

ETF GOVERNING BOARD MEETING

15 JUNE 2012

MINUTES

1. Introduction

The ETF Governing Board meeting was held in Turin on 15 June and chaired by Jan Truszczyński, Director General for Education and Culture at the European Commission.

New members of the Board from Poland (Stefania Wikiel, member), Sweden (Per Byström, member) Italy (Franco Giordano, alternate), European Commission (Antonio Silva Mendes, director, DG Education and Culture (DG EAC), alternate, Yngve Engström, Head of Unit, DG Enlargement, alternate) and European Parliament independent expert, Jan Andersson were welcomed. All the independent experts nominated by the European Parliament were present. Commission officials Joao Delgado, head of Unit, DG EAC, Hjordis Ogendo, DG DEVCO, Frédérique Rychener, DG Employment, Social Affairs and Inclusion (DG EMPL) also attended. The European External Action Service was represented by Miriam Brewka Pino. Cedefop was represented by Loukas Zahilis and Eurofound by Stavroula Demetriades. The ETF staff committee was represented by Mara Arno.

Ireland, Lithuania, Netherlands, UK, Slovenia as well as the observers from Azerbaijan, Turkey and Jordan were not represented at the meeting.

2. Adoption of the agenda

The agenda was adopted by the Board.

3. Follow-up to previous meeting

i. Minutes of previous meeting

The minutes of the previous meeting held on 22 November 2011 were adopted by the Board.

ii. Follow up on action points and written procedures

Shawn Mendes, ETF Deputy Director, presented the actions carried out as a follow up to the November 2011 meeting:

- The results of the ETF external evaluation to be discussed at point 4 of the agenda;
- The ETF requested the approval of the revised ETF Budget 2012 and the ETF Work programme 2012 by written procedure in December 2011;
- The Governing Board working group on ETF governance costs was established and had its meetings on 28 March in Turin and 30 May in Brussels; the outcomes are to be presented under point 9 of the agenda;
- The structure of the Board meeting was adjusted to allow the presentations and discussion of documents *for adoption* to be made before the informal meeting; the oral reports were organised in the afternoon;
- The ETF made the presentations of documents for adoption available three days before the meeting.

Written procedures were carried out on the following issues:

ETF 2011 Budget Transfers, launched on 01/12/2011 and successfully concluded on 13/12/2011;

- Amendments to the ETF WP2012 and Budget 2012, launched on 15/12/2011 and successfully concluded on 22/12/2011;
- Amendments to the ETF WP 2012 as regards Libya , launched on 01/03/2012 and successfully concluded on 09/03/2012

4. ETF External Evaluation

The Chair informed that the Commission's Report to the European Parliament, the Council, and the European Economic and Social Committee on the ETF external evaluation as well as the Action Plan prepared by the ETF were sent to the Board members on 1 June. In its conclusions, the Commission considered that within the EU external relations policy framework, the ETF has a useful contribution to make as a centre of expertise, in all four regions of its mandate.

As recommendations, the Chairman indicated that the Commission would like i) the ETF to be more proactive in disseminating information to relatively new stakeholders; ii) in the field of capacity building, the ETF should work closely with partner countries to improve capacity and increase partner country ownership over the policy process; and iii) the ETF's focus on the development of regional networks should be further strengthened.

The Chair also stressed that the Commission shares the evaluators' positive assessment of the ETF's added value and cost-effectiveness, in particular given its wide mandate and extensive geographic coverage and invited members of the Board to analyse and discuss the proposed Action Plan;

Madlen Serban, ETF Director mentioned that the external evaluation was carried out for the period 2006-2010 and since 2006 the ETF changed its way of communicating not also with the governmental institutions but also with other stakeholders from the partner countries. She indicated that in the report, the ETF is presented as the strongest institution that works at regional level and in this respect it is committed to enhancing efforts to maintain and develop cooperation at regional level. The recommendations of the evaluation were taken into consideration when preparing the draft work

programme for 2013 and she offered few examples: the “1+1” programme for the Southern Mediterranean region, the multi-level governance projects that involve a variety of stakeholders, the ETF’s long-term engagement and wide consultation with stakeholders in formulating proposals for cooperation, and the comprehensive framework for performance based management, etc.

Ingrid Müller-Roosen (Germany) appreciated the report and stressed that there have been recent improvements in activities and objective setting, including pro-active communication.

Maurice Mezel (France) appreciated the positive content of the evaluation and remarked on the efforts that the ETF is making to open up to new themes and partners in the varying economic and social conditions of the partner countries.

Micheline Scheys (Belgium) asked how the ETF involves the social partners and youngsters in its activities. **Madlen Serban (ETF)** explained that after careful reflection, the ETF launched a project addressing governance. In the 2012 Torino Process an inventory of roles, responsibilities based on functions is also investigated. The ETF started with an in-depth analysis of social partner involvement in decision making in six partner countries. The results were disseminated at the corporate event organised with the Committee of Regions and European Economic and Social Committee, on 31 May-1 June in Brussels. The 2013 work programme shows a move towards capacity building, aiming to empower the social partners to become reliable partners for governments. As regards young people, a Young Mediterranean leader’s forum is being organised by the ETF with the support of NGO’s active in this area, including the European Youth Forum. The ETF is also cooperating with DG EAC and their unit in charge of youth policy.

Frédérique Rychener (DG EMPL) indicated the interest of DG EMPL to closely cooperate with the ETF as regards the social partners and recommended linking the projects with those developed by the European social partners in the Western Balkans and Neighbourhood regions taking into consideration what the ILO is doing in this field. **Madlen Serban (ETF)** remarked that the ETF works closely with EU Member States, the European and Economic Social Committee and international organisations. The latter (including the ILO) are part of the Advisory Committee of the project. ILO intervention is more linked to enterprises and they are not active in initial TVET however, while the ETF project aims to empower social partners to act in initial TVET. She also thanked the French member for mentioning ETF activities at a meeting organised in February in Brussels with officials from EU member states and Union for Mediterranean countries.

Rosario Esteban (Spain) congratulated the ETF for the report and for the initiative to map roles and responsibilities in the partner countries and the way social partners are involved. She stressed the need to involve civil society as well as the importance of VET as an engine for future development.

There were no observations made on the ETF’s action plan.

5. Annual Activity Report 2011 and the Annual Activity Report 2011 Analysis and Assessment

Madlen Serban (ETF) and **Shawn Mendes (ETF)** presented the Annual Activity Report 2011.

The Annual Activity Report (AAR) is a key component of the strategic planning and programming cycle at the ETF, serving three purposes: i) it gives an account of the achievement of the key policy objectives and core activities; ii) it is a management report of the Director to the Governing Board, and iii) includes a *declaration of assurance* where the Director declares the true and fair view given by the report and the legality, regularity and the sound financial management of all financial transactions under her responsibility, as well as for the non-omission of significant information.

The structure of the report is given by the Secretariat General of the Commission as follows: i) Part I: Implementation of the annual work programme, ii) Part II: Governance, management supervision, control and internal control standards, iii) Part III: Building blocks towards the declaration of assurance, iv) Part IV: Declaration of assurance and the annexes.

Madlen Serban (ETF) mentioned that Spotlights distributed on this occasion complement the AAR by presenting more information on the operational related activities.

The information presented in the Annual Activity Report reflects the way the work is organised by function, geographic perspective and theme. The 2011 Work Programme targeted the achievement of 149 corporate outputs. By region the achievement of the corporate outputs was as follows: i) for the Enlargement region: 48 compared to 49 planned; ii) for the Southern Mediterranean: 32 achieved as planned; iii) for Eastern Europe: 29 achieved from 26 planned; and, iv) for Central Asia, 22 achieved compared to 20 planned. The achievement of corporate outputs was also presented by function.

In terms of performance and cost-effectiveness, ETF activities were relevant as indicated by the Torino Process and stakeholder satisfaction survey. Evidence of responsiveness and adaptability is given by the fact that 18 new outputs were identified in 2011 and 14 cancelled; effectiveness is proven by the fact that the targeted number of corporate outputs was achieved. As a means to improve quality the ETF developed a performance-based management framework. In response to an audit of corporate output costs, the ETF began to cost outputs in 2011. The average cost was relatively similar by region, varying from €136,628 per corporate output in the Southern Mediterranean to €111,206 in the Enlargement region. As expected, the average cost per corporate output is higher for broader areas such as thematic expertise development (€164,334) and, especially, evidence-based policy making (€437,692).

Some concrete examples of activities per region were presented:

- i. Social inclusion through education and training in which a network of some 120 experts and officials involved in education policies to overcome social exclusion was created in the Enlargement region. This regional network was created in response to a DG Enlargement request to support an IPA-multi-beneficiary project for inclusive education;
- ii. In Tunisia, the ETF redefined its support after the revolution in line with the priorities of the Tunisian transition government (capacity building in the field of employment);
- iii. Within the project on small and medium-sized enterprise policy assessment in Eastern Europe, the ETF built capacity for self-assessment and assessed policies and their implementation in the areas of Entrepreneurial Learning and Enterprise Skills together with DG-Enterprise, the OECD and the EBRD. The findings will be published in an SME report on the Eastern Partnership in 2012;
- iv. Under the project on regional policy dialogue on VET in Central Asia the ETF supported schools in all five countries in the region to improve quality and engage stakeholders in the learning process. This contributes to a greater attractiveness of VET in the school development project and supports the establishment of relations between education and business.

The Torino Declaration of May 2011 was an important step forward in evidence-based policy making. Policy leaders from partner countries, the EU and the international community acknowledged the value of structured evidence in guiding policy decisions. The dissemination of experience in the field of qualifications was at the forefront of thematic expertise development. The Qualifications Platform (launched in October 2011) helps to share and disseminate expertise, and supports those working on qualification reforms by providing a space to network and exchange information. The ETF qualifications conference at the European Parliament and a study on the Implementation of qualification frameworks in 10 ETF partner countries also contributed.

Part II of the report highlighted the following elements related to the execution of budget: a commitment rate of 99.7%, a disbursement rate of 86.8%, a payment execution rate of 99.76% and only 12 budgetary transfers. A total of 13.1% of the 2011 budget committed was carried forward. On procurement, nine tendering procedures were cancelled, 38 contracts were signed and 104 contracts were active on 31 December 2011. The number of staff on 31 December was 125.

Part III of the report describes the building blocks towards the Director's declaration of assurance (assessment by management, results from audits, monitoring and evaluation, and follow-up of action plans for audits from previous years). This section also describes the control procedures to give the necessary guarantees concerning the legality and regularity of the underlying transactions. The ETF has no reservation to report for 2011.

Part IV is related to the Declaration of Assurance from the director. The information provided in the report gives the director reasonable assurance that the resources assigned to the ETF in 2011 were used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions

The Chairman **Jan Truszczyński** congratulated the ETF for the very good execution of the budget.

Micheline Scheys (Belgium) congratulated the ETF for the very good report and for the Highlights document with more details. She suggested extending cooperation with Cedefop, although **Madlen Serban (ETF)** explained that cooperation is done up to the limits of the resources of the two agencies. Nevertheless complementarity is sought where ever possible such as in the case of Copenhagen - Bruges report, where the ETF is supporting the candidate countries.

Jan Andersson (independent expert of the European Parliament) congratulated the ETF for the report and for the strong performance in all the aspects of its activities. He informed that he has shared the information with Jutta Haug, MEP, member of the Committee on Budgets in charge of the EU agencies.

Ingrid Müller-Roosen (Germany) appreciated the excellent execution of the budget, the full use of the budget available and the outstanding performance of the ETF. The activities developed in the partner countries were impressive. She informed that in December 2011 a joint meeting was organised in Bonn to define areas of cooperation.

Miriam Brewka Pino (EEAS) thanked the ETF for its responsiveness and adaptability especially as regards activities in the Neighbourhood countries, in particular Neighbourhood South. The ETF's rapid reaction was shown in the case of Libya. She praised the report from a communication perspective.

Antonio Silva Mendes (DG EAC) asked for clarifications on corporate outputs and how the ETF manages additional requests. **Madlen Serban (ETF)** explained that the budget requires the achievement of a number of outputs, which can change during the year due to the political situation and absorption capacities in the partner countries, as well as the EU priorities. As regards additional requests, these can come from the Commission services (in this case DG EAC is informed) or from the partner countries, like the case of Morocco where they asked for ETF support in employment. The Work programme activities are priority based mentioned and ETF should consider the negative priority when addressing the additional requests.

Liliana Preoteasa (Romania) congratulated ETF for the excellent work done in a difficult economic and political context in the partner countries. She remarked that the execution of the budget is impressive as is the involvement of partner country representatives in different activities. She also appreciated the new style of communication used in the report.

Yngve Engström (DG Enlargement) remarked on the good cooperation with the ETF in 2011 and the very good support offered to DG Enlargement in programming activities, including the establishment of the inclusive education programme in the Western Balkans.

Mr Torben Kornbech Rasmussen (Denmark) suggested a two-page summary of the document.

Hanna Dam (Denmark) on behalf of the EU Presidency presented the Annual Activity Report Analysis and Assessment. She indicated that the Board appreciated the efficiency of financial management in 2011 which, following the positive trend started in 2009 and 2010, has ensured the full use of the funds made available to the ETF, with an unused amount of 0.1M€ (0.5%) to return to the European Commission for 2011 activities, mainly due to decommitments on carry forward appropriations during the year. The Board also acknowledged that the ETF has no reservations or critical issues to report for 2011.

She highlighted that the information provided in the report gave the Governing Board reasonable assurance that the resources assigned have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

In light of the above analysis and assessment, the Governing Board adopted the ETF Annual Activity Report 2011 and the ETF Annual Activity Report Analysis and Assessment and requested it to be forwarded to the European Parliament, the European Council, the European Commission, the European Economic and Social Committee and the Court of Auditors.

6. ETF Annual Financial Statements 2011

Martine Smit (ETF), nominated as accounting officer by the Governing Board in 1999, presented the 2011 financial accounts.

The Board members received the financial statements which are prepared and presented in accordance with Title VII of the Financial Regulation. The standards applied are identical to those applied by the European Commission and other EU institutions. The statements have been audited by the Court of Auditors and an advance copy of their opinion was received on 14 June 12. This statement states that the ETF's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2011 and the results of its operations and cash flows for the year, in accordance with the Financial Regulation. The opinion of the Court is the basis for the discharge by the European Parliament.

The Annual Financial Statements also require certification by the accounting officer, a declaration from the Director and her expression of confidence in the checks and operations included in the 2011 Annual Activity Report and the opinion of the Governing Board.

The principles applied are the following: i) for general accounts - accrual based accountancy¹ used by the ETF since 2005; and ii) for budget execution - cash based accountancy². Compared to 2010, the ETF paid almost the same percentage out of the available payment credits. The economic outturn indicates a profit but this is merely a paper result, including all possible upcoming events and is not the amount to be paid back to the Commission.

Statement of changes in capital. At the ETF the only changes in capital is the economic result. This result leads to a change in the balance sheet

¹ The accrual accounting is based on transactions and other events when they are recognised and occur (and not only when cash or its equivalent is received or paid)

² the cash accounting is based on cash flows, i.e. transactions are recognised when cash is received or paid.

Balance: There are no remarkable differences compared to 2010. The total value of the balance shows a small decrease. This is mainly due to the decrease in cash equivalents, due to a very tight treasury forecast.

Cash flow: The ETF continued to closely monitor its treasury and this resulted in a high percentage of payments and a continuing decrease in the cash situation.

The budget consists of commitment and payment appropriations. Commitments are legal budgetary obligations. The earmarked funds consist of: i) Re-use of funds for Title 1,2 and 3 through recovery of expenses, ii) Italian Trust Fund – Italian Ministry of Foreign Affairs and iii) for the ETE MED convention, the period to commit funds ended on 31 December 2009. Therefore, no funds were available for commitment.

For the ETF subvention, the level of commitment compared with 2010 is a little less (99.69% in 2011 compared with 99.87% in 2010).

The budget outturn is based on payment credits and on the funds received and the execution of payment credits.

The budget is composed of commitment and payment credits. The commitment credits correspond to 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 2010 to 2011, cancelled payment appropriations related to carry over from 2010 and exchange rate differences. The final result represents the amount to be reimbursed to the Commission and relates to the ETF subvention. The percentage paid out of the available credits is 96.01%. Actually received: €19,940,342.09; actually paid: €20,424,401.80; Result before adjustment: +/- €484,059.71. Adjustments were € 601,746.29 giving a final result of: €117,686.58

The level of commitment for earmarked funds is calculated on the calendar year as for the ETF subvention, but earmarked funds are multi-annual and as a result commitment level is not an indicator of efficiency.

At the end of December 2011, the ETF went live with the new module ABAC Assets within the financial systems ABAC and SAP. In 2011, all remaining inventory items after a thorough clean-up were transferred into this new system. According to the regulation, the gained interest related to the ETF subvention is to be paid back to the European Commission. For all other earmarked funds, it depends on the individual convention. In 2011, ETF gained €59,384.14 as interest, (€ 48,277.59 from the ETF subvention, €2,805.14 from the Italian Trust Fund and €8,301.41 from ETE MED).

Only €2,805.14 it is allowed to be used in 2012 and the rest will be transferred back to the European Commission.

Alastair Macphail (ETF) presented the Court of Auditors report. The Statement of Assurance indicates that the ETF's accounts fairly present, in all material respects, its financial position as of 31 December 2011. The transactions underlying the accounts are, in all material respects, legal and regular.

The following observations were presented in the report:

- The ETF has not yet adopted and implemented a treasury policy to minimise and spread financial risk while aiming at adequate returns. The account is kept in a bank which no longer has the minimum rating as indicated by the Commission. The ETF has now committed itself to putting into place an appropriate policy to monitor bank credit ratings, spread financial risk and ensure an adequate return on cash holdings;

- The Court identified 64 contracts with a total value of €2 million which were not countersigned by the contractor, creating legal uncertainty. The comment refers to purchase orders issued under one framework contract, managed via an ICT workflow system that foresaw the electronic acceptance of purchase orders by the contractor. Henceforth, all purchase orders issued under this contract will also be physically countersigned by the supplier;
- Maintenance and essential services such as heating, water and electricity are no longer ensured for the ETF's premises since the Consortium responsible for facility management went into liquidation in November 2011. The situation regarding the premises is unsatisfactory and puts activities at risk of disruption. The ETF indicated that it has been everything possible at local, regional and national levels in Italy, as well as through its Governing Board and the European Commission, to re-establish a long-term perspective of accommodation as foreseen in the Seat Agreement;
- The ETF needs to improve the transparency of its recruitment procedures. The threshold scores for admission to interviews and written tests were not set in advance and questions for oral and written tests were not set before the applications were examined by the selection boards. The ETF has amended its selection procedure to include a standard threshold of 70% for all selection. The selection procedure foresees that the test and interview questions are set before the CVs are distributed to the selection board.

ETF will submit its reaction to the European Court of Auditors by highlighting the real situation which in some cases is far better than the findings.

Mr Torben Kornbech Rasmussen (Denmark), on behalf of the EU Presidency remarked that the Board has obtained reasonable assurance that the ETF Financial Statements 2011 are reliable and that the underlying transactions as a whole are legal and regular.

The Board unanimously approved the ETF Annual Financial Statements 2011 and gave a positive opinion on the Annual Financial Statements for 2011 budget year.

7. Amending budget 2012

Alastair Macphail (ETF) presented the background to the 2012 budget amendment:

- the assigned revenue and a small increase in the subvention need to be incorporated;
- the subvention received from the European Commission increased by €100,000;
- accumulated interest in 2011 for the amounts assigned through the the Italian Trust Fund (€2,805.14) in addition to the €133,009.74 available from previous years;
- €248,467.46 represents the unspent funds in the frame of the MEDA-ETE project (managed by ETF between 2005-09), that were reimbursed to the European Commission in January 2012 but need to feature in the 2012 budget.

The amending budget will lead to an increased expenditure in Title III as follows: i) €20,000 for corporate conference "Towards Excellence in Entrepreneurship and Enterprise Skills" 14-16 November 2012; ii) €32,000 for "Curriculum reform in Georgia: Lessons learned" (15,000€) and an extension of the regional meeting on social partnership in SEMED region (17,000€), iii) €16 300 for a study on practices and programmes for the reintegration of returning migrants in the Neighbourhood regions; iv) €21 700 for the regional event "New Challenges for Skills development in the Mediterranean region" in Jordan 25-27 September, Torinet activities in Tunisia, organisation of an Expert Meeting on the Impact of Capacity Building; and iv) €10,000 for missions for additional activities in the partner countries.

Maurice Mezel (France) asked why the amount of €248,467.46 was not used by the ETF in the MEDA-ETE project. **Madlen Serban (ETF)** indicated that the amount that also includes the interest gained was the result of audit. During the time of implementation (2005-09) there were a series of administrative problems encountered that had an impact on budget consumption.

The Board unanimously adopted the amending budget.

8. Oral Reports

Presentations were made on Commission policies and programmes that have an impact on the ETF, trends and development at the ETF and the updates on the Danish Presidency and the programme of the upcoming Cyprus Presidency.

The main aspects of the presentations are presented in the annex.

9. Draft Work Programme 2013

Madlen Serban and **Xavier Matheu** presented the draft ETF work programme.

The European Commission will prepare its opinion on the first draft of the 2013 work programme. The updated document will be presented at the Governing Board working group meeting on 11 September in Turin and at the structured dialogue with the European Commission services at the beginning of October. The second draft will be published in the restricted area of the Governing Board, discussed and proposed for adoption in the ETF meeting in November.

The structure of the draft work programme is as follows: 2013 objectives and thematic priorities, policy context, activities contributing to human capital development, management of resources, governance and management.

The assumptions for the 2013 Work Programme are the following: the subvention for the ETF from the European Commission in 2013 will be €20,144,500, the total number of posts in 2013 will be 135; and the total available full-time equivalent staff in 2013 will be 129.5.

The main objectives in 2013 are to: reinforce the holistic, evidence-based analysis of VET reform in partner countries through the Torino Process; strengthen the capacity of partner countries to develop and apply tools for evidence-based policy making; improve labour market analysis and forecasting and support the review of vocational education and training systems in this light; support the EU external policy instrument programming cycle and, when relevant, the external dimension of internal policies; disseminate relevant information and encourage the exchange of experience and good practice between the EU and partner countries and among the partner countries themselves in human capital development.

A total of 144 outputs are planned for 2013 and ETF operations are described at regional and country level. In each partner country, an implementation plan will detail how this will be put into practice, after the adoption of the work programme. The ETF's operations at country and regional levels are informed by the Torino Process, the work of ETF and dialogue with key stakeholders in 2012. Drawing on the analysis undertaken for each partner country, thematic policy areas for priority support addresses the following five criteria for each country: i) priority in EU external relations and contractual relationship; ii) priority of human capital development in EU external relations and at regional level; iii) priority given to human capital development as indicated by documented national strategies and policies and resource commitments; iv) stakeholder commitment to human capital development as indicated by their contribution and participation in national reform strategies; and, v) involvement of other donors in human capital and cooperation with them to avoid overlaps.

As regards the regional projects, the ETF intends to continue the inclusive education project in the Enlargement region and to support measures for EU regional initiatives and policy dialogue. In Eastern Europe, the ETF will continue the activities under the regional project on continuing vocational training as well as those related to the Mobility Partnerships. In Central Asia the focus will be on the school development initiative. In the Southern Mediterranean the regional dimension of sectoral qualifications, entrepreneurial learning and skills for SME's: support to Euromed Charter, social partnership and support to Union for the Mediterranean policy dialogue and on employment will be key.

Examples of country activities for Libya, Azerbaijan, former Yugoslav Republic of Macedonia and Kazakhstan were presented.

In the area of evidence-based policy making, the ETF plans to continue methodological developments to support evidence-based policy making and knowledge management by consolidating the Torinet networks in 11 partner countries and strengthening ETF capacity to capture and retrieve knowledge generated through its activities.

The results of the Torino Process 2012 will be debated by all countries during the second conference in view of identifying or validating strategic directions for actions and their comparability with the Bruges short term deliverables.

In the area of thematic expertise, under innovation and learning, the six communities of practice that keep abreast of EU, partner country and international developments, maintain and consolidate ETF knowledge, provide content support to ETF regional and country projects and explore new areas of work in their thematic field are to be developed in the areas of i) qualifications and quality; ii) regional development and governance; iii) sustainable development; iv) employment and employability; v) social inclusion, and vi) entrepreneurship learning and enterprise skills. At the same time three projects that develop methodological instruments for country work will continue in: i) matching and anticipation of skills; ii) learning in different contexts and iii) migration and skills.

Stakeholder relations priorities include continuing cooperation with the Employment and Social Affairs Committee of the European Parliament for the external dimension of the EU policies, cooperation with the other agencies, cooperation with EU Member States, cooperation with the European social partners and cooperation with international organisations.

The ETF has finalised the performance-based management framework to enhance accountability, transparency and improve performance.

Similar to previous years, the draft 2013 work programme is based on priorities. The ETF plans and manages its activities through an activity-based budgeting approach, aiming to achieve its objectives and use resources efficiently. It is set a baseline to monitor progress during the year with quantitative and qualitative indicators, the main risks associated with activities and objectives are identified in order to take appropriate action to address them. The planning is done following a cascading principle as well as a multi-dimensional one (geographical, functional and thematic). Within the planning context, in October 2012, the ETF planned to have a working meeting with GIZ and other players to discuss how to coordinate better, looking for complementarity with the bilateral actions developed by the Member States in the area of human capital in the ETF partner countries.

Risk management will be audited in 2012 by both the Court of Auditors and Internal Audit Service.

Stefania Wilkiel (Poland) requested that the information related to the launch of a new programme in November 2012 for the Eastern Partnership countries (p. 26) be placed in a separate paragraph. She also asked that "training" to be mentioned in the paragraph related to the areas of policy dialogue promoted by the EU with the partner countries from Eastern Partnership.

Sara Parkin (independent expert nominated by the European Parliament) indicated that the risks listed on p. 59 are the same as last year despite the fact that things have changed very fast in the EU

and partner countries. **Madlen Serban** replied that this will be updated in a second draft following the Internal Audit Service visit on the topic of risk management from 3-6 July 2012, as well as based on the results of the ETF work on risk assessment. **The chair** encouraged reflection and further discussion on risks that are out the control of the ETF. One could include the conditions of work from 01 January 2013 due to the lack of legal certainty as to whether the ETF could continue in Villa Gualino. At the same time, the high level of risks cannot go above what Commission defines in its documents.

Micheline Scheys (Belgium) suggested further clarity in the work programme 2013 about which activities are continuing from 2012 and the links between ETF activities and the EU policy context. She asked for a separate presentation on the activities developed on the basis of the recommendations of the external evaluation. As regards the actions proposed as result of the external evaluation, an annex could be developed for the final draft.

10. Outcomes of the Governing Board working group on ETF governance cost analysis and assessment

The Chairman invited **Hanna Dam (Denmark)**, representing the Danish Presidency and chairperson of the working group on the ETF governance cost assessment and analysis to presents the outcomes of the work. The following recommendations were made as a result of the two meetings held on 28 March in Turin and 30 May in Brussels:

- the cost of future Board meetings should remain within a total budget of €44,000, corresponding to the average cost of agency board meetings in 2010 according to the Court of Auditors report on the Cost Benchmarking of EU agencies;
- the expenses of smaller items are left to the ETF management for decision;
- the Governing Board meeting dinner will be retained given its social dimension for sharing information and networking;
- sharing professional experience with ETF staff is important and a professional element could be included during the dinner, either a key note speech on a particular topic or a presentation on key events from previous months;
- the cultural event is to be retained to allow members to socialise although in future it will be paid for by the Governing Board members themselves. Given that the cultural event has only a marginal added value but is nevertheless rewarding socially and historically, information on cultural events in Turin could be provided through internet links included in the documentation. The ETF could also discuss options with the local authorities;
- Governing Board meetings should take place at ETF headquarters to avoid rental costs;
- ETF policy allows senior and middle managers, as well as a Staff Committee observer and the minute-taker to be present at meetings. Other staff is present for the duration of their presentations. However, given space limitations, access might sometimes have to be restricted to senior managers only;
- Catering costs will be cut and cheaper lunches will be provided;
- Meetings should last for one day and therefore only one hotel night is necessary. However, if the total price of a flight and two hotel nights is lower than the price of a flight and 1 hotel night this option can be selected;
- Vouchers for second dinners will not be offered;

- Transfer costs will continue to be reimbursed as it is very difficult for members to get taxi costs reimbursed through their home institutions;
- Interpretation will continue to be provided in five languages unless the representative of one of the countries where one of the languages is spoken do not register by the deadline.
- As regards the linguistic regime and translation policies, the following conclusions and recommendations were made:
 - Urgent translations have to be avoided as much as possible, because they are very expensive. Members therefore agreed that the English version of the documents will be provided 30 days before the meeting, but that the other language versions are provided 10 days in advance of the meeting, leading to a serious reduction in translation costs (possible reduction by 25-30%).
 - only documents for adoption will be translated;
 - Document length should be reduced as follows: 1) large documents summarised into shorter versions, and only these pages translated. This could however lead to confusion as members will be asked to adopt the full text not the summary; 2) translation on demand; 3) reduce the length of documents like the Work Programme and the Annual Activity Report. For the Annual Activity Report this is difficult because the structure is set by the Secretariat General, and is used for the yearly discharge. For the Work Programme, the ETF should translate only the main text, and the annexes upon requests from members at the June meeting; 4) shorten the meeting minutes by introducing the oral presentations into an annex that would not be translated. This would reduce the minutes by some 25%.

The Chairperson pointed out that 18 of the official languages are not enjoying translation or interpretation during the ETF Board meetings but he recognised that the issue of translation and interpretation is a sensitive one.

Torben Kornbech Rasmussen (Denmark) informed that at the informal meeting of the Board members a pragmatic approach was sought to that involved not changing the Governing Board Rules of Procedure related to the linguistic regime but implementing the recommendations proposed by the working group in view of savings and efficiency gains.

Maurice Mezel (France) insisted on a good management instead of changing the linguistic regime, since the recommendations of the working group are important both in financial and substance terms. In this context, he recommended that the ETF management present an overview of the savings they were able to make by implementing these recommendations. The linguistic regime should not be discussed as he cannot express an official position.

Karl Wieczorek (Austria) indicated that the linguistic regime should be approved unanimously according to the ETF regulation and Governing Board Rules of procedure. He indicated that if a request to change the linguistic regime is put forward he would not be able to have an official position.

Ingrid Müller-Roosen (Germany) informed that she agrees with the position expressed by Austria, and insisted on not changing the linguistic regime.

Micheline Scheys (Belgium) supported the idea of having a pragmatic approach since all the countries are facing severe budgetary restraints. For her it is important to have the possibility to follow up on ETF activities with all countries involved.

Bruno Giordano (Italy) supported a pragmatic approach from the Board members and supported the idea presented by the French member of the Board.

Jan Andersson (independent expert nominated by the European Parliament) supported a pragmatic approach to stick in the limits of the budget and not discuss the linguistic regime.

The Chairperson appealed for a pragmatic approach from the Board members in line with the comments above, not changing the linguistic regime or the Rules of Procedure, but implementing as many of the agreed recommendations. The ETF management will be asked in an year time to present the effects of the measure taken.

11. Any other business

The Chairperson asked the members of the Board to fill in the meeting evaluation questionnaire.

12. Date of next meeting

The next meeting of the Governing Board will be held in Turin on 20 November 2012

Follow up actions:

- To update the draft 2013 Work programme with the observations made by the Board members regarding the i) updates on Eastern Partnership programmes, ii) ETF risk management; iii) better explicit the link between the EU policy context and the actions promoted by the ETF; v) the actions to be developed based on the recommendations of the external evaluation to be presented separately;
- To implement the recommendation of the Governing Board working group on ETF governance costs analysis and assessment and to report back to the Board in an year time;

ANNEX

Oral Reports

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

João Delgado (DG EAC) presented the updates on the implementation of Bruges Communiqué and short term deliverables, the follow-up by the Commission, the ETF and Cedefop and a brief overview of the multiannual financial framework and the new education and training programme Erasmus for All (2014-20).

EU Context of the new VET agenda

In December 2010 the Bruges communiqué was adopted. The document defines priorities for the next 10 years, with short-term deliverables regularly reviewed by stakeholders. In this context, the new VET agenda, covering 2011-20 provides policy responses as to how VET can support the Europe 2020 Strategy. At the same time, the Bruges communiqué includes a global vision for VET until 2020.

- The global vision for VET by 2020 asks for it to become more attractive and inclusive. In many countries VET has an image problem and the Commission and Member States believe that it can be made more attractive by improving quality, increasing relevance and ensuring better permeability and career perspectives. It is important to apply preventive measures, such as more work-based learning and guidance. At European level there are important instruments related to quality in VET like EQAVET. Quality means good teachers and good trainers but unfortunately in some Member States budget cuts have affected the quality of teachers and training.
- In order to contribute to social inclusion, VET systems themselves must be inclusive. This does not only mean openness and easy access, but also adequate support to those who are at risk of early school leaving. Another important angle to equity and social cohesion links this issue to excellence: a VET system which provides real opportunities for upward social mobility makes the strongest contribution to overall equity in society.
- Training must be organised flexibly so that more adults can participate in lifelong learning by 2020. An effective way to achieve this is through national qualifications frameworks linked to the European Qualifications Framework and based on learning outcomes, and through clear procedures for recognising learning and experience gained outside formal education and training.
- Now and ever more so, people will face several transitions between learning and work and between work and further training. A key challenge is to facilitate continuing training.
- The world of work is becoming more international and this is embedded in everyday practices even at local levels. Training must also therefore become more international and European tools should be used systematically so that learning outcomes become a reality and an effective tool for mobility. Transnational mobility is also high on the agenda in line with the Youth on the Move initiative.
- VET has an important role to play in relation to creativity, innovation and entrepreneurship. In modern economies, it is crucial to understand these concepts in a broad sense: the issue of creative and entrepreneurial mind-sets is relevant to employees in all kind of positions and should therefore also be part of the competence profile of teachers and trainers.

- There is a strong commitment from the Member States to deliver what was agreed in Bruges. A Eurobarometer is available on DG EAC webpage showing the various attitudes to VET in different Member States. The European Business Forum was organised in Brussels a week ago and a follow-up will be held in two years.

There is a commitment from European Commission to work with the OECD and ILO as well as with developed countries like the US in the area of TVET. Cooperation with neighbourhood countries takes place through the ETF.

Bruges Communiqué and follow-up by the Commission, the ETF and Cedefop

The ETF is part of the follow-up of the Copenhagen process and Bruges. At the last meeting of the Copenhagen working group it was agreed that Cedefop will draft 'follow-up sheets' for the 22 short-term deliverables for EU Member States, Iceland and Norway). The follow-up will feed into a 2012 mid-term review and a full 2014 VET policy report, including an analysis on whether the Bruges objectives are being reached. This interim report will be discussed under the Cypriot Presidency.

The ETF will work on the follow-up for the candidate countries (except Iceland), which will probably have a different focus as these countries are different to EU countries and they are at different stages of implementing the Bruges objectives.

The Copenhagen Process supports candidate countries to modernise their VET systems and gives examples of good practice. The follow up carried out by the ETF is an important part of this. The ETF can also act as an intermediary and help the EU to better understand the specificities of its partner countries. The Torino Process is also an important part of the Bruges follow-up. It gives visibility to the countries involved and promotes VET.

Lastest developments with EU neighbouring countries

Recent events in the Southern Mediterranean have required a redefinition of the EU's relationship with them. The two Commission Communications adopted in March and May gave priority to "people to people" activities and budgetary reinforcement of the existing tools in the education field.

The number of Erasmus Mundus mobility actions with neighbouring countries was increased to 1,150 in 2011 and for 2012 and 2013 there is a supplement of €80 million. Supplementary budgets of €12.5 million in 2012 and 2013 have been allocated to Tempus, €6 million to Youth in the South and €29 million to Youth in the East. The eTwinning programme was opened to Tunisia and Egypt on a pilot basis. An information campaign to increase participation in EU programmes was prepared together with the launch of policy dialogue with southern countries (already existing with eastern neighbours under Platform 4).

At the same time, ETF activities targeting the Southern Mediterranean will be reinforced with a budget of €2 million (so called 1+1 programme). As regards the Eastern neighbourhood, ETF activities may be integrated in the 2012-13 work programme of Platform 4.

Overview of the multi-annual financial framework and the new education and training programme Erasmus for All (2014-20)

The Multi-annual Financial Framework (MFF), proposed by the Commission at the end of June 2011, translates the European Union's political priorities for at least five years in financial terms. The Commission also proposes strengthening programmes for education and vocational training. In order to overcome the fragmentation of current instruments it proposes the creation of a €15.2 billion integrated education, training and youth programme, with a clear focus on developing skills and mobility. The funding will be complemented with significant support from the Structural Funds (€72.5bn for 2007-13).

The content of new programme 'Erasmus for All' was partially agreed in the Council at the beginning of May and negotiations are continuing in the European Parliament. Member States proposed that countries from Neighbourhood should participate although the Commission does not agree.

The programme proposes a simplification of the current structure to avoid fragmentation, overlapping and proliferation of projects that lack the critical mass necessary to ensure lasting impact. It will bring together the sub-programmes of the Lifelong Learning Programme.

The new programme has three key priorities: i) supporting trans-national learning mobility; ii) fostering co-operation between education institutions and the world of work in order to promote the modernisation of education, innovation and entrepreneurship; and iii) providing policy support to gather evidence on the effectiveness of education investments and help Member States implement effective policies.

Rosario Esteban Blasco (Spain) congratulated the European Commission for its support in developing new skills in order to better adapt to the needs of the labour market and for organising the first business forum in VET, an event that could be considered by other EU governments. Spain is very much involved in the development of skills for young people to help them to find jobs especially those long-term unemployed. **João Delgado (DG EAC)** indicated that the cooperation platform with enterprises is also a very important tool for cooperating with companies, the same goes with the consultative committee on TVET where employers have their own representatives. The Commission considers that that direct dialogue with enterprises is very important for TVET and encourages the development of such actions in the future.

Micheline Scheys (Belgium) stressed that it has been very difficult not to reduce budgets dedicated to teachers when cuts are affecting entire education budgets. **João Delgado (DG EAC)** explained that he was referring to the importance of quality teacher training particularly in view of the high retirement rates in the short-term.

Jan Andersson (independent expert nominated by the European Parliament) emphasised the importance of lifelong learning and on not closing the doors of education because people educated today might need to be re-educated in five years' time.

Antonio Silva Mendes (DG EAC) pointed to the importance of linking education and business, a key focus of discussions at the Business Forum. It is essential to analyse which skills will be needed in future. DG EAC is interested involving all partners in different platforms.

Yngve Engström (DG Enlargement) presented the latest developments in **EU Enlargement policies**.

The region is developing its European perspective in line with the conditionalities of the association and stabilisation process.

Croatia will join the EU on 1 July 2013, which is an important step for the whole region as it demonstrates the transformative powers of the Enlargement process.

Negotiations will start soon for **Montenegro** following the agreement in the European Council. **Serbia** was granted candidate status. If further progress is made this year, negotiations may be able to start soon. Focus is at the moment on the presidential elections and the establishment of the government.

With the **former Yugoslav Republic of Macedonia**, accession dialogue has been launched. In the case of **Turkey**, the Commissioner is pushing for a positive agenda and there is hope that new developments can be registered in the blocked chapters.

The dialogue between Pristine and Belgrade is making good progress, but more remains to be done. However, the door has opened for **Kosovo**³ to participate in regional cooperation. Discussions on the rule of law have been launched as has a feasibility study.

Albania has applied for EU membership but certain issues are still to be addressed. **Bosnia and Herzegovina** is a difficult case but some elements do support an application for membership later this year.

Financial instrument

The EU is moving towards the new financial framework 2014-20. The new Instrument for Pre-Accession (IPA) will have the goal of bringing the countries from the region closer to the EU. Through IPA II, the EU will continue to assist the Enlargement countries in implementing the comprehensive reforms needed for future membership. The total amount proposed is €1.5 billion over the period 2014-20 which does not represent an increase in real terms. The programme will have a greater strategic focus and multiannual approach and increased flexibility. The key element is reinforcing the link between financial assistance and the political agenda. It also aims to contribute to the EU 2020 agenda as part of the Enlargement process and to develop good governance with particular attention to socio-economic development.

Implementation will be based on a strategic framework within a seven-year timeframe, a mid-term review, comprehensive country strategies and multi-annual programming at country level.

Several technical changes are proposed. A sector-wide approach is proposed and funding will be linked to programming rather than projects. At the same time, funding will be allocated for progress in political reform. Participation in programmes like Tempus or Erasmus for All should be integrated in the holistic approach if the countries want to benefit from the programmes. Regional cooperation is of high importance and it will continue to be encouraged.

Hjördis D'Agostino Ogendo (DG DEVCO) gave an update on EU development policies.

In October 2011 the Commission adopted the Communication *Increasing the impact of EU development policy - An agenda for change*. In line with the Lisbon Treaty, the main objective of development policy is to eradicate poverty and achieve the millennium development goals. The objectives include supporting inclusive growth, creating jobs and the increasing the involvement of non-state actors, especially the private sector, in development activities. Key aspects include a more strategic approach, with a maximum of three sectors per country for support; more focus by supporting countries in need and where the impact is significant; and more weight given to human rights, democracy and good governance. The EU intends to increase its role in supporting inclusive growth and job creation.

The Agenda for Change identified the following challenges: i) high economic growth did not reduce poverty or create decent work sufficiently; ii) income inequality is high and increasing; iii) the share of formal employment is low and self-employment is mostly in agriculture or the informal economy (informal employment can reach up to 80% of the total non-agricultural employment); iv) new jobs are being created mostly in the informal economy; v) wages are low, working conditions are poor, social protection and social dialogue (social partners) is limited or non-existent; vi) not unemployment but the absence of decent jobs is the main problem.

In this context, the rate of economic growth per se is not sufficient but economic patterns are equally important for long-term poverty reduction. The EU is promoting inclusive economic growth or pro-poor growth as well as supporting people's ability to participate in and benefit from wealth and job creation. The support sectors that build the foundations for growth are education, health and social protection

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

Improving coordination and cooperation between the EU and its Member States is another target along with broadening partnerships with civil society, the private sector and local authorities and supporting rural development. In this context, skills development and employability play a key role in the objective of job creation. The Communication also envisages that 20% of EU aid should go to support for social inclusion and human capital development.

The Council adopted the Communication on 14 May 2012. The Council conclusions reiterate the emphasis on supporting development in Europe's neighbourhood, sub-Saharan Africa and low income countries elsewhere.

Post Millennium Development Goals 2015

The Commission plans a Communication on the post-2015 development framework in early 2013 with a public consultation launched in June. The aim is to ensure a coordinated EU input into the UN process.

The EU offers support through: i) geographical programmes including cooperation with partner countries channelled through the EU Delegations; and ii) thematic programmes that supplement the EU's geographical support. In the period 2007-13, the Investing in People programme had a budget of €1.06 billion. It is jointly managed with the ILO. Between 2009 and 2010, the focus of activities was on the informal economy and vulnerable groups by developing TVET methodologies.

The programming priorities for 2011-13 are the following: i) raising awareness on the role of social protection and extending it to all; ii) strengthening the institutional capacities of national governments to develop and implement inclusive national employment policies and social protection schemes; and iii) strengthening social dialogue as a key element for making policy reforms equitable and sustainable. The strand for vocational education and skills training is €27 million and aims to address training gaps and the needs of people working in the informal economy, develop stronger links between formal and informal TVET and support the sharing of experiences among countries. The programme might be adopted in 2012 or early 2013.

Miriam Brewka Pino (EEAS) presented the latest developments in the **Neighbourhood countries**.

Following last year's adoption of the Neighbourhood communications, the ENP Package was approved with a complete set of country and regional progress reports and road maps for action until 2013 for the Eastern Partnership and the Partnership for Democracy and Shared Prosperity each. The reports cover vocational education and training and other issues related to human capital development.

There are a series of political developments that affect the east and the south of the Neighbourhood region. There are countries in transition, like **Tunisia** which are setting an example for others, countries with slower but steady developments like **Morocco** and **Jordan**, countries with little progress like **Algeria** and ones with very grave problems like **Syria**. In **Egypt**, the situation is difficult and developments are mixed. In **Libya** things are moving forward.

In the Eastern Partnership, countries like the **Republic of Moldova** registered significant progress; there are positive signals from the Caucasus, while things seem to be moving backwards in the case of human rights in **Azerbaijan**. **Ukraine**, having made steady progress towards the EU, is also moving backwards.

The new neighbourhood policy is an instrument based on certain principles, such as "more for more" - a stronger partnership with people, civil society, youth organisations, rather than only governments. It looks more towards the accountability of what the EU offers and promises to the countries that move towards democracy. In this respect, the EU offered support for the electoral process in Tunisia, Algeria, Morocco and Egypt and is planning the same for Libya.

In parallel, the EU has increased its offer in the trade areas and has started negotiations for Deep and Comprehensive Free Trade Agreements with Georgia, Armenia and the Republic of Moldova. Based on the mandate given by the European Council last December, negotiations for the same type of agreement will start with Egypt, Jordan, Morocco and Tunisia.

The ETF is contributing positively to the Mobility Partnerships with the Eastern Partnership countries. The EU Member States are interested in establishing a Mobility Partnership with Azerbaijan and the ETF will probably be asked to contribute. Discussions with Ukraine and the Republic of Moldova are focusing on visa issues and this might be the case in the near future with Georgia too.

Dialogues on migration, mobility and security began last year in October with Tunisia and Morocco. The Dialogues moved to the negotiation of texts for political declarations, with the aim to conclude these by the end of the year. Member States are interested in working on migration issues with Libya.

From a more structured point of view as regards the southern neighbourhood region, there is the intention to bring Algeria fully into the ENP with the development of an ENP Action Plan, and this could also translate into more activities for ETF. At the same time a new generation of ENP action plans are under negotiation with a number of countries, as well as a so-called "Privileged Partnership" with Tunisia. For the Eastern partners, a new "association agreement has been" initialled with Ukraine but not signed for political reasons.

A new Communication to strengthen cooperation with countries from the Maghreb is expected in the near future. To note also that in relation to the future financial perspectives, the Commission proposed a 12.5% increase of the external activities under the future "Erasmus for All" programme.

Frédérique Rychener, (DG EMPL) presented developments in the area of employment.

DG EMPL continues to develop regional structured dialogue with partners from the Southern Mediterranean through the High Level Working Group on Employment and Labour issues supported by the ETF through its analytical work on employment issues.

In the Eastern Partnership region, DG EMPL and the ETF continue to work together within the framework of the Eastern Partnership Platform 2. The work programme already includes ETF activities in the area of skills matching. The ETF will also be involved in the area of anticipating and matching skills, a priority identified by the countries.

In the Enlargement area, DG EMPL continued to cooperate with the ETF on IPA component IV. Debates and discussions with the countries were focused on using EU 2020 as a tool for reform. Further cooperation with the ETF will be based on the structure of the new IPA. The Commission adopted the employment package that will also support the cooperation with the partner countries.

ii. Trends and developments at the ETF

Madlen Serban (ETF) presented the latest developments at the ETF since the last meeting of the Governing Board. Detailed information can be found in the Spotlights publication distributed to Governing Board members.

ETF cooperation with the **European Parliament** included presentations of ETF activities in 2011 and plans for 2012 to the Employment Committee on 25 January, a visit of a delegation from the EMPL Committee to the ETF on 2-4 May and a visit of MEP Sergio Cofferati planned for 25 June. Work with other committees covered:

- a presentation of the ETF's work in the Mediterranean at the conference on "The Case for Euromed Erasmus and Leonardo da Vinci Programmes: Challenges of youth mobility in the Mediterranean" at the invitation of MEP Vincent Peillon on 10 January;

- Organisation and content contributions to the “Friends of Turkey” event on “The Ways out of Youth Unemployment: Social Dialogue in Turkey” on 24 January;
- Contribution to the Working Group meeting on the Western Balkans, Task Force Fostering and Building Human Capital, in cooperation with AFET, CULT, ERISSE and RCC at the invitation of MEP Doris Pack on 25 January;
- Written contribution to the “Proposal for a Regulation of the European Parliament and the Council on IPA II” at the request of MEP Jutta Steinruck on 23 March;
- v) Written contribution to the Joint 2012 report on E&T 2020 at the request of the S&D group on 2 May;
- Visit of MEP Catherine Trautmann, S+D Group, ITRE committee to the ETF on 3 May.

The **Committee of Regions** hosted the ETF corporate conference on “Multi-level Governance in Education and Training: Challenges and Opportunities”, Brussels, 31 May-1 June 2012. The ETF also participated in the ARLEM meeting in Bari, Italy on 30 January and will attend the ECOTER meeting in Brussels on 4 July 2012.

The ETF also cooperates with the **European Economic and Social Committee**. Activities so far this year include: presentation of ETF work in ENP South and East to the REX Section of the EESC on 30 April 2012; involvement of a representative on Advisory Expert Committee in the ETF social partners project in the Mediterranean region; and support to the ETF corporate conference on “Multilevel Governance in Education and Training: Challenges and Opportunities”, Brussels, 31 May – 1 June 2012.

The ETF has annual cooperation work programmes with Cedefop and Eurofound. In particular, with Cedefop the ETF has carried out a stocktaking exercise on the Copenhagen process (progress in the implementation of the Bruges communiqué-short term deliverables), co-operation on the external dimension of the EQF and preparations for enhanced cooperation in the area of matching and skills

In the first semester of 2012, the ETF closely cooperated with the Danish Presidency ensuring the participation of the ETF staff and partner countries representatives from Egypt, Morocco, Tunisia, Jordan and the occupied Palestinian Territories at the Presidency events organised on VET- Business partnerships promoting new skills, innovation and growth for the future (Copenhagen, 23-24 April 2012) and Entrepreneurship in Education and Training (Copenhagen and Horsens, 17-19 June 2012). The ETF also organised a joint event with the Danish Embassy in Rome on youth employability in the Southern Mediterranean in Turin on 27 March 2012.

The ETF has also initiated discussions with the upcoming Cyprus Presidency which has agreed to include the ETF event on “New Challenges For Skills Development In The Arab States Of The Southern And Eastern Mediterranean” on 25-27 September 2012 in Amman, Jordan in its agenda. The ETF is also grateful to the Cypriot authorities for their support in organising the study visit for Armenian stakeholders on continuing vocational training (26-28 June 2012).

Cooperation activities with **international organisations** includes:

- An agreement with **the Regional Cooperation Council Secretariat** on potential areas for cooperation in 2012. Negotiations on a new agreement have been finalised and document submitted for Commission opinion; the ETF provided input to South Eastern Europe 2020 Task Force deliberations in the economic and social development agenda, as well as to possible objectives/indicators/targets (June-July 2012). The ETF is also preparing a presentation for the New Skills For Jobs in the Western Balkans conference organised by the RCC in July 2012 in Sarajevo; the ETF also contributed to the Task Force Fostering and Building Human Capital /ERISSE knowledge clusters on NQFs, modernising VET, evidence-based policy making, and

provided support for the transfer of South East Europe Investment Committee (SEEIC) management from the OECD to the RCC.

- The ETF participated and chaired the session dedicated to entrepreneurship at the **European Investment Bank FEMIP** meeting on 8-9 March in Tunis
- In preparation of the 3rd **UNESCO** World Congress, the ETF participated at the regional consultation with Arab countries in Muscat, Oman on 16-20 March. The ETF supported the participation of several experts from low income partner countries at the 3rd World TVET Congress and organised the plenary session on « Qualifications that count »;

In **evidence-based policy making**, 25 partner countries are participating in the 2012 Torino Process, 13 of which are carrying out a self-assessment. Turkmenistan, Syria and Iceland did not participate. Egypt will be assessed by the ETF and Libya expressed the intention of joining in 2013. Of the five countries participating in the Bruges process, Montenegro and Serbia are also participating in the Torino Process. The draft report and validation meetings will be organised by the last semester of 2012. Regional meetings will be held on preliminary findings. In the Southern Mediterranean region, the event will be organised in Jordan, on 25-27 September 2012; for the Eastern Partnership region the event will be organised in Brussels, Nov- Dec 2012; for Central Asia countries by the end of the year or beginning of 2013 and for the Enlargement countries in the second semester of 2013. The next ETF Torino Process conference will be organised in Torino on 7-8 May 2013.

Recent **audits** include:

- **Court of Auditors** from 14-18 November 2011 and 7-11 May 2012. The preliminary findings were received on 31 May 2012 and the ETF reply was sent 04 June 2012. The adoption of the Draft Report by Court is expected mid-June.
- **Internal Audit Service** sent their Annual Audit Report 2011 on 15 May 2012 containing no critical or very important recommendations. They will visit again on 4-6 July 2012 to look at risk assessment for the IAS Strategic Audit Plan 2013-14

In terms of **human resources**, in accordance with the establishment plan, six new Temporary Agents started and two left since the beginning of 2012. By 31 December 2012, it is estimated that 94 out of 96 posts will be filled. Therefore two vacant posts may need to be filled in 2013. Five new Contract Agents started and three left since the beginning of 2012. By 31 December 2012, it is estimated that 35 Contract Agents, two Local Agents and one Seconded National Expert will be in service.

The contract for the **Villa Gualino** for 2012 was signed on 25 April 2012. No information has been received from Regione Piemonte by mid-March as agreed last November for a long-term solution and in fact one of the findings of Court of Auditors is related to the situation of the contract with Villa Gualino. Discussions with the Italian local authorities took place in parallel with the informal meeting of the EU member states Board members of and chaired by Jan Truszczyński.

iii. **Updates on the Danish Presidency and the programme of the upcoming Cyprus Presidency**

Mr Torben Kornbech Rasmussen (Denmark), on behalf of the Presidency presented the results of the Danish Presidency:

- The Council in its meeting of 10 February adopted the Joint Report under the Strategic framework for Education and Training (ET 2020) which establishes closer links between ET 2020 and the overall Europe 2020 strategy and sets out the priorities for the new cycle of the strategic framework 2012-14;

- A Council policy debate agreed the following: a review of education and training systems to ensure that they equip young people with the right skills and competences; stronger cooperation between education and training providers, social partners and other relevant stakeholders; reinforcement of the practical elements in education and training programmes by e.g. introducing a dual approach in VET; an increase in the number of internships and traineeships; and, better recognition of skills and competences acquired both through formal and non-formal education and learning;
- An agreement among ministers on the content of the Erasmus for All programme. The budget awaits overall negotiations on the Multiannual Financial Framework for 2014-20;
- The Council meeting on 11 May adopted the conclusions including a European benchmark on the share of employed graduates (20-34 year olds) having left education and training no more than three years before the reference year to be at least 82% by 2020. In 2010 the share of employed graduates was 76.5 %. In the Conclusions, the ministers agreed: to set-up an expert group to identify examples of good practice of the smooth transition from education and training to the labour market, including how to incorporate more practical elements into education programmes e.g. through dual education; to enhance the monitoring of the impact of education and training on the transition to the labour market; and, to analyse the quality of first jobs by matching educational attainment and job content;

The events organised by the Danish Presidency included:

- High Level Group on Education and Training - 1-2 December;
- Conference on transition from school to work - 6 February;
- Conference on Early School Leaving - 1-2 March;
- Meeting of the Directors General for Higher Education - 2-3 April;
- Meeting of the Directors General for Vocational Education and Training - 23-24 April;
- European Lifelong Guidance Policy Network (ELPGN) - 24-25 April;
- Conference on VET-Business co-operation - 24-25 April;
- Celebrating 25 Years of the Erasmus Programme - 9 May;
- Standing Group of Indicators and Benchmarks (SGIB), 24-25 May;
- Conference on Raising Achievements for All Learners: Quality in Inclusive Education - 14-15 June;
- Conference on Entrepreneurship in Education and Training - 18-19 June;
- Meeting of the Education Committee - 28-29 June.

Panayiota Shiakalli (Cyprus) presented the priorities of the Cyprus Presidency in the area of education and training: i) negotiations for the adoption of an agreement on the new programmes for 2014-20; ii) promotion of more socially inclusive and modern education and training systems through literacy, the follow up of EU2020 strategy, recommendations on the recognition of non-formal and informal learning, equity and excellence in vocational education and training and quality assurance in higher education.

The events planned are:

- Meeting of the Bologna follow-up group - 28-29 August 2012;
- Presidency conference on literacy - 5-6 September 2012;

- ETF Regional Conference on New Challenges for Skills Development in the Arab States of the Mediterranean Region, Jordan, 25-27 September 2012;
- Informal Meeting of Education Ministers, 4-5 October 2012;
- Meeting of the Directors General for Higher Education, 22-23 October 2012;
- Meeting of Directors General for Vocational Education Training, 22-23 October 2012;
- 11th Plenary Meeting of the European Lifelong Guidance and Policy Network (ELGPN), 25-26 October 2012;
- Conference on "Vocational Education and Training: Policy and Practice in the field of Special Education, 12-13 November 2012;
- Conference on "Improving Skills: Evidence from secondary analysis of international surveys", 15-16 November 2012;
- Ministerial Council on Education, Culture, Youth, Audiovisual and Sports, Brussels, 22-23 November 2012;
- Informal Conference of European Ministers of Education (Oslo, Norway), 9-11 December 2012;
- Meeting of the Education Committee, 3-4 December 2012