countries as online event (in cooperation with German PES) - Cooperation on IAG study and report on "Career Guidance during the COVID-19 pandemic" under CEDEFOP leadership in the publication process - Contribution to an "International survey on the impact of COVID 19 on staff training and development in enterprises." (ILO and UNESCO in the lead, other contributions from EC, World Bank, OECD etc.). - ETF-led seminar on WBL, under EAfA, for EU candidate countries (September) with Cedefop participation;
Qualifications, validation, European Qualifications Framework Advisory Group, World Reference Levels Skills matching and anticipation and identification of skills needs	<ul style="list-style-type: none"> - Close consultations between ETF/Creating New Learning (CNL) and CEDEFOP in the area on entrepreneurship key competence.: CEDEFOP consulted ETF when designing the first activities of its new project on entrepreneurship key competence in initial and continuing VET (May 2020). - ETF will share with CEDEFOP the package of CNL research papers before the CNL validation workshop (three sessions on November 23, 27 and December 7), and will invite CEDEFOP both to the workshop and to the CNL Advisory Group. - In EQF Advisory Group, inputs and cooperation in Project Group on third-country QFs to EQF comparison, providing background analysis - Ongoing development with Cedefop and UNESCO of Global NQF Inventory, fourth edition (publication in 2021) - Collaboration with Cedefop, UNESCO and other international organizations in development of World Reference Levels - Discussions on Inventory on Validation of Non-Formal and Informal Learning (publication 2021) - Knowledge sharing on methodologies on skills demand - Joint development of a note on the use of Big Data on skills anticipation (as part of the work of IAG on skills identification, led by Cedefop) - Discussions on possible joint implementation of surveys on emerging skills needs, as of 2021

Annex XI – Collaboration with EUROFOUND 2020

Actions	Joint progress
<p>1. Participation in activities and exchange of information</p>	<p>Social partnership</p> <p>A joint online seminar was planned with Eurofound for November/December but due to uncertainties arising from further lockdowns, the seminar has been postponed until Q1 in 2021</p> <p>Digital economy</p> <p>A background note was drafted with a focus on social dialogue and partnerships in response to the post COVID environment. The aim was to draw on recent materials and publications from Eurofound and ETF in the area of social partnerships, including public-private partnerships and capacity development for social dialogue.</p> <p>A second seminar related to digitalisation will be prepared for later in 2021 (also with the participation of Cedefop)</p> <p>Skills shortages and mismatch</p> <p>ETF to invite EF in the Advisory Board of its new initiative on the identification of the changing skills demand in its partner countries. The initiative will give emphasis on the impact of digital technologies on employment patterns and occupations and skills.</p> <p>EF and CEDEFOP to share the draft paper on skills shortages and mismatch –analysing the data of the ECS- with ETF; and invite ETF in any expert meetings on the topic</p> <p>.</p>
<p>2. Agencies planning and consultation</p>	<p>Exchange of draft work programmes before approval by the respective Administrative Boards. Both agencies refer to each other's work and cooperation where appropriate.</p> <p>Organisation of an annual meeting (possibly teleconference) to discuss and assess progress on the above and other relevant issues</p>

Annex XII – Evaluation of EU Agencies in the field of employment and social affairs²⁵

ACTION PLAN –AGENCY SPECIFIC RECOMMENDATIONS FOR ETF²⁶ (PAGE 57, 6.2.2 D)

Recommendation in Staff Working Document	Response by ETF	Proposed action by ETF	Time frame
28. Given that the capacity of ETF's partner countries varies considerably, ETF must do more to understand where its interventions are likely to have the most effect and how the nature of the required activities may vary.	Country interventions are designed following a detailed analysis of the country context, policy analysis and stage of development as well as taking into account the criteria of EU prioritisation and related assistance; country ownership and commitment for reform; and country stability.	The findings from the 2019 Torino Process conducted in all partner countries as well as the new strategic orientation on differentiation adopted by the GB as part of the new ETF strategy 2027 will be used to programme country interventions for 2021 – 2024.	DONE
29. To ensure sustainability and adequate policy implementation by partner countries following ETF activities, more systematic links could be put in place between ETF projects and EU programming and technical assistance.	As part of the operationalisation of the ETF strategy 2027 the ETF has initiated an enhanced collaboration with the EU services in programming and technical assistance in the partner countries with DGs (in particular with EMPL, NEAR, DEVCO, EAC, GROW and HOME) to identify better synergies with EC programming and technical assistance.	The ETF receives over 100 requests for support from EU services on an annual basis. More discussion with EC services through the structured dialogue process on how best to put in place systematic links for this support. The ETF continues close collaboration with EU Delegations on programming.	DONE
30. In the same vein, better use could be made of the Torino process to identify the conditions needed for successful interventions and to inform about the choice and right sequence of interventions.	The Torino Process has as its primary objective the analysis and assessment of human capital policies in partner countries. As such the Torino process is an input to the identification of needs and intervention but it is not to be intended as a direct outcome of the Torino process and its assessment reports.	The ETF has reinforced the dissemination of the TRP findings and policy uptake by countries, EU and other donors through specific actions, which have been added to the Torino Process milestones in the preparation and validation and dissemination phase at country and regional levels.	DONE
31. ETF's operational capacity could be strengthened based on cost savings stemming from improved cost-effectiveness and efficiency gains. Any gaps in internal expertise could be filled by	The ETF constantly strives to identify areas for cost-effectiveness and efficiency gains in the annual work programme. Additional expertise is contracted when resources are available. However, given the current	ETF to explore with EU services on how to deploy ETF expertise in actions such as thematic studies and surveys.	DONE

²⁵ <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8206>

²⁶ Evaluation of EU Agencies in the field of employment and social affairs, Staff working document and Executive summary <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9348&furtherNews=yes>

using external experts with specific country knowledge.	Multiannual financial framework forecasts, the ETF operational budget will decrease over the next 7 years.		
32. In addition to the biannual structured dialogue meetings between ETF and the Commission, communication and coordination could be strengthened to better focus on strategic issues in work programmes.	In the future the ETF will continue to strengthen EC involvement in ETF-led processes wherever possible. The ETF benefited from the input of the Commission during the consultation process for the development of the new ETF Strategy 2027.	ETF will continue to explore better synergies between ETF and programmes funded by Community instruments in the area of human capital development through the structured dialogue and the Commission opinion on the work programme.	DONE
33. A more systematic basis could be created for the triangular relationship between ETF, the Commission and EU delegations in partner countries.	The ETF has begun a series of structured regional meetings with EU delegations. The first meetings with the delegations in the partner countries in South Eastern Europe & Turkey and the Eastern Partnership have taken place.	ETF will continue with the regular Regional meetings with EU delegations, ETF and the Commission services and the annual DEVCO delegation training.	DONE

6.2.1 OVERALL RECOMMENDATIONS FOR THE FOUR AGENCIES

Recommendation in Staff Working Document	Response by ETF	Proposed action by ETF	Time frame
a) Service-level innovation (effectiveness and impact) 1. There is room to improve the quality and relevance of research/monitoring reports and activities by: 1.1 improving the readability and policy focus of publications, in particular for non-academic users and policy-makers; 1.2 basing their activities on a robust quality assurance process (see the points for improvement on the quality of agency deliverables in Section 5.1.1.b). 2. Agencies' research/monitoring reports and activities could be improved by making use of the most effective means of communication/dissemination. In particular the agencies could be advised to: 2.1 continue to explore and utilise innovative communication channels such as webinars, communities of practice, interactive videos and live streaming, while maintaining and, if needed, expanding their social media presence, as this is a cost-effective way of reaching diverse groups of stakeholders;	<p>ETF strives to continuously improve the quality and relevance of its publications and reports. It has an international editorial board with expertise in the field of human capital development who provide support and guidance to the ETF on the relevance and quality of its publications.</p> <p>ETF Communication and Operations departments plan annually on how to best target and disseminate ETF outputs using webinars, communities of practice, interactive videos and live streaming and social media presence.</p>	<p>1.1 A quality assurance process for publications has been introduced in the revised ETF publication policy and the editorial board has been tasked to support ETF on improving the readability and policy focus of publications</p> <p>1.2 Use of ETF outputs and services and quality will continue to be measured using indicators that will be tracked and reported on in the annual activity reports.</p> <p>2.1 ETF Open Space – a platform for all ETF networks for an enhanced interaction with communities of practice and stakeholders will be launched in November 2019.</p> <p>2.2 and 2.3 Indicators for tracking of effectiveness of partnerships in</p>	<p>DONE</p> <p>DONE</p>

<p>2.2 further adapt communication activities to different target group, and identify intermediaries who could support the dissemination of outputs;</p> <p>2.3 better disseminate and use their results at national level, in particular by encouraging governing/management board members to take a more proactive role in disseminating and using results.</p>	<p>The ETF Strategy 2027 focuses on further developing partnerships with international and national stakeholders to extend the reach of ETF products and services</p>	<p>disseminating ETF products and services developed and use of ETF Open Space.</p>	<p>DONE</p>
<p>b) Agency-level innovation (efficiency)</p> <p>3. While there is no single optimal internal structure or process, it is advised that the agencies revisit internal structures to better balance operational and administrative functions within the organisation.</p> <p>4. Transparency in decision-making based on results of performance measuring systems could be introduced</p> <p>5. The agencies' performance measuring systems can be further aligned and made more comparable. Therefore the agencies could work to further align their performance indicator methodologies. They are advised to consider developing a more systematic approach to measuring use of their outputs at national level, while taking account of individual agencies' mandates and the cost-effectiveness of the additional investments this requires.</p>	<p>A further alignment of the ETF organisational structure with the new strategy will take place in 2020 to identify further opportunities to redeploy staff from support services to operational activities. In order to promote staff engagement and expand career perspectives.</p> <p>Decision making at ETF is based on results of the performance management systems in place through the internal control assessment and the quarterly and annual management reports.</p> <p>ETF actively participates in the EU Agencies Network (EUAN) and in particular with the Performance Development Network (PDN) on sharing methodologies and experience.</p>	<p>3. Updated organisational structure approved by GB</p> <p>4. The ETF has an effective performance management system in place therefore no additional actions proposed.</p> <p>5. Compare methodologies of performance measurement (indicators) related to inputs and outputs between the four Agencies, and align where possible.</p> <p>ETF will continue to share ideas on performance indicator methodologies with other Agencies in the context of the PDN</p>	<p>DONE</p> <p>DONE</p>
<p>c) Governance (for the three tripartite agencies)</p> <p>6. Electronic decision-making (e.g. written procedure) and, where appropriate, virtual meetings of the governing boards could be further explored as a way to achieve more efficient and quicker decision-making. This will be a cost-effective way to make tripartite stakeholders feel represented, committed, involved and consulted.</p>	<p>ETF has these in place already</p> <p>Training of Board members</p> <p>Involve GB member institutions in ETF activities use an annual survey for expressions of interest</p> <p>ETF has electronic decision making in place through a written procedure.</p>	<p>No additional actions proposed, as ETF is not one of the tripartite agencies.</p>	<p>n/a</p>

<p>d) Reinforced cooperation</p> <p>The four agencies could engage in a structured common framework of reinforced cooperation with the following elements:</p> <ol style="list-style-type: none"> Corporate functions such as strategy, human resources, legal and financial management, coordination and support services such as ICT could be shared. Logistical arrangements could also be shared as regards the Brussels Liaison Offices (e.g. sharing a single office). On performance management, common or coordinated systems among the agencies would lead to cost savings, as detailed in point b), while respecting each agency's specific objectives. Mutual learning and sharing of services with decentralised agencies outside DG EMPL or with the Commission, and other forms of cooperation through the EU Agencies Network. This would save resources allocated to horizontal functions by relying when necessary on other agencies' expertise. Joint delivery where common tools and approaches exist, for example, managing expert networks and running surveys (e.g. a joint company panel). Agencies may join efforts and resources without substituting specific targeted surveys carried out by the EMPL agencies. Joint programming and planning could be put in place, but focused exclusively on areas suitable for cooperation and/or joint delivery. In practical terms, such reinforced inter-agency cooperation could be reflected by broadening and aligning the time-frames of the agencies' multiannual programming documents, since the annual work programmes will continue to be agency-specific. 	<p>Cooperation with Agencies and other institutions is ongoing and referred to as a specific strategic component in the draft Single Programming Document 2020-2022.</p> <p>The ETF however has doubts that corporate functions could be shared between agencies in the absence of common governance structures.</p> <p>Through the well –established process of exchanging draft annual work programmes with Cedefop and Eurofound, meaningful options for joint delivery are explored.</p> <p>ETF intends to continue its exploration of cooperation between other Agencies through the EUAN. ETF is currently participating in joint tenders with other agencies and seeks opportunities for shared services where there are cost benefits or efficiency gains.</p>	<p>ETF SPD 2020 – 2022 and WP2020 contains annexes detailing cooperation actions with Cedefop and Eurofound.</p>	<p>DONE</p> <p>SPD20 includes annexes outlining cooperation actions – also reported on in CAAR 2019.</p>
<p>e) Policy support for the EU</p> <ol style="list-style-type: none"> The four agencies could aim to better align with and support EU policymaking. Work programmes must be flexible enough to allow for changes in the case of sudden reconfigurations of EU priorities. Negative priorities could continue to be a tool for addressing ad hoc requests. The agencies may consider introducing a more structured and formalised reprioritisation mechanism and embedding a certain room for 	<p>Since 2014, the ETF receives over 100 ad hoc requests annually from EU services that amount to approximately 20% of the total ETF budget. The ETF has been able to accommodate and to flexibly address these requests, whilst maintaining implementation priorities as laid out in the annual work programmes.</p>	<p>The ETF is exploring avenues for collaboration with EC services to address this issue through the structured dialogue and bilaterally with relevant EC departments.</p>	<p>DONE</p>

manoeuvre in its programming document to allow for unforeseen activities of high policy relevance.

15. Other adaptability instruments could be used, such as:

- adjusting the aims of tasks or projects at the implementation stage;
- designing intermediate project outputs to feed into policy discussions rather than waiting until the project ends;
- producing short-term deliverables and updates (e.g. briefing notes) and further recalibrating ad hoc procedures so that they can be deployed relatively quickly.

ETF is currently faced with resource constraints in terms of addressing the volume of requests due to the fact that the number and size of ad hoc requests in terms of resource needs has increased in the past years. However, as regards cost-effectiveness of EU action, empowering agencies such as ETF carry out actions such as in-depth analyses, surveys, or the creation of thematic platforms would provide closer synergies between the agencies' mandates and the EU's impact.

The ETF incorporates negative priorities in the work programme and through the planning process has a mechanism for prioritising activities.

