

MINUTES GOVERNING BOARD MEETING 5 JUNE 2015



1. Introduction

The ETF Governing Board meeting was held in Turin on 5 June 2015 and was chaired by Michel SERVOZ, Director General for Employment, Social Affairs and Inclusion, European Commission (EC).

New members of the Board were welcomed: Edit BAUER, independent expert nominated by the European Parliament, Guillaume DELAUTRE, member representing France, Psillos DIMITRIOS, member and Magda TRANTALLIDI, alternate member, representing Greece, Jorge GASPAR, alternate member representing Portugal and Anne MÅRTENSSON, alternate member representing Finland. From the EC, Simon MORDUE (Director, DG NEAR), Stefano Signore (head of unit, DG DEVCO), Christophe MASSON (DG NEAR) and Maria TODOROVA (DG EMPL) were present. The ETF staff committee was represented by Mircea COPOT.

Representatives from Bulgaria, Germany, Ireland, Portugal and UK did not attend. Jan ANDERSSON, independent member representing the European Parliament, Salih ÇELIK, observer from Turkey and Namig MAMMADOV, observer from Azerbaijan, did not attend.

2. Adoption of the agenda

Three information points for *any other Business* were proposed: i) ETF external evaluation at the request of the European Commission, ii) Implementing Rules of the Staff Regulations and the actions proposed by the ETF and, iii) the status of the deputy director at the request of the members representing EU member states.

The agenda including these proposals was adopted.

3. Follow-up to previous meeting

i. Minutes of previous meeting

The minutes of the previous meeting held on 21 November 2014 were adopted.

ii. Follow up on action points and written procedures

The follow up points and the actions developed by the ETF to achieve them as well as the list of the written procedures since the last Governing Board meeting were tabled and no request for clarification was made.

4. 2014 Annual Activity Report and its analysis and assessment

Madlen SERBAN and Peter GREENWOOD presented the 2014 Annual Activity Report.

The 2014 Annual Activity Report (AAR) records the achievement of the ETF's objectives for 2014 as set out in its annual work programme. The Highlights document made available in the Governing Board restricted area before the meeting complements the AAR with additional information on operational activities.

When preparing the AAR, the ETF followed the standing instructions and template for the 2014 Annual Activity Reports issued by the Commission. The document presents the activities in 2014 according to the achieved corporate results, management of resources, assessment of the effectiveness of the internal control systems and management assurance. On 23-24 April 2015, the draft was discussed with Commission representatives during the structured dialogue meeting and the Governing Board during the working group meeting.

A Performance Management Framework (PMF) adopted in 2012 and revised in 2015 is used to report the ETF's performance. The PMF integrates key internal and external processes and control systems and it has an incremental approach, which captures information and progress on key indicators throughout the ETF cycle of planning, quarterly monitoring, audit and evaluation.

The monitoring process is available through Dashboard, a system accessible to all Governing Board members, which feeds the ETF's quarterly reports and the external audits in high-risk areas.

The ETF's performance was presented in line with the five most relevant key performance indicators for operations and management: achievement of the strategic objectives; the overall budget commitment (Subvention: T1,2,3); establishment plan filling rate; implementation of improvement actions plans; stakeholder capacity built through corporate & regional events. In addition, the ETF has also complied with the indicators proposed in the Commission Guidelines for KPI in EU Decentralised Agencies SWD (2015) 62 of 13 March 2015.

The ETF reported the following achievements:

- 97% of planned actions and 2013 carry forward delivered. In 2014, 82 requests for assistance from EU headquarters and delegations were received and managed compared to 78 in 2013. 21 of these were additions to the 2014 Work Programme.
- The overall budget commitment in 2014 (Subvention: T1, 2, 3) was at 99.90% compared with 99.78% in 2013.
- In terms of human resources, the establishment plan was 98% full in 2014 compared with 95% in 2013.
- The ETF developed an improvement plan covering all the recommendations from the audits carried out. 90% of the actions from the plan were implemented in 2014.
- Stakeholder capacity built through corporate and regional events 10% annual increase, (10% increase from 2013 to 2014, 1,200 participants in 2014).

The Chair opened the floor for interventions.

Liga LEJINA (Latvia) on behalf of the EU Presidency presented the outcome of the informal meeting of the member state representatives by expressing appreciation for the ETF's work in 2014. The systems and procedures in place which allow them to assess achievements as well as monitor and assess the improvements during the year were particularly welcomed. She indicated that members are ready to adopt the draft document.

Micheline SCHEYS (Belgium) congratulated the ETF for the quality of the report and praised the decision to integrate management objectives with policy/ actions objectives and cascade them to improve ETF activities and organisation. **Ms. LEJINA (Latvia)** also supported this remark. Reference was also made to the joint ETF-Cedefop Copenhagen-Bruges technical report which lacks elements to support a good political discussion during the Ministerial meeting in Riga.

Simon MORDUE (DG NEAR) informed Board members about the results of the 2014 survey carried out by the Commission and the Delegations, which also included a question on the cooperation with ETF. The EU Delegations positive replies confirmed the increased in cooperation between the ETF and the Commission services, indicating the added value of ETF support. The EU Delegations asserted that the ETF helps Commission services in the area of vocational education and training by providing sector analysis, identifying key indicators that allows to measure the achievements of the projects, supporting the implementation of dedicated EU funds, etc. Additionally, they mentioned the important role the ETF plays in shaping VET policy dialogue and the formulation of the clear

programmes. Mr MORDUE referred to one of Commissioner Hahn's priorities - promoting education in the partner countries - and he encouraged the ETF to continue to inform the Commission services on what constitutes value for money and to support shaping the policy dialogue agenda.

Replying to the issues raised by Micheline SCHEYS, **Michel SERVOZ (Chair)** stated that the informal Council meeting in Riga provides an opportunity for Commissioner Thyssen to present the vision and priorities of the skills agenda. It will also be an opportunity to start discussions on the technical report. Mr Servoz also remarked on the ETF's ability to react to EU requests, pointing to the 21 additional requests in 2014, mentioned the consistency with the Commission procedures on financial management and he also praised the new organisational structure of the ETF which seems to be functioning well.

The Chair asked the Presidency representative to present the Analysis and Assessment of the 2014 Annual Activity Report. **Ms. LEJINA** presented the draft Analysis and Assessment of the 2014 Annual Activity Report and indicated that the report gives reasonable assurance and should be adopted by the Board.

In the light of the above, **the Governing Board adopted the 2014 ETF Annual Activity Report and its Analysis and Assessment**. The documents will be submitted to the European Parliament, the European Council, the European Commission, the European Economic and Social Committee and the Court of Auditors.

5. ETF 2014 Annual Accounts

Martine SMIT, ETF accounting officer, presented the 2014 accounts.

The Board received the annual accounts drawn up on behalf of the ETF director by the ETF accounting officer. The accounts were prepared and presented in accordance with Title VII of the Financial Regulation. The standards applied are identical to those applied by the EC and all other EU bodies.

The accounts have been audited by an external auditor, and the Court of Auditors based their opinion on this audit. The ETF received the draft preliminary observations on the annual accounts of the ETF adopted by the Court on 28 April 2015. This statement of assurance says that both the ETF's accounts and transactions are legal and regular in all material aspects. The opinion of the Court is the basis for discharge by the European Parliament. The ETF received the discharge for the financial year 2013 on 29 April 2015.

Balance. The total value of the balance is about 2/3 compared to 2013. This is mainly due to the decrease in cash equivalents. This decrease is due to the following: ETF did not receive in 2014 the 1st instalment for the subvention 2015. This was the case in 2013, where ETF received already the 1st instalment for the subvention 2014 in 2013.

Statement of financial performance. The statement of financial performance indicates a surplus, but this is merely a paper result, since it includes all possible upcoming events and is not the amount to be paid back to the EC. The result of the statement of financial performance will go in the balance in the next year under the accumulated net assets. The main change is due to the high amount of expenses paid for the FRAME project for which the activities ended 31/12/2014.

Statement of changes in net assets: In ETF the only element of the changes in net assets is the financial performance. This result leads to a change in the net assets in the balance sheet

Cash flow: There is a large decrease, which is due to the following: ETF received again in January 2015 the 1st instalment of the subvention for 2015, where in 2014, the 1st instalment for 2014 was already received in 2013

Ms. Smit explained the Board members that the ETF budget consists of commitment and payment appropriations. Commitments are amounts in the budget to cover the legal obligations. She also made reference to the earmarked funds by presenting them: i) Re-use of funds for Title 1,2 and 3 through recovery of expenses; ii) GEMM project – EC – DG Development and Cooperation; iii) FRAME project – EC – DG Enlargement; iv) Italian Trust Fund – Italian Ministry of Foreign Affairs.

For the ETF subvention, she pointed out that the level of commitment of 99.90% in 2014, compared with 99.78 % in 2013 is a little higher and is higher compared with other agencies where the overall percentage of commitment is 95%.

Ms. Smit made reference also to the budget outturn being based on the funds received and the execution of payment credits. The commitment credits correspond with the planned activities and the work programme and the payment credits with the actual amount available for payment on the commitments. The adjustments represent the payment credits carried over related to earmarked funds from 2013 to 2014, cancelled payment appropriations related to carried overs from 2013 and exchange rate differences. The final result represents the amount to be reimbursed to the EC and relates to the ETF subvention. The percentage paid out of the available credits is 94.80%. The ETF managed to have a result under Euro 200.000 for 4 years.

In 2014, the ETF executed 2,737 (2622) payments. Individual salary payments are not included.

According to the financial regulation, as of 2014, any interest gained on the ETF subvention can be re-introduced in the budget. For all other earmarked funds, this varies according to the individual convention. Compared to 2013, the numbers and figures are lower. In 2014, the ETF gained €23,891.54, of which €17,947.51 was from the ETF subvention; €3,334.29, the GEMM project; €2,564.65, the FRAME project; €45.09, the Italian Ministry Foreign of Affairs.

The amounts re-introduced in the 2014 budget were: €14,552.88 (ETF) and €314.66 (Italian Ministry of Foreign Affairs).

Ms. Smit presented briefly the Court's report that states that the ETF's Annual Accounts present its financial position fairly as of 31 December 2014 and the results of its operations and cash flows for the year are in accordance with the provisions of the Financial Regulation. The Court had only two comments related to budget execution and carry over. The first one was related to the cancellations of appropriations carried-over from 2013 that were high for Title I and Title II and the second one related to the level of committed appropriations carried over to 2015 which was high for Title II but well justified. Ms Smit stressed that ETF wants to optimize the use of its budget (principle of effectiveness) and therefore a number of transactions were concluded at the end of the year. Furthermore, several suppliers sent their invoices late, which is outside the control of the ETF. The ETF will continue its longstanding efforts to reduce future carry-forwards. A remark was made by Ms Smit on the Court of Auditors 2013 report regarding their request for a new bank to be selected by the ETF. Martine SMIT informed the Board that this issue is closed as the ETF participated in the selection process organised at EC level and a new bank is now in place. The auditor also noted errors in salary calculations, which had already been discovered and remedied by the ETF. The amounts are so small that the auditors dismissed the need to modify the accounts.

Micheline SCHEYS (Belgium) requested further explanation on the reduced percentage of earmarked funds in comparison with the previous year. Ms **SMIT** explained that this situation was due to the fact that as recovery orders were received in December, there was no time to recommit the funds.

Liga LEJINA (Latvia) on behalf of the Presidency welcomed the papers presented by the ETF. She informed the Chair that on the basis of the statement of assurance in the Court of Auditors' Preliminary observations, the Director's statutory declaration of assurance in the 2014 Annual Activity Report, the detailed information on the ETF's achievements, management supervision and control and the functioning of the ETF internal control standards contained in the 2014 Annual Activity Report, the certification of the annual accounts by the ETF Accounting Officer, and the information provided by the Accounting Officer and the Director of ETF during the meeting, the members consider that the Board has obtained reasonable assurance that the annual accounts for the year ending 31 December 2014 are reliable and that the underlying transactions as a whole are legal and regular.

The 2014 ETF Annual Accounts were approved by the Board.

6. 2015 amending budget

Henrik FAUDEL (ETF) presented the 2015 amending budget. The main objective is to integrate the assigned revenues which were not known when the budget was adopted (November 2014 for the 2015 budget) and to reflect the adjustments for 2015

There are no modifications to the subvention that the ETF receives from the European Commission.

The amending budget integrates €3,743.17 available from previous years, assigned to the ETF by the Trust Fund of the Italian Ministry of Foreign Affairs. After the finalisation of the payments for activities committed in previous years, the remaining amount will be reimbursed.

The Governance for Employability in the Mediterranean (GEMM) project has a budget of €3,130,000 (of which the ETF's contribution is €1,130,000). It started in 2013 and will be finalised in 2016. The amending budget integrates the amount of €790,599.96 remaining from the 2013 and 2014 pre-financing for the GEMM project. The ETF expects that the final instalment of €402,019 for the GEMM will be integrated in a future amending budget.

The Frame Skills for the Future (FRAME) project has a budget of €1,400,000. It started in 2013 and finished in 2014. The amending budget integrates the amount of €86,893.22 remaining from the FRAME project. After the finalisation of the payments for activities committed in previous years, the remaining amount will be reimbursed.

During the first months of 2015, the ETF carried out two budgetary transfers under the authority of the Director. In the first, payment appropriations were re-distributed in Title 3 in order to pay outstanding commitments from last year's projects and in the second, the budget was adapted to actual needs following a written consultation of the Governing Board (GB/15/DEC/001 of 26 March 2015).

A third reallocation is covered by this amending budget which aims to adapt to changes that have emerged since the previous written consultation: i) an increase in interim staff to compensate for unforeseen parental/maternity leaves (+ €60,000); ii) introduction of psycho-social support for a trial period of 6 months, as part of the actions following the results of the work-related stress risk survey (+€7,000); iii) increased costs for recruitment and use of the EPSO list as recommended by the Court of Auditors (+€9,000); iv) alignment of costs for the travel allowance to the place of origin with current staff estimation (+ €10,000)

The availability for this reallocation comes from a revision of moving expenses related to staff rights and temporary daily allowances based on actual costs and from the postponement of the recruitment of an SNE post.

The total redistribution of expenditure covered by this amending budget represents €551,000.00 commitment appropriations and €1,995,373.19 payment appropriations (2.74% and 9.91% respectively of the total subvention).

The €3,743.17 available from previous years of funding from the Italian Ministry of Foreign Affairs will support the finalisation and payment of ETF's agreed activities in Lebanon.

The €790,599.96 from GEMM included in this amending budget are funds available from previous years and are part of the pre-financing. The funds are used to conclude and pay activities committed in 2013 and 2014, as well as to commit new activities in 2015.

The ETF has received all €1,400,000 foreseen for the FRAME project, implemented in 2013/14. The €86 893.22 included in this amending budget are being used for the final payment of activities committed through the project.

Liga LEJINA (Latvia) on behalf of the Presidency informed the Chair that the members appreciated the information provided by the ETF and they agree to adopt the proposal, but care should be taken to avoid exceeding the amounts for transfer specified in the Financial Regulation.

The Governing Board adopted the ETF 2015 amending budget.

7. 2016 Draft work programme

Madlen SERBAN (ETF) and Peter GREENWOOD (ETF) presented the 2016 draft Work Programme.

The ETF Work Programme 2016 takes forward the ETF's 2014-20 strategy and the work launched under the Mid-term Perspective 2014-17. The document states the ETF mission to support its partner countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations

The ETF's strategic objectives are i) to reinforce evidence-based policy analysis; ii) to modernise partner country VET systems and iii) to increase the relevance of VET provision for labour markets and economic and social cohesion.

The specific objectives for Work Programme 2016 result from EU internal policies, as well as EU priorities towards partner countries. Through the 2016 Work Programme and within its field, the ETF sets out to contribute to the coherent and joined-up use of all instruments available to the EU and the systematic external projection of internal policies considered indispensable to reach the EU's policy objectives on the global scene.

The objectives for 2016 are also the fruit of an intensive analysis of trends and developments in its partner countries, accompanied by extensive consultation with partner country stakeholders carried out during in 2014-15 in particular through the Torino Process.

The 2016 annual objectives are the following: i) reinforcing capacity for human capital development through evidence based policy analysis; ii) increasing internal VET efficiency in partner countries; as well as iii) increasing external VET efficiency.

Under these three objectives, the ETF will continue to implement the seven strategic projects launched in 2015, respectively: i) support to EU policy and external assistance (IPA, ENI and DCI); ii) policy analysis and system wide progress monitoring; iii) skills and VET governance; iv) VET provision and quality assurance; v) qualifications and qualifications systems; vi) employment, skills and employability (including Skills and migration); vii) entrepreneurial learning and enterprise skills.

Countries engagement in strategic projects in 2016 is also part of the draft work programme.

The logic of intervention in each project and each country differs according to structured analyses of country needs, criteria for prioritising the distribution of resources, and the principles of focus, differentiation and impact-orientation.

Since 2013, the ETF has started the implementation of the 5% staff reduction applicable under the current Multi-annual Financial Framework to all EU institutions and other bodies, which will be finalised in 2016. In compliance with the 10% reduction in the establishment plan applicable to “cruising speed” agencies, the ETF is supposed to reduce the number of posts from 96 in 2013 to 86 in 2018. During a recent meeting with the heads of EU agencies, Commissioner Georgieva explained that the classification of agencies might be subject of reflection in the near future.

The members of the Board were also informed about a request from the European Parliament Budget Committee Chair addressed to the coordination of the network of EU agencies to participate in a hearing to be organised on 15 July on budget and HR issues. The Parliament Committee does not support the additional 5% redeployment plan and has asked each agency to present the consequences of this plan on their work by 12 June.

Liga LEJINA (Latvia) presented a series of technical observations collected during the informal meeting. She mentioned the following:

- p.4 Neighbourhood Policy, 1st paragraph – the use of wording at “Europe’s borders” should be clarified;
- p.12 – check the consistency of the staff reduction figures;
- p.12– section on Human and Financial Resources should be built on the baseline of available resources (the resource reduction is a fact nowadays that has to be faced and accepted also by many governments);
- correct use of abbreviations of EU instruments for ex. p.2 and 21 (instead of European Quality Assurance Reference Framework for VET we now have EQAVET).

In relation to the negative priorities to be adopted by the Board as suggested, Ms. LEJINA indicated that the member states would welcome a shared consultation process on the matter and would like to ask the ETF to further elaborate on alternatives based on its experience of working on specific thematic fields and in different regions

The general remark of the members is related to the fact that the work programme should duly represent all ETF activities (including involvement in different working groups also at EU level) and there should be clear links between ETF-education policy/youth policy-EU instruments and programmes (e.g. link with ERASMUS+ on youth policy is missing). At the same time, the document should reflect on the Torino Process declaration and should clarify the ETF’s role, tasks and priorities both thematically and geographically as much as possible.

The Board invited the EC and the ETF to further elaborate on their vision and to comment specifically on: how the ETF should be positioned and what are the consequences in relation to Eastern European programmes especially in countries with specific political situations (e.g. Russia); circular and regional migration (Libya-Italy, the Balkans-Hungary) and what the ETF should and could do to prepare people to migrate, prevent migration where possible etc.

Saulius ZYBARTAS (Lithuania) requested clarification and a better formulation of the ETF approach to the Eastern Partnership countries and Russia and Kazakhstan. He suggested that the formulation used should reflect EU decisions and developments.

Reinhard NÖBAUER (Austria) remarked that for three countries Russia, Syria and Kazakhstan no activities were proposed. His statement was supported by **Liga LEJINA (Latvia)** who pointed out that some of strategic project activities are not foreseen in specific countries.

Lars MORTENSEN (Denmark) asked for further details on the European Parliament role to request for EU agencies to provide information on staff cuts and the proposed hearing. Madlen SERBAN replied by explaining that in line with the regulation, the ETF is invited to hearings organised by the Employment Committee of the European Parliament which has also a role in the selection of the ETF director. The European Parliament is also budgetary authority and the budget of the ETF adopted by the Governing Board becomes final following the adoption of the general budget of the European Union.

Michel SERVOZ (Chair) informed the Board members on the on-going discussion between the European Commission and the European Parliament on the general budget of the Union for 2016 and therefore the Board should not continue the exchanges on the draft budget at this stage.

Micheline SCHEYS (Belgium) requested information on the resources allocation for 2016 before the November meeting. She also asked for a serious discussion on the negative priorities to be approved by the Board, suggesting the creation of a working group on the topic. Madlen SERBAN informed the Board that a written procedure will be prepared by 9 June at the latest on the negative priorities.

Michel SERVOZ (Chair) asked ETF to emphasis in the European policy context section of the Work Programme under the title “industrial policy”, the “entrepreneurial learning” aspect, since ETF work is done in this specific area and not in a broader sense. He also emphasised that the streamlining of reporting processes is very important for the Commission services.

Simon MORDUE (DG NEAR) explained that Russia is not part of the European Neighbourhood Policy or the financial instrument that supports it. The formulation used on p. 22 and 28 of the draft work programme should be revised accordingly.

The ETF informed the members that the consolidated version of the document will be submitted for Commission opinion on 30 June. The revised version will be discussed with the EC services and Governing Board Working Group in October and the final version will be submitted for adoption in November.

8. Oral Reports

A synthesis of the presentations is included in the Annex to this document.

9. Any other business

ETF External Evaluation

Maria TODOROVA (DG EMPL) informed the Board members about the procedure launched for selecting the evaluators. **Micheline SCHEYS (Belgium)** acts as member of the Steering Group and Peter Greenwood represents the ETF. In the coming days the winner of the tender will be officially announced and the evaluation process will start. It will last one year with preliminary results presented during the next meeting of the Board. The final report will be submitted to the Board

Implementing Rules of Staff Regulation and the forthcoming actions proposed by the ETF

The ETF director informed the Board that according to article 110(2) of the revised Staff Regulations (2014), and as per the European Commission Guidelines of 26 September 2014, agencies can apply Commission rules by analogy, request the Commission’s agreement to derogate from EC rules

because they are not applicable (i.e: no officials in some agencies) or they need adapting to an agency's context (size, location, type of contracts etc.).

In this context, the ETF Governing Board either adopts Commission rules that apply by analogy to the ETF or is provided with a draft decision which justifies the reason for not applying Commission rules or empowers the Director to request the Commission's agreement not to apply a rule.

The ETF will launch a written procedure for the adoption of three model decisions and a request to the Commission not to apply the rule on recruitment of Contract Agents. The proposed deadline is 19 June.

Selection of the deputy director

Madlen SERBAN referred to the minutes of the last meeting. Having carefully read and assessed the report for the selection procedure for the deputy director, she decided that the results did not convince her of a confident, unconditional and fully satisfactory appointment to the post. Ms. SERBAN added that following the report of the preliminary findings of the ETF external evaluation, the selection procedure will be relaunched.

Governing Board members declaration of interests and CV's

The Chair asked the members of the Board who have not yet sent their declarations and CV to the ETF Governing Board secretariat to do so as soon as possible. The request comes from the EP resolution of 3 April 2014 on the discharge of the EU agencies for the 2012 financial year.

10. Date of next meeting

The next meeting of the Governing Board will be held in Turin on 24 November 2015.

Follow up actions:

- In November the ETF will present the updated version of the draft 2016 Work Programme, taking into account the suggestions and observations formulated by the members of the Governing Board;
- The European Commission will inform the members during the next meeting of the Governing Board about developments in the ETF external evaluation and will present the final report during the first meeting of the Board in 2016;
- The ETF will launch a written procedure for the Implementing Rules of the Staff Regulations;
- The ETF will launch a written procedure on the negative priorities for the 2016 Work Programme.

ANNEX

8. Oral reports

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

Simon MORDUE (DG NEAR) focused his intervention on three main issues: i) Enlargement; ii) EU Neighbourhood policy and iii) debate on migration.

Enlargement

Two major developments have an impact on VET and the ETF's work. One is the introduction of a so-called light semester that moves away from an academic approach towards structural reforms with a strong focus on competitiveness. The semester exercise proved to be a success and the ETF provided input during the process. For example, recommendations regarding national qualifications systems and skills development are among those adopted by the Joint ECOFIN Council and Ministers of finance from the region on 12 May. Moreover, the introduction of the employment dimension in the Economic Reform Programmes in the partner countries will bring clarity to the recommendations.

The enlargement methodology is being refined. The enlargement document this year will be forward-looking giving clear recommendations in each of the areas. The enlargement package also brings concrete policy recommendations in each of the countries and the pre-accession funding focuses on structural reforms rather than the *acquis* as was the case in the past. There are three priorities: the rule of law, building a functional public administration able to serve the citizens and the countries and thirdly economic transformation. The new instrument supports economic transformation, creation of jobs, and economic development of the countries.

The enlargement negotiations might take longer but citizens will be able to see the benefits.

b) EU Neighbourhood policy

The EU Neighbourhood policy is under revision and a consultation process is currently ongoing reviewing important issues such as how we can differentiate the relationship with the countries from the region. Five countries are more advanced, three being in the East: Republic of Moldova, Georgia and Ukraine. These countries signed EU Association Agreements as well as Deep Comprehensive Free Trade Agreements, opening their markets for EU products, granting them access to the single market, with a lot of opportunities but also challenges. This helps to support the development of a qualified labour market force. The other two countries are Morocco and Tunisia. The EU will embark on negotiations with them on the Deep Comprehensive Free Trade Agreements and Association Agreements. If they are successful, it will result in their integration into the single market. One of the key priorities and focus will be the economic development of the region. We will be able to see in country like Egypt the need for supporting the creation of job opportunities and ensuring the engagement of the people.

c) Migration

As regards migration, the EU is looking to support the development of economic opportunities at home as well as to encourage the circular migration of those who have the skills that are of interest in the European market. For circular migration to work effectively we need a labour force that is trained in a way that allows them to work and take the skills they acquire back home with them.

Stefano SIGNORE (DG DEVCO) praised the ETF's work in Central Asia where cooperation is developed in the areas of employment and vocational education and training.

DG DEVCO is charged with thematic support in the area of VET and employment. Thirty countries around the world have identified vocational education and training among the areas of cooperation with the EU. Not all are ETF partner countries but DG DEVCO is looking to draw on the lessons learnt, exporting them to other areas such as sub Saharan Africa. They are also looking at the triangle of youth-employability/skills development/enhancing entrepreneurship as part of job creation in the partner countries but also partially related to migration.

As regards the migration, a series of activities have been carried out within the framework of the Mobility partnerships. For example for temporary migrants, activities look at opportunities for when they return home so the skills acquired during migration are recognised. The areas of interest are skills recognition, qualification recognition, transparency of qualifications and quality. In this respect is also important to focus on the south-south dimension since a lot of migration happens in Africa.

The European Commission has prepared and adopted the European agenda for Migration, which touches many EU policies. There were a lot of discussions during the last Council of Foreign Affairs on this topic and they are set to continue at the European Council of 25 June.

The EU also announced the next EU-African Union Summit on 6-9 November in Malta, when leaders to likely to discuss issues such as training, job creation and employment.

With regard to the post-2015 agenda, on 1 June, the so called zero draft prepared by the two Sherpa Kenya and Ireland has been issued and the critical weeks started for coordinating and negotiating ahead of the two drafting sessions before the summit in September. The process involves setting up the general framework for development cooperation for the next 15 years. Sustainable development areas 4 and 8 target vocational education and training.

Michel SERVOZ (Chair) explained that it had been an easy process to integrate the skills development units from DG EAC into the DG EMPL as it already had a lot of relevance for employment policies.

For the European semester, economic governance has become essential for the future and now macro-economic and social issues are better balanced. DG EMPL is one of the core DGs coordinating the process together with DG ECFIN. Employment is not longer looked upon in isolation but is integrated in a broader view. By way of an example, in the last country specific recommendations 13 member states received recommendations on education and skills and four more specifically on VET. This is linked to funding availability in ESF and Erasmus + to be used to implement these recommendations.

As regards vocational education and training and skills, Commissioner Thyssen sees the informal Council in Riga as an excellent opportunity to explain her vision and priorities for the mandate of the Commission.

Three elements were highlighted in Mr SERVOZ's intervention:

1. *Skills anticipation.* One of the big issues is the question of anticipation. The EU is faced with 24 million unemployed people but millions of jobs are vacant. There are sectors which are facing serious shortages of employment. This demonstrates the skills mismatch and the Commission is going to look at skills anticipation, forecasting and issues related to migration.
2. *Vocational education and training needs to improve.* The assessment of the VET systems is mixed. Some member states are performing well with low unemployment, others are facing

ageing VET and need a new impetus. The new set of deliverables to be agreed in Riga are an excellent occasion for this new momentum. The attractiveness of VET is another issue to be tackled.

3. *Apprenticeship and dual education.* The data shows that the member states with a strong dual education model register low unemployment and better employability levels for their students. In all member states, there is a general recognition and willingness to move towards dual education. The European Alliance for Apprenticeship will seek a stronger involvement of business. In Riga, a back-to-back meeting is organised with business representatives and offers an occasion for large companies in Europe to new pledges. BMW will announce their decision to join the Alliance.

Liga LEJINA (Latvia) remarked that in the member states where the dual system is well established there is active participation from the companies and social partners offer a lot of support.

Micheline SCHEYS (Belgium) also stressed that attractiveness is a serious problem for VET systems. However, she remarked that the attractiveness of jobs is also an issue because some of the working conditions are not attractive for the workforce. She asked if there is any work done by the Commission on the attractiveness of jobs.

Gyorgy SZENT LELEKY (Hungary) said that for vocational schools it is important to get the message from the business on what they are going to do in five years time, what kind of qualifications they will need. In many cases, companies are looking for combined qualifications, which is not easily found. The solution in many cases is to use continuous vocational training to train their workforce according to their needs.

Michel SERVOZ (Chair) shared the views on the important role of business in VET and lifelong learning in general. In countries with well-established dual learning, they are actively involved. He also agreed with the important role the social partners should play in this area. For this reason on 5 March, the Commission organised a summit with the social partners to relaunch social dialogue.

Trends and developments at the ETF

Madlen SERBAN (ETF) explained how the Torino Process (TRP) contributes to EU external and internal policy. The process is a partnership between the ETF and the partner countries, a biennial exercise, monitoring progress in vocational education and training for better results. It offers an evidence-based approach to human capital development by providing information on the state of the art and orientation for further action.

The Torino Process contributes to the EU agenda to become a stronger global actor, inspired by EU internal policy on boosting jobs, growth and investment. It is also a policy learning instrument to help countries to improve their capacity for policy making.

Through data collected and analysed, the knowledge generated by the TRP also supports the countries capability to move ahead their agenda in the engagements committed under their contract concluded with the EU.

The building blocks of the analytical framework includes the following: i) skills and VET vision, ii) effectiveness and efficiency of skills and VET for demographic and social cohesion, iii) effectiveness and efficiency of skills and VET for economic and labour market demand, iv) internal efficiency of the vocational education and training system and skills and v) VET governance.

The presentation focused on how the TRP correlates with the EU Enlargement Strategy in case of the EU external policy as well as with the VET Copenhagen process for the EU internal policy.

The EU Enlargement Strategy published last year focuses on three main areas: economic governance and competitiveness, rule of law and fundamental rights and public administration reform.

The Torino process contributes to economic governance and competitiveness through its quality check of developments in skills and VET for growth and competitiveness and setting priorities for structural reform, skills development for employability, private sector development and engagement through sectoral committees and work on qualifications, anticipation of skills and better provision, focus on entrepreneurial learning, etc.

As regards the rule of law and fundamental rights, the process helps to enhance the social impact of education and training, ensure gender equality, enable equitable access to education and skills in particular for the ethnic minorities.

On public administration reform, it enhances accountability and effectiveness, by focusing on the needs of citizens and business, highlights the importance of inter-ministerial coordination, analysing inter-institutional arrangements and public finances, suggesting negotiated recommendations.

The TRP starts with progress tracking, based on evidence based analysis and continues with problem identification, including with the identification of the relevant policy measures by all stakeholders.

In the countries of the enlargement region, the TRP has been complemented by the FRAME project that allowed the countries to formulate a shared vision on these skills policies, to analyse the institutional arrangements (functional based governance) capable to implement the respective vision including the budget of the respective transformation.

In respect to the TRP contribution to the EU internal policy, the presentation continued on the similarity between this process and the Copenhagen-Bruges developments in VET.

Liga LEJINA (Latvia) thanked the ETF for sharing the information and also welcomed the presentation over dinner. At the same time, on behalf of the other EU member state representatives she suggested an update to the ETF webpage on the descriptions of the partner country systems.

Update on the Latvian Presidency and the programme of the upcoming Luxembourg Presidency

Latvian Presidency

Ms LEJINA (Latvia) informed the Board members that a series of reviews have been published: the Copenhagen-Bruges reviews of VET, Education and training 2020, Bologna Process and as well the recognition of VET as an important tool for development.

Under the Latvian Presidency, the ASEM ministerial meeting took place and represented an important opportunity for the ministers from the two regions to discuss cooperation. It was agreed that VET and skills become subjects of interest for their exchanges and learning processes.

In May, the Education Council ministers assessed the achievements of European cooperation in the field of education and training ("ET 2020"), and discussed its future development in preparation for the mid-term stocktaking and the 2015 Joint Report.

The Latvian Presidency cooperated with the ETF on the Eastern Partnership Youth Forum in February where issues like employment and employability were discussed. Cooperation was also developed in the case of the Torino Process conference.

The next meetings to be organised by the Presidency focus on VET, with the meeting of the directors general and the ministerial meeting in Riga to agree on the new deliverables in VET in Mid June.

In cooperation with the Latvian Ministry of Foreign Affairs, European Commission and European External Action Service, the meeting of the EU-Central Asia education ministers will be organised in Riga, 25-26 June. It is the first ministerial meeting that follows the Education Initiative in higher education and VET. A Communiqué will be adopted indicating the priorities for cooperation.

Upcoming Luxembourg Presidency

Karin MEYER (Luxembourg) presented the priorities and calendar of the upcoming presidency, which are as follows: citizens, growth and jobs and sustainability and innovation. During the Presidency the focus will be on: inter-institutional agreements on better law-making, capital markets union, European Industrial Policy implementation and the reform of the Court of Justice of the European Union, fight against terrorism, European Public Prosecutor's office, migration, single new directive on students and researchers, digital single market, economic and monetary union, Paris Conference on Climate Change, new foreign policy strategy and the European Year for Development.

The main events that are going to be organised in the area of education and training are the following:

- High level group meeting, 18-19 June, Luxembourg
- Conference on ESL "Staying on track, 9-10 July, Esch-Belval
- Bologna Follow-up group, 8-9 September, Luxembourg
- Conference on ECEC, 10-11 September, Luxembourg
- ELGPN, 24-25 September, ELGPN
- Inclusive Education: Take action! Luxembourg recommendations, 15-16 October, Luxembourg
- Family learning, 22-23 October, Luxembourg
- DG schools, 26-27 October, Luxembourg
- Europea, 6-7 November, Luxembourg & Ettelbrück
- DG VET, 16-17 November, Luxembourg
- Joint conference with NC Youth Guarantee, 17-18 November, Luxembourg
- DG Higher Education, 24-25 November, Luxembourg.