



ETF GOVERNING BOARD 3 NOVEMBER 2003

CHAIRMAN: MR VAN DER PAS, DIRECTOR GENERAL DG EDUCATION & CULTURE

Minutes

Introduction

The Chairman opened the meeting and welcomed all participants, in particular those members, observers and colleagues from Commission services attending the ETF Governing Board for the first time. The Chairman also welcomed Mr Stavrou, Cedefop Deputy Director.

1. Adoption of the agenda

The draft agenda was adopted by the Board.

2. Minutes of the meeting 17 June 2003

The Minutes of the previous meeting held on 17 June 2003 were adopted.

3. Communication by the Chairman

2004 will be a year of many challenges, said the Chairman. There will be 10 new Member States, the biggest enlargement the EU has experienced. The Chairman recognised the significant contribution made by ETF in preparing for this major event by facilitating the reform of education and training systems in the accession countries.

There will be a new Parliament and a new Commission in Autumn 2004. Another key event in 2004 will be the Spring European Council at which the European Commission and the Education Council will present a joint report on the achievement of the Lisbon/Barcelona objectives in relation to education and training.

One year after the adoption of the Copenhagen declaration on enhanced European cooperation in vocational education and training the first tangible outcomes of the follow-up are beginning to emerge:

A proposal for a decision of the Council and the European Parliament for a new Europass will be adopted this month by the Commission; this will bring together existing transparency documents within a coordinated framework.

In October 2003 the technical working group on quality produced its progress report, setting out the basis for a common European framework for quality assurance in VET, including a common core of criteria and indicators for quality assurance to be used by Member States on a voluntary basis. A draft set of common principles for the validation of non-formal and informal learning based on best practice in the Member States has also been presented.

A new generation of education and training programmes will be proposed by the Commission early next Spring, based on the wide consultation exercise which was undertaken in 2003. The intention is to create a large framework programme with a lifelong learning perspective, which

gathers "sectoral" programmes. This will maintain the brand identity of the past programmes as well as transversal actions to support policy development, language learning and ICT-based learning. In line with the results of the consultation, the greater part of funds will be devoted to mobility actions.

The Chairman mentioned briefly the encouraging news about the development of the proposed Erasmus Mundus programme. Parliament and Council have now agreed all outstanding issues, including a budget of € 230 million for the period 2004-2008, paving the way for the programme to start in 2004.

In 2004, when it has completed preparatory measures, Turkey will participate for the first time in EC Socrates, Leonardo da Vinci and Youth programmes. ETF has been actively involved in the preparatory measures for this important event. In demographic terms, Turkey will become the second-largest participating country in our programmes, which is a major challenge for DG EAC.

At the last meeting of the Governing Board, the Chairman had promised to report to Governing Board members on the structured dialogue between ETF and the Commission, a process which has been reinstated following the Commission Communication on the recent external evaluation of ETF. Two such meetings took place in 2003, each of which consisted of dialogue at senior management level on major issues of cooperation between the ETF and the Commission; meetings at operational level on transversal and thematic issues; and discussions between the heads of ETF geographical departments, DG RELEX, EuropeAid and DG ELARG on specific regional issues.

These meetings led to a series of actions to promote closer contacts and better information flows, in particular the organisation of regular meetings of regional contact groups. Exchanges at operational level focussed on the contents of the ETF Work Programme 2004 and ETF Medium Term Perspectives 2004-2006; Advisory Forum regional papers; the implications of the de-concentration of the management of external relations programmes to Commission Delegations; and the co-ordination of thematic expertise between Commission and ETF. The Chairman stressed that there was now total clarity about the mutual expectations of both ETF and Commission services.

In relation to the role of the Board Members, the Chairman proposed that on a trial basis preparatory meetings should take place between representatives of the Board, the Commission and the ETF management to exchange information and views on the main agenda points.

In summary, the Chairman said that the Medium-term Perspective will provide ETF with a stable outlook over the next three years and an increased budget level which in part compensates for budget restrictions in previous years. This confirms the Commission's confidence in the future role of the ETF and provides a solid platform for building on its strengths, consolidating expertise and further improving performance.

The Chairman then invited Mr Lipman, Director DG Relex, to speak about the Wider Europe strategy and its relevance to the ETF.

Mr Lipman (DG Relex) acknowledged that the scope of "Wider Europe" was not always entirely clear to some people. He explained that this initiative covered the Russian Federation, Belarus, Moldova, Ukraine and the countries of the southern and eastern Mediterranean. The strategy would provide a perspective for those countries which would share borders with the EU but had little prospect of membership in the short term.

The intention is to develop a zone of prosperity and shared values (a "ring of friends" as called by the President Mr Prodi) and to offer a stake in the internal market of the EU if sufficient progress is made by these countries on agreed institutional reform. Since these actions will embrace education, research and cultural issues, it is likely that there will be scope for ETF involvement within the Wider Europe strategy.

Mr Lipman concluded with a brief presentation of the timetable and substantive actions for the implementation of the Strategy.

The Chairman then invited comments from members.

Ms Ord (UK) thanked both the Chairman and Mr Lipman for their clear presentations and asked that the minutes of the structured dialogue meetings between ETF and Commission services be made available to Governing Board members.

The Chairman then invited the ETF Director to present his oral report.

4. Oral report by the ETF Director

The Director added his welcome to that of the Chairman. Pointing to the heavy agenda for this meeting and the relatively short period of time since the last meeting of the Governing Board on 17 June 2003, the Director promised that his remarks would be very brief.

ETF has made significant progress, he said, both in core business in partner countries in cooperation with DGs Relex, Enlargement, Employment and EuropeAid, and in the development of internal systems and arrangements. The Director highlighted a few achievements, referring members to tabled documents which outlined more fully the details of ETF contributions to Commission services.

ETF has been heavily involved in activities related to the Lisbon and Copenhagen processes. Colleagues contributed to the recent OECD, World Bank and European Commission dissemination event in Toronto with a published synthesis report on career guidance policies in acceding and Candidate Countries, and as presenters and rapporteurs. In the Western Balkans, ETF continues to work in close collaboration with European Agency for Reconstruction (EAR) and the EU Delegations in South Eastern Europe in all of the countries of the region. ETF also contributed to the Commission's progress report on the follow-up to the Council Resolution on Lifelong Learning by preparing an analysis of the replies from acceding and candidate countries to the related DG EAC questionnaire.

The well-known ETF project "Vocational training reform in North-West Russia" recently held its final conference in St. Petersburg. The Director reminded members that this project aimed to find new approaches and re-establish the broken links between vocational training and the labour market in eight regions of North-West Russia. The outcomes of the project have been highly regarded by the Russian authorities and were disseminated widely to other regions of the country. The Director registered his gratitude to Austria, the Flemish community of Belgium, France, Finland, Germany, the Netherlands and Sweden, all of which had collaborated with ETF in this far-reaching initiative during the past eight years.

The Director drew attention to recent ETF work in the Mediterranean region which supports the European Commission in its collaboration with the World Bank and other donors. He pointed to a number of further studies which are jointly owned by the World Bank and ETF and also to an innovative action-research project on the Moroccan in-service training sector.

EuropeAid and ETF colleagues are considering how best to support the implementation of a new regional MEDA project "Education and Training for Employment" to be launched in 2004. We anticipate that ETF will assume responsibility for the implementation of this major EC initiative, under the guidance of Commission services.

To celebrate the opening of the Tempus Programme to the MEDA partners, a major Tempus Regional Conference on "Higher Education Cooperation and Intercultural Dialogue across the Mediterranean" took place on 13-14 October in Alexandria, Egypt. The President of the

European Commission, Romano Prodi, stressed the importance of Tempus as an instrument to promote the Euro-Mediterranean Partnership.

On the home front ETF has been active in developing internal administration & systems. The implementing rules of the new Financial Regulation were agreed recently by the Governing Board and entered into force in September. During the following month a new Head of External Communication and Human Resource Development Manager started work; each of these new posts will ensure that ETF fulfils commitments made in the Action Plan.

The Chairman thanked the ETF Director for his brief summary and invited Mr Greenwood (ETF) to speak about progress on the ETF Action Plan

5(i) Follow-up to ETF Action Plan – Preparation for Enlargement

Mr Greenwood (ETF) drew the attention to the tabular summary of progress on the ETF Action Plan (GB-03-037) which had been tabled for members. He invited Mr Fragoulis (ETF) and Mr Stavrou (Cedefop) to summarise the main elements of ETF and Cedefop collaboration which will ensure the effective preparation of future Member States for the forthcoming Enlargement.

Mr Fragoulis (ETF) referred to the document "Exit-entry strategy between Cedefop and ETF" (GB-03-031-00) which sets out a framework to capitalise ETF resources and know-how in order to facilitate the smooth transition of future Member States into the networks and activities of Cedefop from May 2004.

The proposed "Exit-entry" strategy consists of three parts. The first is a "roadmap" which aims to secure the successful integration of all ten countries into the Cedefop Network of Reference (ReferNet). Where appropriate, this will be achieved with the participation of the ETF network of National Observatories. A second line of activity is a similar "roadmap" to ensure the association of each future Member State with the Cedefop TTNet, a network to improve the education and training of teachers and trainers. A third joint ETF/Cedefop initiative will guarantee the transfer to Cedefop of ETF know-how and information resources on each future Member State.

Mr Stavrou (Cedefop) endorsed the remarks of Mr Fragoulis, adding that although he was optimistic about achieving the objectives set out in the "Exit-entry strategy" and their quality, he drew attention to the issue of the resources available to Cedefop. He also mentioned that the arrangements for the collaboration between ETF and Cedefop must continue to be flexible if the new Member States were to benefit fully.

The Chairman invited Mr Meganck, Director, DG Enlargement, to comment on the proposed ETF/Cedefop "Exit-entry" strategy.

Mr Meganck (DG Enlargement) thanked ETF and Cedefop for this joint initiative and stressed the importance of the transfer of know-how and information. He believed that this was a key point in the ETF Action Plan which displayed a good approach to the ten countries, saying that this would provide useful experience on which to draw in future accession preparations.

The Chairman then invited comments from Governing Board members and observers.

Mr Wisniewski (Poland) reiterated the importance of the ETF/Cedefop transition arrangements, believing that it was important for future Member States to benefit from the Cedefop networks. The expertise to be transferred consists not only of knowledge of the vocational training systems and arrangements in the new Member States, but also the competence to manage large-scale programmes and projects. The advice received from ETF on both of these issues was very welcome, he said, especially on the European Social Fund (ESF) and Employment Strategy (EES).

Ms Ord (UK) believed that the proposed “Exit-entry” strategy appeared to be a detailed and comprehensive document, although she was sure that there are a number of areas which are more difficult to transfer. She asked that any important unresolved issues should appear in subsequent follow-up documents and sought reassurance about the resources which would be available to National Observatories after May 2004.

Ms Scheyns (Belgium) endorsed the comments made by Ms Ord, in particular the importance of sufficient available resources to ensure the continued operation of National Observatories.

Ms Lauma (Latvia) asked that National Observatories be included in Cedefop meetings.

Ms Pullicino (Malta) suggested that a smoother transition process might result if ETF and Cedefop were both to be invited to forthcoming events and meetings in future Member States.

Mr Toutziarakis (Greece) said that he had heard concern from some future Member States about the process of transition from ETF to Cedefop. He hoped that this would be achieved in a sensitive way and maintain the positive relationships which had been built in the past. Trust and mutual confidence must be transferred in addition to expertise and experience – this could be achieved by the secondment of experts from ETF and accession countries to Cedefop..

Mr Dienys (Lithuania) believed that as a result of the “Exit-entry” strategy, the transition from ETF networks to those of Cedefop would not present National Observatories with a great deal of difficulty.

Mr Stavrou (Cedefop) replied to the question raised by Ms Ord about the financing of National Observatories after May 2004. Although a certain amount of co-financing is expected from Member States within the framework of the Cedefop ReferNet, he was convinced that this is offset by the benefits that accrue to the countries. He supported the idea of seconding “accession” experts from ETF to Cedefop.

Mr Hillenkamp (ETF) endorsed the comment of Mr Stavrou about the benefits to Member States involved in the ReferNet. He believed that the outcomes are well worth the national investment and said that both ETF and Cedefop would continue to cooperate during the period leading to accession.

Mr Dibelius (DG EAC) said that Commission services were satisfied with the “Exit-entry” strategy outlined in the paper.

Ms Grm Pevec (Slovenia) suggested that much still needs to be achieved by future Member States, but believed that the “Exit-entry” strategy provides a sound basis for progress.

Mr Francois (France) echoed the question raised by Ms Ord about the future of national observatories

Mr Fragoulis (ETF) reassured both Ms Ord and Mr Francois that National Observatories are likely to be the leading partners in national consortia arrangements to be developed for participation by future Member States in the ReferNet .

Mr Nelle (Germany) said that he had followed the process of transfer of responsibilities from ETF to Cedefop with interest but was convinced that a number of outstanding issues remained to be addressed. He asked for regular progress reports on this process to be provided to enable the Governing Board to verify the sustainability of National Observatories. **(ACTION POINT ETF)**

Mr Stavros (Cedefop) said that he was not anxious about the future of National Observatories; Member State networks were a relatively recent innovation, but the National Observatory

network had been established for some time. He reiterated the intention to make the best use of the forthcoming six month period to train National Observatory staff.

Mr Hillenkamp (ETF) stressed that financial support for the National Observatories in future Member States was assured.

Drawing the discussion to a close the Chairman asked the Governing Board to adopt the ETF / Cedefop "Exit entry" strategy. This was agreed.

5 (ii) Follow-up to ETF Action Plan – Governing Board future arrangements

Mr Greenwood (ETF) summarized the proposed future arrangements for the development of the ETF Governing Board outlined in the brief paper (GB-03-032). He drew attention to the more effective use of time during Governing Board meetings by adjusting the balance between ETF and Commission presentations and the contributions from members.

He suggested that greater use of electronic communication be made for ensuring the prompt delivery of papers and correspondence, such as feedback on the structured dialogue process. He was pleased to see DG Employment represented at this meeting which takes forward another element of the ETF Action Plan. Mr Greenwood expressed his support for the meeting of a number of members before the main meeting of the Governing Board which had been a further proposal in the Action Plan.

Prof. Migone (Italy) said that the external evaluation of the ETF had drawn attention to the passive nature of ETF Governing Board meetings, but was pleased to note that a number of important issues had been discussed during the informal pre-meeting held during the previous evening. He supported the notion of meetings between the Commission and a small number of Governing Board members, including observers from future Member States, and agreed that minutes of the structured dialogue between ETF and Commission services should be available to members.

Prof Migone made reference to point 2 (b) in the paper which proposes that the ETF Director will answer questions on the background to specific agenda items during the informal pre-meetings. He believed that this role was too restrictive and such meetings should be regarded as an opportunity for ETF and the Commission to hear the views of members.

Mr Constantinou (Cyprus) agreed with the idea of pre-meetings in which members could share ideas and provide mutual feedback on a range of issues. Only when members are properly informed can they contribute effectively, he believed.

Ms Ord (UK) suggested that in addition to the pre-meetings, an induction pack for new members and observers should be prepared in order to provide basic information about ETF and its role. (**ACTION POINT ETF**)

Ms Soares (Portugal) who was attending the ETF Governing Board meeting for the first time, said that she was uncomfortable with the "passive" label which the external evaluation had ascribed to the Board. She believed that members will contribute and express themselves freely if they have access to information before the meeting. She also believed that pre-meetings were a valuable way of preparing for the key points in full meetings of the Governing Board and suggested that members be allocated more tasks and responsibilities. She thought that some future meetings of the Governing Board might be held in future Member States so that members could understand better the specific issues and prevailing conditions in these countries.

Ms Scheyns (Belgium) said that she endorsed the earlier request by Ms Ord for Governing Board members and observers to receive the minutes of the structured dialogue meetings. She also supported the new electronic means of distributing Board papers but warned against the establishment of e-discussion groups, which in her experience tended to confuse the status of different issues and decisions.

Mr Nelle (Germany) suggested that oral reports from ETF and the Commission would always be necessary during meetings, but believed that efficiencies could be achieved if the contributions from members were to be more focused. He was convinced that conclusions can be reached more readily in small groups and believed that a pre-meeting between the Commission and a “troika” of members would be an efficient way in which to prepare for the full meetings.

Mr Nelle referred to the proposal made in point 2 (d) of the paper that Governing Board members be invited to take part in Advisory Forum meetings, and said that although time-consuming, such an initiative would be helpful, especially if a calendar of such meetings was made available at an early stage. He concluded by suggesting that Brussels be considered as a future location for some ETF Governing Board meetings.

Mr Toutziarakis (Greece) noted that a considerable amount of progress on the ETF Action Plan had already been made and cited preliminary meetings and the electronic delivery of papers as examples of such steps. He supported the proposal for an induction package of materials for new members and believed that troika arrangements would be helpful. He also agreed that Brussels should be considered as a location for future meetings of the Governing Board.

Mr François (France) said that if Commission services were to establish informal pre-meetings, then a troika of members would seem to be the most appropriate arrangement; he also supported the several requests for minutes of the structured dialogue meetings to be available to members and observers. He thanked Prof Migone for organizing the informal pre-meeting which had taken place on the previous evening.

Mr Wisniewski (Poland) asked members to consider carefully how best the interest of future Member States could be integrated into such troika arrangements.

The **Chairman** noted the positive spirit in which the paper had been received and was convinced that the suggestions would result in the greater engagement of members. He confirmed that the minutes of the structured dialogue meetings would in future be made available to the Governing Board Members and Observers (**ACTION POINT COMMISSION**). He proposed that the paper should first be amended to reflect the new proposals and then be presented again to the Board for approval.

The paper was amended and agreed by the Governing Board at a later point during the meeting. Pre-meetings between the Commission and a small group of members will be held at a suitable date ahead of the Governing Board meetings when documents are available; the agenda will be the Governing Board draft agenda plus any items which members wish to raise. These meetings could take place in Brussels and will be organised and funded by ETF. The meetings will not be minuted but members attending will be expected to report back to the informal meeting, which will take place on the eve of the formal Governing Board meeting.

5 (iii) Follow-up to ETF Action Plan – proposed arrangements for the development of the Advisory Forum 2004-2006

Mr Greenwood (ETF) introduced document GB-03-033 which outlines proposals for the future of the Advisory Forum. The three-year life of the present Forum will come to an end in

December 2003 and a renomination process to secure members to serve on the next Forum for the period 2004-2006 must start in January 2004.

The paper contains a number of suggestions about the role and operation of the Advisory Forum. The provision of an “opinion” on the ETF Work Programme for the following year will continue to be the fundamental responsibility of the Forum, although a number of other supplementary tasks will continue to be undertaken.

A process to achieve an enhanced quality of members and enable flexibility in arrangements for substitution is also proposed, together with wider attendance at Advisory Forum events by Commission services. Finally, and following the Commission Communication on the external evaluation, ETF is keen to provide opportunities for both regional and thematic discussions by members and at the same time facilitate cross-regional interchange of ideas between members.

After thanking Mr Greenwood, the Chairman then invited contributions from the floor.

Mr François (France) said that the Advisory Forum had been the subject of some debate in France and he was concerned that competences of members were not fully used. In addition there did not appear to be any mechanism for members to contribute to EuropeAid. He questioned the existence of the Forum if it was not put to good use.

Mr Nelle (Germany) was of the opinion that the Advisory Forum did not appear to provide advice to the Governing Board and it was important that ETF analysed the contribution of the Forum to date. He believed that before nominations are sought from Member States, partner countries, international and social partner organizations, ETF must specify clearly the competences and duties of members. He also found difficulty in understanding the role of members of the Forum in monitoring activities, which Mr Greenwood had mentioned.

Ms Ord (UK) also asked for clarification about the monitoring role of Forum members, enquired further about the knowledge of Lisbon and Copenhagen targets and asked if members of the Forum are financially supported to undertake their duties.

Ms Muniozguren Lacanizo (Spain) recalled that this was the second time that the Advisory Forum had been the subject of debate in the Governing Board and, although reassured by Spanish ex-members of the Forum, she raised questions about its effectiveness in relation to both its size and cost. She also had not seen evidence of the “opinion” of the Advisory Forum and requested more information about the body.

Ms Pedersen (Denmark) a member of the Advisory Forum, welcomed the proposal for the dual focus on regional and thematic issues. She believed that this would restore a degree of coherence to the activities of the Forum although the regional emphasis during the past three years had been very useful. But she was not entirely certain about how the refocusing on thematic issues can be achieved without limiting the beneficial regional emphases. She endorsed the request of the Spanish member for more information.

Ms Serban (Romania) assumed that the Advisory Forum was related to the ETF role as a centre of expertise; as such this would be entirely in line with the needs of the countries of the Western Balkan region. She proposed that determined efforts be made by ETF to secure the nomination of social partners, especially in these countries. She also supported the requests for a clearer statement of membership criteria.

Mr Nöbauer (Austria) also a member of the Advisory Forum, reminded ETF that greater use could be made of members throughout the year. He believed that one annual regional meeting together with one thematic meeting would be an excellent way in which to organize the operation of the Forum.

The Director (ETF) thanked members for their lively contributions to this issue but reminded members that the recent ETF external evaluation exercise had been very positive about the

Advisory Forum. He believed that the Forum was a unique network which has an important role to play. He explained that Forum members also sat on the steering groups of National Observatories and act as significant contact points when ETF staff are on mission in partner countries. Members are also involved in the preparation of the annual ETF Work Programmes at an early stage each year.

The Director maintained that Advisory Forum members are well used and play active roles in a range of events throughout the year. He believed that current arrangements for the operation of the Advisory Forum are effective, as acknowledged by some members of the Governing Board. Although he was sympathetic to the calls for annual plenary meetings of the Advisory Forum in addition to the meetings of the regional groups, he pointed to the heavy drain on budgets and ETF staff time in organizing such large gatherings.

While recognizing that the independence of countries must be respected, ETF will continue to try to influence the quality of people who are nominated to serve on the Forum. The Director also understood that practical considerations such as pressure of time sometimes make attendance at meetings difficult, although the proposed nomination of alternates would help in such cases.

The Director admitted that the role which ETF encouraged members to play was wider than that envisaged in Article 6 of the Regulation, but he believed that it would be unwise and wasteful to limit the remit of the Forum only to its statutory role of providing an opinion on the ETF annual Work Programme. The Director undertook to provide the Governing Board with another paper which sets out the role of the Forum and the expectations of its members.

Mr Greenwood (ETF) suggested that the Director had covered most of the relevant points and returned to the issue of monitoring which had resulted in some misunderstanding amongst members. Forum members, he believed, could help in the assessment of vocational training reform projects in a particular region; such activities could be integrated into a three year cycle which will contribute to a review of reforms in 2006.

Responding to an earlier question from Ms Ord, Mr Greenwood pointed out that the participation of Forum members in ETF activities is funded from Title 3 (Operational Expenses) of the ETF annual budget.

Mr Dibelius (DG EAC) said had been impressed by the discussion which had covered a number of fundamental points, but pointed out that this diverged from the legislative intentions expressed in Article 6 of the Regulation. He advised the ETF to take some time to reflect on this issue and then prepare a document to clarify the implications of the ETF proposals. This document will be presented to the Governing Board. **(ACTION POINT ETF)**

The Chairman supported the proposal made by Mr Dibelius.

Mr Wisniewski (Poland) said that even though he had some sympathy for the proposal to take some time to explore the implications, he pointed out that the renomination process must start in January 2004; this imperative is not compatible with a leisurely consideration of the issue.

The Director (ETF) proposed a “twin-track” process during which the renomination process and a deeper reflection about the Advisory Forum would proceed in parallel.

Mr Dibelius (DG EAC) agreed with this proposal which was subsequently endorsed by the Governing Board. The Chairman then invited Mr Hillenkamp, Deputy Director ETF to introduce the draft Work Programme 2004.

6(i) 2004 - ETF draft Work Programme

Mr Hillenkamp (ETF) made a number of general remarks about the draft Work Programme 2004, mentioning that this was consistent with the ETF Medium Term Perspective 2004-2006. The document had been agreed with the appropriate Commission services and was in line with the advice which the Commission had presented in the Commission Communication (COM (2003) 287) on the external evaluation of ETF. He explained that the new structure and presentation of Work Programme 2004 was necessary in order to include information required by the new ETF Financial Regulation.

In the context of the earlier discussions about the role of the Advisory Forum, it was important to note that Forum members had been asked for their views about the draft Work Programme. The "opinion" of the Advisory Forum is that the document is clear, simple to understand and the proposals are seen as both relevant and appropriate to the needs of partner countries. The planned cooperation between Cedefop and ETF in 2004 is especially welcomed by members who are also keen to see the products the ETF focus groups. Mr Hillenkamp said that the Forum viewed as very useful the new section in draft Work Programme 2004 which outlines risks and lessons learned from the past.

As usual the framework of Work Programme 2004 consists of three main lines of activity: support to Commission services; the production and analysis of data and information; and development activities. Mr Hillenkamp then outlined the major areas of ETF expertise which would be deployed in providing services to the Commission and partner countries during the following year. He explained the clear increase in the volume of requests for ETF support which had been received from the Commission.

Mr Hillenkamp concluded his introduction by drawing attention to proposed ETF activities in each of the regions and described the areas of work of each of the focus groups which will contribute to the further development of ETF expertise. He mentioned also that a "reserve" of 10% on the operational elements of the budgets of all the agencies had been imposed by the European Parliament; if this reserve is not lifted at an early stage in 2004 then ETF must modify its operational plans and Work Programme.

After thanking Mr Hillenkamp, the Chairman invited Mr Lipman to comment.

Mr Lipman (DG Relex) said that Commission services were content with the draft and the spirit of close cooperation which had existed between ETF and Commission services during the development of draft Work Programme 2004. He pointed out that a copy of the draft Work Programme 2004 is now before the European Parliament.

The 10% reserve had been imposed on the operation budgets of all agencies because Parliament was anxious about the apparent increase in temporary staff in agencies who were being awarded permanent status; this would impact on future Community budgets. Parliament was also concerned about rapid promotions which were becoming apparent in some agencies.

The Chairman then invited comments from members and observers.

Ms Scheys (Belgium) congratulated ETF on the improvements which were evident in the draft ETF Work Programme 2004. She drew attention to the thematic priorities outlined in the document and asked for a more systematic inclusion of labour market and employment factors. But she believed that the development of ETF expertise should not be limited to vocational training and labour market issues but must take into account educational systems and strategies.

Ms Ord (UK) also congratulated ETF for producing a clear and understandable Work Programme.

Mr Constantinou (Cyprus) added his praise for the document, in particular the helpful nature of the new sections. He believed that the activities proposed are fully in line with EU policies.

Ms Seban (Romania) was also happy with the draft ETF Work Programme 2004 which addresses the all of the concerns of Romania, but had a number of comments to offer. She advised ETF to consider the issues of qualification frameworks for inclusion in the 2005 Work Programme because Bulgaria, Romania and Turkey need such assistance. Cross-regional cooperation is also very important, she believed and suggested that ETF should consider activities which allow this. Ms Serban also asked if the ETF budget for 2004 would be sufficient to support the ETF mission.

Mr Nelle (Germany) also congratulated ETF on the draft Work Programme. He supported the earlier statement by Ms Scheys that education is a critical component in developing national economic competitiveness and full employment; this should not be lost in discussions which focus only on vocational training.

Ms Soares (Portugal) said that all initiatives proposed by ETF were directed to helping partner countries move towards achieving the Lisbon targets, but in the document the latter are implicit. The targets should be specified explicitly in the Work Programme.

Mr Hillenkamp (ETF) said that he was grateful to members for their positive feedback on the draft ETF Work Programme 2004. ETF had resisted the temptation to take a restricted view of vocational training, adopting instead a comprehensive perspective which embraces the full range of lifelong learning and labour market issues. He agreed with the key importance of the Lisbon targets and pointed out that partner countries were able to see that Member States systems and arrangements are also subject to rapid and far-reaching reform.

The Director (ETF) said that he appreciated the positive comments from members and said that the draft Work Programme 2004 had been drafted in a lean and clear style. He also endorsed an earlier remark by Mr Lipman about the comfortable collaboration between ETF and the Commission which had been evident during the development of the Work Programme. But he was concerned about some important omissions in the document, in particular the missing information about Cedefop contributions to the ETF/Cedefop "Exit-entry" strategy. Parliament would be most interested in these details, he said, especially against the background of MEP remarks about the potential for overlap and duplication in the work of the two agencies.

Mr Junkkari (ETF) responded to Mr Lipman's comment about personnel issues. He said that no temporary agents in ETF had been awarded permanent contracts, nor had there been any cases of rapid promotion. Staff in ETF are promoted in line with strict guidelines which have been agreed by the Governing Board and which are entirely consistent with Commission rules and regulations. He maintained that promotion in ETF is less rapid than in the Commission.

Drawing the discussion to a close the Chairman invited Governing Board members to adopt the draft ETF Work Programme for 2004. This was agreed.

6(ii) 2004 – ETF Budget

Mr Junkkari (ETF) first updated members and observers on the progress made in implementing the new ETF Financial Regulation. The main issue presented by this regulation is the replacement of the previous ex-ante external control by a system of internal controls built on the twenty four standards required by the Commission. ETF will inform members about the continuing implementation process using a written procedure.

Mr Junkkari then introduced draft ETF Budget 2004 (GB-03-029) which shows an overall increase of 2.3% on Budget 2003, drawing attention to the modest increase of 3.6% in staff costs (Title 1) and the decrease of 2.1% in Building Equipment and miscellaneous expenditure (Title 2). The ETF operational budget (Title 3) is set to increase by 0.6% on budget 2003.

If the 10% Parliamentary reserve on the budgets of all agencies was not lifted, ETF would present the Governing Board with proposals for amendments to Work Programme 2004. This would be taken forward through a written procedure.

Governing Board members received the tabled ETF Establishment Plan 2004-2005, which had been omitted from the actual budget document. This document proposes one new A7 post for the Human Resources Development Manager, hired as a result of the recommendations of the external evaluation. One B-post is correspondingly deleted, thus maintaining the total ETF staffing establishment figure at 104 posts during the period 2003-2005.

The Chairman congratulated ETF on the implementation of the internal control standards, describing this as a welcome development. Since members had no comments to make, the draft Budget 2004, including the Establishment Plan standing at 104 posts, was adopted by the Governing Board, subject to approval by the European Parliament.

7 (i) Future perspectives – ETF Medium term perspectives 2004-2006

(ii) Provisional ETF Draft Budget (2005)

The Director (ETF) first introduced the paper “ETF Medium term perspectives” (GB-03-035) which proposed the main lines of ETF development during the period 2004-2006 and defines the expected resource framework in terms of staff and budgetary resources. The paper follows the structure of its predecessor (GB-00-043) agreed by the Governing Board in November 2000.

In outlining the overall ETF development framework, support to Community policies and priorities for each of the regions and staff resources for Tempus technical assistance, the paper is based on the assumption that ETF financial resources during the period will continue to support the current establishment of 104 Temporary Agents. This number includes 20 temporary agents who provide technical assistance to the Tempus programme and the Director invited the Chairman to report on the state of play concerning the cost effectiveness study commissioned by DG EAC to contribute to the decision about the future location of this technical assistance.

The Director also drew attention to the anticipated rise in the volume of Tempus proposals from 25 Member States during future calls and suggested that the additional demand would have a considerable impact on ETF staff resources.

The Director then introduced the ETF Provisional Draft Budget (GB-03-030) which proposes an overall increase of 5.1% on Budget 2004. Staff costs are set to rise by 3.2% in 2005 as a consequence of automatic and obligatory salary increases. Title 3 is proposed to increase by €400,000 to restore the operational activities to an optimum level and compensate for the erosion of this line during the period 2001-2003. The Establishment Plan 2005 proposes a constant level of 104 posts on the basis of the medium term perspective 2004-2006.

The Director concluded by thanking Commission services for their constructive advice on budgetary issues during the structured dialogue process earlier in the year.

The Chairman then invited comments on both the ETF Medium term perspective and the Preliminary Draft Budget 2005.

Mr Vanni d'Archirafi (Italy) was content with the positive outcomes that had followed the structured dialogue process which helped to define the future nature and role of ETF. He shared the common concern of maintaining accumulated ETF expertise; this would imply that ETF should maintain the staff resources which are necessary to provide the technical assistance to the Tempus programme.

Speaking of the Wider Europe strategy, he believed that new barriers should not be created by excluding other regions, especially those which could benefit from support. ETF had a role to play in preventing such exclusion. He suggested, for example, that institution building is a key need in partner country public administrations, all of which need to develop a pool of highly competent officials. Management and entrepreneurship training are other areas in which ETF should contribute outside of the Wider Europe framework.

Ms Scheys (Belgium) supported the request for the Commission to inform the Board on the cost efficiency study on the location of technical assistance to the Tempus programme. She also had a problem in understanding the description of 2004-2006 as "medium term" and believed that this was a short term period. She believed that 2004-2010 would constitute a medium term perspective, and pointed to the adoption of this timeframe by the Lisbon and Copenhagen initiatives and the General Objectives.

Ms Ord (UK) referred to the distribution of staff in ETF between operational and administrative functions, which appeared rather unbalanced.

Speaking of Tempus technical assistance, she said that the UK was keen to see Tempus located where the expertise lay and that Erasmus World should also be co-located in line with this principle.

Mr Nelle (Germany) saw the proposed steady level of personnel as a positive sign and was particularly pleased to see the ETF taking seriously the function of external communication; this should improve interaction between the ETF and its key publics, and in particular the Commission.

Mr Nelle continued by saying that Germany has a real interest in the Tempus programme and he looked forward to receiving further information on the issue of location of technical assistance. He appreciated that the medium term perspective could only cover the relatively brief period to 2006 but said that it was in the interests of all members and observers to have as many details as possible.

Mr Nöbauer (Austria) expressed his unease with the term "Wider Europe," especially when used in relation to the countries of the southern Mediterranean. He would prefer the term "neighbourhood" to be used instead.

Mr Wisniewski (Poland) agreed that the medium term perspective document was helpful and clearly indicated the road ahead, but said that its timeframe needed to be extended.

Ms Serban (Romania) was grateful for the fact that ETF is set to retain a respectable budget with which to undertake accession-directed activities in the remaining three candidate countries. She enquired further about the future role of ETF in Romania and believed that ETF should have a central role in monitoring and assessing all programmes, thus replacing the independent contractors who are usually employed.

Her recent experience of the CARDs programme convinced her that education and training issues should always be explicitly mentioned at the policy stage; it is far more difficult to insert such important components when programmes are in progress. This is particularly true for the Wider Europe initiative, she maintained.

Ms Serban concluded with a simple question. If the Tempus technical assistance function is transferred elsewhere, will ETF retain the staff establishment and budget as outlined in the Medium term perspective document?

Ms Pullicino (Malta) agreed that that medium term perspective was a useful document but that there should be a longer term plan for the benefit of partner countries.

The Chairman gave an overview of the issues raised by members in an attempt to answer their questions. He understood the calls made by members for a longer-term perspective for ETF resources, but in the absence of a clear financial framework for the EU in the post-2006 period, it is not possible to provide this. Furthermore, it is difficult to be precise about the final arrangements of the Wider Europe strategy, especially the role which ETF might play, although the situation may be clearer in Spring 2004, he said.

The Chairman also outlined the processes which will lead to a decision on the location of Tempus technical assistance, including the cost efficiency study which was under way. The Commission will take a formal position on this issue in spring 2004. The Chairman promised to report again on the state of play at the next meeting of the Governing Board in March 2004.

The Director (ETF) returned to a question raised by Ms Ord about the balance between administrative and operational staff and explaining the concept of activity based staff allocation. He pointed to evidence that demonstrated that ETF had one of the most efficient balances of all the EU agencies, but that this efficiency would be reduced considerably if the Tempus technical assistance function was to be removed from ETF. On the other hand, he said, this efficiency would be even more enhanced if additional work in other geographical regions were presented to ETF because greater economies of scale could be achieved. The transfer of such additional responsibilities would be budget neutral to the Community funds, he said, and involve only a reallocation between the external relation budget lines. No additional expenditure would be necessary because the only funds to be transferred to ETF would be those previously used to employ private consultant, he said.

The Chairman believed that these issues would be subject to further consideration by members and observers in Spring 2004. The Governing Board adopted both the ETF Medium term perspective 2004-2006 and the ETF Preliminary Draft Budget 2005 and the attached Establishment Plan standing at 104 posts.

8. Recruitment of ETF Director

Mr Dibelius (DG EAC) reported that the post of ETF Director had been published in the Official Journal as well as in the national press in the Member States and candidate countries and in a number of international publications. Some 400 applications had been received, of which about 250 were valid and met the formal criteria for the post. Some 40 of these would be subjected to initial pre-selection interviews and tests. Final interviews by the Pre-selection Committee on a pool of some 10 candidates would be conducted in January and the Commission would submit a short-list of between 2 and 4 of candidates to the next meeting of the Governing Board in March 2004. The Commission was assisted by recruitment consultants Mercuri Urval for the technical aspects of the pre-selection procedure. Mr Nelle is representing the Member State delegates on the Governing Board as an observer on the Pre-selection Committee.

9. Other Business

Mr Bent Sørensen (ETF) gave a short presentation of the new ETF website, in particular the facility which provides Governing Board members and observers with direct access to the database of past and current Governing Board papers.

The Chairman thanked the interpreters and Governing Board members and observers for their active participation during the meeting.

10. Date of next meeting

The next meeting will be held on 16 March 2004.