

ETF GOVERNING BOARD MEETING 22 NOVEMBER 2011

MINUTES

1. Introduction

The meeting of the ETF Governing Board was held in Turin on 22 November 2011 and chaired by Jan Truszczyński, Director General for Education and Culture at the European Commission.

New members of the Board from Cyprus (Elias Margadjis, member and Panayiota Shiakalli, alternate), were welcomed. The observers from the partner countries, Salih Çelik (Turkey), Namig Mammadov (Azerbaijan) and Abdalla Ahmad Mustafa (Jordan) attended the meeting. All the independent experts nominated by the European Parliament, Stamatis Paleocrassas, Sara Parkin and Jean-François Mezières were present. Commission officials Gerhard Schuman-Hitzler (Director, DG Enlargement), Hjordis Ogendo (DG DEVCO), Joao Delgado (Head of Unit, DG Education and Culture), Isabelle Mazingant (DG Education and Culture) and Frédérique Rychener (DG Employment, Social Affairs and Inclusion) also attended. Miriam Brewka Pino represented the European External Action Service. Pasqualino Mare represented the ETF staff committee.

Ireland, Greece, Luxembourg, Malta, Slovenia, Romania, Sweden and UK were not represented at the meeting.

2. Adoption of the agenda

On a proposal from the ETF, the chair requested the inclusion of a new point for adoption on the agenda: the ETF Amending Budget 2011.

The agenda was adopted by the Board with this modification.

3. Follow-up to previous meeting

i. Minutes of previous meeting

The minutes of the previous meeting held on 15 June 2010 were adopted with changes on p.2 amending the timeframe for implementation of Commission recommendations on education policy to 12-18 months.

ii. Follow up on action points and written procedures

Xavier Matheu de Cortada, ETF presented the actions carried out as a follow up to the June 2011 meeting:

- The ETF will provide brief descriptions of the activities carried out in the partner countries in the 2011 Annual Activity Report;
- Pat Hayden, the Irish GB representative took part in the selection panel for the ETF deputy director, as an observer;
- The ETF provided the ETF Governing Board members with access to the Dashboard;
- The structure of the Board meeting was adjusted to allow more time for discussion during the informal meeting.
- Written procedures were carried out successfully on the following issues:
 - Implementing provisions on part time work and Implementing provisions on leave (02/05/2011-23/05/2011);
 - ETF Rules of Procedure (18/10/2011-08/11/2011);

4. Oral reports

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

João Delgado, Head of unit, DG Education and Culture presented the latest developments in the area of vocational education and training.

Bruges Communiqué and short-term deliverables

The last review of the Copenhagen process took place during the ministerial meeting in Bruges in December 2010 when the ministers adopted the Bruges communiqué. The document proposes the definition of 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 on how VET can support the Europe 2020 Strategy. At the same time, the Bruges communiqué includes a global vision for VET until 2020.

The Commission and the EU member states are committed to the following priorities:

- In many countries VET has an image problem and the Commission and Member States believe that VET can be made more attractive by improving quality, increasing relevance and ensuring better permeability and career perspectives. Campaigns to improve its image are also appreciated, e.g. skills competitions like the World skills event in London. It is also important that training is organised more flexibly so that more adults can participate in lifelong learning by 2020. A call for more “permeability” has also been made in the Communication on the modernisation of Europe's higher education;
- 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 more systematically so that learning outcomes become a reality and an effective tool for mobility. Transnational mobility is also high in the agenda, in line with the Youth on the Move initiative.
- VET has also an important role to play in relation to creativity, innovation and entrepreneurship. In the context of a modern economy, it is crucial to understand these concepts in a broad sense: the issue of creative and entrepreneurial mindsets is relevant to employees in all kinds of positions and should therefore also be part of the competence profile of teachers and trainers. In this area the Commission thinks that there is still a lot of work to be done at all levels.

- In order to contribute to social inclusion, VET systems themselves must be inclusive. This does not mean only openness and easy access, but also adequate support to those who are at risk of dropping out. Another important angle to equity and social cohesion links this issue to excellence: a VET system which provides real opportunities to upward social mobility makes the strongest contribution to overall equity in society.

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.

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 involved countries and promotes VET.

Brief overview of the multiannual financial framework and the new education and training programme Erasmus for All (2014-2020)

The Multiannual 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 2007-2013).

This new programme 'Erasmus for All' 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 and the international aspects of higher education programmes, including Erasmus Mundus, and Youth in Action and will incorporate existing international programmes such as Tempus, Alfa and Edulink and the cooperation programmes with industrialised countries. This will help students and universities to overcome the difficulties they face in accessing information on Europe's higher education opportunities and will help to make EU higher education more visible globally.

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 to implement effective policies.

Last developments with EU neighbouring countries

The recent events in the southern Mediterranean countries 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 1150 and the planned budget for 2012 and 2013 was set at €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 countries will be reinforced with a budget of €1 million in 2012 and €1 million in 2013. As regards the Eastern neighbourhood, ETF activities may be integrated in the 2012-13 work programme of Platform 4.

Gerhard Schumann Hitzler, Director, DG Enlargement presented the latest developments in EU Enlargement policies.

2011 was a successful year for the enlargement agenda. On 12 October 2011, the Commission presented the Annual Progress Reports and its enlargement strategy where the following elements were highlighted:

Accession negotiations with **Croatia** were concluded and preparations are being made for possible accession on 1 July 2013. The Accession Treaty will be signed early in December, under the Polish Presidency.

Last year, **Montenegro** was granted candidate status, moving one level up from potential candidate status. The Council decided to consider opening the accession negotiations, once the Commission is satisfied that progress has been made in some areas.

Iceland is progressing well, negotiations are on track and moving relatively fast. However, the Icelandic public might express its dissatisfaction with the results of the negotiations in the referendum before accession.

Serbia has made considerable progress in cooperation with the ICTY and regional reconciliation. The Commission has recommended Serbia for candidate status and the decision now lies with the European Council. One of the remaining issues to be resolved is the relationship with Kosovo¹. Five EU Member states do not recognise Kosovo's declaration of independence and this will have an impact on the Council's decision in December.

A slowdown has been noted in the pace of reforms in **Turkey** as well as in accession negotiations. The Commission has proposed a new positive agenda for Turkey to take practical measures to overcome some of the difficulties in the relationship. Recently there have been further tensions between Turkey and Cyprus regarding oil and gas exploration around the island. The signals received from Turkey are mixed, although the majority are positive and demonstrate a willingness to come closer to the EU. In parallel however, Turkey is doing very well economically and is an active political actor in the region. There is hope that the positive agenda will have a positive impact on the relationship between the EU and Turkey.

For the **former Yugoslav Republic of Macedonia**, the Commission still considers that is time to open the negotiations. The motivation for reform diminished over the last years and there is still a need to address the issues of independence of justice, public administration reform and fight against corruption. One stumbling block is the country's name as a compromise with Greece has still not been reached.

The political and institutional deadlock which prevented **Bosnia and Herzegovina** from agreeing the necessary legal, political and economic reforms and bringing the country closer to EU has continued. The difficulties are at state level in forming a government and there is a major need for institutional reform.

As regards **Albania**, little progress has been made recently, with the exception of the adoption of the first law under the new majority of 3/5 rule by the parliament in November. This is the first step in the reforms that are vital for the Albanian economy.

After the elections in **Kosovo** limited progress has been made in the reform agenda. The new institutions are committed to European integration but they have to work hard to combat organised

¹ Kosovo (under UNSCR 1244/1999), henceforth 'Kosovo'

crime and corruption. Judicial reform is also necessary. One of the main issues is the relationship with Serbia. The Commission has recommended a pragmatic approach.

Financial instruments

At present, the Commission is preparing proposals for the nine instruments for external action for adoption on 7 December. One such proposal concerns the financial instrument covering the enlargement area. This proposal includes a link to the EU 2020 Strategy and the enlargement countries are expected to work to achieve the proposed targets. In this context, the ETF becomes an even more valuable partner for the Commission.

The main changes compared to the current instrument are as follows: financial assistance will be granted to both candidate and potential candidate countries under the same conditions; comprehensive country strategies will be introduced and cover the needs of the country from a global perspective and all policy areas; introduction of a multi-annual approach, long-term policy planning; support given to countries to co-finance the reforms and sector policies rather than through the financing of individual projects.

Hjordis D'Agostino Ogendo, Head of Sector, DG DEVCO presented the latest developments on the EU development policy

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 achieving 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 are: 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. Improving coordination and cooperation between the EU and its Member States is another target, as are 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 EU development policy objective of job creation. The Communication that also has a target of 20% of EU aid should go to support for social inclusion and human development. The Communication will be discussed in the Council's working groups and the Council Conclusions are expected to be adopted in 2012.

The **Spring programme** is about supporting partnership, reform and inclusive growth and was adopted by the European Commission in September 2011, making funds for the partner countries available; the total budget is €350 million, €65 million in 2011 and €285 million in 2012. Priority will be given to on-going activities, but new initiatives will be identified by EU Delegations, EU Member States together with the partner countries and other stakeholders, including international organisations. The initiatives will be prepared by the European Commission in agreement with the External Action Service (EEAS) and will focus on promoting sustainable democracy, reforming institutions and promoting sustainable, inclusive growth and economic development. The activities might include skills development, capacity building, training, support for social partners.

In 2011, €20 million was allocated for Tunisia. As regards skills development, TVET or youth employment, Morocco, Egypt and Jordan their interest in being involved.

The EU and TVET in the external dimension. Around €600 million have been committed for TVET, skills development projects and programmes in the period 2007-10. The Commission will continue mapping the situation and will increase its effort to show impact and results of EU interventions also by setting up an efficient monitoring and evaluation system.

Miriam Brewka, representing the **European External Action Service** presented the latest developments on Neighbourhood policy.

Important policy developments were outlined in the Joint Communication "A response to a changing neighbourhood, aiming at revitalising the European Neighbourhood Policy (ENP) and strengthening

individual and regional relationships between the EU and its neighbourhood. The new approach is based on the principle of “*more for more*” or “more funds for more reforms”, meaning that more funds will be available for countries engaging in political, democratic and economic reforms.

Additional allocations were provided for the countries in the Neighbourhood, in the period 2011-14, including €85 million for 2011, €395 million for 2012 and €270 million for 2013.

Of this, €100 million are to support a stronger partnership with people from all the neighbourhood countries. All actions related to *people-to-people* do not fall under the principle of “more for more”, such as actions supporting the civil society partnerships, human rights and democracy.

In 2011, the EEAS together with DG DEVCO developed the SPRING Programme, an umbrella programme for the countries from the Neighbourhood South. A similar programme for Neighbourhood East will be prepared in 2012. In 2011, more than 1000 additional scholarships were funded and the support under the Erasmus Mundus scheme; support to foster learning mobility will be increased in 2012, as well as regards the Tempus Programme and Youth for Action. Work was on-going to set up a Civil Society Facility and a the European Endowment for Democracy.

Increased **mobility** forms an important part of the offer under the revised ENP. Relations in this context are more advanced with the Eastern Neighbourhood countries. A Commission Communication on increased cooperation in the area of justice, freedom, and security was adopted ahead of the Warsaw Eastern Partnership Summit this year. Proposals for visa facilitation have been made for Armenia and Azerbaijan; discussions on visa liberalisation are ongoing with Ukraine and the Republic of Moldova, while reflections on opening a visa dialogue with Georgia have begun. A new political declaration on a mobility partnership with Armenia was adopted in October.

In the southern Neighbourhood, the mobility partnership concept started to be developed based on experience in the east and a Dialogue on Migration, Mobility and Security was initiated with Tunisia and Morocco in October. Egypt is also on the agenda, pending political developments. Possible additional candidates for such a dialogue are Libya and Jordan. Mobility partnerships include visa facilitation for the first time for the countries of the southern Mediterranean.

The Commission adopted the Communication on a Global Approach to Migration and Mobility which is the new strategic framework for EU external policy in the area of migration, where the ETF will also play a role.

The ETF is already involved in the Mobility Partnership in the Republic of Moldova, in the project on skills and migration and is likely to also be involved in the new arrangements with Tunisia, Morocco and other countries.

Several developments were registered in the area of **trade**, including preparations for the launch of negotiations with Georgia and the Republic of Moldova for deep and comprehensive free trade agreements (to be started when the necessary conditions are met). Negotiations with Ukraine for a new Association Agreement, which is the legal basis of cooperation between the EU and Ukraine covering all policy areas, are on the point of being concluded.

In the south, preparations for deep comprehensive free trade agreements with Morocco, Tunisia, Egypt and Jordan were being made. Morocco and Jordan are already benefiting from an “advanced status” and a detailed ENP action plan is being negotiated with Morocco. Negotiations have been re-launched for a privileged partnership with Tunisia.

The EU-**Tunisia** task force meeting was held in September just before the elections. The EU offers its support provided there is a will for reform and democracy. In this context, €60 million will be allocated to an employment programme and €20 million for a reform of the justice system.

On 14 November, High Representative Catherine Ashton visited **Libya** to open the EU Delegation office in Tripoli and attend a conference on women’s rights. Libya is currently focusing its efforts on reconstruction and the ETF will be involved at a later stage. The current planning in terms of budgetary support are €2.5 million for education, €3.1 million for civil society, €5.5 million for public administration through capacity building. A major project was being prepared support communities at risk and to

stabilise migration inside and outside Libya. The EU is also ready to support the organisation of elections in the near future.

In Warsaw, at the end of September the **Eastern Partnership Summit** was organised involving the heads of states and governments of the partner countries from the Eastern Neighbourhood. Ukraine, the Republic of Moldova and Georgia expressed a clear desire to benefit from a stronger European perspective. Belarus did not attend the meeting and a Joint Declaration between the EU and its partner countries on the violation of human rights in Belarus was not adopted.

Frédérique Rychener, representing DG Employment updated the Board on what the Commission is doing with the ETF in the field of employment.

In the southern Mediterranean, the ETF is cooperating with DG Employment, Social Affairs and Inclusion (DG EMPL) to provide expertise and support for the organisation of the Union for Mediterranean ministers of labour meeting, Social Partner Forum (to be organised in mid-December) and the high level group meeting (February 2012).

In the Eastern Partnership region, DG EMPL and the ETF co-organised the regional conference 'Trends and Challenges of Labour Markets and Employability of Human Capital in the Six Eastern Partners' (Odessa, October 2010). ETF input was based on a series of country-level labour market studies and a cross-country analysis. Work continues under the framework of the Eastern Partnership Platform. A draft work programme was put forward for discussion at its plenary meeting in October. The ETF will be involved in the activities of the Platform as one of the priorities indicated by the partner countries is anticipating and matching skills.

As regards the Enlargement area, DG EMPL continued to cooperate with the ETF on the HRD reviews in the candidate countries. Debates and discussions with the countries will be organised in 2012. Further cooperation will be based on the structure of the new IPA.

The Chair opened the floor for the debates.

Micheline Scheys (Belgium) asked for clarification on DG DEVCO's statement on the possible achievement of targets on EU support for social inclusion and human development. Mrs Ogendo explained that the definition of social inclusion and human development are very wide and cover many aspects. She gave the example of the EU-financed projects in Latin America and Asia where the target of 20% of aid has already been achieved.

Alberto Cutillo (Italy) thanked the representatives of the Commission for their presentations and requested further details about the €1 million per year in 2012 and 2013 to be allotted to ETF. Mr Delgado confirmed that the ETF will receive this additional budget but will be subject with a direct contract with the European Commission.

Maurice Mezel (France) thanked the representatives of the Commission for their presentations congratulated the ETF on the extent of its contribution to the Commission's work. He informed the Board members about a series of events that took place in Morocco, involving 150 representatives of social partners from 12 countries, southern Mediterranean countries and EU member states, to discuss the issue of governance in VET.

Nuno Pestana (Portugal) asked the Commission representatives if there will be more financial resources to expand the mobility of the students under the new programme for work-based learning and if the experience gained by the EU Member states in mobility actions like Leonardo da Vinci could be expanded to the neighbourhood countries. The Chairman explained that the programme, which will be adopted by the Commission shortly, is designed to overcome the existing fragmentation in the international exchange programme and includes a part dedicated to international learning exchanges between the EU and other countries, in particular the neighbouring countries. As regards mobility in VET, the intention is to increase it particularly among initial VET students, their trainers and teachers. Academic mobility is also increased and the Commission intends to better promote the EU offer, simplify the procedure and support the exchanges that are currently financed under Erasmus Mundus.

Juraj Vantuch (Slovakia) asked for clarification on the follow up sheets to be filled in by the EU member states on the Bruges short-term deliverables and Mr Delgado explained that Cedefop was working on this issue, which will be presented at the next ReferNet meeting.

The Chairman made a brief presentation of what has been done in the last months on the **External evaluation of the ETF**. The draft final report is about to be submitted by the evaluator and the steering group will meet on 1 December to check that their recommendations were taken into account. These referred to high quality standards, in-depth interpretation of data and findings collected and the information on the methods and data sources used and how they relate to each other. The Commission hopes that the report will be approved by the steering committee and the Chairman indicated that the document will be discussed at the next meeting of the Governing Board.

ii. Trends and developments at the ETF

Madlen Serban presented the activities carried out by the ETF since the last Governing Board meeting held on 15 June 2011.

The main topics addressed were better relations with key stakeholders and improved external communication, structured policy dialogue and subsequent capacity building in partner countries as well as improving internal efficiency of the ETF in terms of better quality and cost effectiveness.

The ETF and the European Parliament

The corporate conference on NQF was organised at the European Parliament on 6 and 7 October. The ETF was one of the four agencies (ETF, Cedefop, OSHA, Eurofound) that organised a joint seminar on "Youth and Employment. From education to the workplace", in Brussels on 30 June. At the same time, the ETF participated in the SME week exhibition at the European Parliament (6 October), contributed to the New Skills for Jobs seminar organised by the social democrats political group (19 October) and delivered a presentation on the ETF's work during the conference on the role of women in the democratisation process in North Africa (20 June) in cooperation with the FEMM and DEV committees.

The ETF contributed to the technical discussions and reports prepared in different committees of the European Parliament including: i) technical contribution to the Communication on the ENP, MEP Sylvana Rapti (30 June); ii) technical contribution to the EP Report on the implementation of the ENP, MEP Vincent Peillon (19 September); technical contribution to the EP Report on the implementation of the European Neighbourhood policy, MEP Mario David (30 June).

Representatives of the social democrats political group visited the ETF on 10 -11 October and MEP Panzeri attended the ETF conference on Euro Mediterranean Conference on Skills and Migration in Rome on 18 November.

The ETF and the European Commission

The ETF cooperated closely with the Commission services and on several occasions the ETF presented its work: e.g. work on migration to DG HOME, DG EMPL, DG DEVCO and EEAS (6-8 July); ETF activities in the ENP East and South to DG DEVCO (7 September). On 11 November, representatives of DG EAC visited the ETF, and the ETF was invited by the Commission to attend the meeting of the directors general for VET (26-27 September) and the ACVET meeting (14 November).

The ETF and the Council

At the invitation of the Hungarian Presidency, the ETF presented the Torino Process at the Education Committee meeting in Budapest (17 June). In cooperation with the Polish Presidency and the Polish Permanent Representation to the EU, the ETF organised a joint event on the "Development of Human Capital in the Context of the EU Neighbourhood Policy" (4 October).

The ETF and the Committee of Regions

Representatives of the Committee of Regions were invited and attended the ETF workshop organised in Tunisia (5 July, Tunis), the round-table on Multi-Level Governance (4 November, Turin) and the ETF

conference on governance and effective VET policies: the role of evidence-based policy making - a Torinet initiative (23-24 November, Turin).

The ETF and the European Social and Economic Committee (EESC)

The EESC invited the ETF to present its experience and work on migration during the Joint workshop between the EESC and the Civic Chamber of Russia (28 June) and during the public hearing on making post-VET more attractive (12 July). The External Relations Commission discussed the proposals made by the ETF for the 2012 Work Programme in view of future cooperation (29 June). Their representatives participated in the ETF corporate event on qualifications frameworks (6-7 October) and the ETF workshop in Tunisia (4 July).

The ETF and other EU agencies

The ETF and Cedefop developed an Action Plan for 2011 and staff from the two agencies participated in a series of activities including the ETF conference: "Qualifications frameworks, from concepts to implementation" (Brussels, 6-7 October), an ETF-Cedefop knowledge sharing seminar, (Thessaloniki, 24 June) and the Cedefop workshop on matching and anticipation of skills (Athens, 13-14 November).

The ETF is also cooperating with Eurofound and a Joint Action Plan for 2012 was agreed in July. The ETF was invited to attend the Eurofound event 'Social and economic impact of migration: Central and East-European perspectives', 17-18 November, Warsaw, Poland and the Eurofound Foundation Seminar Series 2011-12 'Improving working conditions: contribution to active ageing', Dublin, 7-9 November. A Eurofound representative participated in the July meeting of the Advisory Committee of the ETF social partnership project in ENP South.

The ETF also participated in the joint seminar of the four "Employment agencies" (Cedefop, Osha, Eurofound and ETF) on Youth and Employment (30 June 2011), organised with the support of the Employment Committee of the European Parliament.

Cooperation with EU Member State institutions

The ETF had very good cooperation with the Polish Presidency and participated in several meetings organised in this period. Madlen Serban thanked the Presidency for the cooperation developed and the support received during these months.

Strengthening relationships with institutions active in the field of human capital development through the participation of Governing Board members and other EU national experts in ETF events is one of the ETF's objectives. A number of Board members have participated in ETF events. Study visits/peer learning activities were organised in the EU member states (UK, France, Portugal, Austria, Netherlands, Finland) for representatives from ETF partner countries. The ETF also cooperated with institutions from the EU Member States, like AFD (France), British Council (UK), BIBB, GIZ and dvv international (Germany), ISFOL (Italy), COLO and CINOP (Netherlands), CNCP (France), Kulturkontakt (Austria), social partner organisations (Spain, Italy, France, etc.)

As regards **Italy**, the ETF benefited from support offered by several institutions and organisations. A high-level regional conference was organised at the Ministry of Foreign Affairs on 18 November on the skills dimension of migration in the Mediterranean area. Participants represented key government institutions and researchers from the region, and international organisations.

The ETF is also cooperating with ISFOL, the Italian research centre on labour market and vocational training issues. Further to institutional meetings in February and April 2011, the ETF benefited from the active contribution of senior experts in the Euro-Mediterranean regional qualifications project (Casablanca, 20-21 June) and the Moroccan national evaluation programme of the training system (Rabat, 27-28 June).

The ETF organised a workshop in July on gender concerns for business succession (especially career guidance and small business advisory services) for the Italian national confederation of handicrafts.

The ETF accompanied a delegation from northern Cyprus to visit the Politecnico di Torino. At the Uzbek University named Politecnico di Torino hosted the ETF workshop on NQF and international cooperation in Tashkent on 20 September.

Cooperation with international organisations

The ETF is cooperating with international organisations such as UNESCO, OECD, ILO, the European Investment Bank, the Asian Development Bank (all members of the inter-agency working group), the World Economic Forum - Global Education Initiative and the RCC Secretariat.

The ETF continues to participate in meetings of the inter-agency working group cooperation on VET and attended the Advisory Group meeting to prepare the 3rd World Congress on TVET (19 September, Paris).

Based on the Joint Action Plan for 2011 and 2012 agreed with the RCC Secretariat, Task Force Fostering and Building Human Capital in South Eastern Europe and ERI SEE, a series of activities were promoted jointly.

The ETF is co-chairing the working group on good practice on entrepreneurial learning with Deloitte under the framework of the World Economic Forum.

As regards cooperation with the OECD, the ETF was asked to support the preparation of the meeting of the Working Group on Human Capital under the OECD EURASIA Competitiveness Programme. The ETF attended the OECD conference 'Enterprise and competitiveness policies for Eastern Europe and the south Caucasus', 15-17 June, Prague and presented the findings of the SME Policy Analysis. The ETF also participated at the ministerial meeting jointly organised by OECD and RCC: "A 2020 Vision for South East Europe", Paris, 24 November.

Cooperation was initiated with the European Group on Public Administration (EGPA) and the ETF was invited to contribute to the Fourth Euro-Mediterranean Dialogue on Public Management, Morocco, 12-14 October. At the same time the EGPA representative actively contributed to discussions in the Round Table on Multi-Level Governance (Turin, 4 November), and the ETF conference on governance and effective VET policies: the role of evidence based policy making. A Torinet initiative, 23-24 November.

The ETF continued to share expertise with the Union for Mediterranean Secretariat and the Centre for Mediterranean Integration.

A number of international organisations have also been represented at ETF events.

Corporate events

Since the last meeting of the Governing Board, the ETF has organised the following events:

- Qualifications Frameworks - from concepts to implementation, European Parliament, Brussels, 6-7 October;
- Multi-level governance, roundtable, ETF, 4 November;
- Governance and effective VET policies: the role of evidence based policy making. A Torinet initiative, Turin, 23-24 November.

To prepare the 2012 round of the Torino Process, the ETF revised the analytical framework and support package, including the part on governance. The key objectives of the new exercise are to increase participation and ownership of the process and enhance the quality of evidence and analysis. For the candidate countries, reporting will include the Bruges Communiqué requirements. The principle is to ensure the convergence of Bruges/Torino reporting in the other partner countries.

Capacity building measures for evidence based policy making were launched in 10 countries, focusing on governance and institutional roles and responsibilities, policy/sector specific – quality, transition and synergy with other initiatives. The first network meeting took place in Turin on 23-24 November.

ETF activities in the Western Balkans and Turkey

A few examples of specific ETF activities developed in the Western Balkans countries and Turkey were presented: i) Preparation of IPA Multi-beneficiary project on social inclusion through education and training; ii) Mutual learning on activation policies, adult basic skills, post-secondary VET and quality

assurance through study visits, seminars and preparation of policy briefings, iii) Policy assessments of entrepreneurial learning and enterprise skills under the Small Business Act on-going in all countries; iv) Support on development of NQFs in Bosnia and Herzegovina, Croatia, Kosovo, Serbia and Turkey; v) Support for in-service teacher training in Montenegro, indicators and causes for school drop-out in Kosovo, matching in Croatia and vi) Agreement to support national strategy development in VET in Albania and the former Yugoslav Republic of Macedonia

ETF activities in the Southern Mediterranean

Following the political changes in the region, since the last meeting of the Board, the ETF developed a series of activities: i) Support to monitoring the emergency plan on employment and preparation of a regional development project in Tunisia; ii) Facilitation of debate on forthcoming national VET strategy and NQF in Morocco; iii) National conference on NQF in Lebanon in cooperation with the Italian Cooperation; iv) Support to the design of EU interventions in Algeria, Egypt and the occupied Palestinian territory. Activities in Syria are still on hold and the situation in Egypt continues to delay the preparation of the EU intervention in education and TVET.

The ETF also contributed to a series of developments and events such as: Euromed Industrial Cooperation working group (14-15 November) where the operationalisation of the Malta Ministerial Meeting was discussed and the ETF provided input on the skills dimension of sustainable development and training needs analysis; the ETF presented its experience on skills and migration during the EuroMed Summit of Economic and Social Committees (Istanbul, 16-17 November). Under the framework of the Mediterranean week organised by the Union for Mediterranean Secretariat (UfM) in Barcelona (21-25 November) the ETF presented the results of its work on human capital development in north Africa, education-business cooperation and women's entrepreneurship. Skills for SME's was among the topics discussed by the SME core group meeting organised by the UfM Secretariat, in Barcelona (21 November) attended by the ETF. The third review on employability was presented by the ETF during the High level EuroMed expert group on employment (21 November).

Activities in the Eastern Partnership and Central Asia

Self-assessment and external assessment of progress of SME policies and performance in Eastern Europe started in 2011. Four peer learning visits on continuing training were organised in Ukraine, Belarus, Russia and Armenia and the ETF organised a conference on the Validation of Non-Formal and Informal Learning in Chisinau (10-11 November) in the framework of Mobility Partnerships with the Republic of Moldova, Georgia and Armenia. During the international VET conference organised in Armenia, the ETF discussed the importance of VET for economic development with stakeholders. Workshops on NQF, quality assurance and governance were organised in the Republic of Moldova, Georgia, Russia and Ukraine. A pilot assessment of indicators for sustainable development in Eastern partnership countries was undertaken in a workshop the ETF organised in November.

As regards Central Asia, the following examples were mentioned: i) Support to EU VET projects in Kazakhstan and Turkmenistan; ii) Workshops on NQF in Uzbekistan, Entrepreneurial learning in Tajikistan, Work-based learning and Teacher Training in Kazakhstan, Adult learning in Kyrgyzstan; iii) Publication on school development in Central Asia almost finalised and iv) Transition from school to work survey launched in Kyrgyzstan as an instrument for evidence-based policy making.

Thematic expertise development

ETF thematic expertise is developed to support VET enhancement in the partner countries. The ETF has five communities of practice: i) qualifications and quality; ii) entrepreneurship and enterprise skills; iii) governance and lifelong learning, iv) VET social inclusion and equity and v) sustainable development.

The qualifications and quality team prepared the corporate conference on implementation arrangements of NQFs, the launch of the qualifications platform (6-7 October), and the study on institutional arrangements for NQFs. The 2011 inventory on NQF developments in the ETF partner countries has been finalised and support for the development of NQFs was offered to Croatia, Kosovo, Turkey, Ukraine.

The entrepreneurship and enterprise skills team supported the implementation of SBA assessments in the Eastern Partnership region and organised a conference on teacher training for entrepreneurial learning in Istanbul in June. The governance and lifelong learning team contributed to the preparation of the round table on multilevel governance in education and training (4 November) and supported the implementation of the social partnership project in the southern Mediterranean region.

The ETF disseminated the results of the women at work project at the Euromed Gender Equality Programme (EGEP) meeting on gender issues in the Mediterranean region. The sustainable development team hosted the workshop on 'Indicators on learning for sustainable development in vocational schools' (23-24 September).

The matching and anticipation of skills project set up an expert network, and is reviewing approaches for matching and anticipation of skills and preparing the methodological paper for measuring skill mismatch.

Learning in different contexts and vocational education and training is another project and includes the launch of a study on work-based learning policies and supply in ETF partner countries and a paper on formal and informal apprenticeships. The focus group on teachers and trainers composed by experts from the occupied Palestinian territory, Algeria, Kazakhstan and Belarus participated in a study visit to Austria in September and held a second meeting in Turin in October.

In the area of migration and skills, the ETF is focusing on updating and adapting its methodology to country contexts, launching surveys in Armenia, Georgia and Morocco and providing inputs to Commission Communications.

Court of Auditors

On 14-18 November, the ETF was audited by the Court of Auditors. Preliminary observations will be received after the Governing Board meeting.

ETF performance management framework

In 2011, the ETF is working on the further development of its performance management framework to improve and demonstrate its added value. Focusing on results, it is a framework for quality assurance for the whole organisation and takes a comprehensive approach, considering both quantitative and qualitative indicators. The performance management framework papers corroborated in the ETF quality management system are expected to be finalised in 2011 for implementation in 2012. An Annual Performance Report informs the Annual Activity Report and includes: a quality assessment on how the ETF performs according to its functions; a cost-effectiveness analysis of the outputs and their costs and an identification of the added-value and opportunities for improvement.

Human resources

The selection for the position of deputy director was finalised and the successful candidate is Shawn Mendes, the former Governing Board member representing Sweden. As regards the establishment plan, by 31 December 2011, the ETF estimates that 89 out of 96 posts will be filled. A total of 10 vacant posts are to be filled in 2012. Also, by 31 December 2011, the ETF estimates a total of 33 contract staff, 2 local staff, 1 seconded national expert. Distribution by department, gender and nationality was presented.

Budget transfers

The director presented a list of transfers carried out in 2011, in line with the recommendations of the Court of Auditors.

iii. Update on the Polish, Danish and Cyprus EU Presidencies

Danuta Czarnecka (Poland) presented the outcomes of the Polish presidency, indicating that activities in the field of education focused on the following priorities: education for mobility, modernisation of higher education and the mobility of students, doctoral candidates and staff.

The main events organised by the Polish Presidency were:

- Conference on Eastern Dimension of Mobility, Warsaw, 6-7 July;
- Summer Academy on 'Democracy at school' (accompanying event), Warsaw/Sulejówek 6-7 July;
- Seminar on "Examining Quality Culture in Higher Education Institutions", Brussels, 16 September;
- Marie Curie Researchers' Symposium "SCIENCE – Passion, Mission, Responsibilities", Warsaw, 26-27 September;
- Conference on Multilingual Competences for Professional and Social Success in Europe, Warsaw, 28-29 September;
- Meeting on development of human capital in the context of European Neighbourhood Policy (Representation of Poland to the EU, Brussels)
- 'Modernisation of higher education' conference, Sopot, 24-25 October

In the field of higher education, as co-chairman of the Bologna Process, the Polish Presidency worked with the upcoming Danish Presidency to prepare the communiqué of the next ministerial meeting to be organised in Bucharest in April 2012 and supported the organisation of the BFUG meetings.

Under the Presidency, the Council of Education adopted the following documents: Conclusions on modernisation of higher education, Conclusions on the language competences to enhance mobility, Conclusions on the benchmarks on learning mobility and the Resolution on renewed European agenda for adult learning. The Council held the policy debate on investing effectively in education and training in a time of crisis.

Hanna Dam (Denmark) briefly presented the priorities of the upcoming Danish Presidency whose overall objective is to promote the link and interplay between education and training and the labour market. This objective will be promoted in the context of the Europe 2020 Strategy and Education and Training 2020, including the Copenhagen-process.

The Danish Presidency activities in the area of education and youth will focus on promoting VET, business cooperation, attractiveness, innovation and skills development, education and entrepreneurship, as well as youth, creativity, innovation and active citizenship. During the Council meeting, the ministers will debate: The next generation of mobility programmes, Education and Training 2020 - next cycle of priorities (2011-14), benchmarks on employability, validation of non-formal and informal learning, focusing on facilitating frameworks and procedures for the validation of non-formal and in-formal learning by 2015; promoting systems for validation of non-formal and informal learning linked to national qualifications frameworks and learning outcomes and emphasising partnership building to enhance validation opportunities within and across all sectors.

The events to be organised are:

- 18-21 March 2012, Sorø, Youth conference on creativity, innovation and active citizenship;
- 24-25 April 2012, Copenhagen, VET conference, VET-business cooperation promoting new skills, innovation and growth;
- 9-11 May 2012, Copenhagen, higher education conference to mark 25th anniversary of Erasmus;
- 18-19 June 2012, Horsens, Conference on Education and Entrepreneurship.

A presentation of ETF activities to the Education Committee members will be organised in cooperation with the ETF and representatives from five partner countries: Tunisia, Morocco, Egypt, occupied Palestinian territory and Jordan will have the opportunity to participate in two events the Presidency is organising in the field of VET.

Panayiota Shiakalli (Cyprus) presented the priorities of the Cyprus Presidency of the Council of the European Union: solidarity-social dimension and Citizen's Europe. The Cypriot Presidency will deal with the multiannual financial framework, economic governance and the implementation of the EU 2020 Strategy, focusing on the Mediterranean dimension and supporting sustainable development.

As regards education and training, a key challenge will be to examine and reach agreement, together with the European Parliament, on the next generation of EU funded programmes in the fields of education, culture and youth. At the same time, monitoring the contribution of education, youth and culture to the *Europe 2020* strategy and its associated flagship initiatives and enhancing the EU role as a leading force on the Euro-Mediterranean scene will be followed.

Equity and respect for civic and human rights and sustainable development through the promotion of synergies, that tackle poverty and protect the vulnerable will be discussed. Under this framework, the Presidency will also consider equity and excellence in vocational education and training. Emphasis will be placed on transversal aspects, such as removing learning obstacles, promoting language learning, information and communication technologies, policy co-operation and mobility.

As regards higher education, the key element will be quality assurance. Discussions will be organised on topics including: franchise, financing, management of higher education and excellence in teaching.

Other priorities are linked with the need to increase participation in lifelong learning programmes in order to achieve, *inter alia*, qualitative and more equitable education and training systems to better match supply and demand of the labour market and social cohesion.

The main events of the Presidency in the area of education are:

- High level group meeting on education and training policy, 7-8 June 2012;
- Bologna Board Meeting, August 2012, organised in Bosnia and Herzegovina (tbc);
- Bologna Follow Up Group, 28-29 August 2012;
- Conference on Education (Literacy), 5-6 September 2012;
- Euro-Mediterranean Ministerial Meeting on Higher Education and Research (in collaboration with the Planning Bureau and the Ministry of Foreign Affairs), October 2012 (tbc);
- DG Meeting on Vocational Education and Training, November 2012, where the thematic areas for discussions are VET excellence (equity, permeability and mobility in VET, prepared by the Commission); taking stock of progress in VET after the Bruges Communiqué (prepared by Cedefop) and the role of VET in promoting social cohesion;
- Conference on VET for children with special needs, November 2012;
- The informal Ministerial Council for Education and Culture, 4-5 October 2012 on literacy, education and economy, monitoring the progress of the European Semester, vocational education and training (tbc), basic skills (tbc);
- The Presidency Conference on Lifelong Guidance will be held on 24 October 2012 and the plenary meeting of the European (ELGPN) will be held on 25-26 October 2012

The main documents on the Council agenda are: Co-decision between the Council and the European Parliament for the New Generation of Programmes; Council Conclusions for Equity and Excellence in Vocational Education and Training; Council Conclusions on Literacy; Council Resolutions or Conclusions with regard to solidarity, equity and civil rights in Education; possibility to raise other issues at the Council, based on the Commission programme.

5. ETF Work Programme 2012

Madlen Serban informed that the assumptions on which the Work Programme 2012 was prepared are the following: i) the subvention for the ETF from the EU budget in 2012 will be €20.247 million (the ETF requested €20.81 million); ii) the total number of posts in 2012 will be 135; and iii) the total available full-time equivalent staff in 2012 will be 129.5. The 2012 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. Planning is done following a cascading principle as well as a multi-dimensional one: geographical, functional and thematic. The context of ETF activities is shaped by the EU's external relations policies and internal approaches to education and training. The ETF's operations at country and regional levels are informed by the 2010 Torino Process and continuous dialogue with key stakeholders.

Xavier Matheu indicated that a total of 157 outputs are planned for 2012 and ETF operations are described in regional and country level documents. In each partner country an implementation plan operationalises the work. As regards thematic expertise development, ILP projects will continue on matching the demand and supply of skills and learning in different contexts, and the links between skills and migration. In 2012, the second round of Torino Process in all ETF partner countries will be carried out and the Torinet project will continue its activities in 11 partner countries. As regards corporate performance indicators, the Dashboard is used at corporate level supporting the preparation of quarterly progress reporting focussing on results, risks and corrective actions. In 2012, the ETF will contract an external evaluation of the implementation of the 2010-13 Mid-term Perspective together with ETF stakeholder satisfaction surveys. The ETF concluded annual action plans with Cedefop and Eurofound and also will cooperate with other agencies.

The subvention from the Community budget for 2012 is €20.247 million, of which 67% corresponds to Title 1, 8% to Title 2 and 25% to Title 3. As a centre of expertise, most Title 1 expenses are dedicated to expert provision to the partner countries and therefore 70% of the subvention is invested in operational activities, and 30% in overhead costs. The overall breakdown of the operational budget for 2012 is as follows: 30% for the Enlargement region, 22% for the southern Mediterranean, 18% for the Eastern Partnership, 10% for Central Asia, 14% for thematic expertise development and 6% for methodological development to support evidence-based policy making and knowledge management.

The Chair opened the floor for discussions.

Micheline Scheyns (Belgium) posed two questions: i) had the ETF taken into consideration the findings of the external evaluation in the drafting of the 2012 Work Programme; and ii) how the ETF will be able to manage its activities within the budget if the implementation of activities is affected by the political situation in Egypt, Syria, Tunisia and Libya. Madlen Serban explained that the ETF is represented in the steering group of the external evaluation and the draft report submitted helped to propose measures that should ensure a higher degree of efficiency and effectiveness of ETF activities at lower expense. As regards the management of the budget in accordance with the political situation, the ETF has envisaged transferring budget to countries in need from those countries where the political situation does not allow to implement activities on VET, like in the case of Syria.

György Szent-Leleky (Hungary) referred to the discussions in the informal meeting on the capacity building process and asked for an explanation of what ETF is doing in this area. Madlen Serban indicated that building capacity at institutional level is a very important part of ETF work and a section on governance of VET is included in Torino Process. Through Torinet and other activities, the ETF ensures capacity building for policy making purposes.

Micheline Scheyns requested more information on the preparation of the 2012 Work Programme. Madlen Serban explained that the first ideas and principles were presented during the meeting of the working group on the 2010 Annual Activity Report and the 2012 Work Programme in March. The first draft was presented at the June meeting of the Governing Board and was finalised in a structured dialogue with the Commission services. The ETF would like to maintain this approach as it allows better consultation with all the stakeholders.

The Governing Board approved the ETF 2012 Work Programme.

6. ETF 2012 Draft Budget

The Chairman informed the Board members that the figures presented for adoption are different from those approved by the budgetary authorities for the ETF. Commission services are aware of this situation and at the beginning of 2012 they will make transfers between the budgetary lines, and will bring the EU budget in line with what has been approved for the ETF.

Alastair Macphail (ETF) informed that the budget will be definitive only after the adoption of the EU budget, foreseen for 1 December 2011. The ETF has been informed that the budgetary authorities agreed a 1% linear cut on the budgets of all EU agencies. If this is confirmed, the ETF will ask the Board members to approve a revised budget via written procedure.

For 2012 budget, the ETF registered an increase of 2% of payment appropriations. The breakdown is as follow: €13,725,000 for title 1; €1,535,000 for title 2 and €4,987,000 for title 3. Details about the breakdown by title, the establishment plan, the budget distribution by region, function and themes were provided.

Madlen Serban explained that if the 1% cut is introduced, it will affect the activities and outputs planned. A total of 2.5 outputs will come from the Central Asia region and the rest from the Eastern Partnership region and Western Balkans. As regards titles 1 and 2, the ETF will reschedule the recruitment calendar and postpone some investments.

The chairman opened the floor for discussions.

Nuno Pestana (Portugal) asked for clarification regarding as regards the chapter 3.1. of the budget 'general publications'. Alastair Macphail explained that the ETF budget uses the same headings as the Commission budget and the specifications in the chapter on events are related to the organisation of workshops and conferences for which reports, leaflets, etc. are prepared.

Sara Parkin (independent expert of the European Parliament) appreciated the presentation and asked that presentations are made available before the meeting.

Maurice Mezel (France) asked for further details about the procedure for approving the budget if the 1% cut is applied. Madlen Serban explained that this will be done through a written procedure setting out the elements from the work programme to be cancelled.

The Governing Board adopted the 2012 ETF budget, taking note of the fact that the final figures for will be known once the Council and the European Parliament have finalised their decision on the overall EU budget.

7. Provisional draft estimate of revenue and expenditure and underlying the general guidelines 2013

Alastair Macphail (ETF) presented the draft estimate of revenue and expenditure, which are the first steps of the budgetary process. The ETF will submit the proposal to the Commission in February to be included in the 2013 draft budget.

As regards staffing, the ETF plans full employment by the end of 2012, equal to 133.5 full-time equivalents.

The Governing Board adopted the Provisional draft estimate of revenue and expenditure and underlying the general guidelines for 2013.

8. ETF amending budget 2011

Alastair Macphail (ETF) presented the amending budget for adoption. It is necessary for the ETF to record revenues from sources other than the Commission subvention as well as any budget transfers above 10%.

The ETF will register the revenues from the Italian Trust Fund. The number of transfers between budget lines in 2011 was quite low - only seven were made. The request for approval is based on savings made in Title 1 due to the staff related costs (late recruitment, salaries, etc.) that will be transferred to Title 2 for software development and Title 3 for the survey on migration and the organisation of two events.

The Governing Board adopted the ETF 2011 Amended Budget.

9. Cooperation agreements

- i **Protocol of cooperation between the ETF and the Kazakh Ministry of Education and Science**
- ii **Memorandum of Understanding between the ETF and the British Council**

Madlen Serban made a short introduction to the two documents submitted for the approval of the Board indicating that in the case of the Protocol of cooperation between the ETF and the Kazakh Ministry of Education and Science, the text sets out the priorities for cooperation in 2011-12 in relation to the implementation of the ETF work programme. The main objective is to implement the ETF Work Programme Kazakhstan and in 2012 to work together on the *Torino Process* with the view to supporting the reform of vocational education and training in the country.

As regards the Memorandum of Understanding between the ETF and the British Council, the two organisations have agreed to focus their cooperation in the field of vocational education and training and to promote the following joint activities: i) exchange of information on relevant issues related to vocational education and training, including project activities implemented in specific countries or at regional or sub-regional level; ii) Coordination and cooperation on specific thematic areas in an agreed number of countries where both organisations operate in the field of vocational education and training and where they have shared objectives; iii) Knowledge sharing on specific thematic areas such as quality assurance in vocational education and training, employer engagement, national qualifications frameworks, social inclusion, career guidance, entrepreneurship, forecasting and matching skills; and iv) Participation in international seminars and conferences organised by the two organisations.

Maurice Mezel (France) requested clarification on the partner in Kazakhstan since EU experience shows that there are multiple partners involved in vocational education and training. **The Chairman** explained that according to the ETF Regulation, the agency can enter in cooperation arrangements with different institutions, including those of partner countries. As long as the arrangements proposed by an agency of the EU are not excessive in number, do not put core business at risk and are in line with the objectives of the Work programme, there is no need for any additional decision making beyond the decision of the Governing Board. In the two cases all the conditions were met and the Commission issued a favourable opinion.

Madlen Serban informed that the Ministry of Education and Science is Kazakhstan is the contact institution for the activities the ETF is developing in the country.

The Governing Board adopted the two cooperation agreements

10. 2011 IAS audits at ETF

Xavier Matheu de Cortada gave a summary of the main outcomes of the activities conducted in 2011 at the ETF by the Internal Audit Service.

In April 2011, the IAS carried out an audit on external and internal communication. A copy of both the final IAS audit report and the final ETF action plan in response to IAS recommendations has been distributed to Board members. The objective of the audit engagement was to assess and provide independent assurance on the adequacy and effective application of the internal control system related to external and internal communication within ETF. Taking into consideration the defined objective and the scope of the exercise, the final audit opinion was satisfactory and stated that no findings or observations were made that would have given rise to critical or very important recommendations. A total of 14 recommendations issued, five on corporate communication, three on internal communication and six on compliance with rules for public procurement. The ETF has already started to implement actions in response to all audit recommendations. The audit themes for 2012 have not yet been planned by the IAS.

Gerhard Schuman Hitzler (DG Enlargement) proposed and it was accepted to refine the text of the outputs as regards the corporate communication, demonstrating that the impact is more and more relevant.

11. Any other business

Alastair Macphail presented the outcomes of the cost benchmarking exercise done by the European Court of Auditors on EU agencies, indicating the main findings: weaknesses in budget management of agencies, a significant proportion of human resources engaged in administrative duties, little uniformity in selection of staff grades for comparable posts, procurement and recruitment processes subject to long implementation timelines, high cost of governance models. For each of these findings the ETF situation was generally rather positive.

The Court of Auditors also issued recommendations, such as: zero-based agency budgets, evaluations on meeting key objectives, reducing internal administrative processes to cut bureaucracy, simplification of financial, procurement and staff regulations, shifting staff from administrative to operational duties, comparing administrative costs with peers, comparing staff grading for similar posts for future appointments, two-tier governance structures, central management of cash surpluses, seat agreements between agencies and their host member states.

The ETF comes out relatively well from the cost benchmarking. One issue to be dealt with is the costs of the Governing Board meetings. Annual translation and interpretation costs, for example, are €130,000 and €20,000 respectively.

The Chairman explained that this type of analysis is also being used by the Commission to improve different services. He proposed the establishment of an ad-hoc group to analyse how the operating costs of the Governing Board could be improved. The group could be composed of members of the troika and other interested members.

Alberto Cutillo (Italy) indicated that everybody pays attention to the importance of reducing costs, especially administrative ones, but stressed that the linguistic regime is a very important political issue and the ETF being an EU agency under the coordination of DG EAC which also deals with multilingualism should not have a restrictive linguistic regime. He supported the idea of a working group.

Maurice Mezel (France) congratulated the ETF for efforts made in reducing costs but considered that an EU agency should not take an initiative in a field like language regime, which is also applied in other EU institutions.

Ingrid Roosen Mueller (Germany) stressed that the Board should be extremely cautious when dealing with this subject but that it should be open to analyse costs and come up with proposals.

Micheline Scheys (Belgium) proposed to tackle the question with pragmatism rather than principles. **Boukje Spit (Netherlands)** agreed.

Karl Wieczorek (Austria) proposed a compromise, e.g. limiting translation to the key parts of documents.

Sara Parkin (independent expert European Parliament) suggested checking results and impact when analysing the costs, pointing out that that this analysis should be carried out carefully and could take into account the experience of other EU agencies.

György Szent-Leleky (Hungary) indicated that all the five languages used at present by the Board are equally important and the analysis should be done very carefully;

Danuta Czarnecka (Poland) supported the idea of creation of a working group to discuss this issue, involving the troika members and other volunteers, maybe up to five people.

Madlen Serban (ETF) stressed that the working group should not discuss only the linguistic regime but the governance costs in general, since this was the topic raised in the report prepared by the Court of Auditors.

The Chairman encouraged the establishment of the working group and suggested that the group may come up with proposals to be discussed during the next meeting of the Board.

Alberto Cutillo (Italy) pointed out that the mandate of any working group would need to be discussed and agreed by the Board and that for this reason the decision should be taken at the next meeting.

The Chairman said that in his opinion the Board should establish the ad-hoc working group composed by troika members and other volunteers as soon as possible. He asked the ETF to prepare a proposal of the mandate, formulated in a general way based on the findings from the report of the Court of Auditors to be distributed in written form to all the members of the Board.

Karl Wieczorek (Austria) asked for clarification as regards the type of costs the working group will have to look at. In his opinion the mandate of the group should be broader rather than narrower.

Hanna Dam (Denmark) indicated that that main topic for discussions is about the Board and its expenses.

Nuno Pestana (Portugal) asked for clarification as regards the status of the ECA report. Madlen Serban indicated that the document is not yet in the public domain but the important focus is on the figures and model of governance.

Maurice Mezel (France) expressed his preference for a troika working group with a broad mandate, studying all possible options to rationalise and bring the ETF to the average rate.

Madlen Serban (ETF) quoted the reference article from the GB Rules of Procedure which indicates that a chairperson should be nominated for each working group.

All members of the Board agreed that Hanna Dam (Denmark), as the representative of the EU Presidency in the first semester of 2012, would chair the group.

The Board members accepted the proposal of the chairman for establishing the working group that should analyse the costs of governance and look for ways of ensuring effectiveness. In December, the ETF will circulate a proposal on the tasks of the working group based on these discussions.

Danuta Czarnecka (Poland) summarised some recommendations from Board members: advance availability of presentations, documents for adoption to be discussed before the informal meeting during the morning session, and oral reports to be presented in the afternoon.

On behalf of the Board members, the Chair thanked Stamatios Paleocrassas, independent expert nominated by the European Parliament, for his activity in the Board of the ETF.

12. Date of next meeting

The next meeting of the Governing Board will be held in Turin on **15 June 2012**.

Follow up actions:

- The external evaluation report will be discussed at the next meeting of the Board;
- The ETF will request the approval for the revised ETF Budget 2012 and the ETF Work programme 2012 through written procedure if there are changes due to the approval of EU budget;
- A Governing Board working group on the ETF governance costs will be established and in December 2011 the ETF will circulate a draft proposal to the Board members;
- The structure of the Board meeting will be adjusted to allow the presentation and discussion of documents for adoption to be made before the informal meeting and the oral reports to be organised in the afternoon;
- Three days before the meeting, the ETF will make the presentations of documents for adoption available.