



ETF GOVERNING BOARD MEETING

11 JUNE 2007

MINUTES

Introduction

The June 2007 meeting of the ETF Governing Board was held in Turin and chaired by the Director General of the European Commission's DG for Education and Culture, **Odile Quintin**. New members of the Board for Bulgaria, Denmark, France, Greece, the Netherlands and Romania were welcomed, as were new representatives of Commission's DG Enlargement Giannantonio Ballette (as a member of the Board) and EuropeAid's Mikael Barford.(as an observer).

The UK and Luxembourg did not send representatives to the meeting. Along with representatives from European Commission DGs External Relations, Enlargement and Education and Culture, all other EU Member States were present as were observers from Croatia and Cedefop and Commission's DGs EuropeAid and Employment.

1. Adoption of the agenda

The agenda was adopted with the addition of an invitation to the current and future EU Presidency holders, Germany, Portugal and Slovenia to present their Presidency activities in the field of education and training under agenda point 4iii.

2. Introductory remarks

Odile Quintin reiterated the positive external evaluation of the ETF carried out in 2006. This was confirmed in the Commission's Communication issued at the end of that year, which described the ETF as a well-established and widely recognised centre of expertise. It has also recently been described as such by the European Parliament. The ETF has demonstrated that it can offer even more in the future as a result of its proposed wider mandate and in the context of the modernised EU external policy instruments.

Nevertheless, the lengthy process for recasting the Council Regulation and the repatriation of the management of Tempus programme to Brussels are factors that are likely to contribute to a period of instability at the ETF over the next couple of years. It is important however, that the ETF doesn't allow this period to jeopardise what it has achieved so far and the Governing Board should provide the ETF with as much support as it can.

A more realistic timetable for the Tempus repatriation means that the provision of technical assistance is likely to continue at the ETF for six months longer than originally planned, taking the move to mid 2008.

Furthermore, internal administrative factors have lead to a delay in the Commission being able to adopt the recast Council Regulation.

Although these changes are likely to have an effect on the organisation for some time to come, the changes to the Council Regulation should be viewed as an investment for the long term and the delay in

the move of Tempus to the Education, Audiovisual and Culture Executive Agency (EACEA) has been established in order to provide the best possible service to Tempus programme users.

3. Follow-up to previous meeting

i: Minutes of previous meeting

The minutes of the previous meeting held in November 2006 were adopted.

ii: Follow up on action points and written procedures

The following action points were carried out after the November 2006 meeting:

- The Tempus section of the 2007 Work programme was revised and the final version sent to members
- The mid-term perspectives document was revised and subsequently approved by written procedure following the adoption of the Commission Communication
- The final budget and work programme were sent to the European Parliament and the Director presented to the Employment and Social Affairs Committee in January.
- The Helsinki communiqué was distributed to partner countries through the website, the Advisory Forum network and other partner country counterparts.
- The Board adopted the external evaluation action plan in January
- The Commission's DG Education and Culture has been kept informed on all Governing Board matters

The proposed changes to the ETF's networks (ETF-GB-06-030) have been put on hold pending the adoption of the revised ETF Council Regulation and will be discussed at the next meeting of the Board. Furthermore, Governing Board members have been kept informed about developments with regard to the 2007 budget via written procedure following the budgetary reserve placed on it by the European Parliament.

ETF country and project plans for 2007 are now available on the website and members are encouraged to refer to them.

Two written procedures were carried out in January and March. The first concerned the Mid term perspectives 2007-2010, the External Evaluation Action Plan, the re-nomination of Advisory Forum and the reserve by EP on agencies' 2007 budgets. The second related to the 2008 estimate of revenue and expenditure, the Staff Policy Plan for 2007-2010, the carry forward 2006-2007, the budget reserve applied by the Parliament on the 2007 budget (lifted on 11 June), and the final 2007 budget. A revised 2007 budget will be presented to the Board for approval in late summer.

4. Oral reports

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

Recast of ETF regulation

Odile Quintin reported on the complicated and lengthy process of adapting the basic Regulation of the ETF. It is expected that the draft will be adopted by early September at the latest.

The revised content has been discussed a number of times by the Board already, and the revisions which relate to the issues put forward in the external evaluation and convergence with other agencies, include:

- A wider thematic mandate covering, in the context of EU external relations policies, human resources development, in particular education and training in a lifelong learning context, and in relation to labour market needs
- A de-definition of the geographical mandate in line with the new external instruments
- A focus on policy priorities established with the Commission
- A modernisation of governance to improve the decision making process and efficiency. This will mean a Governing Board made up of 15 members (six from the Member States, six from the Commission and three partner country observers). Members would be nominated according to their experience and with particular regard to a balanced representation. The statutory role of the Advisory Forum as a governing body would disappear as the latter will be replaced by more flexible structures.

Article 150 of the treaty establishing the European Community (on vocational training) is the basis for the regulation. The co-decision process is lengthy and will involve a number of conciliation meetings. The Commission is committed to providing as much support as possible to the ETF during this period in order to minimise any disruption. It is expected that the recast Regulation will be in place by the end of 2008.

Tempus

In order to maintain the smooth running of the Tempus programme, the Commission has decided to postpone its move to the Executive Agency to 1 July 2008 as no legal basis is currently in place to move it as planned at the end of 2007. The ETF will therefore continue to provide technical assistance to the Commission in the phasing out of Tempus III and for the launch of Tempus IV. This will include handling all new applications, carrying out the project application eligibility check and preparing for the transfer to the Executive Agency.

For reasons of transparency, it is not legally possible for any staff to be directly transferred from the ETF to the Executive Agency. All recruitment must be handled by the European Personnel Selection Office and is subject to standard procedures. However, well-qualified ETF staff are encouraged to apply for the positions that are likely to be advertised in summer 2007. Once the new head of Tempus has taken up his/her post at the Executive Agency (probably by November 2007), interviews can start for other posts for the programme.

Draft budget 2008

The ETF's preliminary draft budget was adopted by the Board through a written procedure in March 2007 and amounted to a total of €19,484,000. It was based on the assumptions that there would be no Tempus technical assistance provided by the ETF from the end of 2007, and that the renewed founding Regulation would be applied from the beginning of 2008 representing an extended mandate compared to the current one, requiring more and differently qualified staff. However, as it is now unlikely that the new mandate will be operational until the end of 2008 and six months of technical assistance for Tempus will now be required in 2008, the Commission has revised the initial 2008 budget forecast downwards to €17,984,000 (a reduction of €1,500,000).

The overall Community preliminary draft budget is currently being discussed by the Budgetary Authority, the European Parliament and the Council.

The future of the budget after 2008 will depend on the recast Regulation and the mandate given to the ETF.

Ms Seng (D) requested clarification on the budget after 2008, anticipating that the budget would be returned to normal following this transition year.

Mr Mezel (F) made some informal observations as he is not an official Governing Board member. Although Member States do support a modernisation of governance in order to promote the convergence of European agencies, maintaining a balanced representation of Member States and Commission representatives is essential. He also encouraged the Commission to try complementary avenues to help the ETF to maintain its expertise during the difficult transition period ahead and asked that the competences acquired by the ETF be reinvested in a more flexible and straightforward way.

Mr Perugini (I) mentioned the draft Interinstitutional Agreement put forward by the Commission on the operating framework for the European regulatory agencies (COM(2005)59) which proposed horizontal changes to the governance structure of such agencies (including the ETF) to the detriment of the level of representation of Member States in the Boards of EU agencies and recalled that the legal service of the Council gave a negative opinion on it. Like France, Italy also has reservations on the downsizing of the representation of the Member States in such Boards. The impact on the decision making processes of some oversized Boards (some exceed 60 members in a number of agencies) can be addressed (on the basis of precedents in other international organisations and bodies) with a number of different solutions, other than by simply reducing the posts assigned to Member State representatives as this would damage their sense of ownership. A balanced and representative Board is a fundamental prerequisite of the autonomy and independence of agencies, particularly those that offer policy advice.

He also welcomed the efforts being carried out to find a solution for the Tempus programme and reiterated the need for the overall ETF budget to return to the previously agreed levels from 2009 onwards, stressing the importance of resources for the ETF to be able to maintain the provision of its services.

Mr Nöbauer (A) pointed out that the restructuring of the Governing Board and Advisory Forum could have other consequences including the need for Member States to be involved and informed about the work of the ETF. A lack of contact with a particular country could be a serious loss to the ETF and the country concerned. The Advisory Forum could have a different format, but some kind of contact person in each Member State and a forum of experts are essential.

European Neighbourhood Policy

David Lipman of DG RELEX reported on the European Neighbourhood Policy and the European Neighbourhood and Partnership Instrument.

The European Neighbourhood Policy was launched in 2004 as a political response to the EU enlargement of 2004 (10 countries) and has been designed to achieve a mutual zone of prosperity, stability and security - a ring of friends – to the east and the south of the EU covering 16 countries (with the exception of the candidate countries and the Western Balkans). The policy is designed to support the political, economic and social reform process. The ETF has a role to play in the ‘human’ dimension of the policy. A progress report from December 2006 on its implementation indicates that more work is needed on economic and trade integration, exchanges between citizens, education, youth and research, and more regional cooperation is required.

Action plans have been established for each country (apart from Algeria, Belarus, Libya and Syria), with a financial package known as the European Neighbourhood and Partnership Instrument. This instrument, which also covers Russia, entered into force at the beginning of 2007 for the period 2007 to 2013. €1.4 billion will be committed this year, although a new procedure known as ‘democratic scrutiny’ involving the submission of all strategy papers to the European Parliament has slowed down the disbursement of funds.

The European investment Bank is also committed to supporting the region and will invest a similar amount of funding (€12 billion) over the same period.

A ministerial conference will be held in September as part of the Portuguese presidency to give more visibility to the work being carried out.

Instrument for Pre-Accession

Giannantonio Ballette of DG Enlargement provided an update on the Instrument for Pre-Accession (IPA) which replaces the array of programmes covering South Eastern Europe including Phare, CARDS, Saphard and Ispa. The IPA management committee has discussed and agreed the IPA implementing regulation, which was adopted by the Commission on 12 June. It has five components:

1. Institution building and transition assistance (former Phare and CARDS activities)

2. Cross border cooperation between partner countries and between partner countries and Member States
3. Regional development
4. Human resources development
5. Rural development

The first two cover all countries of the region, while the last three are only applicable to candidate countries as precursors to other EU funding mechanisms.

Multi annual (three-year) indicative planning documents have been favourably assessed by the IPA management committee and are now in the process of being adopted by the Commission. The ETF's support in the preparation of labour market country analyses for use in the multi annual planning documents have been very much appreciated by the Commission. The ETF's initiative to organise discussions with partner country representatives, Commission desk officers and EC Delegations to disseminate the main messages of the analyses have also been welcomed. The widening of the ETF's mandate through its new Council Regulation will be of great support to DG Enlargement, which has also asked the ETF to look at the social inclusion of ethnic minorities and identify examples of best practice in education and employment.

4.ii Trends and developments at the ETF

Muriel Dunbar explained that the ETF has been working on activities that try to anticipate the new Council Regulation and what it might mean in future. In practice the Regulation should bring greater clarity, clearer content and a policy driven framework for the ETF's work in the partner countries. As a result the ETF will be able to look at vocational education holistically as part of other types of education and the labour market. The definition of the scope of human resources development can be found in the qualifying statement in the new Regulation (education and training in a lifelong learning perspective, and related labour market issues), article 150 of the treaty establishing the European Community (as the legal basis) and the new external relations instruments.

In more concrete terms, it is the application of vocational training to social and economic problems that will be part of the new scope of the ETF's work. Vocational training could also cover vocationally oriented higher education and secondary education in terms of the overlaps of general and vocational education. The new Council Regulation will open up areas that the ETF has been developing towards anyway, including social inclusion, rural development, skills profiles for migrants, poverty reduction.

The ETF's budget in future years will need to reflect the requirements of the new mandate. For 2008, the ETF will receive less than anticipated and this will of course have an impact on preparations for the new mandate – it will mean fewer new members of staff and less development opportunities for existing staff. As the budget is foreseen to return to normal levels in 2009, the ETF will try to avoid cutting staff numbers in 2008 and therefore, a cut of only 1.6% of the title 1 budget is envisaged. There is little room for manoeuvre in title 2 which can be cut by 9.8%, but the brunt of the necessary cuts will be taken by title 3 which will be slashed by 24% compared to the pre-draft budget figures.

The 2006 Internal audit report has been issued with an explanation that there was no IAS visit to the ETF in 2006 due to resource constraints. However, a visit will take place in 2007.

Sandra Stefani, the current Head of the Operations Department will leave the ETF at the end of the year and will be replaced by Peter Greenwood, current Head of the Planning Monitoring and Evaluation Unit. Xavier Matheu de Cortada will take over from Peter Greenwood at the end of this year.

Ms Borg (MT) requested clarification on the budget cut in 2008, which is in fact due to the delay in the approval of the new Council Regulation and the need to retain Tempus in Turin for six months longer than planned.

4iii. Relations with EU Member States

Over recent years Member States have been encouraged to get more involved in the work of the ETF. Some countries including Sweden, Cyprus and Estonia have held awareness raising seminars in their countries about the ETF and what it can offer.

Members are asked to contact Mariavittoria Garlappi of the ETF should they be interested in hosting such events, which could involve staff from relevant ministries and external aid agencies, or if they or their colleagues would be interested in participating in other ETF activities.

Ms Ail (EE) presented the successful seminar and study visits organised in Estonia for representatives from Central Asia, Croatia and Kosovo. She hopes that Estonia will be able to continue to work with the ETF in the future in a systematic way.

Mr Puvaskis (LT) attended an event in the Balkan countries to explain his country's successful work and provide practical information on National Qualification Frameworks. He has since received many follow up requests from participants for further Lithuanian support.

Ms Soares (PT) outlined the Portuguese presidency education and training related priorities:

- Lifelong learning strategies, open method of coordination, recognition and certification of non-formal learning, the European Qualifications Framework, the professional development of teachers, schools and the Lisbon strategy.
- Marking the 10th year of the European employment strategy and its links to the Lisbon strategy
- Flexicurity and its links to education, training and lifelong learning
- Social inclusion
- Gender equality and mainstreaming

The ETF will organise a conference on teaching and learning as part of the presidency from 20-22 September in Lisbon in conjunction with the Ministry of Labour and Social Solidarity. The 60-70 participants will be those that participate in the South Eastern European teacher training network. The meeting will focus on sharing experience, workshops and field visits to Portuguese organisations.

ETF support would be appreciated for the following meetings:

DGVT on 24-25 September

A conference on the European Employment Strategy on 8-9 October

An event on the validation of formal and non-formal learning on 26-27 November

Mr Bandelj (SLO) summarised the priority areas of the Slovenian presidency related to education and training which include the quality of teacher education, the importance of vocational training in the Lisbon strategy, the role of economic efficiency and competitiveness vis-à-vis social equality.

Major conferences will include:

- The role of education in facing challenges up to 2020
- Innovation for the future: the new role of teachers and research
- Universities and lifelong learning

'Adults – it's never too late to learn' is another possibility which could be of interest to the ETF.

The ETF could play a role in facilitating the participation of other South Eastern European countries in these and other relevant events during the Slovenian presidency.

5. Annual activity report

The ETF's draft annual activity report (ETF-GB-07-003) summarises the ETF's main achievements in 2006 in terms of the mid-term perspectives 2004-06 and the 2006 Work Programme. It is divided into three sections on policy achievements, management, and conclusions and risks. During the reporting period, the ETF achieved over 60% of the expected results and 70% of indicators. The remaining results were achieved in the first few months of 2007. A number of indicators were cancelled due to changing priorities.

Over 80% of ETF revenue was invested in its operational activities, with the remainder in administrative overheads.

The Commission gave a high rate of satisfaction (over 90%) to the ETF's response to its requests, most of which related to preparations for the new instruments. Another important area on which the ETF concentrated its activities was the dissemination of EU policies to the partner countries.

Innovation and learning projects were introduced for the first time in 2006 for evidence based policy advice e.g. key competences, migration, transition from education to work.

ETF communication activities aimed at the increased visibility of its products and services.

In terms of governance and compliance, the ETF's complex institutional environment lead to the postponement of the approval of the ETF's mid term perspectives pending the release of the Commission communication in December. Furthermore, the ETF's annual audit plan was partially completed, while its annual evaluation report was submitted to the Governing Board as scheduled.

The ETF's annual activity report (ETF-GB-07-003) was adopted and the Governing Board's analysis and opinion of the annual activity report (ETF-GB-07-007) was also adopted with minor amendments to further confirm the appreciation of ETF's work.

6. ETF Financial statements 2006

The ETF's financial statements are prepared in accordance with title 7 of the Financial Regulation. They have been submitted to the Court of Auditors for a formal opinion which is one of the elements that form the basis of the budget discharge granted by the European Parliament. The opinion of the Governing Board on the statements is another such element.

Once the opinion of the Court of Auditors has been received (by 15 June), the statements will be finalised and transmitted to the Board through a written procedure.

The European Parliament has recently given its discharge on the 2005 budget.

The Translation Centre for bodies of the European Union had a budget surplus in 2006 and it has been agreed by their management board that this will be distributed back to its customers. This means that the ETF will receive €183,256. In accordance with article 19 of the Financial Regulation, these funds will be reintegrated into the ETF's 2007 budget. This will be included in the amended 2007 budget that will be sent to the Board by written procedure after the summer.

The ETF thanked the Government of Italy for their continued financial support through the Italian Trust Fund.

7. ETF external evaluation

i. Progress report on external evaluation action plan

The ETF is following up on the action points of the external evaluation, most of which have already been completed. Assessments of the ETF's work are being carried out in individual countries. Recent examples include Turkey and the former Yugoslav Republic of Macedonia. Another evaluation of the ETF's work in Romania has produced similar results to that carried out in Bulgaria in 2005 and shows that the ETF had a very positive impact in the pre-accession process.

ii. ETF Monitoring and evaluation policy

Future evaluations will take account of past experience. As a result 'contribution analysis' will be a factor in upcoming evaluations.

Governing Board members are invited to contact the ETF if they are interested in participating in upcoming evaluation of ETF projects (the next ones will be in Egypt and on the National Observatory project in the Mediterranean region).

The ETF dedicates about 1% of its overall budget to evaluation and monitoring, which is in line with practices in other international organisations like the World Bank.

Based on his in-depth experience in this area, **Mr Lindqvist (FIN)** explained the evaluation fatigue that education is suffering in the whole of Europe. He highlighted the importance of making sure that evaluations are used by the reporting organisation as a learning tool in order to make improvements.

8. Human resources issues

i. ETF human resources management strategy

The ETF currently has no head of human resources and this has meant that progress in this area has been slowed down. The ETF's framework for human resources management must comply with the staff regulations of the European institutions, the European data protection services must be consulted at all times when personal data is used and the ETF's staff committee must be consulted and its recommendations put into practice where possible.

A new human resources management strategy is in the process of being drafted and will be ready to be presented for approval to the Board at its meeting in November. The strategy will cover competence mapping of all staff, job descriptions, upgrading, performance appraisal, objective setting and staff development.

ii. Evaluation of ETF director

The evaluation of the Director has to take place at least once every two years. Competence and conduct in the service, performance in terms of pre-defined objectives, and the execution of the work programme are assessed. Two rapporteurs will be appointed, one from a Member State (from the second presidency of a given year) and one from the Commission, who will draw up the report. For 2007 these will be the Portuguese representative and David Lipman of DG Relex, and for 2008, the French representative and Dirk Megank of DG Enlargement. Odile Quintin will be the appeal assessor.

Next meeting: 20 November 2007

Action points

- Page 7 of Financial Statements (ETF-GB-07-011), second paragraph "In Turin or Brussels" will be amended to be in line with the Governing Board regulation at the request of **Mr Perugini (I)**.
- Written procedure on the 2006 Financial Statements to be carried out in June 2007
- The performance evaluation of the ETF Director to be carried out in the autumn by the nominated representatives.
- The Translation Centre budget surplus to be integrated into the 2007 amending budget
- 2007 amending budget to be sent to the Board through a written procedure after the summer
- A new human resources management strategy to be presented to the Governing Board in November
- Discussion on ETF networks to be included on the agenda of the next meeting of the Board
- ETF to participate in Portuguese presidency events

- ETF to investigate the participation in the Slovenian presidency conferences and events