



# External Evaluation of the European Training Foundation (ETF)

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*Final Report by the EFECTIV Consortium*

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## Summary statement

The main evaluation conclusions and recommendations are summarized as follows. Firstly, the ETF effectively shapes the course of VET developments in partner countries although steps could be taken to further improve effectiveness in certain areas. Secondly, the capacity of partner countries to absorb ETF interventions varies and requires attention and tailoring. It is thus recommended that the ETF should do more to understand systematically where its interventions are likely to have most effect and how the nature of required activities may vary depending upon factors such as country size and general stage of development. It was additionally found that the Torino process has been a key and successful development for the ETF and many partner countries. The Torino framework should be used to identify the conditions needed for the success of interventions and thereby establish which interventions need to take place in which sequence to guarantee a greater chance of success. Furthermore, a gap exists between the high quality of ETF activities and the implementation and sustainability of subsequent policy reforms. The ETF and the EC should therefore work together to ensure more systematic links between ETF projects, and EU programming and technical assistance. Also, further steps should be taken to improve communication and coordination between the ETF and the EC, so that the ETF is clearer as to how the priorities of different DGs are to be balanced through a stronger focus on strategic issues in the process of preparing Work Programmes, and through better articulation by the ETF of its objectives at the strategic and detailed partner country levels. An additional point regard the ETF's new organisational arrangements, which is thought to have the potential to deliver benefits, though consideration should also be given to particular drawbacks. Lastly, there are no prima facie reasons for concluding there are major issues with the ETF's cost-effectiveness but some steps could be taken to improve efficiency.

## Table of Contents

1.0 Introduction .....	9
1.1 Purpose of the report.....	9
1.2 Overview of the evidence underpinning the evaluation.....	9
1.3 Challenges, limitations and solutions for the evaluation .....	10
1.4 Assessment of available data and information.....	11
1.4.1 Secondary information .....	11
1.4.2 Primary information .....	12
1.5 Structure of the Report .....	12
2.0 The ETF: context, intervention logic and operations.....	14
2.1 The ETF in its long-term context .....	14
2.2 ETF and its changing operation environment .....	14
2.2.1 External relations policies .....	15
2.2.2 EU internal policies .....	15
2.3 The ETF in practice.....	17
2.4 The ETF intervention logic, 2011-2014.....	18
2.5 Management and governance .....	20
2.5.1 Structure of the organisation 2011-14; a time to change .....	20
2.5.2 Views on the effect of organisational changes.....	23
2.5.3 Governance of the ETF .....	25
2.5.4 Accomplishment of Work Programmes.....	26
2.5.5 Monitoring .....	27
2.6 Conclusions .....	27
3.0 Positioning of the ETF: coherence and complementarity with other actors .....	29
3.1 Introduction .....	29
3.2 Coherence and complementarity with EU policies .....	30
3.3 Coherence and complementarity with the European Commission.....	32
3.4 Coherence and complementarity with EU Delegations .....	35
3.5 Coherence and complementarity with Member States and their aid agencies ...	37
3.6 Coherence and complementarity with international organisations .....	41
3.7 Coherence and complementarity with other EU agencies: Cedefop and Eurofound .....	42
3.7.1 Cooperation with Cedefop .....	43
3.7.2 Cooperation with Eurofound .....	45
3.8 Conclusion .....	46
4.0 Relevance to stakeholder needs .....	47
4.1 Identifying partner countries' needs: an important role for the Torino process ....	47
4.1.1 Effectiveness and efficiency of the Torino process .....	48
4.2 Extent to which partner country needs are met.....	50
4.1.3 Adaptation to changing needs .....	52
4.3 Conclusions .....	53
5.0 Effectiveness and impact.....	54
5.1 Budget and outputs.....	54
5.1.1 Budget overview.....	54
5.1.2 Overview of outputs.....	55
5.1.3 Quality of activities and the meeting of partner country needs.....	57
5.2 Effectiveness .....	58
5.2.1 SO1: Governance, systems and policy analysis.....	58

5.2.2 SO2: VET provision and quality assurance .....	62
5.2.3 SO3: Qualifications and qualifications systems .....	65
5.3.4 SO4: Entrepreneurial learning and enterprise skills .....	68
5.2.5 SO5: Labour market systems and skills for employability .....	72
5.3 Overview of effectiveness across the specific objectives .....	75
5.4 The effectiveness of regional interventions .....	78
5.5 The ETF in candidate countries .....	80
5.6 The GEMM and FRAME projects .....	81
5.6.1 Governance for Employability in the Mediterranean Region (GEMM) .....	81
Pilot Project in Tangier/Taitouan, Morocco: a study on the training needs in the logistics and automobile sector .....	83
5.6.2 Frame Skills for the Future (FRAME) .....	86
FRAME events in Bosnia and Herzegovina .....	88
5.7 Longer-term outcomes and impacts .....	90
5.8 Factors affecting ETF effectiveness .....	93
5.8.1 Obstacles to greater effectiveness and their mitigation .....	93
5.8.2 Factors accounting for ETF effectiveness .....	94
5.8.3 Does the ETF have more effectiveness and impact systematically in some countries? .....	95
5.9 Sustainability .....	99
5.10 Added value .....	101
5.11 Conclusions .....	103
6.0 Cost-effectiveness and efficiency .....	105
6.1 Introduction .....	105
6.2 Comparison of ETF to hypothetical alternatives .....	105
6.3 Comparison of the costs of the ETF and those of other EU agencies .....	110
6.3.1 Context for the comparative analysis .....	110
6.3.2 Balance of different types of expenditure .....	111
6.3.3 Balance of different types of staff .....	113
6.3.4 Proportion of staff within administrative functions .....	114
6.3.5 Costs of the ETF Governing Board .....	118
6.3.6 Overall findings from the comparison .....	119
6.4 Potential to improve the efficiency and cost-effectiveness of the ETF .....	120
6.5 Conclusions .....	123
7.0 Proposals for a new ETF intervention logic and for measuring the effect of ETF activities .....	125
7.1 Renewed intervention logic .....	125
7.2 System for measuring ETF effects .....	127
8.0 Conclusions and recommendations .....	130
8.1 Conclusions .....	130
8.1.1 Overall strategy and relevance .....	130
8.1.2 Coherence and complementarity .....	130
8.1.3 Effectiveness and impact .....	132
8.1.4 Efficiency and cost effectiveness .....	134
8.1.5 Added value .....	135
8.1.6 Exploitation and sustainability of results .....	136
8.2 Synthesis and recommendations .....	136
8.2.1 The ETF shapes the course of VET developments and could take steps to further improve effectiveness in certain areas .....	137
8.2.2 The capacity of partner countries to absorb ETF interventions varies and requires attention and tailoring .....	137

8.2.3 The Torino process has been a key and successful development for the ETF and many partner countries .....	138
8.2.4 A gap exists between the high quality of ETF activities and the implementation and sustainability of subsequent policy reforms.....	138
8.2.5 The complexities and uncertainties of the ETF's operating environment hamper efficiency and effectiveness but have not adversely affected the delivery of FRAME and GEMM .....	139
8.2.6 The ETF's new organisational arrangements have the potential to deliver benefits while disbenefits should be countered.....	140
8.2.7 There are no prima face reasons for concluding there are major issues with the ETF's cost-effectiveness but some steps could be taken to improve efficiency .....	140

### List of figures

Figure 2.1 - ETF revised intervention logic for the evaluation period, 2011-14 .....	19
Figure 2.2 - ETF organisation chart, 2010 .....	20
Figure 2.3 - ETF organisation chart, 01.01.11 to 31.12.14 .....	22
Figure 2.4 - ETF organisation chart, since 01.01.15 .....	23
Figure 2.5 - Survey responses on the efficiency and effectiveness of ETF governance arrangements .....	25
Figure 3.1 - Survey responses on the ETF complementarity with the European Commission .....	35
Figure 3.2 - Survey responses on the ETF complementarity with EU Delegations .....	37
Figure 3.3 - Survey responses on the ETF complementarity with EU Member States .....	41
Figure 3.4 - Survey responses on the ETF complementarity with international and multilateral organisations .....	42
Figure 4.1 - Survey responses on the effectiveness of the Torino Process in achieving its objectives .....	49
Figure 4.2 - Survey responses on the efficiency of the Torino Process in performing in the best possible way .....	50
Figure 4.3 - Partner country survey responses on the extent that ETF activities met the needs of their respective countries* .....	51
Figure 4.4 - Survey responses related to the specific needs that the ETF contributed to tackling through its activities during the period 2011-2014 .....	52
Figure 5.1 - Partner country survey responses on the assessment of the quality of the activities carried out by the ETF in their respective countries .....	57
Figure 5.2 - Survey responses on the ETF contribution to initial and continuing VET in the field of governance, systems and policy making (SO1).....	61
Figure 5.3 - Survey responses on the ETF contribution to initial and continuing VET in the field of VET provision and quality assurance (SO2) .....	63
Figure 5.4 - Survey responses on the ETF contribution to main developments of initial and continuing VET in your country in the field of qualifications and qualification systems (SO3) .....	67
Figure 5.5 - Survey responses on the ETF contribution to main developments of initial and continuing VET in your country in the field of entrepreneurial learning and enterprise skills (SO4) .....	70

Figure 5.6 - Survey responses on the ETF contribution to initial and continuing VET in the field of labour market information systems and skills for employability (SO5).....	73
Figure 5.7 - Extent of ETF contribution to developments in partner countries: specific objectives compared .....	76
Figure 5.8- Areas where ETF made a major contribution to developments.....	77
Figure 5.9 - Partner country respondents' views on the ETF contribution to outcomes and impacts .....	92
Figure 5.10 - Assessment by partner country survey respondents of the extent of the ETF's contribution to the development of VET systems based on effective policy making, implementation and review processes and involving relevant stakeholders, grouped according to partner country total population .....	97
Figure 5.11 - Assessment by partner country survey respondents of the extent of the ETF's contribution to the development of VET systems more focused on employability and responsive needs of the labour market, grouped according to partner country total population .....	98
Figure 5.12 - Assessment by partner country survey respondents of the extent of the ETF's contribution to sustainable developments in their countries, grouped according to partner country total population.....	98
Figure 5.13 - Survey responses on the extent of ETF contributions to sustainable developments in partner country countries.....	100
Figure 6.1 - Cost of Management Boards of EU agencies (Eur) .....	118
Figure 7.1 - Renewed intervention logic.....	126

**List of tables**

Table 2.1 The effect of the organisational structure introduced in 2011 on ETF efficiency, effectiveness and strategy : views of ETF staff and Governing Board survey respondents .....	24
Table 2.2 - Cancellations and postponements of corporate outputs 2011-2014.....	26
Table 3.1 - An overview of ETF objectives and activities by EU policy goal .....	30
Table 3.2 - Percentage breakdown of requests from EC services and the EU Delegations in the partner countries.....	33
Table 3.3 - Requests from EC services and the EU delegations in the partner countries. ....	33
Table 3.4 - Illustrative examples of ETF co-operation with EU Member State aid agencies (2014) .....	38
Table 3.5 - Example of ETF complementarity with other agencies and actions .....	39
Table 3.6 - Illustrative examples of ETF cooperation with Cedefop .....	44
Table 3.7 - Illustrative examples of ETF cooperation with Eurofound .....	45
Table 4.1 - Evolution of the Torino process .....	47
Table 4.2 - Example of the ETF activities under the Torino Process .....	48
Table 5.1 - An overview of the budget distribution according to the four main ETF functions .....	55
Table 5.2 - Total number of outputs completed and budget by operational objective, 2011-13 .....	55

Table 5.3 - Results and budget by operational objective, 2014 .....	56
Table 5.4 - Illustrative example of ETF activities in governance, systems and policy-making (SO1) .....	59
Table 5.5 - Partner country respondents' views on the types of support provided by the ETF in the field of governance, systems and policy making (SO1).....	62
Table 5.6 - Illustrative example of ETF activities in VET provision and quality assurance (SO2) .....	63
Table 5.7 - Partner country respondents' views on the types of support provided by the ETF in the field of VET provision and quality assurance (SO2).....	64
Table 5.8 - Illustrative examples of ETF activities in qualifications and qualifications systems (SO3) .....	65
Table 5.9 - Partner country respondents' views on the types of support provided by the ETF in the field of qualifications and qualification systems (SO3).....	68
Table 5.10 - Illustrative example of ETF activities in entrepreneurial learning and enterprise skills (SO4) .....	69
Table 5.11 - Illustrative example of activities supporting the development of entrepreneurial learning and enterprise skills .....	70
Table 5.12 - Partner country respondents' views on the types of support provided by the ETF in the field of entrepreneurial learning and enterprise skills (SO4).....	72
Table 5.13 - Illustrative example of ETF activities in labour market systems and skills for employability (SO5) .....	72
Table 5.14 - Partner country respondents' views on the types of support provided by the ETF in the field of labour market information systems and skills for employability (SO5) .....	74
Table 5.15 - Illustrative example of ETF activities developing labour market information systems and skills for employability .....	74
Table 5.16 - An illustrative example of the relevance of a GEMM pilot project to partner country needs .....	83
Table 5.17 - An illustrative example of challenges faced in the implementation of the pilot projects.....	85
Table 5.18 - An illustrative example on stakeholder participation in events .....	88
Table 5.19 An illustrative example of ETF impacts.....	90
Table 5.20 Two examples of the continuation, spread and multiplication of ETF interventions.....	101
Table 6.1 - Lessons from the relocation of Cedefop .....	106
Table 6.2 - Overview of five hypothetical alternative scenarios .....	108
Table 6.3 - Balance of expenditure in four decentralised agencies .....	112
Table 6.4 - Administrative expenditure per head of staff in four decentralised agencies.....	112
Table 6.5 - Balance of staff types in four decentralised agencies.....	114
Table 6.6 - Incidence of administrative staff for five decentralised agencies .....	117
Table 7.1 - Proposed indicators for measuring ETF effects.....	128

## 1.0 Introduction

### 1.1 Purpose of the report

Ecorys, as the leader of the EFECTIV<sup>1</sup> consortium, is pleased to submit this draft final report for the **external evaluation of the European Training Foundation (ETF)**<sup>2</sup>. The report builds on the Interim Report approved in March 2016. It is structured around the main evaluation criteria included in the evaluation framework, covering the evaluation questions included in the Terms of Reference on the basis of the information and data gathered through desk research, in-depth interviews, focus groups, workshops, surveys and in-depth case studies.

### 1.2 Overview of the evidence underpinning the evaluation

The findings in this report are based on evidence from a wide variety of sources:

- A comprehensive scoping phase including initial high level discussions (face-to-face in Brussels and Turin and also by telephone) to refine our proposed approach, including the intervention logic and evaluation framework, and to develop tools;
- Desk-based research to categorise, collect and process the relevant secondary and primary data, as well as to analyse ETF corporate performance indicators. This included a review of a number of documents (see the list of references in Annex IV), with special attention to the ETF programming and monitoring documents, available studies as well as previous evaluations;
- In-depth interviews with 39 stakeholders to gain insights from key ETF staff, EU stakeholders and beneficiaries and relevant EU and international institutions on the relevance, coherence and complementarity, effectiveness, efficiency and cost-effectiveness, added value and sustainability of the ETF, in order to provide a qualitative analysis around the research questions as well as to gain insights for the identification of criteria for the selection of the case studies;
- 1 focus group with the Governing Board (GB) members, to generate debate on strategic and operational issues related to the ETF mission and work;
- 1 presentation to the Governing Board (GB), to share a preliminary update on the progress and responses to the survey launched among ETF partner countries;
- 3 online surveys targeting three separate core stakeholder groups: ETF beneficiaries at partner country level, EU-level beneficiaries, and ETF staff. The objective of the surveys was to allow the collation of primarily quantitative, but also some qualitative, data on the impact of ETF activity, as well as supplying key quantitative evidence in relation to the evaluation questions and to gain insights for the identification of criteria for the selection of the case studies. A total of 266 respondents took part in the survey. The majority of responses (175 in total) were from ETF partner countries. Most of the partner country respondents represented a ministry or other public administrative body. There were 19 "EU level" responses to the survey and over half of these were from EU Delegations. A significant number of ETF staff members took part in the survey (55 in total), and 17 Governing Board members also contributed.

<sup>1</sup> Evaluation consortium For Education, Culture, Training and InnoVation

<sup>2</sup> Within the context of DG EAC framework contract for evaluation and evaluation-related services (EAC/22/2013).

- 5 case studies comprising 3 partner country studies (Georgia, Serbia and Tunisia), along with a regional study (Central Asia) and a study of the EC project and programming cycle (Egypt, Georgia and Jordan), although these latter two were also based upon country-level data of more general relevance to the evaluation;
- A public online consultation, although this generated only 9 responses and therefore has limited utility (see Annex XIV);
- A final synthesis and analysis stage, including an expert Delphi process, and producing Draft Final and Final Reports.

### **1.3 Challenges, limitations and solutions for the evaluation**

A number of challenges were encountered during the evaluation activities, mainly relating to the availability and typologies of data and information.

As the main general aspects, it is important to mention the following factors:

- Analysis of relevance and coherence. The operating environments in partner countries are often unstable, unpredictable and at times rapidly changing, leading to potential discontinuities. Moreover, the ETF's operating policy environment in terms of EU policy frameworks and the number and variety of EC services with which it works (including DGs and the EU Delegations) is also complex. The multiplicity of stakeholders and the heterogeneity of their political and strategic relations with the ETF implied the need for a specific focus on transparency and balance while analysing stakeholders' inputs to the evaluation questions. Moreover, this variety of actors could have led to potential misperceptions of the role of the ETF, e.g. it is still often thought of as a provider of technical assistance, and there are associated difficulties in explaining and promoting its advisory function as a centre of expertise. A clear understanding of the ETF mandate, mission and intervention logic were key to ensure the rigour and relevance of the evaluation's preliminary findings.
- Analysis of efficiency, effectiveness, impacts and added value. There is a dearth of reliable and rigorous quantitative data in partner countries to inform the evaluation. We therefore had to rely on the opinions of stakeholders in the assessment of ETF efficiency, effectiveness, impacts and added value<sup>3</sup>. Furthermore, in the inception phase, the evaluators were advised that, given the evaluation timeframe, it may be more difficult than usual to locate stakeholders who have remained in the field long enough to be able to make a reasonable judgement. To assist, the ETF provided a substantial contribution for the identification of key stakeholders and the provision of their contact details, which allowed the carrying out of a higher number of consultations than originally foreseen.
- Causality of the ETF intervention. The ETF works by providing expertise and advice to partner countries at systems level. It therefore becomes extremely difficult to make causal connections from ETF activities through changes in vocational education and training systems to effects on individuals. Not only are these causal chains likely to be affected by a large number of significant additional factors; we must also take into account the considerable length of time over which one could reasonably expect impacts to be registered (perhaps 5-10 years as a minimum).

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<sup>3</sup> Different stakeholders will have different opinions depending upon their relationship to the evaluation subject matter. See Annex XI for a discussion. Survey data from partner country respondents was also tested for major differences between types of respondent (ministry, other public authorities, social partners etc.) and none were found.

## **1.4 Assessment of available data and information**

Related to the above, the possibility to draw conclusions on the evaluation criteria and the extent to which the evaluation questions can be covered strongly depends on available data and other sources and their related informative capacity. The sections below present a reflection on the characteristics of the secondary and primary information used in the evaluation.

### **1.4.1 Secondary information**

Regarding the secondary information, the evaluation team had access to the following types of data sources and documents of the ETF:

- ETF Work Programmes
- ETF Mid-term Perspectives
- ETF Annual Activity Reports
- ETF internal monitoring systems including the “dashboard”, which supports ETF planning, monitoring, reporting functions, and allows for the preparation of quarterly monitoring reports and annual reports
- ETF indicators system, comprising annual operational and organisational performance indicators included in the annual Work Programmes
- ETF budgetary and financial data.

As far as the quality and informative capacity of these sources is concerned, the work programmes, mid-term perspectives and annual activity reports provided a good baseline to be commented and compared with the primary data collected through interviews and surveys. The reports are extensive, well-written, comprehensive sources of information that offered a good understanding of the complexities of the ETF work. They provided a comprehensive overview of ETF objectives and themes, and informed on their projects across the regions. They offered elaborated policy contexts and explained in detail their core initiatives such as the Torino Process.

It should be mentioned, however, that the method of reporting has evolved over the evaluation period. From 2011 to 2013, activities were listed by region as well as by function; from 2014 onwards they were no longer categorised in this way. Documents also no longer focused on reporting on planned outputs; instead the planned activities were presented in terms of evidence-based policy analysis, thematic developments, geographic operations and knowledge management. Similarly, the structure and contents of the annual reports differed significantly over the years.

Changes in terminology/classification of the information over time were reflected in the reports, sometimes making it difficult to locate certain pieces of information in order to reconstruct a time series of outputs and activities (i.e. the classification of outputs under areas of cross-regional activities-CRO, evidence-based policy making-EPB, thematic expertise development-TED, Communities of Practice-CoPs and Innovation and Learning Projects-ILPs).

Also noteworthy is that, between 2011 and 2013, the performance of the ETF was defined through the delivery of a specific number of annual corporate outputs (see Annex VII, VIII and IX). Under the new mid-term perspective of 2014-2017, this system was replaced by a performance-based system based on corporate results. Thus, no specific outputs were noted. As a result, it is not possible to determine the

manner in which ETF outputs changed over the entire evaluation period. Moreover, the level of details on specific outputs in the reports is limited, making it difficult to determine precisely what an activity entailed.

#### **1.4.2 Primary information**

Given the wide thematic and geographic spectrum of ETF interventions, in-depth interviews and focus groups were fundamental tools to gather primary information around the different evaluation criteria, particularly aspects related to the relevance of ETF actions, their effectiveness, the coordination and coherence with the actions promoted by other stakeholders and, to a lesser extent, organisational aspects.

Information related to efficiency presented challenges owing to the complex structure of the organisation, its uniqueness and specificity, which was not easily comparable to the functioning of other organisations, and also to the limited knowledge that external stakeholders have of these aspects.

Information gaps also exist with respect to impacts, sustainability and EU added value aspects. As anticipated in the scoping consultation, the analysis of the impact and added value of the ETF actions takes into account: (a) limitations related to the attribution of the effects to the ETF actions in a wide context where different actions are promoted by projects and interventions implemented by different actors; (b) the difficulty to identify the causality of the ETF actions on the broader aspects related to employment, sustainable development and the reduction of poverty; and (c) the heterogeneous picture in terms of administrative data availability at a partner country level. The collection of qualitative information on these criteria is key, given the lack of rigorous quantitative data to help establish causality of ETF actions in partner countries. The data from the survey helped to tackle this data gap as did the case studies.

### **1.5 Structure of the Report**

The Final Report presents the findings around the questions under the evaluation criteria. It analyses aspects related to the internal and external coherence, efficiency and cost-effectiveness of the organisation, as well as providing insights as to the effectiveness and added value of ETF activities. Issues of sustainability are touched upon, in addition to discussions on the effectiveness of the ETF at reaching its general objectives and impacts. Proposals are presented for a new intervention logic, as well as general recommendations for the improvement of ETF functionality in future programming periods.

The report is structured as follows:

1. **Chapter 1** provides an introduction to the report, including the main aims of the study, the main challenges and limitations encountered in the evaluation and the related solutions, and a presentation of the structure of the final report;
2. **Chapter 2** presents an analysis of the evolution of the ETF during the period 2011-2014, in terms of the positioning of the ETF in its long-term context, and the intervention logic agreed in the inception phase and used as a reference for the evaluation. An analysis is additionally presented of the management and governance structures of the organisation;

3. **Chapter 3** describes and analyses the positioning of the ETF in terms of coherence and complementarity with other actors;
4. **Chapter 4** identifies the relevance of the ETF to stakeholder needs. It discusses the identification of stakeholder needs through the Torino Process, the effectiveness and efficiency of the Torino Process as well as the extent to which partner country needs are met.
5. **Chapter 5** analyses the effectiveness and impact of ETF activities. It provides an overview of the budget and the corresponding annual outputs. It subsequently discusses the effectiveness of ETF activities across the five specific objectives. The effectiveness of ETF activities in candidate countries, the ETF regional approach to interventions and the specific FRAME and GEMM projects are presented along with a discussion of the longer-term outcomes and impacts of ETF interventions. The chapter highlights obstacles and success factors affecting the effectiveness of ETF and analyses the sustainability and added value of interventions.
6. **Chapter 6** presents the cost-effectiveness and efficiency of the organisation. It presents a number of hypothetical alternative situations, as well as comparing the costs of the ETF to those of other EU agencies. Recommendations are ultimately provided for the improvement of the efficiency and cost-effectiveness of the ETF.
7. **Chapter 7** proposes a new intervention logic and system for measuring the impact of the ETF.
8. **Chapter 8** presents the conclusions of the evaluation as well as the recommendations for the improvement of the functioning of the ETF.

## 2.0 The ETF: context, intervention logic and operations

This section provides the context for the evaluation, setting the scene in terms of how the ETF has evolved thus far, and also taking into account changes in its operating environment which have had an important bearing on how it functions. It also provides a description of the intervention logic that was constructed for the evaluation period 2011-14 and which provides an important foundation stone for the evaluation. It then goes on to examine issues of management and governance.

### 2.1 The ETF in its long-term context

The ETF was founded in the 1990s to provide support to countries in the EU's immediate "neighbourhood" to develop vocational education and training. Since that time, it has seen major shifts in the broader context in which it operates which have led to significant changes in its activities, keeping pace with the development of EU policy in both the external relations and vocational education and training fields. The ETF Regulation was changed in line with the shift in the logic of the EU external instruments and policies which became more policy driven - hence the addition to the ETF's portfolio of policy advice and support to the EU.

The first of these major changes was in the early 2000s when it successfully managed the transition from being a provider of technical assistance to becoming a centre of expertise, providing support for community external policies, which remains its overarching function.

More recently, in 2008, its founding Regulation was recast, shifting the objective of the organisation from contributing "to the development of the vocational training systems of the countries of Central and Eastern Europe"<sup>4</sup> to contributing "in the context of [a new generation of] EU external relations policies, to improving human capital development"<sup>5</sup>.

This constituted an important widening of the organisation's mandate, expanding the focus on training to encompass the concept of human capital development, and giving the ETF the mandate to assist partner countries to design, introduce and implement reforms "in education and training systems, in order to develop employability and labour market relevance" (Article 1) and "to promote knowledge and analysis of skills needs in national and local labour markets" (Article 2). Neither education nor labour markets were included in the ETF's original regulation.

Not only has it had to adapt its programme of activities to these changes, but it has also had to respond to the expansion of the base of partner countries that make up its "clientele". Indeed, while the ETF now works in 29 partner countries, the regulation allows the ETF to operate in all of the EU's partner countries if requested to do so and if resources are available.

### 2.2 ETF and its changing operation environment

<sup>4</sup> Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation

<sup>5</sup> Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation.

The ETF's operating environment remains dynamic and complex. Plotting the main features of this environment is essential to understand the ETF. At the policy level the ETF has regard to both internal and external EU policy. This environment is important because the ETF not only operates within it, but also learns from and contributes to it. Broadly, while external relations policies provide the economic and political context for the ETF, EU internal approaches to education and training provide reference points for partner countries. As the ETF supports its partner countries in reforming education, training and labour market systems, it draws on EU knowledge and experiences in the field of education and training.

### **2.2.1 External relations policies**

The external relations policies, that provide the framework within which the Foundation works, form very much a general context and do not refer directly to the ETF. Within the Instrument for Pre-accession Assistance, human resource development is one of five components of assistance; designed to support countries in policy development and to develop capacity to implement and manage EU funds, especially the ESF. The European Neighbourhood and Partnership Instrument makes very general provisions, while the Development Cooperation Instrument relating to activities in Central Asia establishes a financing instrument for development cooperation and states that one of the areas of cooperation is human capital development, emphasising, inter alia, reductions in inequalities in terms of access to education and reducing unemployment. Recent external relations framework documents also provide context for the ETF. Notably the Joint Communication "Partnership for democracy and shared prosperity with the Mediterranean"<sup>6</sup> highlights the need for vocational education and training to skill people for the labour market and to help reduce socio-economic disparities.

### **2.2.2 EU internal policies**

Alongside EU external relations policies, the ETF's work draws on EU policies where there is a political willingness and capacity to implement the approach in the partner countries, i.e. where they are relevant to the needs of the partner countries and there is a conducive policy environment. The internal aspect has been mainly, although not exclusively, concerned with vocational education and training policy and policy-making processes.

Given the evaluation timeframe, we should have particular regard to the European Commission's 2010 Communication 'A new impetus for vocational education and training'<sup>7</sup>. This highlighted the increasing awareness of common EU reference tools in partner countries, and their potential to contribute to transnational collaboration, regional development, and improvements in the management of legal skilled labour migration. The Communication emphasised that EU policy on vocational education and training should be subject to further policy dialogue and mutual learning with the international community, including third countries and relevant international

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<sup>6</sup> Joint Communication to the European Council, the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 8 March 2011 – A Partnership for democracy and shared prosperity with the Southern Mediterranean [COM(2011) 200 final – Not published in the Official Journal].

<sup>7</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 9 June 2010 – A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy [COM(2010) 296 final – Not published in the Official Journal].

organisations. In particular, it also suggested launching structured cooperation with neighbourhood countries and further extending co-operation with enlargement countries with ETF support.

EU vocational education and training policy sits within the framework of Education and Training 2020 and has been developed to contribute more to Europe 2020 and the European Semester to reflect the important role that vocational education and training should play in the broader goals of the Union. Indeed, human capital is a key aspect of Europe 2020. Its two human capital flagships, 'Youth on the move' and 'An agenda for new skills and jobs' were drawn on by the ETF during the evaluation timeframe to inform its work with partner countries.

Broadly speaking it is possible to see a shift in the focus of vocational education and training policy in recent years towards economic and employment goals. Vocational education and training has been increasingly prominent within individual Country-Specific Recommendations under the European Semester. Most recently, training and skills have been placed within the portfolio of the Commissioner of Employment, Social Affairs, Skills and Labour Mobility, and this has a direct bearing on the ETF which has moved as part of this shift. The evaluation should consider any repercussions this might have for the ETF in terms of the contribution of vocational education and training to employability and structural reforms in partner countries.

Within the EU, the Copenhagen-Bruges process has been the key vehicle through which Member States have developed shared objectives and sought to monitor their implementation. Since 2010 the ETF has employed a similar vehicle, the Torino process, through which it seeks to enhance the capacity of partner countries for evidence-based policy making. In general, EU policy has become 'increasingly relevant'<sup>8</sup> to partner countries. It has also played an important role in helping countries to transition into the Copenhagen-Bruges Process as they move from being in the EU's neighbourhood to becoming full members of the EU.

As indicated, vocational education and training is not the only relevant policy field in the internal EU aspects of the ETF's work. A good example of this is provided by the ETF's work in the field of entrepreneurial learning and enterprising skills which takes place in the framework of the EU Small Business Act and EuroMed Charter for Enterprises. The European Union's Small Business Act frames the EU's approach to supporting small business development, including the contribution human capital development. One of its key functions is to guide the development of indicators and assess the promotion of entrepreneurship in education. The ETF supports these assessments in the Western Balkans and Turkey. In the southern Mediterranean countries and as part of broader EU assistance, the ETF bases its support on the Euro-Mediterranean Enterprise Charter, focusing on the contribution that human capital development makes to business development. In addition, the ETF has made valuable contributions to work undertaken by the Commission to support the development of entrepreneurship education in Member States, working closely with both DG GROW and DG EAC and adding value in the initial stages of this work owing to its own expertise (e.g. the 'Budapest Agenda'<sup>9</sup>).

Other relevant policies are wide-ranging and include: the Stockholm programme<sup>10</sup>, the Danube Strategy<sup>11</sup>, and the priorities identified during EU Member State presidencies, which provide part of the broad framework within which the ETF operates.

<sup>8</sup> [http://www.etf.europa.eu/web.nsf/pages/EU\\_policy\\_environment\\_EN](http://www.etf.europa.eu/web.nsf/pages/EU_policy_environment_EN), accessed 31.03.15

<sup>9</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/files/education/budapest\\_agenda\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/files/education/budapest_agenda_en.pdf), accessed 02.04.15

<sup>10</sup> The Stockholm Strategy is the European Union's Roadmap for its work in the areas of justice, freedom and security between 2010 and 2014. It is the internal security strategy for the EU and influences the

## 2.3 The ETF in practice

Delivering the ETF mission is highly complex since the agency must weave together a number of policy threads and operationalise them to provide activities in countries that are developing and changing rapidly and which are sometimes politically unstable. How does it go about the task?

In general the agency seeks to provide support to partner countries by developing and encouraging policy learning processes in which countries learn from one another and adapt policies and practices to suit their own individual contexts. The agency acts as a centre of expertise, with assistance being provided by expert teams of ETF staff sometimes supplemented by external expertise. It draws on experiences in the EU and cooperates with other international bodies to identify good practices and to offer a blend of interventions on a country-by-country or multi-country basis. Once the ETF has worked with an individual partner country to make a comprehensive assessment of its needs it then identifies how those needs should be met, i.e. either by EU external assistance programmes and projects, and/or by the ETF and/or whether a need is already being addressed by other international or local actors<sup>12</sup>. Through its cooperation with the Commission and international bodies the agency seeks to ensure complementarity, added value and value for money. In short, the ETF has the complex task of working in the context of a variety of policy and programming frameworks whilst tailoring support to individual countries that are very diverse in their needs. In such a context, it is all the more noteworthy that the last evaluation found the ETF's flexible and responsive approach to the needs of individual countries to be highly valued, a finding confirmed by this evaluation

Nonetheless, making sense of its political environment represents an important challenge for the ETF. The last external evaluation of the ETF<sup>13</sup> revealed the need to clarify its hierarchy of objectives and indeed it is one of the tasks of the evaluation to propose a new intervention logic for the Foundation to disentangle the different types of objectives. There is also evidence that the ETF is still seeking effective ways to adopt the outputs-based approach to planning and reporting. This was called for by the Commission in its proposal for the operation of the ETF for 2008–13, with the last evaluation calling for the development of result-level indicators. The evaluation Terms of Reference also requested that the evaluation should suggest a system for measuring the impact of ETF interventions.

Perhaps at the core of these issues are the twin challenges of how the ETF chooses to organise and prioritise its objectives and to bundle together the wide range of activities at its disposal so that it can effectively and efficiently deliver and account for them. In this regard, three recent developments are important:

- The shift in the way objectives are formulated, as pointed out in the Terms of Reference, from the functional approach (what the agency does) to the thematic approach (what it aims to achieve).

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design and implementation of external policies of the EU. For more information, see: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3Aj0034>.

<sup>11</sup> The Danube Strategy defines the European Union's strategic approach to development in the Danube region. This includes Member States (Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Romania, Slovakia, Slovenia), Candidate Countries (Bosnia and Herzegovina, Montenegro, Serbia) and Neighbouring Countries (Moldova and Ukraine). The Strategy is relevant as the ETF is operational in five of these countries. For more information, see: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52010DC0715>.

<sup>12</sup> p. 27, ETF Work Programme, 2015

<sup>13</sup> PPMI (2012), External Evaluation of the European Training Foundation (ETF).

- The launch of the Torino process. Taking inspiration from the Copenhagen process for vocational education and training in the EU, the Torino process was launched in 2010 to enable partner countries to review the status and progress of vocational education and training. Partner countries participate in the review every two years. In 2012, 27 of 31 ETF partner countries took part, involving multiple stakeholders at different governance levels and functions. The process is also part of the feedback mechanism that enables the ETF to make recommendations regarding the EU's external assistance instruments.
- The advent in the latest Work Programme of what are termed "strategic projects". This represents an attempt to bundle the agency's diverse activities into "a limited number" of seven clusters to make the Foundation "more strategic and efficient"<sup>14</sup>. In 2014 there had been 50 different projects, which evidently would constitute an important management challenge for an organisation of this size.

## 2.4 The ETF intervention logic, 2011-2014

The changing environment and existing EU policy priorities have a special relevance for the work of the ETF. In order to see how the ETF operates in this context and to understand the rationale of its existence, an intervention logic is key to guide the evaluation process. Indeed, a well-designed intervention logic is one of the critical factors in a successful evaluation, providing an accurate and logical representation of the objectives of the ETF and its intended effects (outputs, expected results and impacts).

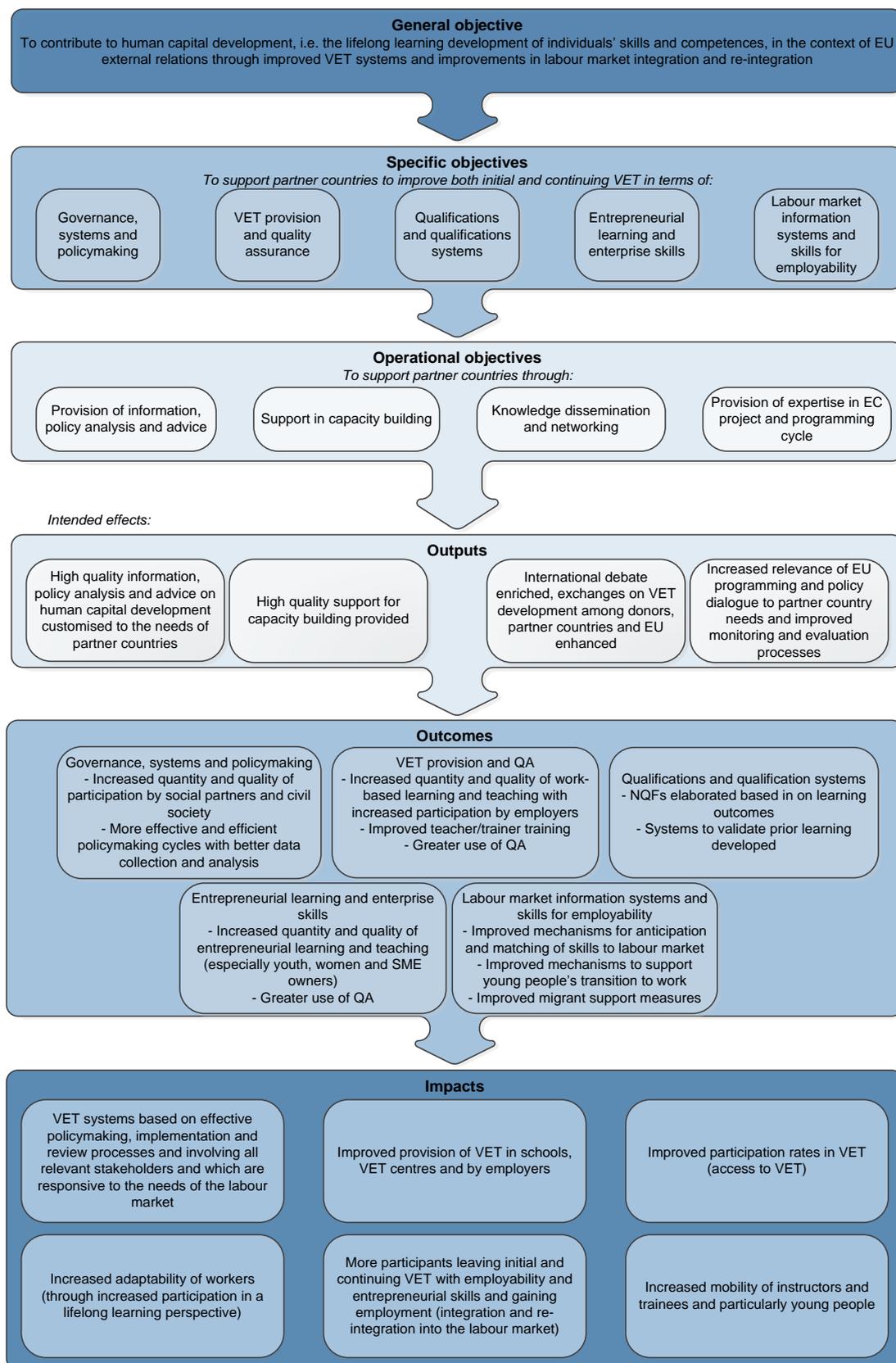
The ETF intervention logic shown below has been drawn up in consultation with ETF staff, EC officials and the Steering Committee and seeks to reconcile a number of different perspectives on what it should contain and how it should be structured. It has been reconstructed in order to serve the purposes of the evaluation and to cover the 2011-14 period when the ETF itself deployed a number of intervention logics at different points to best suit its needs.

In line with the Terms of Reference, a new revised intervention logic for the ETF is proposed at the end of this report. This is different to the logic presented below which represents the reality of ETF operations and objectives during 2011-14. The intervention logic in Figure 2.1 is robust for the purposes of the evaluation and comprises strong logic chains from the specific objectives, through the operational objectives to outputs and outcomes. There are clear relationships between the specific objectives and outcomes and the operational objectives and outputs. The weakest part of the intervention logic is the relationship between the general objective and the impacts. This issue is addressed in the new revised intervention logic presented in chapter 7.

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<sup>14</sup> p. 27, ETF Work Programme, 2015

**Figure 2.1 - ETF revised intervention logic for the evaluation period, 2011-14**



Source: Ecorys

## 2.5 Management and governance

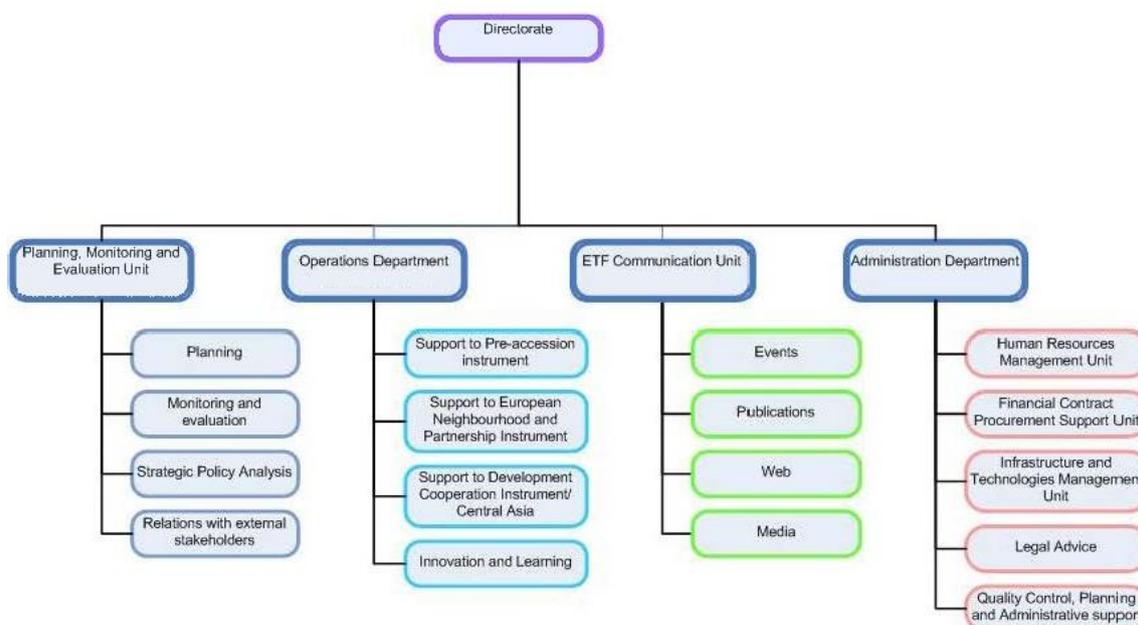
The purpose of this section is to provide an analysis of the management and governance of the ETF. As noted at the beginning of this report, 2011–14 was a time of significant change in the way in which the ETF organised its operations internally. This section provides an initial analysis of these changes and their effects. More detailed analysis is provided in chapter 6 where cost-effectiveness and efficiency are discussed.

### 2.5.1 Structure of the organisation 2011-14; a time to change

The balance between how to organise activities geographically, functionally and thematically has always been an issue for the ETF since it stopped being a technical assistance organisation. January 2011 saw the introduction of a new structure that ran until the end of 2014 when it was replaced by new arrangements. This structure pertained for the entire period covered by the evaluation, and a key evaluation question is the effect the new structure has had on the types of activities delivered by the organisation and their effects in partner countries.

Up until January 2011, there had been a single Operations Department organised into 3 geographical subunits in line with the main European instruments. There was a head of unit for each region, plus one unit responsible for the ETF's own innovation and learning programme intended to enable staff to propose and develop new areas of work (see Figure 2.2).

**Figure 2.2 - ETF organisation chart, 2010**



Source: *ETF Work Programme 2010*

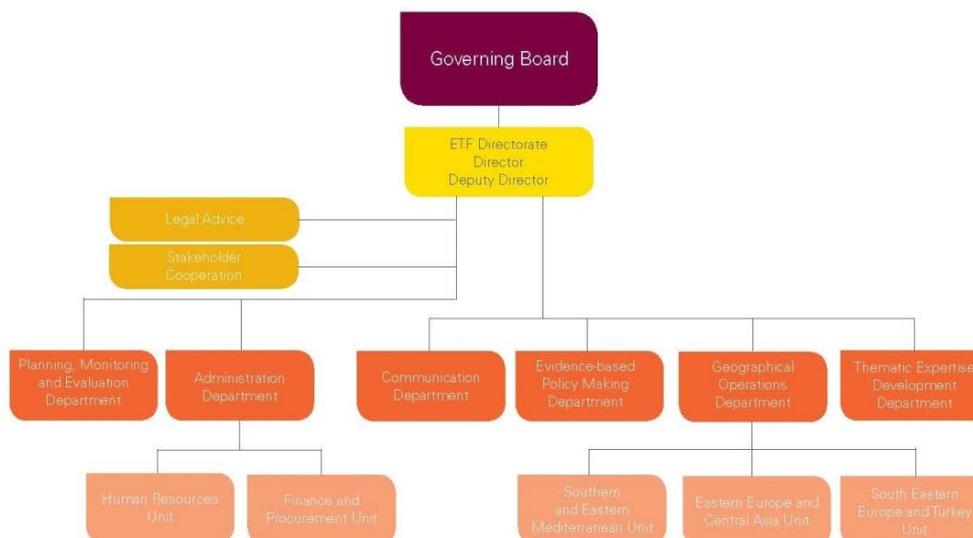
This structure had meant that the dominant way in which the ETF had organised its activities had been geographical. Country managers had played a key role in determining the focus of the organisation. It was argued that while this approach had

meant that the ETF was highly responsive to the needs of individual countries and regions, the number of projects it generated had been large and there had been an insufficient focus on corporate approaches, on having a range of tools and approaches that could be commonly applied to partner countries. Such tools would be advantageous in terms of efficiency and effectiveness. The approach had been, in essence, strongly "bottom-up", with the assistance provided to partner countries strongly influenced by the individual expertise of country managers. The structure had also led to insufficient pooling, sharing and development of expertise among staff, and although the innovation and learning programme had been intended to address this issue, a more thoroughgoing reform was deemed necessary.

The new structure introduced in 2011 (Figure 2.3), and which has been in operation throughout the period covered by the evaluation, established 3 operational departments: geographical operations; evidence-based policy making; and thematic expertise development. Through this structure it was hoped that equal importance would be attached to all 3 elements. The responsibilities of the Departments have been as follows:

- The **Evidence-based Policy Making Department** has been responsible for developing evidence-based corporate approaches and methodologies that can be used to support partner countries to develop their capacities to formulate, adopt, implement, monitor and assess their VET and employment-related policies. The Department has been focused on taking forward the Torino process, knowledge management, and donor relations.
- The **Thematic Expertise Development Department** has been responsible for leading the development of expertise in thematic areas defined according to country needs as identified through the Torino process and the EU policy context. The Department was intended to have a forward-looking approach so that it could think ahead of partner countries to see what they might need as they develop their systems. To provide an example, in 2013 the thematic expertise development projects concerned matching and anticipating skills, learning in different contexts, and migration and skills. The Department had a core team of 16 staff but sought to develop expertise in-house through communities of practice which could also include people from the Geographical Operations Department.
- The **Geographical Operations Department** remained the largest department under the new structure with roughly 40 people and around 80% of the operational budget (title 3). It has been responsible for defining, implementing, monitoring and reporting on the results of the annual work programme at country and regional levels.

Figure 2.3 - ETF organisation chart, 01.01.11 to 31.12.14



Source: Highlights 2014: an overview of ETF activities

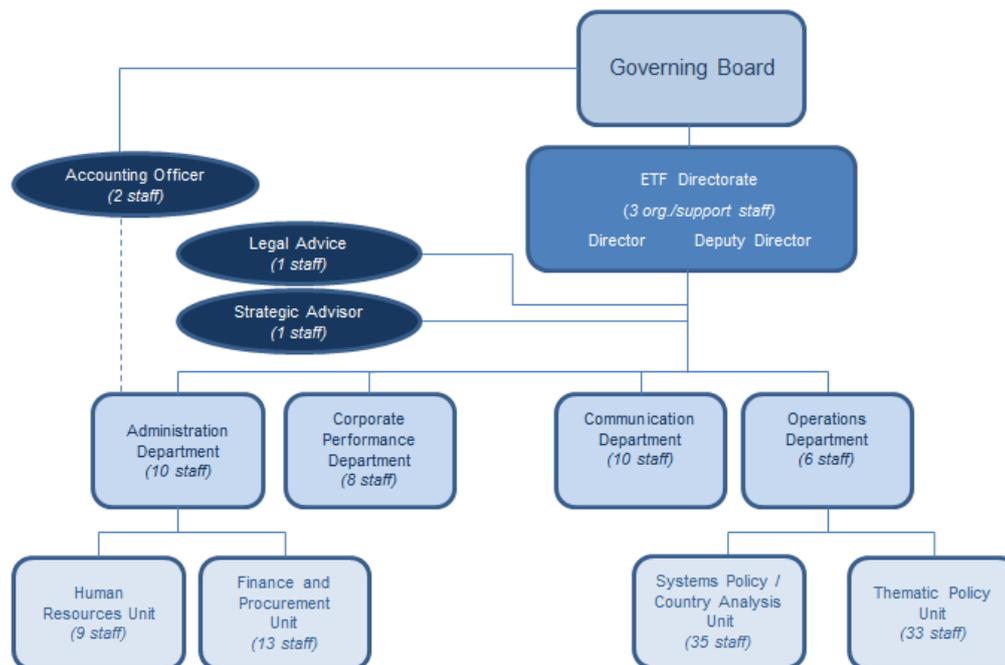
As already stated, this structure has now been replaced, as of 1 January 2015, with the structure shown in Figure 2.4. There is now a single Operations Department consisting of 2 units which are responsible for what are termed “strategic projects”, which are also cost centres. In effect this means activities are structured around themes which have been an important focus of the ETF on an increasingly systematic basis since 2013. Country managers have now been replaced by country desks. This represents an attempt to bundle activities into 7 clusters<sup>15</sup> to enable the ETF “to become more strategic and [to] increase [...] efficiency and effectiveness”<sup>16</sup>. Beyond support to EU external relations policy and assistance and the Torino Process policy analysis, there should be no more than 2-3 other strategic projects (activities) in any country. Despite the structure introduced in 2011, the ETF has still had a large number of activities, 50 in 2014, so the new structure represents a further attempt to address this issue.

It should be noted that planning for 2015 was still based on the previous structure. 2016 will be the first year when the new structure has an effect.

<sup>15</sup> Defined as “strategic projects”. Under the Work Programmes 2015-2016, these clusters are referred to as “activities”, according to the European Commission’s Single Programming template

<sup>16</sup> ETF Annual Activity Report, 2014

Figure 2.4 - ETF organisation chart, since 01.01.15



NB: staffing information is indicative.  
Source: ETF Work Programme 2015.

## 2.5.2 Views on the effect of organisational changes

The operational and organisational changes in the ETF structure are a reflection of the need for the agency to ensure both a thematic and a geographical perspective in its objectives and, despite diverging opinions on the relative importance of these two dimensions, the need for a bi-dimensionality was recognised by different stakeholders (mainly ETF staff, EU actors and international organisations).

ETF staff and Governing Board members were asked for their views on the effect of the changes organisational arrangements introduced in 2011<sup>17</sup>. As the figures below indicate, a majority of both staff and Governing Board members had a positive opinion of the changes in terms of their effects on efficiency, effectiveness and strategy. Across both groups of respondents, there was the opinion that the changes have impacted most positively on strategy, then effectiveness and then on efficiency.

<sup>17</sup> Other stakeholder groups were not asked this question in the online surveys since it was considered that they would not have sufficient knowledge to express a reliable opinion.

**Table 2.1 The effect of the organisational structure introduced in 2011 on ETF efficiency, effectiveness and strategy : views of ETF staff and Governing Board survey respondents**

	ETF GB	ETF staff
<b>Efficiency</b>		
<i>The organisation became less efficient</i>	0%	3%
<i>There was no effect on efficiency</i>	0%	29%
<i>The organisation became somewhat more efficient</i>	100%	61%
<i>The organisation became a lot more efficient</i>	0%	8%
<b>Effectiveness</b>		
<i>The organisation became less effective</i>	0%	0%
<i>There was no effect on effectiveness</i>	0%	26%
<i>The organisation became somewhat more effective</i>	80%	71%
<i>The organisation became a lot more effective</i>	20%	3%
<b>Strategy</b>		
<i>The organisation became less strategic</i>	0%	0%
<i>There was no effect on strategy</i>	0%	34%
<i>The organisation became somewhat more strategic</i>	50%	50%
<i>The organisation became a lot more strategic</i>	50%	16%

Source: Ecorys (ETF GB, N=10; ETF staff, N=38)

For their part, all Governing Board respondents expressed the view that the changes had had some degree of positive effect. ETF staff responses were more mixed: whilst the majority of respondents believe that there had been a positive effect on efficiency, effectiveness and strategy, one quarter to one third of respondents were of the opinion that the changes had had no effect.

These differences are informative for the evaluation: ETF staff are closest to the changes and whilst most see positive effects, sizeable minorities see no benefits in terms of the criteria used here. At the same time, the changes have been significant enough to be registered at Governing Board level where they have been perceived positively, especially in regard to strategy.

During interviews with ETF staff, when negative opinions were expressed about the changes, concerns were raised that responsiveness to partner countries might be reduced. Under the new arrangements there is less dependence upon individual country managers. Previously, country managers had much autonomy which gave them flexibility to be creative in how they responded to individual partner country needs, although it also meant that ETF support depended to some extent on the individual interests/expertise of country managers. The old arrangements also meant that country managers were responsible for organising everything in-country, which could be administratively burdensome. Under the new arrangements, there is therefore less burden with respect to organising events etc. in partner countries. However, there are also concerns that country needs will be less understood and hence the ETF will be less responsive.

Have such trends been noticed in partner countries? Evidence from the case studies shows that respondents have mostly not noticed any changes and when an opinion was expressed it was always in response to a question – respondents did not voluntarily raise the issue. When views were given, they tended to be mixed and often uncertain. For example, in Georgia, some respondents noted that before organisational changes ETF was more flexible, and accustomed to the specific needs of the country than with the current organisational setting. There was easier communication, and country managers had a deep and wide perspective of the

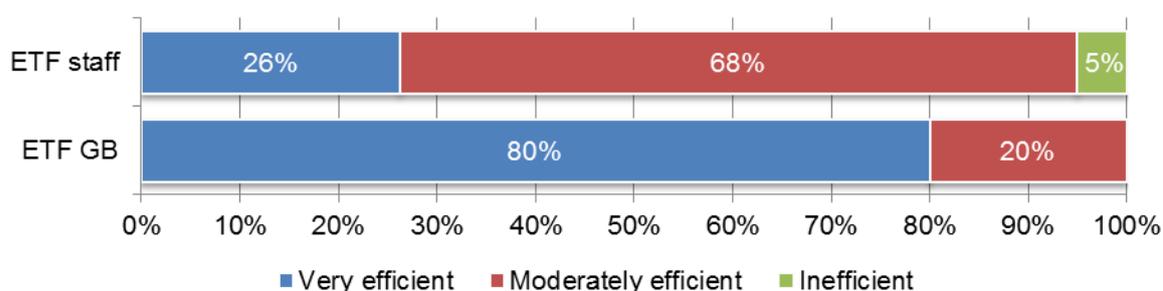
situation and needs of the country. According to other respondents, organisational changes did not affect their communication with ETF and they continue cooperation in the same format. In Tunisia, some stakeholders valued the mixture of in-country knowledge through country desks balanced with detailed knowledge of the thematic experts, while others were concerned that thematic experts may lack a country overview.

### 2.5.3 Governance of the ETF

The ETF Governing Board is responsible for adopting the draft annual Work Programme and its budget, subject to approval by the European Parliament. During the evaluation period, the Board comprised of one representative of each of the EU Member States, three European Commission representatives (its then DG *de tutelle*, DG EAC, plus DG ELARG and DG DEVCO - with one vote between them), three independent experts appointed by the European Parliament, and the EEAS with observer status.

ETF staff and Governing Board members were asked for their views on the overall efficiency and effectiveness of governance arrangements, as shown in Figure 2.5 below<sup>18</sup>. Both sets of respondents were overwhelmingly positive with almost all respondents being of the opinion that governance was either moderately or very efficient and effective. Governing Board members were especially positive with 80% stating that arrangements were very efficient and effective.

**Figure 2.5 - Survey responses on the efficiency and effectiveness of ETF governance arrangements**



Source: Ecorys (ETF staff, N=38; ETF GB, N=10)

This positive view is backed up by findings from the interviews. Governing Board members expressed positive views about the information they received, papers not only being well-prepared and self-explanatory, but, more than that, being communicated well, with meetings being effectively prepared. Some interviewees commented that, in comparison to other governing boards, the ETF Governing Board is "well-documented" and is very good in terms of operability, being well-defined, clear and having "real coherence" and dynamism. It is notable that no negative views were received during interviews.

<sup>18</sup> The EU online survey also asked for views on this topic, but all the respondents skipped this question presumably because they felt they lacked the requisite knowledge. The partner country survey had not asked this question because it had been anticipated that this issue of lack of knowledge would also apply.

## 2.5.4 Accomplishment of Work Programmes

Up until 2014, the ETF outlined its planned corporate outputs in its annual Work Programme, and subsequently reported whether the targeted outputs were achieved or not in its Annual Activity Reports. From 2014 onwards the approach to reporting was modified to focusing more on thematic objectives, rather than achieving a concrete number of outputs. The ETF has generally been successful in carrying out its targeted objectives and activities, as well as responding to direct requests from the European Commission. The ETF reflects on the implementation of the activities and the achievement of the objectives outlined in the Work Programme in its Annual Activity Report. In 2014, for instance, it was concluded that:

*“During the implementation of the Work Programme, the ETF continued to demonstrate flexibility in managing resources according to changing priorities and developments in its context. The AAR indicates a realignment of resources among the three ETF strategic objectives with a decrease in policy analysis (objective 1) and an increase in modernisation of VET systems (objective 2). This is partially due to the adaptation of ETF activities originally planned as policy analysis and evidence generation to also provide active support for policy formulation and implementation, including capacity building and dissemination.”<sup>19</sup>*

The ETF additionally reflects on the planned activities that were not completed that year. An overview of the cancellations and postponements of corporate outputs is provided in the table below. Over the 2011-13 period cancellations and postponements represented between 12-21% of total corporate outputs depending on the year (as shown in Table 3.3, other outputs are added from EU requests to offset these ‘losses’).

**Table 2.2 - Cancellations and postponements of corporate outputs 2011-2014**

	2011	2012	2013	2014
Cancellations	14	19	8	n/a*
Postponements	17	5	10	8
<i>Total corporate outputs</i>	<i>150</i>	<i>161</i>	<i>144</i>	<i>178</i>

\* Two of the activities carried over from 2013 were cancelled. No further information on cancellations was available in the Annual Activity Report of 2014

Source: ETF Annual Activity Reports 2011-2014 and ETF inputs

Cancellations or postponements are mainly the result of political instability in partner countries, disengagement of partner country stakeholders or due to direct requests from the EC or partner countries. In many cases, activities were postponed due to the fact that they were carried out late in the calendar year, and thus had to be completed early the following year. On several occasions, the completion of an activity was also postponed due to it being part of a multi-annual programme.

Examples of cancelled and postponed outputs that illustrate the types of reasons involved include:

<sup>19</sup> p. 4, ETF Annual Activity Report, 2014

- Cancellation in 2012 of the provision of support to the Ministry of Croatia in promoting entrepreneurship competence development in teacher training from improved VET quality (under the IPA) due to partner country representatives preferring to focus on policy at national level.
- Postponement in 2012 of the carrying out of the Torino process assessment in Libya due to the unstable political situation in the country.
- In 2013, postponement of support to the Ministry of Education, the VET Centre and the VET Council in Albania for the promotion of VET strategy operationalisation due to changes in government.
- Postponement in Kosovo<sup>20</sup> in 2013 of support to the Ministry of Labour and related bodies in order to increase the capacities for drafting legislation on the organisation and functioning of public employment services since the requisite law was only approved in late December.

### 2.5.5 Monitoring

During and since the evaluation period, various developments have taken place in respect of monitoring, including the adoption of country progress indicators for 2015–17 (which continue to be developed) and the further development of its “dashboard” project monitoring tool which was introduced across the whole organisation in 2012. In addition, the ETF now uses a “policy development stage” tool through which it is possible to identify where a country sits in a given policy area, e.g. qualifications, according to a policy stage continuum from ‘ad hoc’ to ‘consolidated’. The tool helps the ETF to identify its optimum “modality of work” and target interventions; it also contains progress indicators.

ETF thus possesses a large number of monitoring tools, which equip it comprehensively with the ability to monitor activities. At the same time, each tool has been designed for a slightly different purpose and they all use varying terminology. Whilst the tools and indicators presented might reflect the complexity of the ETF operating context, their inter-relationship is not easy to understand, and it is difficult to maintain a clear view of their purpose and inter-connectedness. Furthermore, as discussed later in the section presenting a new intervention logic (chapter 7), most indicators focus on immediate outputs and results rather than having a longer-term and impact perspective. This situation could be improved were the ETF to adopt the proposals in chapter 7 of unifying and simplifying the indicators used around a single intervention logic and applying a common terminology. Such measures might also help to address the issues related to the Work Programme where there is a concern that too much of the dialogue between the ETF and the Commission focuses on detail rather than strategy (section 3.3).

## 2.6 Conclusions

The period since 2011 has been a time of organisational change for the ETF. At its root, these changes have sought to alter the balance between how to organise activities geographically, functionally and thematically, shifting more towards function and themes with the aim of making the organisation more strategic in terms of its interventions. This development was also assisted by the Torino process, as discussed elsewhere in the report. No significant negative effects of these changes have been

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<sup>20</sup> 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

identified. On the contrary, they have been viewed positively internally, especially in terms of strategy and effectiveness.

In partner countries, awareness of the organisational changes has been limited and, where it has been visible to people, opinions of the changes have been mixed; any potential loss of responsiveness to country needs that might result from the changes has not manifested itself at this point, at least from partner country respondents' perspectives. Governance of the ETF is also viewed as efficient and effective. Further analysis of the way the ETF organises activities is provided in chapter 6 that deals with cost-effectiveness and efficiency.

The ETF has continued to enhance its monitoring capacity since 2011 but the relationships between the different components appears complex and a wide range of terminologies are used. These characteristics do not help the ETF to present a clear picture of its activities and achievements to outsiders. Unifying and simplifying indicators around a single intervention logic and using a common terminology across the organisation would help to improve the situation.

## 3.0 Positioning of the ETF: coherence and complementarity with other actors

### 3.1 Introduction

In evaluating the complementarity and external coherence of the ETF, it is important to bear in mind that it has a unique position and role globally. It is the only organisation of its type working in less economically developed countries: it is neither a donor agency nor an international organisation such as the World Bank responsible for large multiannual programmes; and it works in a different way to an organisation like the OECD which functions on the basis of time-limited thematic projects, the gathering of evidence within individual countries and the production of reports as final outputs. ETF works in countries over the longer term, offering support and tailoring advice based on specialist expertise to partner country needs. Its position has been neatly summed up as follows:

*"In adapting the approaches of the EU and its Member States to the context of the partner countries, the ETF demonstrates its comparative advantage; it has technical knowledge of the strengths and weaknesses of different VET and employment policies and strategies; the knowledge of the partner countries' contexts, policy needs and priorities for implementation; the capacity to fit the EU's instruments into the context of partner countries. The ETF's long-term presence in partner countries ensures continuity of national VET reforms initiated under the auspices of Commission interventions."*<sup>21</sup>

In assessing complementarity, it is also important to take into account that the ETF needs to ensure its objectives and activities mesh with a range of different stakeholders in order not to overlap with them and thereby reduce its effectiveness and added value. As will be shown in this chapter, ETF has taken a variety of steps to ensure this happens. Indeed, in 2011 the ETF put in place a stakeholder policy - updated in 2015 - to ensure institutionalised and coordinated actions with different actors and different stakeholder levels.

For evaluation purposes it is important to distinguish between, on the one hand, the European Commission and EU Delegations with which it has formal and structured relationships and coordination mechanisms, and, on the other hand, EU Member States and their aid agencies and other international and multinational organisations which work in the same space but are under no obligation to cooperate with one another. Evidently, the evaluation judgement criteria applied to the ETF must take into account these very different contexts. In particular, there is a risk in partner countries that the work of the ETF and other external organisations will be poorly coordinated, given the very fluid and often unstable situations that pertain. In such contexts, the high complementarity achieved by the ETF, which the following sections demonstrate, is a particularly notable achievement. Indeed, more than that, the ETF plays an important role in ensuring complementarity not just of its own activities and objectives but also those of other stakeholders.

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<sup>21</sup> p. 67, DG DEVCO, 2013, *TVET and Skills Development in EU Development Cooperation, 2012/308055/1 Final Report, December 2013*

### 3.2 Coherence and complementarity with EU policies

As noted in the preceding section, the ETF works within a framework of both internal and external EU policies. Human capital development has become a key issue in EU policy in recent years, as shown in Annex V which provides a comprehensive overview of the main policies and strategies in which the ETF operates. An important question for the evaluation is the extent to which its objectives and activities are coherent with and complementary to these policies.

Overall, there is high coherence and complementarity. As discussed further below, the ETF stays in close contact with and contributes to the development and evolution of EU vocational education and training policy. It does this through regular interactions with, for instance, the European Commission and Cedefop. For example, during 2011-14, ETF staff attended Thematic Working Groups organised under Education and Training 2020 at which EU Member States discussed various aspects of vocational education and training policy and produced a variety of outputs.

Table 3.1 shows the ways in which the ETF understands a number of key EU policy goals and puts them into practice in partner countries.

**Table 3.1 - An overview of ETF objectives and activities by EU policy goal**

EU Policy goal	ETF objectives and activities
Quality in VET	Through improvements in VET provision and quality assurance with a stronger focus on skills for employability and entrepreneurship and occupational as well as transversal competences, the ETF supports the EU policy objective of improving the quality of VET. The main focus is on better teacher and trainer training, apprenticeships, quality assurance systems and the development of effective work-based learning approaches.
Flexible VET systems	The ETF aims to increase the flexibility of VET systems in terms of learning outcomes through the development of qualifications systems and the validation of formal and non-formal learning. A highlight in the ETF's activities under this topic is the development of an online Qualifications Platform, available both in English and Russian. The ETF has also actively supported the EU in the development of Mobility Partnerships, by providing expertise on issues related to the validation of formal and non-formal learning.
Labour market relevance	Increasing employability is a focal point of ETF activities, as it supports the development of labour market information systems and mechanisms for skills identification and matching, as well as the development of work-based learning. The organisation aims to support the creation of effective employment policies in terms of skills matching through the provision of policy analysis and advice, based on sectoral monitoring activities. It also carries out capacity building activities, for instance, to support people's transitions to work. The ETF's emphasis on stakeholder involvement in the development of vocational education and training systems is also contributing to the achievement of labour market relevance.
Lifelong learning	One of the core themes of the ETF is 'vocational education and training

EU Policy goal	ETF objectives and activities
	<p>systems and provision in a lifelong learning perspective.’ It relates specifically to issues surrounding the design and implementation of policies, highlighting the importance of partnerships with relevant stakeholders (particularly social partners). The ETF supports the development of vocational training policies in secondary, post-secondary and tertiary education as well as further education for adults (including horizontal and vertical pathways with other components of education and training) in line with the needs of the labour market. This is, for instance, done by efficient counselling and the development of guidance systems and modernised qualifications systems.</p>
Improved mobility	<p>Issues related to migration and mobility have become increasingly important for the ETF, and by 2014 they defined the ‘skills dimension of migration and mobility’ as one of their main intervention areas. Notably, they have been an active contributor to the development of Mobility Partnerships, particularly by providing expertise on the skills dimension of mobility, as well as issues surrounding the validation of formal and non-formal learning. To date, the ETF has contributed to the establishments of Mobility Partnerships with: Republic of Moldova (2008), Georgia (2009), Armenia (2011) and Morocco (2013) and are currently involved in negotiations regarding partnerships with Belarus, Tunisia, Jordan and Azerbaijan.</p>
Entrepreneurship	<p>ETF interventions on entrepreneurial learning and enterprise skills include capacity building exercises in improved teaching and learning for entrepreneurship (focusing particularly on youth, women and SME owners) and quality assurance mechanisms. Particularly noteworthy is the ETF contribution to the EU’s Small Business Act, which outlines the support of the EU in terms of small business development, including human capital development. The ETF carries out assessments of partner countries following indicators presented in the Small Business Act.</p>
Social cohesion	<p>An increase in the relevance of VET provision in respect of the labour market, economic and social cohesion has been central to ETF activities throughout 2011-14. Activities around this core theme relate to qualifications and qualifications systems, learning and teaching in VET, quality in VET, employment and employability, skills dimension of migration and mobility and entrepreneurial learning and enterprise skills.</p>
Support to Enlargement countries in South Eastern Europe and Turkey	<p>(Potential) candidate countries were supported by ETF activities under the Instrument for Pre-accession Assistance (IPA) between 2007 and 2013 and are currently being supported by its successor (IPA II) for the period 2014-2020. The IPA is a tool that prepares (potential) candidate countries for their accession to the EU. Among other things, the ETF drafted regular progress reviews including several country assessments, such as the employability fiches for DG Employment, Small Business Act (SBA) assessments on entrepreneurial learning and enterprise skills, human resource development reviews and Torino Process assessments. The flagship ‘FRAME Skills for the Future’ project was carried out in the Enlargement area to support the development of sustainable and forward-thinking human capital development policies.</p>

EU Policy goal	ETF objectives and activities
Neighbourhood development and cooperation	The European Neighbourhood East (Eastern Partnership) and the European Neighbourhood South (Southern and Eastern Mediterranean) are two focal areas of ETF interventions. The ETF remained steadfast in its support for VET development in the Southern Neighbourhood despite the political insecurities following the Arab Spring. In 2013, it launched its flagship project 'Governance for Employability in the Mediterranean (GEMM)' in which the ETF tries to increase the quality and relevance of VET in the region, particularly through stakeholder engagement.

Source: Ecorys

### 3.3 Coherence and complementarity with the European Commission

In relation to the European Commission (EC), the ETF not only works within the policy framework provided by the EC, but it also provides the EC with expertise. In this sense the EC both oversees the work of the ETF and is a consumer of its outputs.

The following structural mechanisms exist to provide a basis for coherence and complementarity with the EC and remained throughout the evaluation period, continuing into the present:

- Between 2011 and 2014, the EC was represented on the ETF Governing Board by DG EAC (its parent DG, or DG de tutelle, now DG EMPL), DG ELARG and DG DEVCO. Although there are 3 seats on the Governing Board for the Commission, they are allowed only one vote. DG DEVCO replaced DG RELEX when the European External Action Service was launched in 2011. DG RELEX, which had traditionally guided the external relations dimension of the ETF work, was integrated into the EEAS which is responsible for running the EU Delegations. The EEAS continued participating in Governing Board meetings, but in the role of an observer.
- Coordination between the ETF and the EC services takes place around the preparation of the Work Programme. Every year the EC services prepare a formal Commission Opinion on the ETF Work Programme, through an Inter-Service Consultation, coordinated by the DG de tutelle. This consultation process can involve a wide range of relevant DGs, including Legal Service, the Secretariat General, or even DG BUDG or DG HR. Work Programme preparation also involves coordination meetings between the ETF and those DGs most closely related to its work, namely DG EAC, DG NEAR and DG DEVCO. At the end of these processes, the Commission Opinion on the Work Programme is finalised and afterwards presented to the Governing Board as a basis for their decision.
- In addition, a regular structured dialogue process took place with the Commission services, including the EEAS, to provide overall strategic orientation of the ETF's work. Coordinated by the DG de tutelle the different DGs with whom the ETF works meet a couple of months before the formal Governing board meetings to discuss the agenda of the meeting, the main documents to be adopted or discussed and create a common position. It is also an opportunity to provide orientation, including detailed comments, on planning and programming or reporting documents that will require a formal adoption by the GB. The ETF is always invited to these meetings.

The ETF works according to requests from the European Commission services and EU

Delegations which form a foundation stone of its annual Work Programmes. As Table 3.2 demonstrates, a large number of requests are received each year and from a broad range of Directorate-Generals (DGs). During the evaluation timeframe, the number of requests has fluctuated. In 2011 and 2012 the Annual Activity Reports noted an increase in the diversity of EC requests, reflecting the needs of different DGs and the complex and dynamic political situation in partner countries. Consistently over time, most requests have come from the EU Delegations and the European External Action Service (EEAS), particularly in the second half of the evaluation timeframe. Most requests have related to the programming cycle i.e. identification and formulation, programming, implementation, monitoring and evaluation (e.g. 76% in 2014), with the remainder relating to content and review of policy i.e. thematic or country analysis or comments on EU instruments (24% in 2014).

**Table 3.2 - Percentage breakdown of requests from EC services and the EU Delegations in the partner countries**

	2011	2012	2013	2014
EEAS/EU Delegations	36	43	63	54
DG EAC	16	30	18	23
DG ELARG	14	7	6	7
DG DEVCO	6	7	5	1
DG EMPL	18	5	5	2
DG Home	0	2	3	4
DG ENTR	8	6	0	4
Other	2	0	0	5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Ecorys based on ETF Annual Activity Reports, 2011-14

During the evaluation period, the ETF provided to Commission services both specialised thematic expertise (e.g. on teacher training for entrepreneurship education to the then DG Enterprise, providing inputs to workshops in 2011), as well as specific country knowledge (e.g. DG EAC involved the ETF in thematic meetings with ministries in partner countries). All interviewees at the Commission valued such inputs, and the high complementarity of ETF activities and objectives with those of the Commission.

Whilst the majority of EC requests are part of the programming cycle in each country and are planned into the Work Programme beforehand, there is some fluidity in this situation. As the table below shows, some activities are cancelled, some are postponed to the following year and some are unplanned or "ad hoc", having not been part of discussions surrounding the Work Programme. Although the numbers fluctuate from year to year, around one third of the requests are either new or do not come to fruition in the year concerned.

**Table 3.3 - Requests from EC services and the EU delegations in the partner countries.**

	2011	2012	2013	2014
Number of requests	100	107	78	82
... of which new, ad hoc	15	11	7	n/a
... of which cancelled	14	19	8	2
... of which postponed to following year	17	5	10	8

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Source: *Ecorys based on ETF Annual Activity Reports, 2011-14*

The diversity and fluidity of requests would pose a challenge for any organisation. All Commission and Governing Board interviewees applauded the flexibility of the ETF, and the willingness of ETF staff to respond to requests from the Commission. A recurrent theme amongst Commission and ETF interviewees was the need to improve coordination across relevant Directorates General so as to make it easier for the ETF to organise its work.

In spite of this, improvements in this respect took place during 2011-14. Most concretely, an agreement was put in place that anything not requested (by the Commission, Delegations or partner countries) before the adoption of the Work Programme by the Governing Board would need to be agreed with the Commission with a re-prioritisation of existing activities. More generally, the ETF notes that the process started to become more focused and specific in the comments/recommendations concerning the programming and reporting documents (Mid-term Perspectives, Work Programmes and Annual Activity Reports). This included the template/structure of the documents, priority countries and thematic interventions, content of the interventions, formulation of objectives, results and indicators.

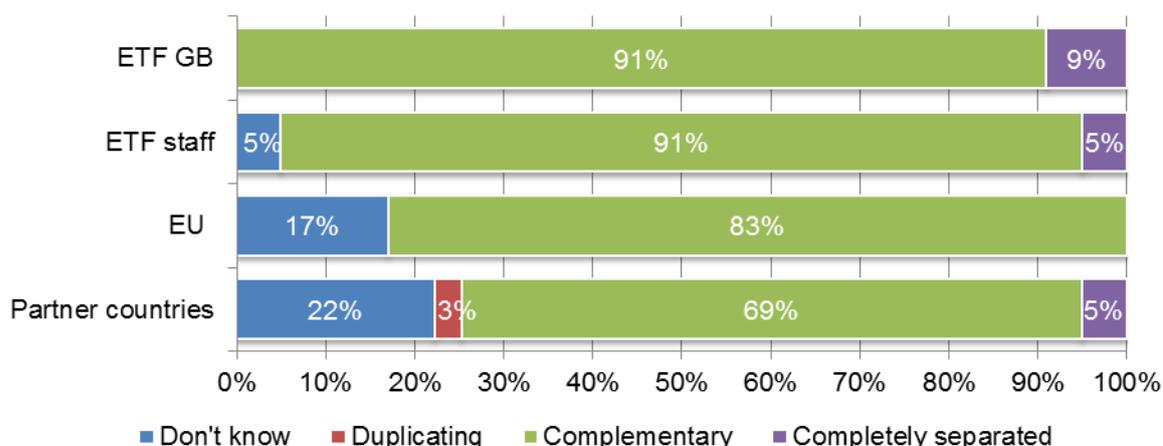
However, the set of relationships still remains variable and complex and absorbs time and effort which is a negative factor in terms of ETF efficiency. Moreover, issues are still reported in relation to the nature of comments and requests received from different Directorates General during consultation on the draft Work Programmes; in particular that, whilst general comments at a strategic level are made, much of the discussion centres around drafting details rather than strategic issues, and that "filtering" on the Commission side does not always indicate clear priorities. For their part, EC services reported that it can be difficult to get a picture of ETF activities between the "high" level strategic objectives and the detail in partner countries<sup>22</sup>.

In general, respondents to the online survey indicated that measures like those described above help to ensure the complementarity of the ETF's work with the European Commission, as shown in Figure 3.1. The vast majority of respondents were of the opinion that there is complementarity; the only respondents who consider that duplication exists were a very small minority (3%) of partner country respondents. Some respondents believed that the work of the ETF is "completely separated" from that of the Commission, but again the percentages are very small (5-6%) and various interpretations of these responses are possible. For example, the activities may not be integrated, which might reduce their effectiveness, or they might be innovative activities. ETF complementarity was judged by survey respondents to be stronger with the EC than with EU Delegations, Member States, and international organisations.

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<sup>22</sup> This may also be an unintended consequence of some features of ETF monitoring tools as discussed elsewhere in the report (see 2.5.5 and 7.2).

**Figure 3.1 - Survey responses on the ETF complementarity with the European Commission**



NB: "GB" = Governing Board

Source: Ecorys (ETF GB, N=11; ETF staff, N=43; EU respondents<sup>23</sup>, N=18; Partner country respondents, N=116)

### 3.4 Coherence and complementarity with EU Delegations

The role of EU Delegations<sup>24</sup> is to present, explain and implement the EU's foreign policies. They also analyse and report on the policies and developments of their host countries and conduct negotiations in accordance with given mandates. Their tasks include maintaining political dialogue, administering development aid, overseeing EU trade issues and building cultural contacts. The European External Action Service (EEAS) is responsible for the head of Delegations but DG NEAR and DG DEVCO also play a role in oversight of the Delegations.

The ETF has a mandate to support EU Delegations and its work in partner countries is mediated through them: requests from partner countries for ETF assistance must pass through Delegations who in turn must pass them through the Commission. Periodically, the Commission issues reminders to Delegations relating to the role of the ETF. Although it is outside the evaluation period, it is noteworthy in terms of future perspectives that, in July 2015, DG NEAR issued a note to Heads of Operations of EU Delegations European Neighbourhood South and East and Enlargement in order to streamline and make more efficient the process of request handling by the ETF. The note clarifies the types of support available from the ETF to Delegations and provides a model letter of request in which Delegations can specify expected deliverables and timing (see Annex VI).

There is indeed a close relationship between the ETF and many Delegations, not least because ETF staff in partner countries possess specialist knowledge about vocational education and training which Delegation staff often value. Sometimes, the ETF assists Delegations in terms of contact with ministries of labour or education. Delegations make reports to the Commission (DG DEVCO and DG NEAR) and the ETF is often involved in their preparation.

<sup>23</sup> The category "EU respondents" includes EU Delegations, donor/aid agencies, other EU organisations, and European Parliament and Commission respondents.

<sup>24</sup> [http://eeas.europa.eu/delegations/index\\_en.htm](http://eeas.europa.eu/delegations/index_en.htm)

At the same time, Delegations are not required to have a relationship with the ETF and hence there is variability in the relationship from country to country. This contributes to the fluidity of the ETF's operating environment. It also has the advantage that the ETF has to demonstrate its value (a type of 'market force') but contains an inherent element of chance insofar as it can rely quite heavily on whether good personal chemistry exists between individuals. There are thus different mixes of both formal and less formal components to the relationship between the ETF and Delegations from country to country. This can impede the efficiency and effectiveness of ETF operations, since it increases the time and effort expended by the ETF. Whilst there is a practice of 'soft coordination', there are no formal structures or arrangements for cooperation.

Nonetheless, the Torino process has made an important contribution to the ETF achieving a high degree of coherence externally with other EU activities in partner countries, as noted in a 2013 DG DEVCO report:

*"... in countries that adhere to the Torino Process [there is an] holistic approach of the Commission's external assistance projects that support TVET and SD [skills development] reforms. This is generated by the quality of the technical support provided by the ETF as well as from the synergies between the ETF, EU Delegations and [European Commission] Headquarters throughout the steps of the reform project cycles."<sup>25</sup>*

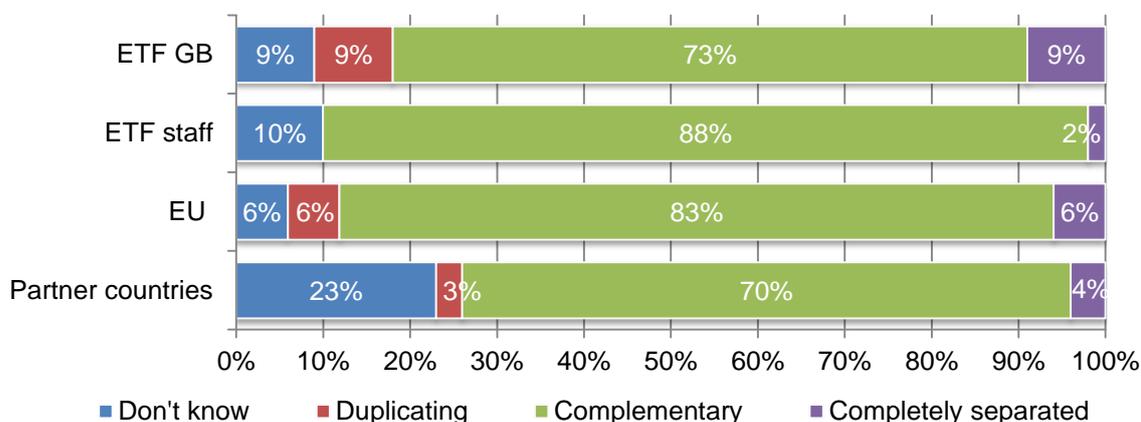
At the same time, it is evidently challenging for the ETF to ensure coordination of its activities with the work of the Commission. Examples were reported where Commission services were not informed about ETF activities in some countries or found out about them "by accident". However, such incidences are at the level where it is reasonable to consider them to be inevitable in light of the large number of Directorates General with which the ETF must work.

ETF's work is highly complementary to that of Delegations. In the online survey, the vast majority of respondents were of the opinion that the work of the ETF is complementary with that of the Delegations. Although a few more respondents were of the opinion that there is duplication or complete separation compared to complementarity with the Commission, people with this view still make up a very small minority (6–12%, depending upon the subgroup), and there is - in the view of most respondents - greater complementarity than with either EU Member States or international organisations (see below).

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<sup>25</sup> p. 30, our emphasis, DG DEVCO, 2013, *TVET and Skills Development in EU Development Cooperation, 2012/308055/1 Final Report, December 2013*

**Figure 3.2 - Survey responses on the ETF complementarity with EU Delegations**



Source: Ecorys (ETF GB, N=11 ; ETF staff, N=42; EU respondents, N=18; Partner country respondents, N=116)

### 3.5 Coherence and complementarity with Member States and their aid agencies

The objectives and activities of the ETF are intended to assist in the projection of EU internal policies outside the EU so as to benefit not only partner countries but also the EU as a whole and its Member States. Individual Member States also pursue their own objectives and activities in ETF partner countries giving rise to a complex picture within which the ETF works. ETF documentation and ETF staff argue that considerable efforts are made to understand this picture in individual countries, and also to understand the work of agencies working on behalf of national governments in the EU, such as the British Council and GIZ (*Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH* or the German Corporation for International Cooperation<sup>26</sup>).

Indeed, the ETF cooperates with Member States and such agencies in a wide variety of ways. This includes participation in events organised by other parties, knowledge sharing and networks of relevant experts in the area of vocational education and training, joint publications or contributions to publications and annual reports, but also the development of actions and strategies in coordination with the Agencies. This helps to avoid overlaps and to ensure that all the actors make the most of the products that have already been delivered in the country. Cooperation with EU Member State institutions is not always formalised through a cooperation agreement or other juridical instrument, although notably cooperation agreements were signed with the British Council and DVV International (the Institute for International Cooperation of the Deutscher Volkshochschul-Verband e.V. DVV, the German Adult Education Association) in 2014<sup>27</sup>. In 2011 and 2012 combined, nearly 190 instances of

<sup>26</sup> GIZ is owned by the German federal government and operates mainly on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ)

<sup>27</sup> p. 66, ETF Mid-Term Perspective, 2014-17

cooperation with Member State institutions were recorded<sup>28</sup>. Examples to illustrate the types of cooperation that take place are shown in the box below.

To assist with identifying EU developments and EU Member State good practices, a questionnaire was circulated in 2013 to Governing Board members, and the results were used to initiate a series of actions to ensure that activities were being coordinated with those promoted by the EU Member State organisations active in human capital development in the ETF partner countries<sup>29</sup>.

**Table 3.4 - Illustrative examples of ETF co-operation with EU Member State aid agencies (2014)**

The ETF worked extensively with relevant EU Member State agencies in order to carry out its activities. In 2014, for instance, several meetings and discussions were carried out with relevant institutions from the Member States aiming to agree on the joint actions to be developed. Arrangements were made with the British Council (annual joint action plan), GIZ (joint follow up actions), BIBB, AFD (joint event in Lebanon), Estonian Ministry of Education through the Governing Board member (for supporting the ETF activities in Kyrgyzstan), and the Austrian Federal Ministry of Education and Women Affairs (for the peer learning event for Israel stakeholders).

Examples of joint actions in the Southern and Eastern Mediterranean (SEMED) include the ETF activities in Palestine and Tunisia. In Palestine, the ETF cooperated with GIZ on the qualifications project, where it supported the Khadoorie Centre of Competences in the development of competence based qualifications in the fashion design sector. They carried out capacity building activities for the teachers to ensure that they would be able to the new competence-based pedagogy. They also jointly organised a two-day workshop (16-17 March) in Ramallah. The workshop was financially supported by the Swiss Development Co-operation and focused on EU policies for VET quality assurance, as well as offering a training session in the use of EU tools.

In Tunisia, the ETF carries out a project in reviewing entrepreneurial learning in VET with the OECD and GIZ. They supported the setting up of an inter-institutional working group (led by MFPE) around the development of a Tunisian model to promote entrepreneurial learning across the VET system.

An ETF intervention with influence at a regional level is their participation in the GIZ event "European Neighbourhood (South) – Supporting Youth Employment through Vocational Education and Employment Promotion – Insights from the Field" in Brussels in January. The ETF set the context of human capital development in the region through the sharing of the outcomes of the Torino Process as well as developments in the region on VET and employment.

Other activities illustrating the ETF's cooperation with other Member State agencies include its activities in Eastern Europe, where, for instance, the ETF collaborated with the Council of Europe, the British Council and the Federation of Employers as well as the Ukrainian government in the organisation of a conference on the institutional aspects of quality assurance in higher education and VET in December.

In Southern and Eastern Europe and Turkey (SEET) the ETF worked with GIZ in to further develop the Albanian Qualifications Framework (AQF) as well as developing VET in the North-Eastern region of Albania. They also contributed to a British Council event, a regional conference

<sup>28</sup> Annex 6, ETF Annual Activity Report, 2011, and Annex 5, ETF Annual Activity Report, 2012. After these years, reporting changed.

<sup>29</sup> Annex 5, ETF Annual Activity Report, 2013

in Istanbul on 12-15 February. They acted as keynote speaker, panellist and chair of one of the sessions as it shared its experiences on entrepreneurial learning.

*Source: Ecorys based on the ETF Annual Activity Report, 2014*

Within partner countries, the ETF can be involved in dialogue with donors when requested to do so. An example of this is in Egypt where it spoke to more than 20 donor agencies at the request of the Delegation and DG DEVCO. As one interviewee from an international organisation with an independent perspective commented, the ETF could be in competition with agencies like GIZ but has instead been a "constructive player." ETF staff report that the organisation actively shares knowledge with GIZ and similar organisations. Evidence from the case studies also indicates that the ETF fills important gaps. In Georgia, during the 2011-2014 period, almost none of the donors were working on policy level in VET. The ETF's role was therefore indispensable.

In Tunisia, following the Arab Spring, the ETF was a more or less a lone presence from amongst international organisations, the vast majority of which had temporarily withdrawn. Furthermore, in Serbia, the ETF cooperated with a number of international organisations and development banks, such as GIZ (Reforming vocational training in Serbia, phase V), and the World Bank (Support for ministry of Labour National Employment Strategy).

The ETF is very cognisant of the need to ensure complementarity with other agencies and actions (see table 3.5) and in 2013 it carried out a joint activity with GIZ to assess the added value of both organisations and their cooperation in three selected countries<sup>30</sup>. The analysis found that the ETF focus on policy support complemented the GIZ focus on technical assistance/capacity building/cooperation with the private sector.

In some occasions, this complementarity is also ensured in terms of policy areas (for example, in Bosnia and Herzegovina, GIZ worked on non-formal and adult education whilst the ETF focused on formal TVET). In October 2014, the ETF and GIZ organised a coordination meeting in Bonn to approach issues related to cooperation and coordination between the ETF and GIZ when working in partner countries. The ETF and GIZ jointly discussed possible ways towards a more coherent approach which will lead to an increased partner benefit of coordinated interventions<sup>31</sup>.

**Table 3.5 - Example of ETF complementarity with other agencies and actions**

**Ensuring complementarity in Tunisia**

In the evaluation period the Medinine Pilot Project was the ETF's main intervention in Tunisia. Although mainly about decentralising governance of VET, it also sought to promote entrepreneurship amongst young people. However, in the field of entrepreneurship as a whole, the role of the ETF was kept to a minimum in the context of the project because there was already an action carried out by Mercy Corps whose role was precisely to work with young entrepreneurs to revitalise the economy. By the same token, the Medinine Pilot Project did not really touch on promoting micro-enterprise because such issues were addressed by other international organisations in Tunisia.

*Source: Ecorys Case Study of Tunisia*

<sup>30</sup> p. 28, ETF Annual Activity Report, 2013

<sup>31</sup> p. 65, ETF Annual Activity Report, 2014

It has been noted that, during the period covered by the evaluation, EU Member States' bilateral cooperation agencies had developed approaches to vocational education and training that mainly reflected their national systems and which "seem[ed] to reflect the varying composition of the technical teams of the implementing consortia, rather than the necessary adaptation of models and tools to the national contexts."<sup>32</sup>

In such contexts, the ETF Torino process can provide a highly useful framework. In all the rounds of the Torino process (2010, 2012, 2014) donor organisations were part of the consultation phase and were actively involved in the working groups in most of the countries or consulted by working group members as key stakeholders in the assessment of progress and the way forward. In many countries, donors have also contributed to the peer review of the report and its validation. For their part, partner countries have taken ownership of the Torino process (see section on relevance to stakeholder needs) and have been able to use it to inform national strategies which in most countries provide the "space" for cooperation with and coordination of donors under the lead of national stakeholders. Using the Torino process, partner countries can situate their reform activities and better understand how to assemble support from bilateral – and also international – agencies to meet their goals in VET.

To give examples, in 2014 the Torino process contributed to donor coordination in the phase of project identification into Tajikistan involving the EU and the Asian Development Bank, and in Palestine needs identified through the Torino process provide the basis for joint donor activity. In Egypt and Belarus, also in 2014, Torino has been used to inform EU programming and the design of large interventions which are also coordinated with other donors.

Overall, the Torino process is a key tool that helps to ensure complementarity. To use an analogy, it provides the picture that enables partner countries to have a better idea of how to assemble the complex "jigsaw puzzle" of support on offer. The Torino process and the support provided by the ETF is, moreover, based on EU internal objectives and tools for vocational education and training, which is again complementary to Member State activity. In the words of the ETF itself, "the ETF represents a neutral, overall EU VET experience."<sup>33</sup>

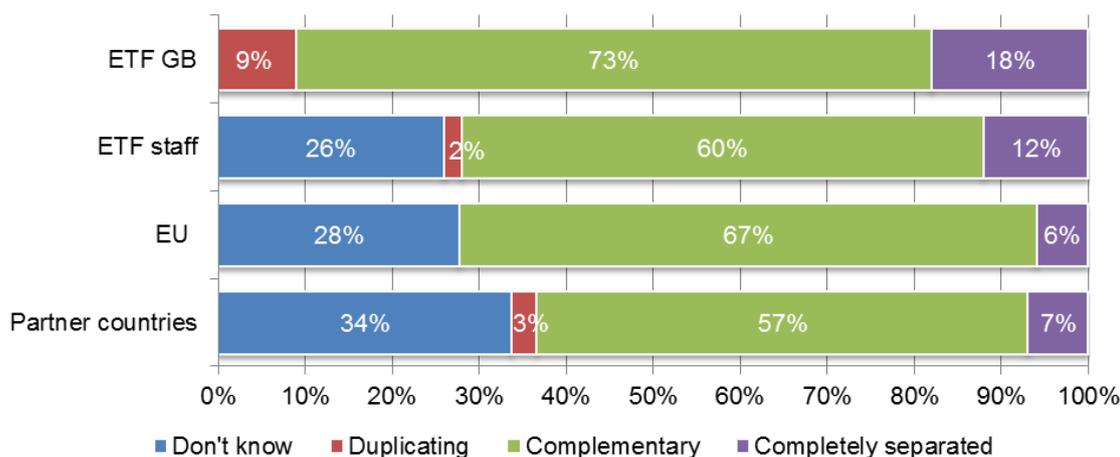
Most respondents to the online survey were of the opinion that the ETF is complementary to the work of Member States, although it is also notable that significant minority of respondents could not answer this question, suggesting a certain lack of awareness of the work of the ETF in individual countries. Nonetheless, compared to informants who identified the ETF's work as being complementary to that of others, the number of informants who were of the opinion that, in the words of one, the ETF is just another voice "adding to the existing incoherence" is very small.

Although there are no benchmarks against which to judge these findings, in light of the lack of obligation on aid agencies to coordinate activities with the ETF, it is reasonable to judge the level of complementarity as a significant achievement of the organisation.

<sup>32</sup> p. 93-4 DEVCO, 2013, *TVET and Skills Development in EU Development Cooperation, 2012/308055/1 Final Report, December 2013*

<sup>33</sup> p. 28, ETF Annual Activity Report, 2013

**Figure 3.3 - Survey responses on the ETF complementarity with EU Member States**



Source: Ecorys (ETF GB, N=11 ; ETF staff, N=42; EU respondents, N=18; Partner country respondents, N=116)

### 3.6 Coherence and complementarity with international organisations

The ETF works with a range of international organisations and development banks including UNESCO, the OECD, the ILO, the Council of Europe, the Regional Co-operation Council Secretariat, the Union for Mediterranean Secretariat, the World Bank, the EBRD and the EIB, as well as other organisations. The ETF is also a member of the inter-agency working group on TVET, chaired by UNESCO, and with members including services of the European Commission, OECD, World Bank, ILO, Asian Development Bank and Islamic Development Bank. During the evaluation period, the ETF chaired meetings of the inter-agency sub-working group on indicators for monitoring vocational education and training and contributed to the activities of the sub-groups on entrepreneurial learning and green skills.

The ETF operates at the highest level internationally. For example, in 2013, the organisation was invited as an observer to attend and contribute to the work of the G20 human resources development group. At the end of 2014, a joint project undertaken by the ETF, OECD, ILO, UNESCO and the World Bank launched the World Indicators of Skills for Employment (WISE) database, following a request by the G20 Development Working Group to produce indicators for 214 low income countries<sup>34</sup>.

Cooperation with international organisations such as these is an important part of the operational objective of knowledge dissemination and networking. Indeed, as recently pointed out<sup>35</sup>, the ETF does more than simply disseminate knowledge: it co-creates it with other organisations and such co-creation is an important aspect of its work with international organisations. In order to do this effectively, ETF needs to work in a complementary way, taking stock of what exists and seeking to add value or take forward debate on particular topics. Interviewees confirmed that the ETF is proactive in this regard. More than that, one interviewee praised the ETF for being "a champion in terms of coordinating and mobilising relevant stakeholders", noting that convening

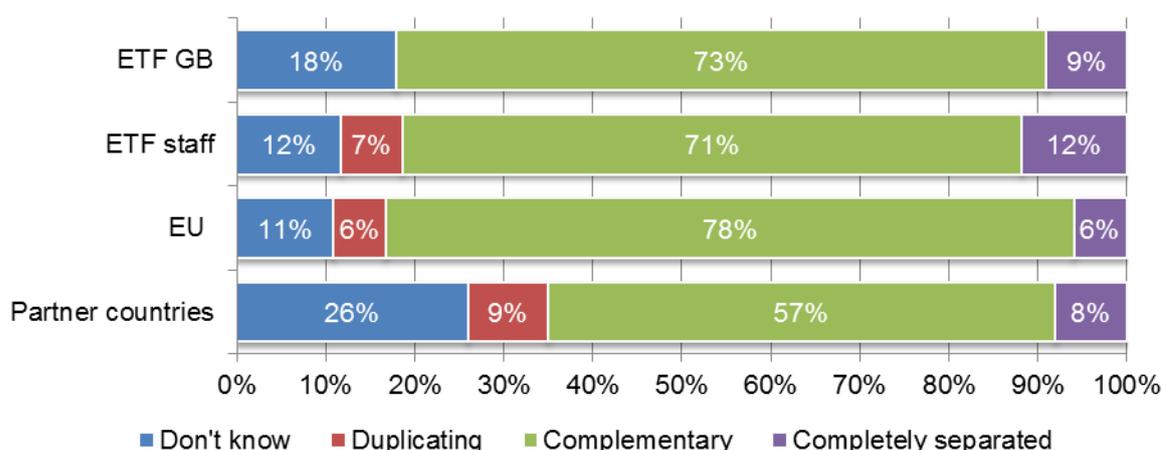
<sup>34</sup> p. 38, ETF Annual Activity Report, 2014

<sup>35</sup> ICON (2014) Evaluation of Knowledge Management Innovation in ETF Operations

partners is "in the tradition of the organisation" and that their organisation was keen to have the ETF as a key partner. Another interviewee said that the ETF is "well accepted" by other bodies in the inter-agency group and is a "credible partner".

The majority of survey respondents believed that the ETF is complementary with international and multilateral organisations. However, depending upon the subgroup, 12–17% of respondents believed the ETF was either duplicating or was completely separated, the highest figures across all the stakeholders with which the ETF works. No quantitative benchmarks exist against which to assess these figures. However, they are so low that it is reasonable to judge that overall the ETF has been successful in ensuring complementarity given that there is no obligation on the part of other international and multilateral organisations to work with it and still less to ensure that activities fit together rather than overlap.

**Figure 3.4 - Survey responses on the ETF complementarity with international and multilateral organisations**



Source: Ecorys (ETF GB, N=11; ETF staff, N=42; EU respondents, N=18; Partner country respondents, N=116)

### 3.7 Coherence and complementarity with other EU agencies: Cedefop and Eurofound

The 'Roadmap on the follow-up to the Common Approach on EU decentralised agencies'<sup>36</sup> was endorsed by the European Parliament, the European Council and the European Commission in July, 2012. It aims to "deliver improved efficiency and accountability, greater coherence and transparency, and more balanced governance to the EU's decentralised agencies."<sup>37</sup> The European Commission is responsible for the implementation of the Common Approach and set a deadline for the end of 2014. Priority areas include:

<sup>36</sup> [http://europa.eu/agencies/documents/2012-12-18\\_roadmap\\_on\\_the\\_follow\\_up\\_to\\_the\\_common\\_approach\\_on\\_eu\\_decentralised\\_agencies\\_en.pdf](http://europa.eu/agencies/documents/2012-12-18_roadmap_on_the_follow_up_to_the_common_approach_on_eu_decentralised_agencies_en.pdf)

<sup>37</sup> [http://europa.eu/rapid/press-release\\_IP-12-1396\\_en.htm](http://europa.eu/rapid/press-release_IP-12-1396_en.htm)

- Preventing and managing conflicts of interest in the agencies, for members of the Management Board and Directors, experts in scientific committees, and members of Boards of Appeal;
- Including key performance indicators in agencies' annual work programmes and for agencies' Executive Directors;
- Developing standard provisions to be included in agencies' host state agreements, based on existing best practice;
- Developing guidelines with agencies on applying activity-based budgeting and activity-based management;
- Elaborating guidelines for regular evaluations.<sup>38</sup>

Additionally, one of the main objectives under the Common Approach is the creation of synergies between agencies. Agencies are thus expected to share their expertise and services, as well as merge activities when they overlap to increase efficiency and accountability. Although the ETF actively participates with various EC services and other EU organisations, their main partners are Cedefop and Eurofound. In the sections below the development in cooperation between the ETF and these other two EU agencies between 2011 and 2014 will be described.

In line with this new Common Approach on EU decentralised agencies, the ETF has been reporting on its activities under the priority areas, as well as its collaborative activities with other agencies in the Annual Reports and the recent Mid-term Perspective 2014-2017. Most notably, the collaborative activities with Cedefop and Eurofound are reported as the ETF's Council Regulation, for instance, requires the ETF and Cedefop to systematise their cooperation. This is done through the creation of a joint annual work programme which they annex in their annual work programmes. On 21 November 2007, the ETF and Eurofound also concluded a Collaboration Agreement, and each year a report is provided on the annual activities between the two agencies.

### **3.7.1 Cooperation with Cedefop**

Cedefop is an EU agency that supports the European Commission, EU Member States and relevant social partners in the development and implementation of VET policies within the European Union, Norway and Iceland. The ETF, on the other hand, supports VET development outside the borders of the European Union. Operations of both agencies, however, support the European Commission in the field of vocational education and training in a lifelong learning context.

Another significant difference in the operations of the two agencies is their operational foci. The ETF provides expertise in human capital development to EU services as well as supporting the external relations programmes in the EC programming and project cycle. It undertakes capacity building activities in partner countries, as well as providing policy advice to governments and stakeholders. It furthermore disseminates information and expertise on VET reform to a wider public. Cedefop, in contrast, provides evidence and analysis on European VET development and aims to facilitate cooperation among EU Member States in *"designing and implementing policies for an attractive VET that promotes excellence and social inclusion."*<sup>39</sup> The activities in its

<sup>38</sup> [http://europa.eu/rapid/press-release\\_IP-12-1396\\_en.htm](http://europa.eu/rapid/press-release_IP-12-1396_en.htm)

<sup>39</sup> <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/medium-term-priorities>

annual work programmes are based on their Mid-Term Priorities. Cedefop's three Mid-Term Priorities for 2012-2014 included supporting the modernisation of VET systems, supporting careers and transitions through continuing VET, adult and work-based learning as well as the analysis of skills and competences to inform VET provision. These priorities were subsequently extended to 2016.<sup>40</sup>

As a result, the information and expertise on best practices in the EU gathered by Cedefop can be used by the ETF to support the development of sustainable VET systems in candidate and neighbouring countries. Below are several examples of collaborative activities between the ETF and Cedefop between 2011 and 2014.

### Table 3.6 - Illustrative examples of ETF cooperation with Cedefop

Throughout 2011-2014, the ETF and Cedefop mainly cooperated on activities regarding the implementation of the Bruges Communiqué/Copenhagen Process, knowledge sharing, qualifications systems and skills matching and anticipation. In 2011, for instance, the ETF assisted Cedefop in a stocktaking exercise under the Bruges Communiqué by providing information and expertise on Candidate Countries (Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Turkey). They subsequently supported the development of a reporting questionnaire and continued to cooperate on the updating of country fiches and providing analysis for the EC in the context of the Bruges Communiqué over the following years. An example of an output stemming from this cooperation is the cross-country analysis of developments in Candidate Countries based on the Bruges questionnaires and interviews with the relevant Directors General for Vocational Training, which formed a chapter in Cedefop's 2014 VET policy report "Stronger VET for Better Lives." Another notable example of collaboration with regard to the Candidate Countries is the handover of Croatia to Cedefop in 2013. The ETF prepared a country resource dossier on VET development in Croatia and contributed to a knowledge-sharing seminar.

There was additionally significant cooperation in the field of qualifications systems development and the anticipation and matching of skills needs. Cedefop, for example, actively contributed to the development of the ETF's online Qualification Platform. The ETF and Cedefop jointly worked with other international organisations on several occasions. They jointly established an Inter-Agency Group on "Greening TVET and Skills Development" with UNEVOC, the OECD, the ILO and other international agencies. They also worked together on a joint project between the ETF, Cedefop and the ILO in developing methodological guides on the anticipation and matching of skills needs and collaborated with UNESCO in the development of a global overview of NQFs.

Source: *Ecorys, based on ETF Annual Activity Reports, 2011-2014*

The two agencies have notably made use of each other's expertise. They have participated in and organised numerous joint events, as well as providing inputs to other events and publications when asked. It can be concluded that the collaboration between the two EU agencies, as specified in the 'Common Approach on EU decentralised agencies' is satisfactory. The evaluation recommends that the ETF and Cedefop continue cooperation on both their large scale joint ventures, as well as providing inputs at seminars, conferences and for publications.

<sup>40</sup>[http://www.cedefop.europa.eu/files/2015-02-25\\_decision\\_gb\\_on\\_extension\\_mtps\\_2012-14\\_to\\_2016\\_signed\\_by\\_chair.pdf](http://www.cedefop.europa.eu/files/2015-02-25_decision_gb_on_extension_mtps_2012-14_to_2016_signed_by_chair.pdf)

### 3.7.2 Cooperation with Eurofound

Reporting on cooperative activities between the ETF and Eurofound is not as extensive as on collaboration with Cedefop, in light of the difference in remits. On 21 November, 2007 the two agencies signed a Collaboration Agreement in which they stated that they would inform each other about ongoing research projects on a regular basis so as to establish productive communication and exchange channels between staff members, establish direct links between their respective projects and activities and exchange research publications. Each year an 'action plan' is attached in the annex of the Annual Work Programmes of the agencies, indicating which activities are to be undertaken. It is subsequently noted in the annual reports in what manner this collaboration took place. The ETF and Eurofound mainly collaborate through the exchange of information and expertise. Some examples of collaborative activities can be found below.

**Table 3.7 - Illustrative examples of ETF cooperation with Eurofound**

The main collaborative actions between the ETF and Eurofound are related to the sharing of information on analytical work and on-going research. For example, in 2011, the ETF shared studies and research on migration, while Eurofound shared expertise regarding the representativeness of social partners. In 2012, the ETF provided information for the Eurofound report on "*Growth and employment: anticipating and managing the effects of greening of industries in the EU*". An ETF representative also participated in the Eurofound 2011-12 seminar series, as well as a focus group as a key user of Eurofound information. Lastly, in 2013, the ETF shared information on work-based learning, the 'Migration Reports' on Armenia, Georgia and Morocco and country specific information of individual projects, while Eurofound shared their findings of the report "*Restructuring in SMEs*." Collaborative activities have mainly focused on the exchange of information, as well as representatives attending a number of each other's events.

Source: Ecorys, based on ETF Annual Activity Reports 2011-2014

In summary, cooperation between the ETF and Eurofound revolves mainly around the exchange of information. Their collaborative activities are less extensive than between the ETF and Cedefop. Although each year an 'action plan' is drafted and included in the agencies' Work Programmes, it is not elaborately noted in which form collaboration will take place. A teleconference is organised each year to exchange the draft Work Programmes prior to the approval by their respective Administrative Boards. Furthermore, while the ETF and Eurofound are invited to Governing Board meetings, they are not always attended. Notably, in 2014, it was concluded in the ETF Annual Report that there were no issues of common interest identified in the Board agendas, and that there were no opportunities for joint events identified. As a result, there was limited cooperation that year.

The extent to which the agencies collaborate depends on the overlap in thematic focus of that particular time. While there is divergence with regard to the main thematic focal points of the agencies, there is enough potential overlap that could result in collaborative activities. Potentially, the ETF and Eurofound could work together on issues related to NEETs, employability issues and labour market systems. In 2014, relevant contacts were established between the experts on NEETs; however no concrete collaborative activities ensued.

It can therefore be concluded that there is room for improvement with regard to cooperation between the ETF and Eurofound. When preparing the Annual Work

Programmes and the Mid-Term Perspectives there could be potential for stronger collaboration in order to ensure that the planned activities complement each other.

### **3.8 Conclusion**

Overall the ETF achieves high coherence with EU policies and high complementarity in terms of its activities in partner countries. Moreover, it plays a key role in ensuring the complementarity of other stakeholders. This is judged to be a particularly significant achievement given the complexity and fluidity of its operating environment. The ETF also operates and is well respected at the highest level internationally for its expertise, being not simply a knowledge disseminator but a knowledge co-creator.

At the same time, the ETF operates through a *modus operandi* that comprises both formal and less formal elements. The less formal elements give it room and flexibility to operate in partner countries which enable it to act as a neutral broker. The Torino process gives it a much-needed formal and systematic framework within which to operate.

At the same time, the relationships with the European Commission and EU Delegations which, as mentioned at the start of this section, are more formal, structured and coordinated, are nonetheless characterised by less formal elements which can bring disadvantages as well as advantages. The ETF still has to maintain good relationships with a large number of EC services which takes time, and concerns remain over how the perspectives of different DGs are reconciled during the preparation of the Work Programme to signal clear priorities to the ETF: neither side is fully satisfied with the process.

Regarding relationships with the EU Delegations, the balance between formality and informality is probably tilted too much towards informality. Given that ultimately both the Delegations and the ETF are working towards the same objectives, the lack of a more structured framework for cooperation reduces efficiency and effectiveness, especially since, as we discuss later in the chapter on effectiveness, the ETF could have greater impact and sustainability if more links were made more regularly to EU-funded technical assistance.

## 4.0 Relevance to stakeholder needs

### 4.1 Identifying partner countries' needs: an important role for the Torino process

The ETF identifies partner country needs in a number of ways. These include in-depth knowledge of the country, and through specific analyses such as Small Business Act Assessments, and in relation to qualifications, and employability. An important role is also played by the Torino process which was launched in 2010 to enable partner countries to review the status and progress of vocational education and training and to enable them to develop and enhance their ability to undertake evidence-based policy development, and subsequently to monitor progress towards their VET objectives (see also section 5.2.1). It has since evolved to become the key unifying/organising process for the ETF, "[serving] as a basis for the design of the ETF support strategy to partner countries."<sup>41</sup> It can now be considered the central tool to support the ETF capacity to detect, in a systematic way, the needs existing in partner countries on the basis of a wide and continuative participation of relevant stakeholders. It should also be noted that the ETF uses information collected through Torino to steer its thematic fields.

Partner countries participated in the Torino review every 2 years during the evaluation period. To date there have been 3 rounds (the ETF Single Programming Document 2017-20 proposes to organise future reviews every three years, with the next round planned for 2019). It is possible to see the evolution of the process over time. As Table 4.1 shows, increasing numbers of countries have taken part, and more and more countries have been able to take on the task of making their self-assessments with ETF guidance, rather than the ETF taking the leading role. To help to build the capacity of partner countries in evidence-based policy making, Torinet was introduced in 2011, and 2014 saw the production and rolling out of a "capacity building toolbox" for Torino process participants.

From the start, the ETF stressed the importance of partner countries "owning" their own Torino process. This shift towards self-assessment can be taken as an indicator of the success of the spread of the process especially of the engagement of stakeholders in partner countries although there are doubts about how deep this engagement penetrates (see next section). ETF staff report that more and more partner countries during the evaluation period came to see that it was possible to do their own self-assessment stimulated in part by the experience of other countries.

**Table 4.1 - Evolution of the Torino process**

	Rounds		
	2010	2012	2014
Partner countries doing self-assessment with the ETF guidance	7	15	17
ETF doing assessment in consultation with partner countries	15	10	9
<i>Total</i>	22 <sup>a</sup>	25	26 <sup>b</sup>

Notes:

a 6 additional partner countries did evidence-based policy assessments

<sup>41</sup> [http://www.etf.europa.eu/web.nsf/pages/Torino\\_process](http://www.etf.europa.eu/web.nsf/pages/Torino_process), accessed 31.03.15

b 17 additional partner countries also did a pilot benchmarking exercise using selected EU policy indicators and targets.

Source: ETF Annual Activity Reports, 2011-2014

#### 4.1.1 Effectiveness and efficiency of the Torino process

The Torino process came a little too late for the last evaluation of the ETF, although it concluded that initial signs were favourable. A specific evaluation of the Torino process was published in 2013 and was generally positive, whilst making recommendations for its improvement. It found that *"the Torino Process as a learning process [...] is without any reasonable doubt a solid benefit for the ETF partner countries"*<sup>42</sup>. Torino is an extensive process involving a range of activities and linking into other interventions as the box below illustrates.

**Table 4.2 - Example of the ETF activities under the Torino Process**

##### **The Torino process in Georgia**

Evidence from a wide range of interviewees shows that the Torino process greatly contributed to capacity building of the stakeholders in terms of transferring "know-how" (through training and seminars) to handle data collection (what kind of data needs to be collected, how, etc.), analysis, information dissemination and development of evidence-based policy-making system. There were also simulation exercises involving all stakeholders, which supported the team work and shaping the attitude towards benefits of evidence-based policy-making. Study tours, seminars and conferences supported awareness raising in certain directions and provided information about the best practices and contemporary approaches in VET policy. Since the high-level officials were also invited to these events it facilitated mutual understanding of the issues and this way it served as some kind of assistance for decision-making process. Furthermore, these activities have served as a stimulus and motivator when benchmarking against other countries in the region.

Source: Georgia Case Study

All stakeholder interviewees in the current evaluation generally agreed on the usefulness of Torino in guaranteeing the relevance of ETF actions with each partner country, each of which has its own specific context. It has allowed for a *"first move of the wheel"* in various contexts characterised by important *"governance, cultural and societal differences"*<sup>43</sup>. Another informant stated that *"the systematic analysis of weaknesses in TVET-systems through the Torino Process was in many countries a very important basis for action."*<sup>44</sup> According to one Kazakh stakeholder: *"discussions became more fact-based and data-driven"* as a result of the Torino Process. In Serbia, the case study revealed that Torino was a foundation of the framework for VET policies and was a pivotal contribution to VET developments. Some interviewees did stress, however, that the process is, in some cases, mainly kept at a high political level.

ETF staff interviewees highlighted a number of advantages of the Torino process. It sets up a learning process and "political" dialogue on vocational education and training within partner countries, often for the first time. This has served to raise the status of vocational education and training on the political agenda in some countries. It is based on the involvement of all relevant stakeholders, which in some countries has meant bringing into dialogue stakeholders who have not previously participated by using a

<sup>42</sup> ICON Institut (2013) Torino Process Interim Evaluation: Final Report, page 20

<sup>43</sup> Interviewee (external stakeholder)

<sup>44</sup> Survey respondent (EU)

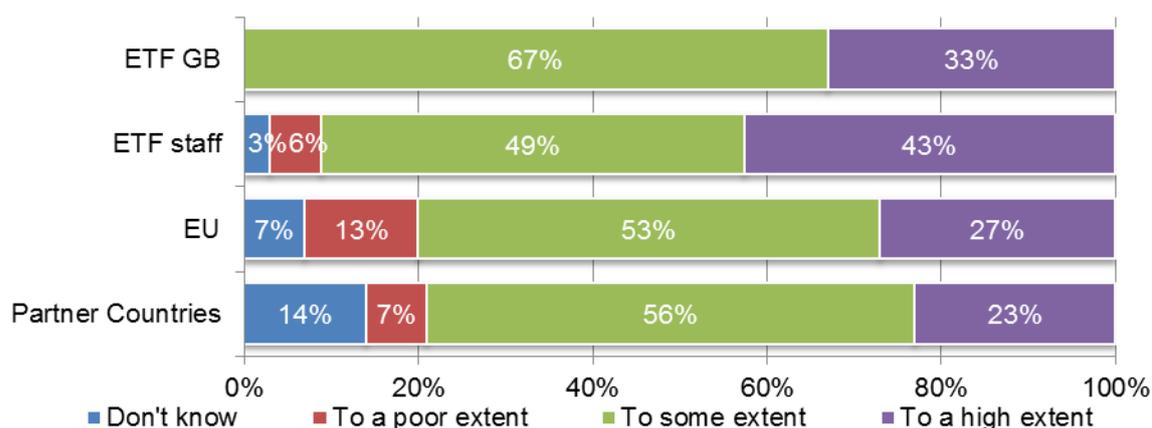
representative approach, such as in Morocco. Torino is a holistic and systematic process that requires the collection of robust evidence on which to build policies, and has given a new emphasis to data collection and analysis e.g. in Libya it led to the establishment of a technical working group to analyse data. Torino also helps pre-accession countries with formal reporting.

Solid evidence of the value of the Torino process can be found in examples such as the following: in Ukraine, Torino assessments have been conducted sub-nationally, with substantial investment by Ukrainian authorities of €5000 per region on average to supplement the ETF budget allocation; DG DEVCO is to launch a "Torino light" process in other countries. As noted above, partner countries and donors have also been using the Torino process more widely as a means of coordinating activities (see Chapter 4.1).

It might be reasonably envisaged that there could be a loss of momentum in the Torino process over time, perhaps if countries experience policy implementation difficulties and slow progress. ETF staff reported no loss of momentum yet and no country mentioned backing out of the process. It has nonetheless been suggested that Torino reviews might take place every 3 years rather than 2 in order to allow more time for implementation, although a decision on this has yet to be taken.

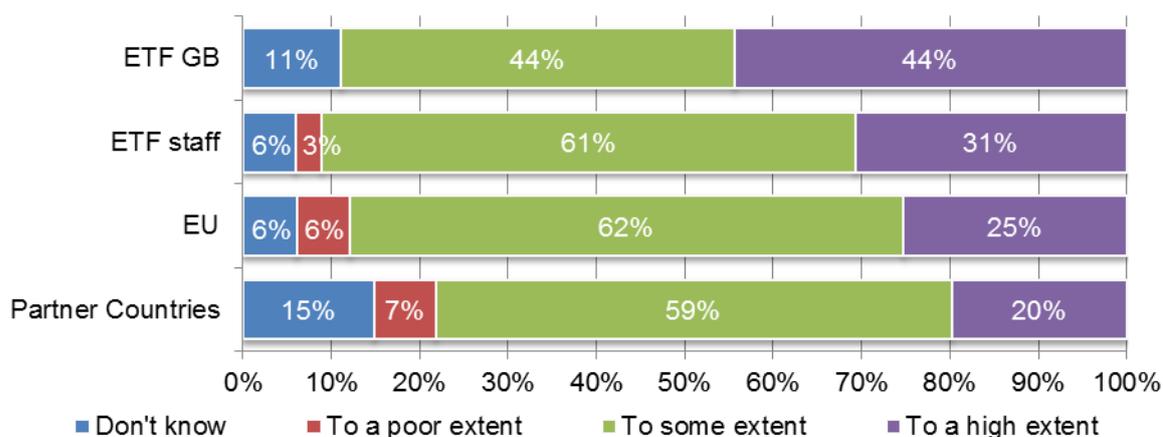
Findings from the online surveys confirm the overall positive opinions that stakeholders have regarding the Torino process: at least 79% of respondents, depending upon the group, indicated that Torino was effective and efficient either to some extent or to a high extent; and in no case did more than 13% of respondents indicate that it was effective or efficient to only a poor extent. Nonetheless this indicates also that there is room for improvement, particularly as most partner countries chose only 'to some extent'.

**Figure 4.1 - Survey responses on the effectiveness of the Torino Process in achieving its objectives**



Source: Ecorys (ETF GB, N=9; ETF staff, N=35; EU respondents, N=15; Partner country respondents, N=116)

**Figure 4.2 - Survey responses on the efficiency of the Torino Process in performing in the best possible way**



Source: Ecorys (ETF GB, N=9; ETF staff, N=36; EU respondents, N=16; Partner country respondents, N=116)

Interestingly, partner countries and EU respondents (three quarters of whom were from EU Delegations and donors/aid agencies) were noticeably less likely to give "high" ratings than either ETF staff and Governing Board members (although it should be taken into account that the latter is based on a very small sample). One partner country respondent illustrated a notable sentiment: "[The] Torino Process is [a] very important report, it gives an overview of the VET system in [my country] and could be relied on in drawing any strategy or programs to reform and improve the VET system. The problem is that [those] responsible are not taking those reports into consideration during any planning of any kind of programs or reform in VET." Evidently such views contrast with those positive perspectives on Torino reported in section 4.1. A number of partner country respondents reaffirmed this belief, as they felt that the Torino Process was a useful data collection and reporting tool, but also that stakeholder involvement was still too low and that it should lead to more concrete evidence-based policy making. Similar to the partner country respondents, a number of EU respondents felt that the effectiveness of the Torino Process was heavily reliant on the "commitment of individual countries." More generally these ratings are likely to reflect issues of weak implementation of the findings from Torino processes in partner countries which are discussed further in the chapter on effectiveness.

## 4.2 Extent to which partner country needs are met

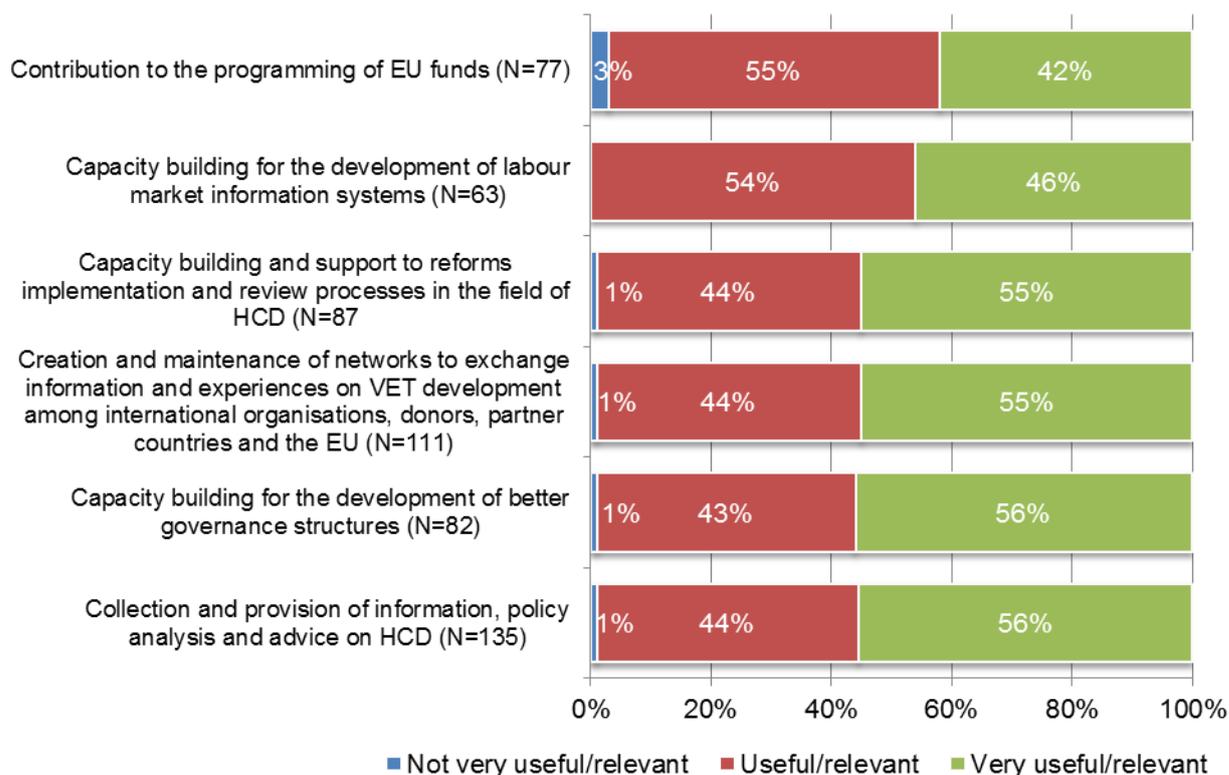
Shifting the focus away from the Torino process, it is important to consider the extent to which ETF activities have met needs in partner countries. In this regard, it is clear that partner country survey respondents have overwhelmingly found activities to be useful/relevant or very useful/relevant (Figure 4.3)<sup>45</sup>. Arguably, there is scope to improve on activities that contribute to the programming of EU funds, and capacity building for the development of labour market information systems, but from an already strong base<sup>46</sup>. ETF staff were even more likely to consider activities to be very useful/relevant, with 69–83% percent of staff respondents indicating this, depending

<sup>45</sup> Figure 4.3 is based on the responses of survey participants who indicated that they were either often or regularly participating in ETF activities, who it is assumed are therefore most likely to be best informed about whether those activities are meeting needs.

<sup>46</sup> The categories used in the table were constructed to reflect the operational objectives and outputs in the evaluation intervention logic.

on the category. Governing Board and EU respondents were also more positive than partner countries on the whole, although the sample sizes were small and therefore not particularly reliable.

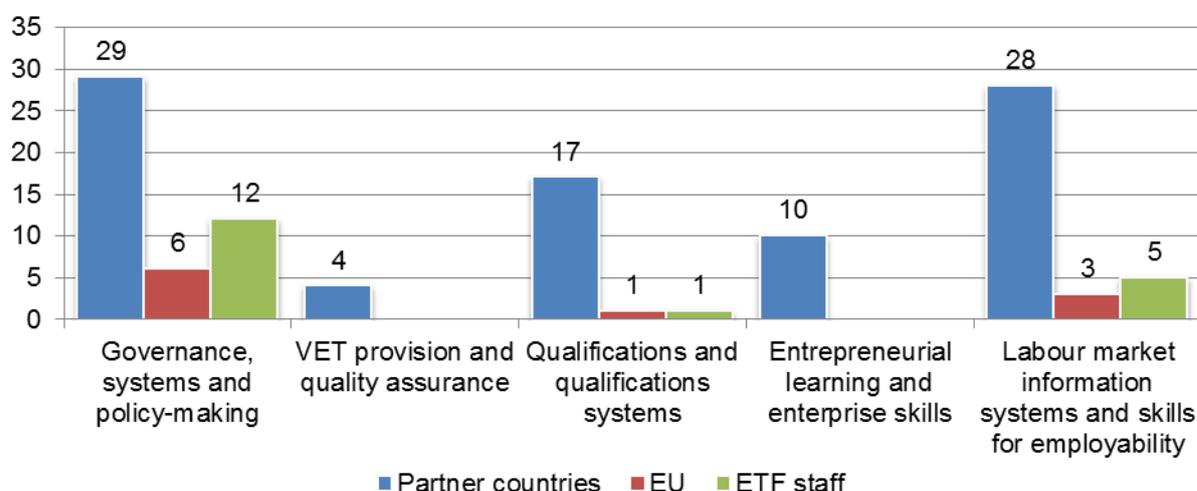
**Figure 4.3 - Partner country survey responses on the extent that ETF activities met the needs of their respective countries\***



*NB: Includes only partner country respondents that 'regularly' and 'often' participate in ETF participants*  
*Source: Ecorys*

The online survey also provided the opportunity for respondents to indicate specific needs that the ETF had contributed to tackling during the evaluation period. This was an open and optional question that required survey participants to write in answers. It is reasonable to assume that respondents would answer it if they felt sufficiently motivated to do so. In aggregate, the responses therefore provide a useful additional indicator of areas of ETF activity where ETF intervention has been particularly noteworthy. Reflecting, to some degree, the findings above, the figure below shows that partner country respondents particularly underlined ETF support in relation to governance, systems and policy-making. Labour market information systems/skills for employability were also strongly represented in responses suggesting a variable picture in this area in light of Figure 4.3 that is discussed further in section 5.2.5.

**Figure 4.4 - Survey responses related to the specific needs that the ETF contributed to tackling through its activities during the period 2011-2014**



NB: Based on a count of open response questions, recoded by Ecorys

Source: Ecorys (Partner country respondents, N=65; EU respondents, N=11; ETF staff, N=27)

#### 4.1.3 Adaptation to changing needs

The preceding sections have looked at needs in a rather static way but, as emphasised, a peculiarity of the ETF as a European agency is the strongly heterogeneous and variable geo-political environment in which it operates. Most interviewees agreed that the ETF has been able not only to cover heterogeneous geographical contexts, but to adapt to the (sometimes abrupt) changes in country contexts. This has required the ETF to ensure a combination of flexibility and continuity in its work. A relevant example for the 2011-14 period is the Arab spring, which represented both a challenge in terms of implementation and a change in terms of objectives and priorities (i.e. stronger focus on issues related to youth unemployment and employability).

**Table 4.3 - Example of the ETF adaptation to political instabilities**

#### ETF activities in the Egypt following the Arab Spring

Despite the political tensions in Egypt erupting in January 2011 in which the Mubarak government was overthrown, the ETF has successfully been able to readjust its priorities and activities in terms of TVET development. To address the new situation, and upon the request of the EU Delegation, the ETF placed an emphasis on activities increasing the employability of the Egyptian people through its TVET Reform Programme and the EU Pre-University Intervention Programme. The national circumstances meant that the ETF had to readjust its projects according to the level of commitment from representatives within the Egyptian government and VET stakeholders. In 2013, for instance, the ETF launched the regional Governance for Employability in the Mediterranean (GEMM) project, but Egyptian representatives did not commit to the project until 2014. Despite delays in the project, the ETF was successfully able to carry out most components of the project including the setting up of a National Committee and the identification of a pilot project. Similarly, the Torino Process assessment of 2012 needed to be postponed due to the political situation until 2013, but as the situation had still not stabilised it was postponed again. The Torino Process report was ultimately completed in 2014, and the results were widely disseminated among relevant stakeholders. The ETF remained steadfast in its dedication to supporting VET reform in its partner country despite the insecurities following the Arab Spring. While the situation did lead to delays and amendments of projects, ultimately the ETF has been able to continue contributing to the development of sustainable VET systems

in Egypt.

*Source: Ecorys Case Study of Egypt, Ex-Post Performance Audit of the GEMM project (2015)*

As well as having to cope with what can be very rapidly changing political situations in partner countries, the ETF is also required to respond to *ad hoc* requests from the European Commission and EU Delegations, as discussed in Chapter 3, and is able to react to these requests in a flexible way. In all these cases the Torino process can be of assistance since it can provide a stable and logical framework within which new needs and requests can be considered.

### **4.3 Conclusions**

There is little doubt that the ETF continued to be relevant to the needs of partner countries during 2011-14 across the full range of the operational objectives and outputs contained in the evaluation intervention logic. Particularly noteworthy were the ETF's contribution to tackling needs in relation to governance, systems and policy-making, and qualifications, with a more variable picture with respect to labour market systems.

During the evaluation period the Torino process provided a new thoroughness to the way in which the ETF identifies those needs. Perhaps more importantly still, it developed a now well-established process through which partner countries themselves systematically identify not only their needs but also their knowledge gaps so that over time their understanding of their needs in the VET field should become more fine-grained and sophisticated through improved data collection. At the same time, there is room for improvement in the Torino process, although these issues relate less to the identification of needs and more to partner countries' ability or willingness to involve a sufficient number and breadth of stakeholders and to apply the needs analyses to policy developments. As a tool for assisting the ETF to determine its interventions, Torino has been a significant development.

## 5.0 Effectiveness and impact

This chapter is focused on assessing how successful the ETF has been in reaching its intended results, given its objectives and the mandate and functions defined in its Regulation. In doing this, it examines the extent to which developments in ETF partner countries can be attributed to its activities by assessing the scale of its contribution.

It begins by examining the budget and outputs of the ETF, including output quality. It then provides a detailed examination of the effectiveness of interventions across the five specific objectives of the intervention logic. It also considers the effectiveness of its regional approach and how effective the ETF has been in its support to candidate countries, and the added value of two projects for which the organisation has been responsible alongside those activities funded from its core budget (GEMM and FRAME).

This section also examines the question of the longer-term outcomes and impacts of the ETF, moving beyond the outputs for which it is directly responsible to assess its contribution in terms of outcomes such as the development of VET provision and impacts such as improvements to VET participation rates.

A range of factors influence the effectiveness of ETF interventions, and these are discussed in terms of obstacles and critical success factors. The question of whether the ETF has more effectiveness and impact systematically in some countries than others is also addressed.

Finally, the section turns its attention to the question of how sustainable ETF interventions are in practice, and concludes with an assessment of the added value of the organisation.

### 5.1 Budget and outputs

This section provides an overview of the way in which the ETF's budget was distributed across the operational objectives of the evaluation intervention logic over the 2011–14 period, and also of the outputs delivered.

#### 5.1.1 Budget overview

The final budget allocated to the ETF has remained relatively stable over the years at slightly over €20,000,000 annually. Generally, most of the budget was dedicated to the SEET<sup>47</sup>/Enlargement countries and the SEMED<sup>48</sup>/European Neighbourhood South. There was some fluctuation, however, as to the dedication of funds for the operational areas of the ETF. For instance, in 2013 the budget for inputs to the Commission project and programming cycle (F1) was 27% (while it was 19% in 2011, 21% in 2012 and 17% in 2014). Capacity building activities (F2) and the provision of information, policy analysis and advice (F3) alternated in importance. In 2011 and 2013 a large amount of resources (40% and 41% respectively) were dedicated to capacity building, while in 2012 and 2014 approximately 31% and 34% of the resources (respectively) were dedicated to policy analysis. The difference in budget allocation could be explained by the bi-annual nature of the Torino Process reporting. There was also a slight decrease in the budget allocated to dissemination and networking activities (F4) from 20% in 2011 to 16% by 2014.

<sup>47</sup> South-Eastern Europe and Turkey

<sup>48</sup> Southern and Eastern Mediterranean/European Neighbourhood South

**Table 5.1 - An overview of the budget distribution according to the four main ETF functions**

	2011	2012*	2013	2014
<b>F1 - Input to Commission programming</b>	19%	21%	27%	17%
<b>F2 - Capacity building</b>	40%	29%	41%	33%
<b>F3 - Policy analysis</b>	20%	31%	15%	34%
<b>F4 - Dissemination and Networking</b>	20%	19%	16%	16%

Key: \* 2012, 2014 = Torino Process years

NB: The shading scheme indicates the extent to which the budget is distributed in a particular function. The darker the shading, the more budget is allocated for the function.

Source: ETF input

### 5.1.2 Overview of outputs

Table 5.2 provides an overview of outputs by operational objective. ETF monitoring procedures were changed at the end of 2013 to record "results" and "outcomes" rather than outputs, so these data refer to 2011–13 only. Table 5.3 shows data for 2014. Table 5.4 illustrates the differences between outputs and results. As can be seen, outputs concern the activities carried out, whereas results are focused on the effects of activities.

It should be noted that there are fluctuations from year to year in numbers of outputs and budget allocations by operational objective (see Annex VII and Annex VIII). Nonetheless, they provide a useful overview of the nature of ETF activities in the evaluation period. It should be noted that the budget figures included in Tables 5.1 and 5.2 allocate all ETF costs across the different types of activities.

It can be seen that for most of the evaluation period the largest number of outputs and share of budget were in relation to support for capacity building, followed by the provision of expertise in the Commission project and programming cycles. In the areas of knowledge dissemination, networking and the provision of information, policy analysis and advice, the numbers of outputs and budget allocation were lower than in the case of capacity building.

**Table 5.2 - Total number of outputs completed and budget by operational objective, 2011-13**

	Outputs		Budget	
	No.	%	Euro	%
Support in capacity building	204	45	€21,443,741	35
Provision of expertise in EC project and programming cycle	106	23	€16,433,870	27
Knowledge dissemination and networking	73	16	€10,337,363	17
Provision of information, policy analysis and advice	72	16	€12,215,965	20
<b>Total</b>	<b>455</b>	<b>100</b>	<b>€60,430,939</b>	<b>99</b>

NB: Planned budget figures for 2012 used; final budget figures required

Source: Ecorys based on Annual Activity Reports, 2011-13

In 2014, the largest number of results was in relation to capacity building and the provision of information, policy analysis and advice, which also consumed 70% of the planned budget.

**Table 5.3 - Results and budget by operational objective, 2014**

	Results*		Planned Budget	
	No.	%	Euro	%
Support in capacity building	67	38%	€ 6,043,000	30%
Provision of information, policy analysis and advice	64	36%	€ 8,059,000	40%
Provision of expertise in EC project and programming cycle	35	20%	€ 4,029,000	20%
Knowledge dissemination and networking	12	7%	€ 2,014,000	10%
<b>Total</b>	<b>178</b>		<b>€ 20,145,000</b>	

\* Includes 15 results recorded as "to do"  
Source: Ecorys with ETF input

**Table 5.4 - Illustrative examples of outputs and results**

Operational objective	Example of an Output	Example of a Result
<b>Support in capacity building</b>	<ul style="list-style-type: none"> <li>▪ Ministry of Labour and related bodies in Kosovo to increase capacities for drafting a law on the organisation and functioning of PES.</li> <li>▪ Ministry of Education in Turkey to improve the implementation of the qualification framework with particular reference to links between level 5 and 6 of EQF involving Ministry of Labour, the Vocational Qualification Authority, HE Council and social partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthened capacity of Kosovan policymakers to coordinate and implement reforms with regard to the PES</li> <li>▪ Capacities for stakeholder collaboration on the development of a NQF that is in line with the EQF indicators</li> </ul>
<b>Provision of expertise in EC project and programming cycle</b>	<ul style="list-style-type: none"> <li>▪ EuroMed Charter Assessment reports in eight countries on progress of implementation of entrepreneurship learning and enterprise skills dimensions.</li> <li>▪ Inputs to the EU mobility partnerships with Egypt (tbc), Jordan (tbc), Morocco and Tunisia</li> </ul>	<ul style="list-style-type: none"> <li>▪ Better EC interventions in relevant countries in the field of entrepreneurship learning and enterprise skills</li> <li>▪ Better informed decision making in the EU/partner country discussions</li> </ul>
<b>Knowledge dissemination and networking</b>	Regional conference including Tunisia, Morocco, Jordan and Egypt for Ministries of VET and Employment and social partners in tourism and construction sectors, to improve	<ul style="list-style-type: none"> <li>▪ Greater awareness of issues related to qualifications development and labour force mobility resulting in informed multi-level decision-making</li> </ul>

	transparency of qualifications at regional level and labour force mobility The dissemination of the tools for analysing and matching skills needs and provision at both regional (Medenine) and national level	Enhanced capacity of local stakeholders in the Medenine region in analysing labour market needs at local level
<b>Provision of information, policy analysis and advice</b>	<ul style="list-style-type: none"> <li>▪ Supporting the establishment of a teacher training system in Palestine, through the institutionalisation of an in-service teacher training course at the technical college</li> <li>▪ A synthesis report on how to roll out the developed NQF in Morocco</li> </ul>	<ul style="list-style-type: none"> <li>▪ In-service teacher training better embedded as policy option – at both strategic and VET school level.</li> <li>▪ Enhanced capacity of stakeholders to analyse the Moroccan NQF system and make informed policy decisions</li> </ul>

Source: Ecorys

Regionally, the main focus of ETF activities has been in the SEET and SEMED regions (see Annex IX). Correspondingly, a large amount of the overall budget has been dedicated to carrying out activities in these regions. The least number of activities has been implemented in Central Asia. To some extent this reflects the number of partner countries per region, the smallest region being Central Asia with 5 partner countries. The largest region is SEMED with nine countries, followed by SEET and Eastern Europe/European Neighbourhood East with seven countries each. SEET has also been a focus of activities given the need to prepare these countries for EU membership.

Across all regions, the ETF has been most active in terms of capacity building activities. The second most occurring type of activity was supporting the EC programming and project cycle.

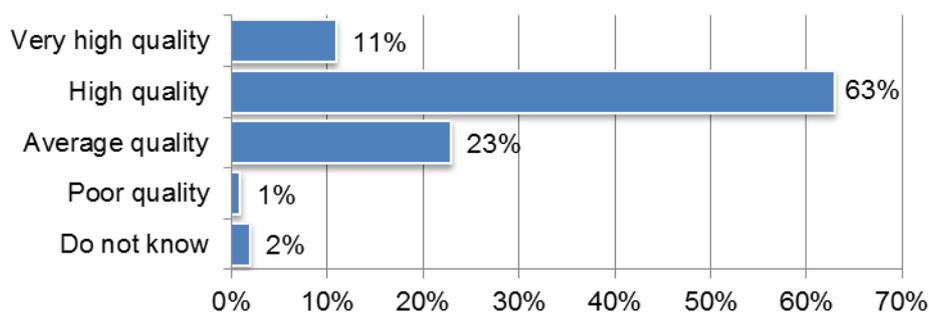
### 5.1.3 Quality of activities and the meeting of partner country needs

In the previous section, we sketched out the overall patterns of outputs delivered by the ETF. Attention should now be turned to the quality of these outputs and the extent to which they have met the needs of partner countries.

Figure 5.1 shows that, in the opinion of partner country respondents to the online survey, around three quarters of respondents regarded the quality of ETF activities to be high or very high with almost all the other respondents rating the quality as "average". Almost no one stated that activities were of poor quality. Even though such a scale is undoubtedly subjective, it is remarkably positive to find that such a large proportion rated activities above 'average'; one might have expected respondents to default to the middle category<sup>49</sup>.

**Figure 5.1 - Partner country survey responses on the assessment of the quality of the activities carried out by the ETF in their respective countries**

<sup>49</sup> Known as the "central tendency" issue in statistics



Source: Ecorys (Partner country respondents, N=116)

The generally high regard in which the quality of ETF support is held is backed up by the interviews and case studies. The words of one partner country respondent captured the sentiment particularly well: *"I think that ETF activities have high added value, we appreciate the quality of support and policy advice as well as timeliness and flexibility of the support received... support provided from ETF is regarded for its quality and in the experience their work is far better than most of the existing support received during the same period"*<sup>50</sup>.

In general, the role of the ETF as a centre of expertise in the field of VET development and related issues was uncontested amongst interviewees. The ETF is a reliable reference whose products are considered to be high quality and good support tools to inform policy making and support processes, both in partner countries directly, and by enhancing the content and relevance of the EU interventions promoted by different Directorates General (i.e. DG DEVCO, DG EAC) in those countries. Nonetheless, the ETF's process-focused approach is intrinsically more difficult to monitor and so are its results, an issue to which we return in subsequent sections.

## 5.2 Effectiveness

The revised version of the intervention logic provides a framework around which to organise the analysis of the effectiveness of the ETF. In this respect, the present section provides an analysis around the five specific objectives detailed in the intervention logic, and overall reflections on the ETF's effectiveness<sup>51</sup>.

### 5.2.1 SO1: Governance, systems and policy analysis

#### Overview of the specific objective

In the period under evaluation, the ETF, based on the findings of the first Torino Process round (2010), invested in framing the area of governance more specifically, through the development of the approach to multilevel governance in the area of skills in partner countries. This thematic development has had an impact across ETF operations in positioning some specific topics: the role of social partners and civil society organisations in VET policy cycle, the division of roles and responsibilities between national and territorial levels in VET regionalisation policies, the costing of policy options and financing mechanisms for VET (which became an area of activity in 2014), and the local dimension of skills and role of sectoral actors in the skills dialogue. Governance activities and tools were used for major initiatives such as FRAME, GEMM and for the development of country projects and support, e.g. in

<sup>50</sup> Partner country survey respondent

<sup>51</sup> It should be noted that while some evidence was found relating to geographical variations in ETF activities and effectiveness, it was too limited to provide a sound basis for analysis.

SEMED, in Palestine, support focused on the development of a monitoring system for VET reform while, in Morocco and Tunisia, on VET regionalisation. In Eastern Partnership countries the continuing training project focused on sectoral dialogue among others as well as capacity building activities aimed at institutional development and increased technical knowledge (e.g. on data compilation and analysis, indicators building, VET policy monitoring tools, etc.) of stakeholders involved in VET. It also focused on the provision and dissemination of information and advice both at regional and country level. ETF advocated the better use of evidence for policy analysis and policy making, along with specific activities for data collection, use of data and policy decision making based on evidence.

On the whole, the ETF had a large number of country-specific initiatives as well as overarching regional measures. The Torino Process was underlined as a beneficial measure in improving evidence-based policy making<sup>52</sup>, as has not only increasingly built the data collection and analysis capacities of partner countries, but also allowed external bodies to retrieve and use regional and country level data for support measures. As noted above, the Torino process is also a tool for better governance by involving stakeholders in partner countries, including actors who might not previously have been involved, and in terms of transparency and accountability through improved monitoring of public VET policies. Due to the highly unstable situation in the Southern and Eastern Mediterranean region during 2010 and 2013, the ETF had to adapt its intended policy support measures. This meant, in particular, a stronger focus on good system governance and in particular on participatory and transparent VET policy making and monitoring (via the Policy leaders Forum) and on the regionalisation (territorial dimension) of VET. The ETF was congratulated by the European Parliament Committee of Employment and Social Affairs for the "*quick revision of its activities in North Africa to match the raising needs for expertise and on the ability to respond to increased requests for support in those countries*"<sup>53</sup>.

**Table 5.4 - Illustrative example of ETF activities in governance, systems and policy-making (SO1)**

#### **ETF response in Tunisia**

The ETF project "*Le capital humain au service du développement socio économique régional, Médenine, Tunisie*" (a.k.a the **Medinine Pilot Project**; i.e. "Human Capital for the Socio-economic Regional Development) was a 3-year pilot project aiming at preparing local stakeholders in governing the vocational education and training system at the local level.

The diagnosis showed that the vocational education and training system was too centralised, and that some regions were discriminated against; especially the regions of central and southern Tunisia. Few of the international organisations present in Tunisia before the revolution, and relatively "absent" (to quote several interviewees) from Tunisia just after the outbreak of the revolution, had realised the extent to which there was a need for decentralisation of vocational education and training governance. Due to its availability on the ground in Tunisia just after the beginning of the revolution, and based on a sound joint analysis of the situation with the Tunisian Authorities, the ETF was in position to propose that an attempt be made at decentralising the vocational education and training governance.

- The rationale for the intervention was:
- Promote the decentralisation of the governance of vocational education and training, with

<sup>52</sup> The Torino process can be seen both as part of this specific objective, given its systemic basis, but also as providing a framework for all other specific objectives.

<sup>53</sup> p.10, ETF Annual Activity Report 2013

the transfer of some competences to the regions;

- Promote the actual and early involvement of all key stakeholders in the process of envisioning and governing the vocational education and training system; and
- Ease the democratic process that was going on at the time by helping respond to the demand of the regions.
- The government of Tunisia was indeed already considering that something had to be done for the regions at that time – in an attempt to calm down the general discontent inside the country in the aftermath of the revolution – but “did not know what to do and how to do it”. The ETF intervention was therefore very timely and most helpful to assist the government with something it was aiming at doing anyway. Once the Medinine Pilot Project was decided, the government’s initial steps toward this decentralisation (the how) was highly centralised and, thanks to the ETF intervention and to its promotion of tripartite approaches, the local stakeholders were concretely involved early enough in the process of deciding about their needs, and the best way to proceed with implementing local governance of the vocational education and training system. This could not have been done without the technical assistance and the know-how of ETF.

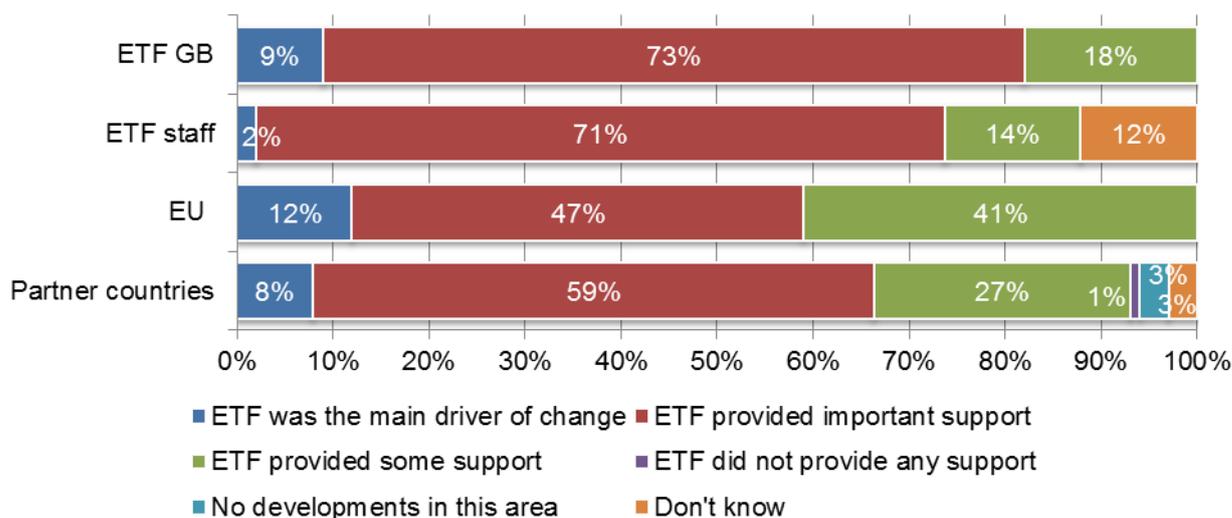
*Source: Ecorys Case Study of Tunisia*

### **ETF contribution to achieving the specific objective**

This specific objective was indicated by most interviewees as one of the most successful and relevant areas of ETF intervention. The ETF supported the development of governance, systems and policy-making developments through the direct involvement of key stakeholders and by promoting a policy learning dimension. A relevant example is the support provided to a series of Northern African countries. In Morocco, for instance, the ETF played a key role in the development of the global VET strategy, and this was enhanced on the basis of partnership approaches.

It is noteworthy that most survey respondents confirmed these positive perceptions, stating that the ETF provided important support to partner countries in terms of the development of initial and continuing VET in partner countries in the field of governance, systems and policy making. Despite variations in the distribution of responses, no major differences can be observed in the opinions of the different groups of respondents. Nonetheless, it is interesting to note that 59% of partner country respondents indicated that the ETF provided important support in this field, and 8% confirmed that the ETF was the main driver of change in the country regarding this area.

**Figure 5.2 - Survey responses on the ETF contribution to initial and continuing VET in the field of governance, systems and policy making (SO1)**



Source: Ecorys (ETF GB, N=11, ETF staff, N=42; EU respondents, N=17; Partner country respondents, N=116)

The survey also asked respondents more detailed questions about ETF activities in terms of outcomes at systems level. Generally, most respondents agreed that the ETF contributed either highly or partially to VET systems that are (i) based on effective policy making, implementation and review processes, (ii) involve relevant stakeholders and (iii) more focused on employability and responsive to the needs of the labour market. Across these three outcomes, at least 26% of partner country respondents stated that the ETF contribution had been high and at least 47% felt that it was important support<sup>54</sup>.

EU respondents and ETF staff were more positive with regard to ETF contributions: around half of the respondents of both groups felt that the ETF made a high impact. All three respondent groups stressed the particular relevance and effectiveness of the ETF in terms of stakeholder involvement, reflecting the generally positive regard in which the ETF's participatory approach is held throughout all aspects of the evaluation. Indeed, not only is it an explicit goal of intervention but it was also the dominant theme in partner country respondents' views on the positive unintended results of ETF work, showing the extent to which it is not only part of the 'DNA' of the organization but it is also highly effective and valued in partner countries. In Georgia, case study respondents were universally complimentary about ETF's stakeholder development work, indicating that it is due to ETF's contribution that today there is much better social partnership than five years ago.

Partner countries were also asked in the online survey to assess the extent to which ETF activities contributed to developments at a more detailed level. As can be seen from the table below, looking across all responses, the ETF contribution has been particularly strong in respect of enhancing collaboration among stakeholders and participation of social partners/civil society, and it has also been the main driver or

<sup>54</sup> Although there are no comparators to help assess the survey results, it is to be expected that the ETF effect would be predominantly 'partial' rather than high given the ETF scale and modus operandi. Where a 'high' contribution attracts more than one quarter of all responses this is judged to be a significant level of effectiveness at the outcome level concerned here.

provider of important support in the views of most respondents in relation to policy-making cycles and data collection and analysis<sup>55</sup>.

**Table 5.5 - Partner country respondents' views on the types of support provided by the ETF in the field of governance, systems and policy making (SO1)**

	Type of support provided by ETF					
	Main driver	Provided important support	Provided some support	Did not provide support	No major developments	Don't know
Improved policy-making cycles at national, regional and local level	7%	54%	34%	1%	2%	2%
Better data collection and analysis	7%	48%	40%	0%	1%	4%
Stronger coordination and collaboration between relevant stakeholders	15%	45%	35%	2%	1%	2%
Increased quantity and quality of participation by social partners and civil society in VET policy-making processes	15%	45%	31%	6%	2%	1%
Improved funding mechanisms and their coordination	2%	23%	40%	7%	6%	21%

*NB: The shading scheme indicates the extent to which respondents responded to a particular answer category. The darker the shading, the more respondents chose that particular answer category.*

*Source: Ecorys (Partner country respondents, N=108)*

## 5.2.2 SO2: VET provision and quality assurance

### Overview of the specific objective

The ETF objective of supporting partner countries in improving initial and continuing VET in terms of VET provision and quality assurance has been achieved predominantly through specific capacity building activities in partner countries. The issue of quality assurance became increasingly important across the years. Issues surrounding teacher training and school development were predominant in Central Asia, while the GEMM project on improving VET governance highlights the fact that the Southern and Eastern Mediterranean is a focal point in EU policy.

<sup>55</sup> Where 10% or more of respondents have selected the 'main driver' category it is judged to be a positive achievement in light of the ETF's size and modus operandi to encourage partner country ownership of developments.

**Table 5.6 - Illustrative example of ETF activities in VET provision and quality assurance (SO2)**

**Vocational school development in Central Asia**

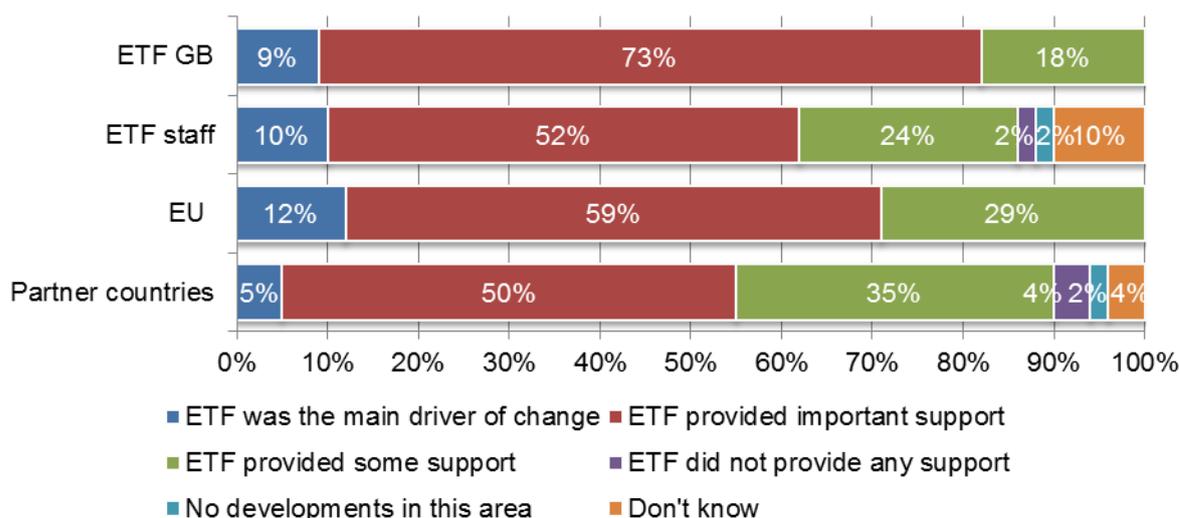
Capacity building in vocational school development and improved relevance and quality of VET in Central Asia was a key activity between 2011 and 2014. The ETF supported the implementation of the Central Asian Education Initiative of the European Commission, as well as facilitating a number of national and regional events in order to disseminate information on teacher training and school networking under the School Development Project. An example of ETF activities in the region is the support in the designing and implementing of VET reforms through the finalisation of a Teacher Training Handbook on school development. Modules on teacher training and quality assurance were tested in pilot schools in Kazakhstan, Kyrgyzstan and Tajikistan (over 60 participants were trained) and these modules - combined with a third one on school management - were later also implemented in Uzbekistan. The ETF conducted studies in individual countries (e.g. a Transition study in Tajikistan), and used the gathered information to inform stakeholders and policy-makers across the region on issues of quality assurance in vocational education in a lifelong learning framework

Source: Ecorys, based on ETF Annual Activity Reports, 2011-2014

**ETF contribution to achieving the specific objective**

As far as the survey results are concerned, respondents were overall positive with regard to ETF contributions to the main developments in the field of VET provision and quality assurance. Half of the partner country respondents thought that the ETF provided important support, with another 35% stating they offered some support. Compared to most of the other specific objectives, VET provision and QA activities register quite a low share of 'don't know' responses, suggesting that activities are ubiquitous and have high visibility.

**Figure 5.3 - Survey responses on the ETF contribution to initial and continuing VET in the field of VET provision and quality assurance (SO2)**



Source: Ecorys (ETF GB, N=11, ETF staff, N=42; EU respondents, N=17; Partner country respondents, N=116)

Furthermore, it is especially noteworthy that in terms of longer-term effects 16% of partner country respondents rated the ETF contribution to improved provision of

vocational education and training in schools, VET centres and by employers as 'high' with a further rating it as 'partially' contributing to improvements (see Figure 5.9). As section 5.7 indicates, this is considered as a significant achievement.

At a more detailed level, it can be seen from Table 5.7 that the ETF contribution has been particularly strong in relation to strengthening the focus on skills for employability; indeed this is one of the most highly rated areas at this detailed level.

**Table 5.7 - Partner country respondents' views on the types of support provided by the ETF in the field of VET provision and quality assurance (SO2)**

	Type of support provided by ETF					
	Main driver	Provided important support	Provided some support	Did not provide support	No major developments	Don't know
Development of work-based learning	6%	35%	38%	9%	1%	12%
Enhanced participation by employers in VET	9%	33%	43%	6%	0%	10%
Stronger focus on skills for employability	15%	33%	38%	3%	0%	12%
Better teacher/trainer training	7%	31%	41%	5%	2%	15%
Better quality assurance systems	4%	38%	39%	3%	1%	16%

NB: The shading scheme indicates the extent to which respondents responded to a particular answer category. The darker the shading, the more respondents chose that particular answer category.

Source: Ecorys (Partner country respondents, N=103)

The case studies demonstrated that the ETF has aptly contributed to VET provision and increasing quality assurance. Particularly noteworthy is the support to increase the participation of stakeholders in the VET process. In Central Asia, the regional School Development project included several teacher training activities as well as the development of a Community of Practice (CoP) in which stakeholders were able to share experiences and good practices. Interviewees were positive about the ETF's support in developing a new tool for stakeholder communication and exchange. It was stated that "without the impact of the ETF, Communities of Practice would not exist, or would not exist in the way they are acting today."<sup>56</sup>

The involvement of stakeholders in the VET process was also noted as particularly important in the Serbian case study. Serbia participated in the regional Frame Skills for the Future (FRAME) project in which following extensive consultation with national stakeholders, the ETF helped develop of a long-term 2020 Vision for Skills. Interviewed stakeholders were slightly less positive than those in Central Asia, however, as it was noted that the consultation process could have been carried out more efficiently and that the ETF could improve the communication of its strategy in order to ensure better understanding and targeting of activities.

<sup>56</sup> Case study interviewee

### 5.2.3 SO3: Qualifications and qualifications systems

#### Overview of the specific objective

Over the 2011-2014 period, 26 of 30 ETF partner countries pursued qualification system reform, always via developing an NQF; depending on the year and country request, ETF worked with up to 22 of these countries.

Countries reached different stages in NQF development during the period covered. Some were still at the design stage, especially in the SEMED region, where institutional fragmentation and political upheaval stalled or slowed reforms. Central Asian countries mainly pursued ad hoc initiatives, aided by donors or focused on specific industry sectors. More progress was evident in Eastern Europe and SEET, where most legislated frameworks established or designated institutions to run the framework, and begun developing new QA mechanisms; an advanced group had begun populating the framework with qualifications.

ETF provided targeted technical and policy advice to countries, via three principal approaches: country and regional actions; promoting peer-learning and disseminating knowledge via the Qualifications Platform, studies and conferences; and special support to the candidate and potential candidate countries to prepare for or participate in the EQF process.

ETF advised countries on design and development of outcomes-based NQFs; on systems for validation of non-formal learning; made recommendations for reforms to qualifications; on levelling methodologies. Additionally, ETF advised countries on setting up bodies such as skills councils to engage trade unions and employers; on institutional arrangements; advised on content of legislation; on appropriate quality assurance mechanisms to validate the quality of qualifications and ensure their reliable assessment; on tools such as manuals and handbooks for NQFs or analysing qualifications. In country work, ETF advised EU projects on support to counties in qualification system reform.

Concentrating internal expertise in the Community of Practice in Quality and Qualifications enabled experts to share ideas and expertise; its achievements included establishment of the Qualifications Platform, producing publications on qualification system reform and corporate conferences. These actions have increased opportunities for partner countries to share experiences in the development and implementation of qualification frameworks. The issue of qualifications remains important for the ETF, as is illustrated by the fact that in the new 2014-2017 Mid-Term Perspective it has become a distinct thematic development area.

#### **Table 5.8 - Illustrative examples of ETF activities in qualifications and qualifications systems (SO3)**

##### **Transnational initiative: the development of an online Qualifications Platform**

The Community of Practice on Qualifications and Quality established an online Qualifications Platform in 2012, in order to exchange information and experiences between partner countries and stakeholders that are involved in the development and implementation of qualification frameworks. By 2013, the Platform was available in both English and Russian, and to this day the number of participants has been growing steadily to over 700. On the Platform, the ETF publishes national inventory sheets on National Qualifications, and uses the knowledge gathered in order to contribute to policy briefs, research projects, and dissemination events such as conferences, seminars and plenary sessions. The ETF supported Cedefop and UNESCO, for

instance, in the outlining of the structure of a Global NQF Inventory. It also supported UNESCO in the creation of guidelines for the validation of non-formal and informal learning.

**National initiative: the implementation of the National Qualification Framework in Kazakhstan**

A noteworthy success of an ETF intervention in terms of developing a NQF in one of its partner countries can be seen in Kazakhstan. At present, Kazakhstan is the only country in the region where the NQF has been incorporated into a law that guides all stakeholders in the fields of education and economy. The ETF actively consulted with policymakers, published several analytical documents and organised several workshops to facilitate the decision-making process. The contribution of the ETF was deemed essential, as illustrated by the views of one Kazakh stakeholder who commented: “without the ETF, Kazakhstan would not have an NQF.” It is considered a “milestone” and “major innovation” in the country, in which capacities are not only built at national but also at regional level.

*Source: Ecorys, based on ETF Annual Activity Reports 2011-2014 and the Central Asia Case Study*

**ETF contribution to achieving the specific objective**

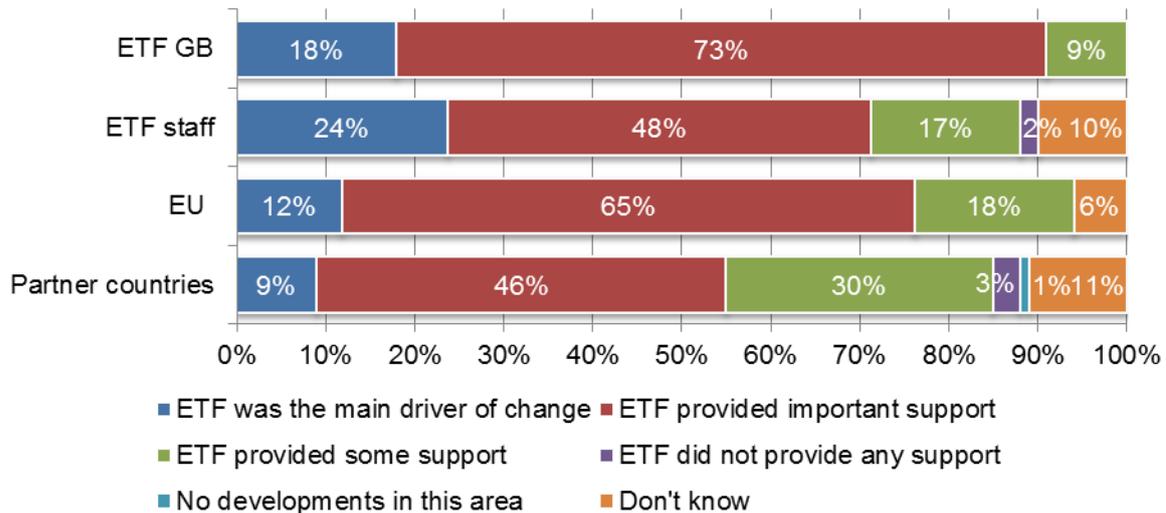
Survey responses in this area were the most positive across all the specific objectives. 9% of partner country beneficiaries identified the ETF as the main driver of change in this area, and just under half felt that the ETF provided important support. ETF staff and Governing Board members were especially positive with regard to the contribution of their activities in terms of qualifications and qualifications systems.

Interviewees stressed a noticeable progress in SEET (i.e. Kosovo, Croatia, Ukraine, Serbia, Albania and Macedonia), in terms of new legislation and methodologies and, more generally, in the positioning of the issues related to qualifications in a higher position in the policy agenda<sup>57</sup>. As a particularly successful example, the ETF supported Kosovo in the launch of the National Qualification Framework process. In this case, the ETF worked with different ministries for the development of the law and the framework. Several actors and donors intervened, and the ETF provided specific support in the area of validation of prior learning, where no action was being promoted by other stakeholders<sup>58</sup>.

<sup>57</sup> Survey findings confirm the significant ETF contribution in SEET countries but the small sample sizes involved are too small to accord much confidence to these results or to enable comparisons with other regions.

<sup>58</sup> As stressed by the interviewee, the actions encompass a broader time perspective than the evaluation period and were finalised recently

**Figure 5.4 - Survey responses on the ETF contribution to main developments of initial and continuing VET in your country in the field of qualifications and qualification systems (S03)**



Source: Ecorys (ETF GB, N=11, ETF staff, N=42; EU respondents, N=17; Partner country respondents, N=116)

Unpacking the area of qualifications and qualification systems in more detail, it can be seen from survey respondents that nearly 60% regarded the ETF as having been the main driver or provided important support to the development of national qualification frameworks (NQFs). Indeed, over one in five respondents regarded the ETF as having been the main driver, the highest figure across all developments under all the specific objectives. NQF development was also often mentioned in written survey answers as bringing significant benefits to partner countries. ETF support for the use of learning outcomes has also been strong. There are notably lower figures and less awareness of the ETF in relation to the validation of non-formal and informal learning, and especially the development of credit transfer systems, but this is not surprising given that such processes and systems tend to follow on from the development of qualifications frameworks and can raise particular challenges, as experiences within the EU have demonstrated; indeed 10% of respondents reported no major developments in credit transfer and 8% none in validation, the largest figure across all areas under all specific objectives. Equally, the validation of non-formal and informal learning was one of the more commonly cited benefits of ETF support in written answers.

The strength of the ETF's work in this field is also acknowledged in the recent evaluation of the topic<sup>59</sup> which found that "stakeholders in partner countries value ETF interventions to a great extent in providing the right expertise at the right time, fitting their needs", and that interventions were "considered to be of high quality, and involved the right experts", although they sometimes tended to "have an 'ad hoc' character". Regarding impacts, it was found that, based on the perceptions of partner country stakeholders, "most of the impact of ETF interventions is on improving lifelong learning opportunities and progression routes".

<sup>59</sup> p.9 ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe (2014) Final Report: Evaluation of Qualifications activities in ETF partner countries

**Table 5.9 - Partner country respondents' views on the types of support provided by the ETF in the field of qualifications and qualification systems (SO3)**

	Type of support provided by ETF					
	Main driver	Provided important support	Provided some support	Did not provide support	No major developments	Don't know
Supporting the use of learning outcomes	8%	36%	38%	5%	2%	10%
Development of national qualifications frameworks	21%	38%	25%	4%	1%	11%
Development of credit transfer systems	3%	13%	18%	13%	10%	42%
Development of validation of non-formal and informal learning	9%	25%	29%	8%	8%	21%

*NB: The shading scheme indicates the extent to which respondents responded to a particular answer category. The darker the shading, the more respondents chose that particular answer category.*

*Source: Ecorys (Partner country respondents, N=97)*

### 5.3.4 SO4: Entrepreneurial learning and enterprise skills

#### Overview of the specific objective

Over the years the importance of the theme of entrepreneurial learning and enterprise skills has increased, as illustrated by the fact that, in the new Mid-term Perspective of 2014-2017, the ETF designed the theme as one of the main interventions. Particularly noteworthy is the support of the ETF to the European Commission, particularly DG Enterprise (now DG GROW). The ETF elaborated a policy assessment framework for entrepreneurial learning and enterprise skills, and has continuously adapted the assessment methodology that is adopted under the framework of the EuroMed Charter for Enterprise Assessment and later the Small Business Act. The focus of the ETF has mainly been on monitoring policy in partner countries, the provision of information and policy advice, as well as building capacities for data collection, policy development and implementation. For example, in pre-accession countries, there has been capacity building support to policy makers on tracking progress on entrepreneurial learning, women's entrepreneurship and SME skills. As illustrated in the Work Programmes and Annual Reports, the ETF has focused less on concrete, direct measures at country level than in other thematic areas, and more on awareness-raising and knowledge dissemination activities. One of the key ways in which the ETF does this is through the Small Business Act assessments.

**Table 5.10 - Illustrative example of ETF activities in entrepreneurial learning and enterprise skills (SO4)**

**ETF assessments under the Small Business Act**

The ETF provides support to partner countries to improve their initial and continuing vocational training in terms of entrepreneurial learning and enterprise skills particularly in relation to the European Union's Small Business Act, which outlines the support of the EU in terms of small business development, including human capital development. Key objectives of this Act are promoting entrepreneurial learning and enterprise skills. The ETF carries out assessments of partner countries following indicators presented in the Small Business Act. These assessments, combined with conclusions drawn from the Torino Process, enable the ETF to support evidence-based policy making in its partner countries. By 2014, the ETF had developed newly updated policy indicators and assessment tools to gather information on the developments in the promotion of entrepreneurial learning and enterprise skills in partner countries. The first phase of the SBA assessment was carried out by the ETF in collaboration with the South East European Centre for Entrepreneurial Learning, a regional partner organisation. An SBA assessment was also launched in Eastern Europe, where numerous focus groups with policy makers, training providers, business organisations and civil interest groups reviewed national policies. They identified key challenges and opportunities for the development of systems of for entrepreneurial learning and SME skills. Throughout the years, the results of the assessments were disseminated through national and international events and through policy networks.

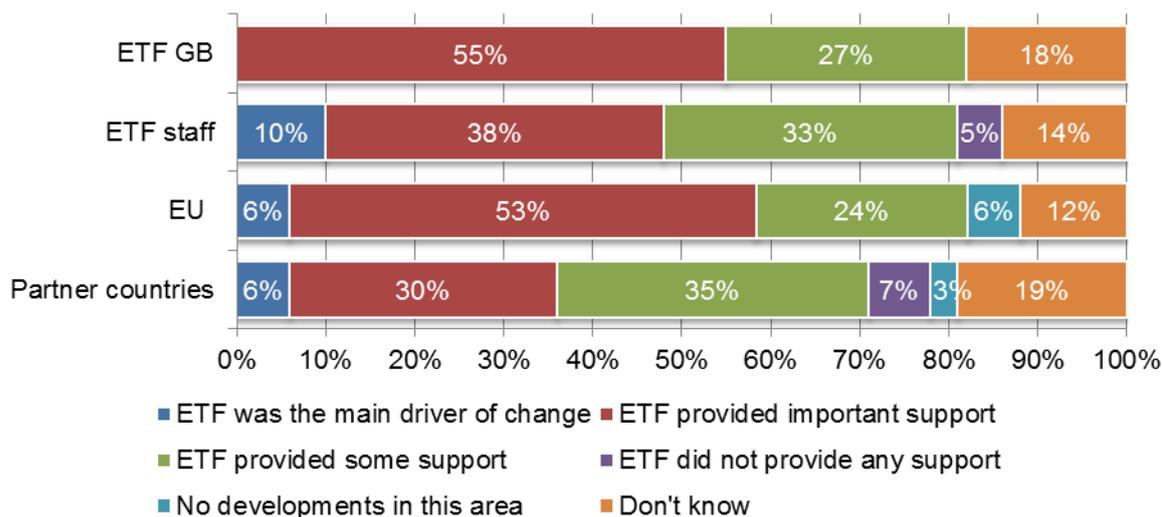
*Source: Ecorys, based on ETF Annual Activity Reports 2011-2014*

**ETF contribution to achieving the specific objective**

Only limited information was provided by the interviewees around this specific objective, mainly referring to SBA assessment (mentioned above – the cornerstone of ETF activities in the field) and to the relevance of ETF actions for entrepreneurial learning and enterprise skills in relation to human capital development and as a response to youth unemployment (i.e. in Arab countries). More substantially, in Georgia a wide range of interviewees highlighted the SBA process as being a stimulus and motivator when benchmarking against other countries in the region.

Regarding the survey results, respondents were slightly less positive with regard to ETF support in the field of entrepreneurial learning and enterprise skills when compared to the other specific objectives. Especially in the case of partner country respondents, the assessments are quite heterogeneous: 6% felt the ETF was the main driver of change, 30% indicated that the ETF provided important support but another 35% stated that the ETF only provided 'some' support. Furthermore, 7% felt that the ETF provided no support at all and another 3% were of the opinion that there were no developments in the area in partner countries during the evaluation period. Nonetheless, in written answers to the survey, support for the SBA was one of only a small number of areas identified where partner countries wanted continued support.

**Figure 5.5 - Survey responses on the ETF contribution to main developments of initial and continuing VET in your country in the field of entrepreneurial learning and enterprise skills (S04)**



Source: Ecorys (ETF GB, N=11, ETF staff, N=42; EU respondents, N=17; Partner country respondents, N=116)

At a detailed level, ETF support appears, on the figures shown in Table 5.5, to have been less influential overall than in relation to other specific objectives, with the percentage of respondents indicating "some support" notably higher than for "important support". Nonetheless, in some countries the ETF has been the main driver. One informant commented: "The training for SBA country experts, and support for VET policy making is the best examples from ETF. Also cooperation from national SBA experts and ETF experts has been a success story." See also the box below.

**Table 5.11 - Illustrative example of activities supporting the development of entrepreneurial learning and enterprise skills**

**Entrepreneurial learning and enterprise skills in Georgia**

During the evaluation period, there were number of activities, forums about entrepreneurial leaning and enterprise skills, where the government as well as business representatives took part. For example, business organizations together with representatives of relevant government entities were always present at the entrepreneurship platform and they took an active part in the process of formulating indicators and policy in general. This helped to understand the type of demands on education and qualifications from the business sector and supported the identification of the kind of policy that needed to be implemented by the government to develop demand-oriented human resources. Based on this platform, the representative of a key ministry elaborated the concept of entrepreneurship learning. These activities were followed up by elaboration of the SME strategy, which was complemented with useful recommendations by the ETF. This strategy was approved in February 2016. In addition, the platform encouraged the ministry to introduce transversal skills into learning modules and applied to the UNDP for assistance in this regard.

Source: Ecorys case study of Georgia

An evaluation commissioned by the ETF itself was also enlightening<sup>60</sup>. It found that the organisation's work in the area, especially the SBA assessments, to be considered relevant and effective in partner countries. The monitoring of the SBA Assessments allows the ETF to track the progress of partner countries on relevant indicators. Notably, the evaluation calculated the progress from 2010-2014 in the SBA human capital indicators by region and it was estimated that the progress made in the Eastern Partnership in terms of entrepreneurial learning stood at 41% (compared to the regional average of 28%) while the ETF made particular progress in the SEET region in terms of enterprise skills development (38% progress as opposed to the 20% average). The least progress was made in SEMED (only 5% progress in terms of enterprise skills development), predominantly due to the political insecurities in the area. Partner countries considered particularly "mature" in this field are Croatia, the former Yugoslav Republic of Macedonia and Georgia. The provision of policy advice was deemed 'very efficient' in Albania, Bosnia-Herzegovina and to some extent in Belarus, Georgia and Ukraine despite the limited resources (approximately EUR 1,000 per country in three years).

When delving deeper it was found that stakeholders believed the SBA assessment to be insufficient on its own to drive policy development and that additional interventions are needed. Progress was made in both Serbia and Montenegro, for instance on all indicators between 2009 and 2012. SBA assessments were deemed useful in facilitating stakeholder engagement and participatory policy development processes. However, not all country-specific interventions made an impact in raising the indicator scores (as was the case in Montenegro). Moreover, a potential limitation signaled in the evaluation was that the SBA assessments may trigger formal changes rather than real changes as certain interventions are not seen as sustainable. In Serbia, for instance, consistent improvements were measured for three years, but these developments were not sustained as the Entrepreneurial Learning Council was dissolved and the Entrepreneurial Learning Strategy never published.

Between the different rounds of SBA assessment, ETF visibility in partner countries was furthermore limited, especially outside those countries not supported by country-specific activities in entrepreneurial learning and enterprise skills development. Additionally, it found that country interventions based on weaknesses identified in the SBA assessment were more effective, sustainable and created more stakeholder involvement than one-off interventions not directly linked to a nationally voice demand. There also needed to be more involvement of end-beneficiaries such as employers, entrepreneurs, students, education providers and teachers. There was also scope to make better use of the SBA assessment as a general framework for donors to design and implement their activities. These features are consonant with the findings here, and indeed help to explain the results for this specific objective compared to the others.

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<sup>60</sup> ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe (2015) Final Report: Evaluation of Entrepreneurship and Enterprise Skills Development in ETF partner countries

**Table 5.12 - Partner country respondents' views on the types of support provided by the ETF in the field of entrepreneurial learning and enterprise skills (SO4)**

	Type of support provided by ETF					
	Main driver	Provided important support	Provided some support	Did not provide support	No major developments	Don't know
Improved teaching and learning for entrepreneurship	5%	27%	47%	2%	4%	15%
Quality assurance to improve quality of entrepreneurial learning	5%	22%	40%	4%	2%	25%

NB: The shading scheme indicates the extent to which respondents responded to a particular answer category. The darker the shading, the more respondents chose that particular answer category.

Source: Ecorys (Partner country respondents, N=81)

### 5.2.5 SO5: Labour market systems and skills for employability

#### Overview of the specific objective

ETF activities in the area of improving labour market systems and employability were predominantly aimed at the provision of methodological support and the dissemination of labour market information and analysis to promote evidence-based policy making for matching skills provision to labour market and society needs for skills. Across the years the ETF produced various reports (both at a national and regional level) as well as carrying out data collection activities (such as surveys and tracer studies). Particularly noteworthy is the increased participation by the ETF in the migration dialogue between the EU and partner countries for the building of Mobility Partnerships to highlight the skills dimension in legal circular migration.

The ETF notably produced an array of outputs in Eastern Europe related to skills for employability and mobility. The ETF actively supported the development of partnerships between the EU and Eastern Europe through regional technical capacity building focused on sector skills councils and the validation of non-formal and informal learning. As a result, councils were set up in Azerbaijan, Belarus and Georgia. They implemented concrete country-level initiatives such as the pilot project in the Dnepropetrovsk region of Ukraine related to skills analysis and school optimisation, as well as specific career guidance initiatives in Russia and Armenia. The ETF furthermore developed and disseminated skills matching and anticipation methodologies (that were developed in collaboration with Cedefop and the ILO) which will be used in a Skills Matching Project involving Armenia, Azerbaijan, Belarus, Georgia and Ukraine.

**Table 5.13 - Illustrative example of ETF activities in labour market systems and skills for employability (SO5)**

#### Project on migration and skills in Armenia, Georgia and Morocco

The ETF finalised surveys on migration and skills in Armenia, Georgia and Morocco in 2012. Key conclusions included the presence of a strong skills mismatch in migration as well as the difficulties of effectively using acquired skills by returning migrants. Using the information gathered through the surveys, the ETF drafted cross-country reports and presented the results to national audiences as well as at international events. Knowledge and experience was shared at a regional meeting on Skills and the Employment of Migrants in Yerevan, for instance, in October 2012. Using the gathered information, the ETF actively supported DG HOME in the

dialogue surrounding Mobility Partnership (MP) agreements, frequently participating in workshops, conferences and meetings. To date, they have been involved in the signing of Mobility Partnerships with the Republic of Moldova (2008), Georgia (2009), Armenia (2011) and Morocco (2013) and are currently involved in negotiations regarding partnerships with Tunisia, Jordan and Azerbaijan.

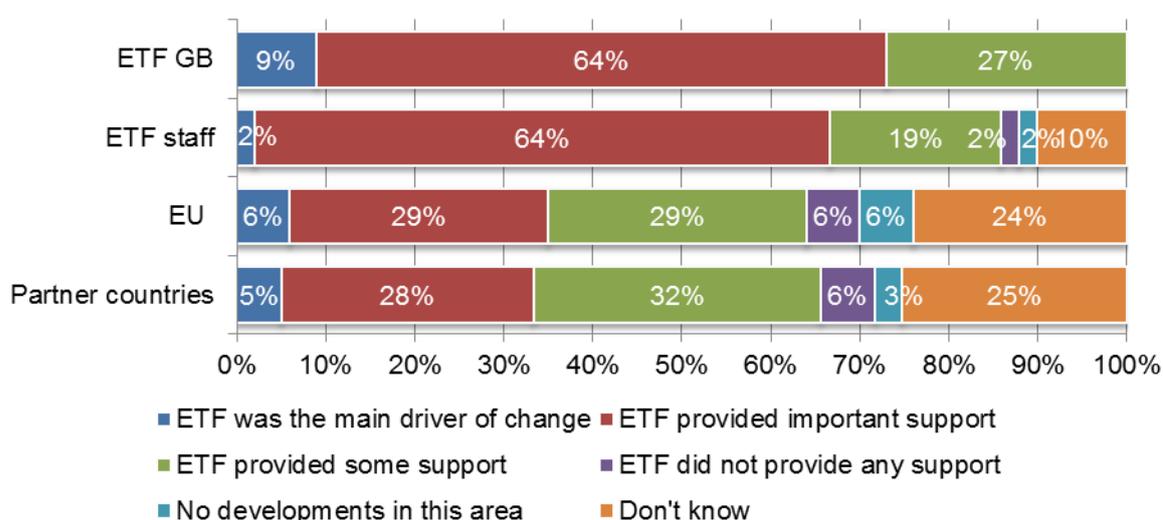
Source: Ecorys, based on ETF Annual Activity Reports 2011-2014

### ETF contribution to achieving the specific objective

According to some interviewees, this specific objective is one of the main areas where the ETF intervention stimulates activity that would not otherwise have taken place, in this case mainly to provide analysis.

Survey responses from partner country stakeholders were more mixed: around one third felt that the ETF provided 'some support' or was the main driver while another third stated they provided some support, although more detailed analysis of the "components" of this specific objective highlight the ETF's pivotal role in some countries (see below). More than one quarter were unsure of the importance of ETF support. 29% of EU respondents felt that there was 'some' support offered by the ETF in the development of labour market information systems and skills for employability, but another 6% felt that there was either no ETF support at all, or that there were no major developments in the area during the evaluation period. ETF staff was overwhelmingly positive compared to the partner country respondents and EU respondents. 64% felt that the ETF provided important support in this area. Attitudes of EU and partner country respondents were similar in that 5-6% felt that the ETF was the main driver of change and just under 30% felt that the ETF provided important support.

**Figure 5.6 - Survey responses on the ETF contribution to initial and continuing VET in the field of labour market information systems and skills for employability (SO5)**



Source: Ecorys (ETF GB, N=11; ETF staff, N=53; EU respondents, N=17; Partner country respondents, N=114)

In terms of longer-term results and impacts, regarding the development of VET systems more focused on employability and responsive to the needs of the labour market, respondents generally agreed that the ETF had a high or partial impact. Just

under a third of partner country respondents and EU respondents felt that the ETF made a high contribution in this area, while another 50-65% felt they provided some support. Strikingly, ETF staff were very positive about their contribution as more than half (53%) stated that they felt that the organisation had made a large contribution to developments in the area.

At a detailed level of development, the responses to the online survey from partner countries were quite varied (Table 5.14): ETF support has been important or the main driver in relation to developing skills anticipation systems and sectoral monitoring for at least 40% of respondents; whilst in relation to young people's transition to work and migrant support measures, the dominant feature is the much lower levels of awareness of ETF activities, reflecting the fact that these activities are less common. Indeed, in some cases work in the transitions area was highly valued (see Table 5.15).

**Table 5.14 - Partner country respondents' views on the types of support provided by the ETF in the field of labour market information systems and skills for employability (S05)**

	Type of support provided by the ETF					
	Main driver	Provided important support	Provided some support	Did not provide support	No major developments	Don't know
Development of mechanisms for skills identification/anticipation and matching	13%	31%	43%	1%	3%	9%
Development of mechanisms for sectoral monitoring	12%	28%	33%	8%	7%	12%
Capacity building to support young people's transition to work	3%	17%	21%	11%	1%	47%
Migrant support measures, including integration	3%	17%	21%	11%	1%	47%

*NB: The shading scheme indicates the extent to which respondents responded to a particular answer category. The darker the shading, the more respondents chose that particular answer category.*

*Source: Ecorys (Partner country respondents, N=75)*

**Table 5.15 - Illustrative example of ETF activities developing labour market information systems and skills for employability**

#### Transition Study in Kyrgyzstan

The Transition Study in Kyrgyzstan is considered a particular success in ETF activities in the region. It is the first study of its kind in the region, and thus provides new information on the reality of school-to-work transitions for school leavers in the country. An adapted ETF tracer methodology was used by labour market specialists and statisticians to carry out the survey. Approximately 2,100 young people (aged between 15 and 29) who had left education in the past six years were involved in the study. The results showed that roughly 37% of respondents were involved in family work, as well as presenting evidence that the focus of VET should not be on urban schools. The results of the study led to ministerial and parliamentary debates on VET and youth employment and will support future policy development in the area. The focus of activities subsequently would shift from adult training to teacher training. The active involvement of VET providers in the implementation of the studies to anticipate and match skills was encouraged by the ETF in 2013. The following year the methodology was adapted after the initial piloting in five vocational schools and the involvement of 16 schools in Bishkek and

Southern Kyrgyzstan. The tracer methodology was furthermore used by the Asian Development Bank and the G20 and ILO for the mainstreaming of initial and secondary VET in their projects.

Source: *Ecorys Case Study of Central Asia*

At the same time, relative to the other specific objectives, the share of respondents, identifying the ETF as being the main driver in the key areas of mechanisms for skills anticipation and sectoral monitoring is high. As one respondent commented: "ETF support was very important for identification of skills matching of education and market needs. This is being used in all policy documents related to this area." Further, asked to indicate specific needs that the ETF had contributed to tackling during the evaluation period, labour market information systems/skills for employability was an important area (see Figure 4.4). Nonetheless, the percentage stating that only "some support" was provided in Table 5.14 is also relatively quite high. This points towards a patchy picture of effectiveness in this area. This could reflect to some degree the challenges inherent in developing such systems successfully but may also warrant attention by the ETF.

### 5.3 Overview of effectiveness across the specific objectives

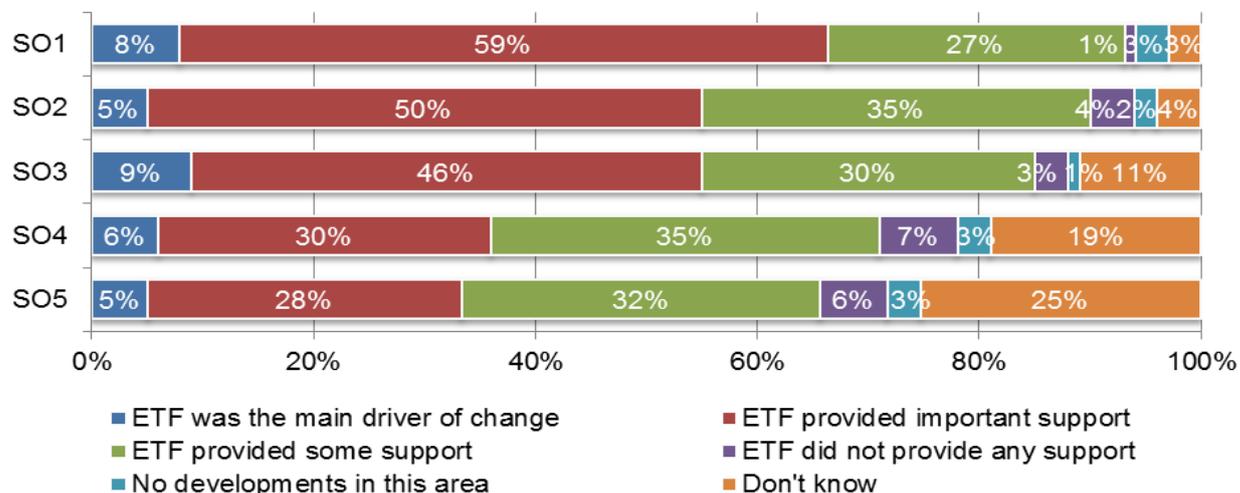
Looking across the ETF's specific objectives, it is possible to make an overall assessment of the organisation's contribution and also to highlight where it has been strongest.

In terms of overall assessment, across the specific objectives, the ETF made an important contribution to developments in partner countries across a broad range of topics. In the areas covered by two specific objectives (SO4 and SO5), around one third of partner country respondents indicated that the ETF had been the main driver or made an important contribution, with a similar share stating it had provided some support<sup>61</sup>; this rises to more than half responding 'main driver' or 'important' for the other three specific objectives. Across all specific objectives, the share of respondents indicating 'no support' is never more than 7%. There are no benchmarks against which to judge these figures but given the scale of the ETF's operations such figures, especially across such a broad set of objectives, are judged to be an important achievement.

In terms of indicating where the ETF contribution has been strongest, it should be stressed that this is a *relative* assessment across very diverse activities and countries and therefore should not be taken to suggest that the ETF should focus activities on some specific objectives rather than others; from partner country to partner country the ETF's contribution is highly variable in response to needs. Nonetheless, in terms of the ETF's spread across partner countries and importance to changes taking place, it is possible to state that the organisation's contribution has been strongest in relation to (i) governance, systems and policy-making, (ii) VET provision and quality assurance, and (iii) qualifications and qualification systems (see Figure 5.7). In all these areas, 55% or more of partner country respondents stated that the ETF had either been the main driver or provided important support, and the share of 'no support' responses is consistently below 5%.

<sup>61</sup> These specific objectives also contain 19-25% 'don't know' responses; eliminating these would raise the percentages in the other response categories further.

**Figure 5.7 - Extent of ETF contribution to developments in partner countries: specific objectives compared**

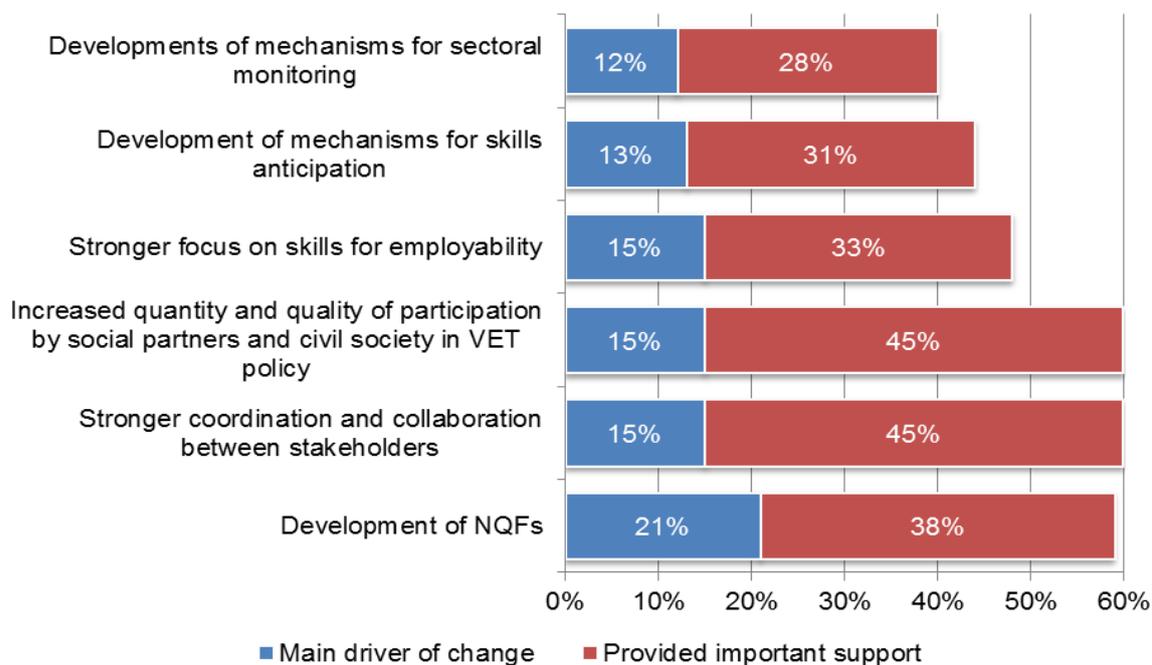


NB: SO1 = governance, systems and policy making; SO2 = VET provision and quality assurance; SO3 = Qualifications and qualifications systems; SO4 = Entrepreneurial learning and enterprise skills; SO5 = Labour market information systems and skills for employability.  
Source: Ecorys (partner countries, N=114)

More specifically, **governance, systems and policy-making** has been one of the most successful and relevant areas of ETF intervention, which is a strongly positive finding given the high level of attention accorded to this area in the evaluation period and the fact that this was then a relatively new area of activity. The ETF contribution has been particularly valued in relation to stronger coordination and collaboration between relevant stakeholders and the increased quantity and quality of participation by social partners in policy-making processes. Indeed, stakeholder involvement has arguably been the single greatest area of ETF effect, as indicated in the outcome analysis below

In **VET provision and quality assurance and qualifications and qualifications systems** the ETF contribution has also been strong and widely identified, with particularly strong contributions in relation to strengthening the focus on skills for employability and the development of national qualifications frameworks (NQFs) and learning outcomes. Indeed, regarding NQFs, the share of partner country respondents stating that ETF was the main driver of developments was especially high (see Figure 5.8 which shows those developments where more than 10% of respondents selected the 'main driver' category) which might be due, in part, to the technical nature of the subject, in contrast to, e.g. stronger stakeholder involvement.

**Figure 5.8- Areas where ETF made a major contribution to developments**



Source: Ecorys

In the development of **entrepreneurial learning/enterprise skills** and **labour market systems/skills for employability**, the ETF contributions have been more heterogeneous, being significant to some individual partner countries but affecting fewer of them<sup>62</sup>. Countries most affected with respect to the development of entrepreneurial learning and enterprise skills were those involved in the SBA assessments. The evaluation on entrepreneurship and enterprise skills development particularly noted the developments in Serbia, Montenegro and Lebanon<sup>63</sup>. Examples of partner countries in which the ETF actively sought to improve labour market systems are Turkey, Georgia and Kyrgyzstan<sup>64</sup>. Notable developments in fostering employability skills can be seen in Central Asia, where the ETF supported school development and work-based learning.

ETF contributions were generally considered less important than in the case of the preceding three strategic objectives, with fairly equal proportions of responses of 'important' and 'some' contribution, whereas for the other strategic objectives there were clearly more 'important' responses. In some countries, the ETF has been the main driver in the development of mechanisms for skills anticipation and sectoral monitoring (Figure 5.8).

In terms of **synergies** between and the **cumulative** effect of ETF activities in partner countries, in general there is room for improvement. Whilst case study interviewees tended to talk in general terms about ETF support for evidence-based policy making

<sup>62</sup> As evidenced by the higher number of 'don't know' responses. Interpretation validated by ETF staff during discussion in Turin, June 2016.

<sup>63</sup> ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe (2015) Final Report: Evaluation of Entrepreneurship and Enterprise Skills Development in ETF partner countries

<sup>64</sup> ETF Annual Activity Report, 2014

benefiting their VET systems, and the changing of mind-sets, they did not highlight many linkages being made between different activities, although this may also be because of a lack of visibility of such connections. For example, one Kazakh stakeholder is fairly typical of both the individual and systemic effects of the ETF *“Due to cooperation with ETF, I changed a lot in my daily working routines and the way to make things done. This regards first of all for a more result-oriented TVET system, the introduction of professional standards and a module-based training process. Learning from ETF helped to gain a first-mover advantage for my department in Kazakhstan.”* In other words, while the ETF often helps to create the framework conditions within which synergies might be made and cumulative effects built up, the extent to which such benefits are realised is debatable.

The reasons behind this lie partly within partner countries. The relevant factors are often similar to those that hinder the build up of synergies and cumulative effects in any other political system. For example, issues highlighted in Serbia include the lack of a comprehensive understanding of the complex nature of VET and related issues, no definition of relevant standards, and no adoption of a commonly accepted set of indicators for directing practice and evaluating and monitoring performance, along with fragmentation and a lack of synergy between relevant ministries and agencies.

At the same time, on the side of the ETF, action is also necessary. For example, regarding ETF’s qualifications-related activities, it has been found<sup>65</sup> that the interventions taking place in the partner countries maintain a certain ‘ad hoc’ character, as often a needs analysis and an intervention logic is lacking, and how interventions build further on outcomes of previous interventions remains unclear. In Serbia, the case study suggests that more effective coordination mechanisms and mutual reinforcement among specific objectives and interventions are needed to boost the cumulative effect and ensure synergy and impact.

The Torino process clearly opens up the possibility to improve on such situations by enabling (potential) synergies to be clearly identified and, through improved evidence-collection and monitoring, the development of more and stronger cumulative effects. However, currently, the evidence suggests that such benefits still remain to be fully realised. This perhaps reflects the fact that these are still early days for Torino in many ways, given how long it can take to bring ETF interventions to fruition and realise their full benefits, given partner country conditions.

## **5.4 The effectiveness of regional interventions**

By bringing together stakeholders from neighbouring countries the ETF gives partner countries the opportunity to exchange experiences and share good practices as well as discuss challenges and potential solutions to overcome these challenges with stakeholders that work in similar contexts.

The focus of the ETF in the Central Asian region was on promoting regional policy dialogue centring on ways to increase the relevance of VET and support the cooperation between education and business sectors. The ETF collaborated with the EEAS and the Central Asia Education Platform (CAEP) in organising Torino process events as well as other regional dissemination conferences and seminars on the ‘School Development project’ (see table 5.6).

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<sup>65</sup> ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe (2014) Final Report: Evaluation of Qualifications activities in ETF partner countries

In terms of regional cooperation, case study evidence shows that the Torino process was seen as one of the most effective interventions as it involves a wide range of stakeholders in policy discussions and builds capacities in the monitoring of the progress made in terms of the modernisation of TVET systems across the region. As the process uses the same indicators across all partner countries, it is easy to compare the findings. Appreciation was additionally shown by stakeholders for the opportunities provided by the ETF to exchange information and good practice not just at national, but also at regional level.

As stated in the Annual Activity Report, 2014: "*[t]he regional policy dialogue [in Central Asia] has led to a better insight into policies and practice on how ministries steer and monitor VET schools and how VET school managers can take initiatives within their decision making mandates. The dialogue has focused on quality assurance and on education and business cooperation. The participants agreed to develop the dialogue further through using policy simulation techniques targeted at specific policy problems.*" Stakeholders from Central Asia indicated that they felt that the regional approach was effective as it allowed them to learn from the experiences of neighbouring countries that faced similar challenges. Events, conferences, seminars and study visits were deemed particularly useful as they provided the opportunity to meet other stakeholders and exchange examples of good practice.

At the same time, the regional approach can achieve mixed results. For example, it was concluded in the ETF Qualifications Evaluation Report (2014, p.8) that: "*The regional projects show a differentiated picture with regard to effectiveness. In some countries they provide, as a starting point, the place for discussion and reflection on the qualification system – in others the progress achieved in the regional projects does not seem to inform the NQF development and qualifications reform.*"

The ETF supported the adjustment of national qualifications frameworks to the European Qualification Framework in the context of the regional Eastern Partnership Programme (EAP). Stakeholders from Georgia indicated that a regional conference on NQF development in the region was useful in terms of sharing experiences and best practices among different countries as well as identifying the future needs of partner countries. The conference ultimately supported the launch of the online qualifications platform.

Regional exchanges have on occasion led to the development of online exchange platforms in which all stakeholders are able to share information and good practice. The online qualifications platform, for instance, is available both in English and Russian and shares information and good practices on qualifications development across all partner countries. In South Eastern Europe there is also an online platform specific to the region related to entrepreneurial learning. This web-based platform was developed with South East European Centre for Entrepreneurial Learning (SEECEL) and promotes the sharing of good practices and the dissemination of publications and information on workshops and seminars.

Ultimately, exchanging information and good practice can be seen as useful when they are applicable to countries operating in similar contexts. The effectiveness of the regional approach depends in part on the level of engagement of stakeholders, as well as the similarities of the contexts in which they work. On this note, it is important to consider which partner countries are included in these regional interventions, as certain activities may be more applicable to particular national contexts than others. The criteria for including partner countries in initiatives needs careful consideration to ensure the relevance of activities to partner country contexts.

## 5.5 The ETF in candidate countries

The ETF supported activities under the Instrument for Pre-accession Assistance (IPA) between 2007 and 2013 and is currently supporting its successor (IPA II) for the period 2014-2020. The IPA is a tool that prepares (potential) candidate countries for their accession to the EU<sup>66</sup>. Reforms in 'enlargement countries' are supported with both financial and technical assistance from the EU. The first IPA period had a budget of €11.5bn, and the second IPA has a dedicated budget of €11.7bn.

Support was given by the ETF for the preparation of IPA multi-beneficiary projects in the areas of inclusive education and private sector development in 2011 by DG Enlargement. They supported competence development through contributions to project fiches, setting up task forces on social inclusion and education and training as well as organising regional meetings on social inclusion and private sector development. The ETF also played an active role in the monitoring activities of the multi-beneficiary project. They provided regular input to the monitoring of the Regional Competitive Initiative (with the OECD) as well as the activities of the European Centre for Entrepreneurial Learning (SEECCEL). Following the signing of a Memorandum of Understanding in 2011, the ETF became involved in the work of the Southeast Europe Investment Committee for the development of the Southeast Europe 2020 strategy.

The ETF drafted regular progress reviews including several country assessments, such as the employability fiches for DG Employment, Small Business Act (SBA) assessments on entrepreneurial learning and enterprise skills, human resource development reviews and Torino Process assessments. The results of these reviews were widely disseminated throughout 2011-2014 at conferences and meetings. Notably, the candidate countries were involved in reporting on the EU VET coordination process – the Copenhagen process – and the Bruges Communiqué, which formed an important milestone in the Copenhagen process, thus engaging them in the process of sharing intelligence on progress in improving the quality of VET systems and fostering cooperation and exchange between candidate countries and the EU.

Visions for Skills 2020 were developed in all candidate countries and the ETF supported the drafting of corresponding Skills 2020 Reports<sup>67</sup>. The issue of skills for growth became increasingly important on the agenda for candidate countries, and as a result the FRAME initiative was implemented in the Enlargement region in 2014. A foresight methodology was developed as was a methodology to assess the institutional arrangements of partner countries for the implementation and monitoring of human resource development policies. Through FRAME the EC also aimed to develop the capacity for monitoring activities. Results were widely disseminated, and the end of FRAME was marked by a high-level conference in Tirana (see also section 5.6 for further analysis of FRAME).

Regarding the extent to which the ETF's work contributed to the effective integration of candidate countries into the Copenhagen Process, the ETF provided collaborative support for the implementation, monitoring and analysis of progress in VET modernisation. Progress reviews are regularly written with regard to the Copenhagen process, the Bruges Communiqué, the Torino process, Small Business Act (SBA) assessments and the FRAME initiative. As a result of these regular monitoring and reporting exercises, candidate countries were provided with support and expertise to

<sup>66</sup> Beneficiaries are: Albania, Bosnia and Herzegovina (potential candidate), Croatia (member since 2013), the former Yugoslav Republic of Macedonia, Kosovo (potential candidate), Montenegro, Serbia and Turkey.

<sup>67</sup> These reports outline the foresight vision building process in each partner country as well as reviewing the institutional arrangements and capacity development plans to achieve the respective Vision for Skills 2020. They furthermore highlight the progress made in the monitoring of projects.

structurally and systematically transform VET systems in order to increase the quality and quantity of VET activities as well as the long-term impact of VET.

Stakeholders from candidate countries generally recognised the contribution of the ETF in the strengthening of the European dimension of VET, improving transparency, information and guidance systems as well as promoting cooperation in quality assurance in candidate countries. It was indicated that they contributed to the recognition of competences and qualifications (including non-formal and informal learning) to a lesser extent, although this is to be expected given the general state of development in this area across Europe. Stakeholders' indicated that ETF support in relation to the Copenhagen process, was either significant in some respects or played a significant or even essential role in their country's integration into the process.

The main contribution of the ETF to the integration of candidate countries in the process is that it supported the development of national strategies and reform programmes, while simultaneously promoting the national ownership of VET policymaking. Multiple stakeholder involvement was encouraged, and evidence-based collective governance supported transparent and accountable decision-making. To illustrate, an external expert on Serbia indicated that the ETF's support to Serbia in relation to the Copenhagen/Bruges reporting process will become increasingly important in the future. The ETF was considered one of the largest supporters of the Serbian government's objective to improve the quality and efficiency of VET in the areas of lifelong learning and employability under the IPA I (2007-2013). It, for instance, supported DG ELARG and the EU Delegation in the development of a Country Strategy Paper defining the strategic priorities for Serbia and the IPA II programming period. As one expert commented "*the ETF is seen as an institution which can significantly contribute to the development of the above document in the next programming period (2014-2017)*" as well as concluding that "*overall, the ETF support is in line with both the Riga Conclusions and national strategies, policies and goals, and is developed in close cooperation with national VET policy stakeholders as well as in consultation with EC services and the EU Delegation in Belgrade.*"

ETF interviewees indicated that generally in candidate countries social partners and stakeholders had not been effectively engaged in the decision-making process, and that ultimately more candidate country representatives had been included in policy-making activities as a result of ETF interventions. Ultimately, one of the significant effects of the ETF in relation to candidate countries is the role it has played in the development of evidence-based policies and strategies that are in line with European strategies (such as the 2020 Vision for Skills through the FRAME initiative), while encouraging national stakeholders to increase their ownership over the process.

## **5.6 The GEMM and FRAME projects**

During the evaluation period, two projects were added to the portfolio of ETF activities outside its main annual budget and undertaken on behalf of European Commission services: GEMM (on behalf of DG DEVCO) and FRAME (on behalf of DG NEAR, formerly ENLARG). It is therefore important to consider the extent to which these additional projects were coherent with the main objectives and activities of the ETF and EU, as well as their added value.

### **5.6.1 Governance for Employability in the Mediterranean Region (GEMM)**

The Governance for Employability in the Mediterranean Region (GEMM) project is a three-year regional project covering the 2013-16 period. The project started on 09 February 2013 and was scheduled to end on 08 February 2016. It was funded by the EU, included all partner countries in the European Neighbourhood South / Southern and Eastern Mediterranean (SEMED) except Syria, and the implementation was

coordinated by the ETF on behalf of DG DEVCO. The total budget over the three years was €2 million. The project aimed to tackle issue of unemployment (particularly for young people and women) and address the mismatch between acquired skills and the demands of the labour market through reforms in the governance of VET systems. It is thus strongly coherent with the objectives of the ETF.

The GEMM project consisted of two main components, one of which was at national level and the other at local/territorial level. The first component aimed to build the capacities of governmental actors and employer/employee organisations to increase the quality and relevance of VET systems. This was done by mapping and analysing the governance in the region as well as by targeted study-visits. A methodology was developed for the analysis of multi-level governance (focusing particularly on finance and quality assurance elements). Insights obtained were subsequently disseminated to policymakers and social partners through annual conferences and workshops. The second component sought to build capacities at local/territorial level to enhance the employability of young people and women and to increase the ability and competences of training providers and skills development stakeholders to respond to labour market needs. This was to be done by selecting pilot projects in close collaboration with local stakeholders, training stakeholders for the design and implementation of the pilot projects and supporting the further implementation of the pilot projects. Events with relevant stakeholders were subsequently organised to disseminate the knowledge gained and best practices.

As the project was only recently implemented, it is difficult to determine what the precise impacts, outcomes and ultimate added value of the project might prove to be. Observations on the relevance, efficiency, effectiveness and potential sustainability have been drawn from insights gained through interviews with relevant stakeholders from the case studies in Jordan and Tunisia, as well as Results Oriented Monitoring (ROM) documentation<sup>68</sup> and the ex-post performance audit of the GEMM project (2015).

Taking into consideration the economic and political context of the partner countries in the Southern and Eastern Mediterranean, which is characterised by an overly centralised VET governance system and prevailing issues related to the employability of women and young people, it can be concluded that the two components of the GEMM project were relevant to partner country needs. The choosing of pilot projects in partner countries, for example, was done by the national GEMM steering committee based on the insights gained from the activities under the first component of the project. An example of a pilot project particularly relevant to the local needs and inclusive of local actors can be found in the box below.

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<sup>68</sup> For more information on the Results Oriented Monitoring system, see the ROM Handbook:  
< [https://capacity4dev.ec.europa.eu/system/files/file/28/10/2013\\_-\\_1159/ec\\_rom\\_handbook2012\\_en.pdf](https://capacity4dev.ec.europa.eu/system/files/file/28/10/2013_-_1159/ec_rom_handbook2012_en.pdf)>.

**Table 5.16 - An illustrative example of the relevance of a GEMM pilot project to partner country needs**

**Pilot Project in Tangier/Taitouan, Morocco: a study on the training needs in the logistics and automobile sector**

Through this project the ETF aimed to produce a study on the needs of the logistics and automobile sector in the area of Tangier/Taitouan. This location was chosen due to its particular development context and thus meant that local actors could play an important role in the project.

Partnerships with local VET governance and other public and private partners were developed following the scoping and monitoring activities under the first component in the GEMM project. It was established that VET governance in this particular area was weak owing to the fact that the VET system was too centralised. Ultimately, however, partners were still able to implement the project. Stakeholders in the area included the Regional Directory of Professional Training, the National Training Public Office (OFPPT), the UMT (a trade union), the CGEM (an employer's organisation) and the ANAPEC (an employment agency). It was concluded that "economic partners' commitment, particularly the automobile federation (AMICA) and the Renault carmaker, was significant for this local project. In contrast, local authorities were not very committed due to the ongoing but not fully completed decentralisation reform."

The quality of the Moroccan training needs assessment was recognised at the regional conference in Casablanca, and while the only concrete output of the pilot project was a study, the study will influence policy-making decisions and decentralisation reforms in the area. It was, for instance, concluded that 80% of the young people working in the sector in the Tangier area originally came from the Kenitra area in Southern Morocco, suggesting that better training and capacity building activities should take place in that area. Companies such as Renault could subsequently opt to locate more production facilities near the Kenitra area. This particular study was part of a more global ETF project, which focuses on other themes related to training and certification. The GEMM pilot project led to a synthesis of three studies, which were disseminated in two seminars and will support the implementation of a new EU project supporting the VET decentralisation process in the Tangier/Taitouan area.

Important to note is that a Regional Working Group (GTR) was established in order to help coordinate the project, which brought together various types of stakeholders. It was co-managed by the Regional Director of Professional Training, a business manager, a representative of the automobile organisation AMICA and a representative from the National Employers' Organisation, CGEM. All the partners unanimously recommended that the GTR should become legally and formally institutionalised as the official training commission of the new General Council in the region of Tangier as they wanted to avoid any loss of momentum following the completion of the pilot project. This development shows the ownership of local actors and their interest in supporting the decentralisation reforms in the sector.

*Source: Ecorys, based on the Results-oriented Monitoring Questions (ROM) (2015)*

The effective implementation of the GEMM project was strongly linked to the ability of the ETF to display flexibility and adaptability to the contextual developments in each partner country. As was concluded by the external auditors of the GEMM project "the

key barriers to implementation of the GEMM project have been political.”<sup>69</sup> Notably, they ultimately commended “the country-specific awareness and flexibility that have enabled the ETF to maximise the effectiveness of the Project in each of the participating countries, despite the range of challenging external factors.”<sup>70</sup>

The ETF needed to implement the GEMM project in a time of increasing political instability, yet it was the goal of the GEMM team members to keep each partner country as involved as possible, necessitating the need for flexibility in implementation. To illustrate, there were delays in the implementation of the GEMM project in Israel. The project was supposed to commence one month after the Israeli elections but due to delays in the formation of a coalition government it was impossible to establish project contacts within government Ministries. As a result, the pilot project was postponed for several weeks. Short-term instabilities, such as the change in government in Israel were foreseeable and therefore easier to adapt to, but the ETF also had to deal with long-term political issues. In Libya, for instance, the ETF was successfully able to implement the first component of the project, but all other activities had to be suspended when the civil war broke out. The budget allocated for the Libyan project was subsequently redistributed to be used in other GEMM projects.

The ETF was generally commended for its ability to display understanding and adaptability with regard to specific partner country needs. As shown in table 5.16, the ETF has been able to successfully overcome issues of stakeholder disengagement. In some cases, however, unforeseen challenges were encountered in the implementation of the GEMM projects in partner countries, requiring the ETF to realign its strategy. An example of such a case is also illustrated in the table below.

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<sup>69</sup> p. 17, Moore Stephens (2015). Ex-post Performance Audit of the ‘Governance for Employability in the Mediterranean’ (‘GEMM’) Project

<sup>70</sup> p. 18, Moore Stephens (2015). Ex-post Performance Audit of the ‘Governance for Employability in the Mediterranean’ (‘GEMM’) Project

**Table 5.17 - An illustrative example of challenges faced in the implementation of the pilot projects.**

**Pilot project in Zarqa, Jordan: increasing female participation in the retail sector**

The main objective of GEMM in Jordan was to increase female participation in the labour market (thus coinciding with the second and fifth specific objectives of the ETF related to VET provision and skills for employability). The GEMM project was planned as an apprenticeship programme that provided work-based learning opportunities in the retail sector. The project took place in Zarqa, an area widely regarded as “socially conservative” to the North-East of Amman. The Vocational Training Institute of the Vocational Training Corporation (VTC) in Zarqa provides training to young people (particularly women) to improve their employability. The training is mainly related to the retail sector. Originally, the centre only trained female participants, but under the GEMM project training was provided to both male and female participants. The added value of the project is that it raised awareness of the gender issue in VET provision. Stakeholders noted, however, that in the initial phase of the project, both male and female participants were trained in the same sessions which led to significant social resistance by parents. While one stakeholder indicated that the ETF did help raise public awareness in that parents would allow their daughters to participate in the training sessions, adaptations did have to be made in order to ensure that the target number of female participants were met. Therefore the training centre opted to revert to offering all-female sessions. Another challenge faced by the Zarqa Vocational Training Institute was a lack of equipment (and facilities) for the training sessions and that the centre itself was unable to finance new equipment (such as cash registers and electronic scales, etc.).

The gender issue, combined with difficulties related to a lack of equipment at the centre, resulted in the questioning of the sustainability of the activities by stakeholders. While the Zarqa location was chosen by the National Committee as region to implement the pilot project in order to strengthen partnerships around the apprenticeship programme, it was noted by stakeholders that Zarqa was not the most beneficial location for such activities as there are few shopping centres where the participants of the training sessions are able to find employment. As a result, it was recommended that the project be implemented in Amman instead. In summary, adaptations were needed to ensure that it was effective in its implementation suggesting that perhaps it was over-ambitious in its design.

*Source: Ecorys Case Study of Jordan*

All in all, the three-year Governance for Employability in the Mediterranean Region (GEMM) project can be seen as a success as in the first year of the project, which falls in the evaluation period, national coordination committees were established in all countries except Egypt and Algeria. The ETF was successfully able to adapt to the prevailing political tensions in the region, and stood firm in that they continued to implement the activities under GEMM despite political, institutional and local challenges. The ETF supported the mapping of multilevel governance at country level, but in the case of Egypt only carried out field research owing to the challenging conditions in the country. Pilot projects were furthermore identified and initiated in all countries except Egypt (where a pilot project was only identified at the end of 2014). The overarching theme of the project, which is to tackle unemployment (particularly for young people and women) and address the mismatch between acquired skills and the demands of the labour market through reforms in the governance of VET systems is not only relevant to partner country needs, but also fits into the general objectives of the ETF as a whole. As the project was only in its initial stages in 2013 and 2014 it is difficult to determine the overall added value and potential sustainability of the projects, however, both the Results-Oriented Monitoring (ROM) reports and the Ex-post Performance Audit (2015) conclude that there is potential for sustainability.

### 5.6.2 Frame Skills for the Future (FRAME)

The 'FRAME: Frame skills for Future – Supporting the development of comprehensive HRD (Human Resource Development) strategic vision in Enlargement countries' is an initiative that was implemented in South Eastern Europe and Turkey<sup>71</sup> from 08 May 2013 to 07 December 2014 and was funded in the 2013 IPA multi-beneficiary envelope. The total budget was €1,400,000. The project consisted of a combination of capacity building and monitoring and the adaptation of foresight methodology to the education and training sector of the region. There is therefore less of a focus on specific projects than in the participating countries of GEMM. The FRAME project is in line with EU policies as it aimed to contribute to the definition of the commonly agreed roadmap for the 2020 Vision for Skills matching with the EU 2020 Strategy. The project was also strongly in line with ETF objectives as it sought to strengthen the capacities of national actors to develop and implement evidence-based policies in relation to human resource development and ensure that education and training is more aligned with the needs of the labour market (which falls under the first and fifth specific objective of the ETF).

The four main components of the project were (1) foresight; (2) a review of institutional arrangements (RIA); (3) monitoring; and (4) regional cooperation. These components were implemented in two phases. Between September 2012 and May 2013 the ETF developed and tested the methodological framework and HRD monitoring systems for foresight and RIA, and between May 2013 and December 2014 they implemented the methodologies and developed the monitoring tool and regional exchange opportunities.

Under the foresight component the ETF supported the design and implementation of HRD policies with a medium- to long-term perspective. In order to review institutional arrangements, the ETF developed a methodology for the identification of capacity development needs of the institutions in partner countries that are in charge of implementing the 2020 Vision for Skills<sup>72</sup>. The objective of the monitoring component of the project was to monitor the progress made by partner countries towards reaching the goals of the 2020 Vision for Skills. The monitoring tool was developed together with the FRAME National Technical teams and the indicators were in line with the national objectives defined by the foresight and RIA components of the FRAME project as well as the EU 2020, ET2020 and SEE 2020 goals. Lastly, a key element of the project was regional cooperation through the sharing of knowledge, mutual learning and policy dialogue at a regional level. The FRAME project aimed to enhance the regional dialogue and cooperation on HRD in order to develop a regional response in the framework of the SEE 2020 Strategy.

Both the ROM report and the ex-post performance audit concluded that the project was successful and that it did indeed support partner countries in the Enlargement area to redefine their human resource development policies and strengthen regional cooperation in the area. All involved partner countries developed a vision for medium- to long-term skills development to support the development of evidence-based HRD strategies. Capacity development plans for key institutions involved in HRD were developed and disseminated among relevant stakeholders. Partner countries have agreed on the indicators for the monitoring tool, have provided baseline data and have agreed on national targets for the monitoring process. Lastly, relevant stakeholders

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<sup>71</sup> Partner countries included in the project are: Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo and Turkey

<sup>72</sup> The 2020 Visions for Skills are documents that are drafted under the first component of the ETF's FRAME project. The ETF worked together with national policymakers and relevant stakeholders in order to define the HRD priorities as well as developing a roadmap. These documents are prepared for each partner country participating in the FRAME project. The individual 2020 Vision for Skills documents are publicly available via: [http://www.etf.europa.eu/web.nsf/pages/Frame\\_project](http://www.etf.europa.eu/web.nsf/pages/Frame_project).

have had the opportunity to deepen their knowledge on issues related to HRD and to discuss and learn from stakeholders across the region, allowing them to develop comprehensive and evidence-based HRD policies.

The project was not only relevant to partner country needs, but also complemented the strategies and initiatives under the EU policy cycle. The project ensured that pre-accession countries focused on improving their human resources development strategies and in doing so on improving the link between skills development and labour market accessibility. These objectives are in line with the initiatives under the IPA Component II and responded to the partner countries needs defined in the 2012-2013 Enlargement Strategy.

The Results-oriented Monitoring (ROM) Report (2014) concluded the project was “managed transparently and efficiently”<sup>73</sup> by the ETF. They were able to deliver all the outputs on time. In the fourteen-month project period the ETF delivered: seven country reports in which stakeholder and peer learning activities were outlined and expanded on; three methodologies; and a Regional Report. It was furthermore concluded that the ETF had an efficient model of horizontal coordination between ETF staff and the respective ministries in partner countries.

All the intended objectives were reached by the end of the fourteen month period of the project, showing that the ETF was effectively able to carry out the project despite “challenging circumstances.”<sup>74</sup> The first challenge that the ETF had to deal with was the ambitious time frame and strict deadlines of the project. The project was to be completed within fourteen months, and the team was required to develop the DG Enlargement Country Strategy documents in parallel to carrying out the FRAME activities. There were absences and departures of key Project staff during this period, and complex socio-political issues in partner countries that hindered the implementation of all the components of the project (e.g. changes in government in Albania, Kosovo and Serbia). Ultimately, however, it was concluded in the ex-post performance audit of the project that “*the ETF Project team deserve considerable credit for delivering high-quality activities and outputs under these circumstances.*”<sup>75</sup>

The first two components of the project which include the implementation of the foresight methodology and the review of institutional arrangements (RIA), involved the running of several workshops at country level. The aim of these workshops was to effectively engage stakeholders and encourage them to use the gained knowledge in the development of comprehensive national HRD strategies. It was stated by the auditors that the events were generally successful and provided a basis for the subsequent components of the project. It was concluded that the ETF was effectively able to determine which stakeholders were to be involved in the events, and that attendance levels were satisfactory. It was noted that complex socio-political structures of the partner countries involved in the FRAME project meant that careful consideration had to be given to who was invited to participate in FRAME events. Table 5.18 illustrates the way in which the ETF needed to deal with the complexity of institutional arrangements in partner countries.

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<sup>73</sup> p. 3, Johannes, W. (2014) Monitoring Report of the FRAME: Frame skills for Future – Supporting the development of comprehensive HRD (Human Resources Development) strategic vision in the Enlargement countries. (MR-147162.01)

<sup>74</sup> p. 20, Moore Stephens LLP (2015) Ex-post Performance Audit of the FRAME project

<sup>75</sup> p. 20, Moore Stephens LLP (2015) Ex-post Performance Audit of the FRAME project

**Table 5.18 - An illustrative example on stakeholder participation in events**

**FRAME events in Bosnia and Herzegovina**

This particular partner country in the Balkans represents an interesting and complex case in which the ETF was challenged in bringing together all relevant stakeholders for FRAME events. The country is largely decentralised as power lies within the two autonomous entities Republika Srpska and the Federation of Bosnia and Herzegovina and the region of Brčko District (which operates under its own government). While the ETF generally is able to direct its activities towards representatives from one central government, in this case the number of government bodies interested in the activities under FRAME was four times higher than in other countries.

To illustrate, for the discussions surrounding the funding of HRD policies, the ETF needed to invite representatives from the Ministry of Finance and Treasury (central government), the Ministry of Finance (Republika Srpska), the Federal Ministry of Finance (Federation of Bosnia and Herzegovina) and the Directorate of Finance (Brčko District). A consequence of this complexity is that it was not possible to invite as many civil society representatives to the events as in other partner countries.

All in all, the auditors concluded that there was a relatively high attendance rate to events. The auditors concluded that at least 70 percent of invited representatives from all governmental entities participated in the events. From the Republika Srpska the attendance rate was particularly high (80 percent). This continually high participation rate in events suggests that representatives felt that the events were both qualitatively high and relevant to the context of their region. It can be concluded that the ETF showed a good understanding of the complex nature of the political structure in Bosnia and Herzegovina and that they were able to ensure a good representation of all relevant stakeholders at events.

*Source: Ecorys, based on the ex-post performance audit of the FRAME project (2015)*

The active participation and engagement of key stakeholders in HRD was a central objective in all components of the FRAME project. It can be concluded that the ETF successfully reached this objective under the first two components. The participatory approach was of similar importance in the element of the third component of FRAME related to the monitoring of HRD in partner countries. Under this component the ETF established National Technical Teams (NTTs) in each partner country that consisted of representatives from key institutions involved in HRD with relevant expertise in data and monitoring approaches. They were supposed to consist of representatives from relevant ministries (labour, education, economy, development, research and youth), implementing partners, statistical offices and other stakeholders.

A review of the NTTs concluded that ultimately there was not an equal representation of stakeholders, as the NTTs consisted predominantly of governmental representatives and individuals from statistics offices. It was additionally noted that there was variation in the extent of the representation of government stakeholders (e.g. in Turkey there were only three members in the NTT, representing two ministries). It was ultimately concluded by the external auditors that this deviation from the work plan did not hinder the successful implementation of the project component. They stated that they “found no evidence that this component of the Project suffered from not achieving the wide stakeholder participation envisaged in the original FRAME documentation, particularly if such participation has already been achieved at the Foresight and RIA stage.”<sup>76</sup>

While the participatory approach of FRAME was commended and appreciated, in practice stakeholders noted some limitations. In Serbia, for instance, it was found that while both the ETF and stakeholders invested significant time and effort on the four

<sup>76</sup> p. 24, Moore Stephens LLP (2015) Ex-post Performance Audit of the FRAME project

elements of FRAME, stakeholders were disappointed at the lack of flexibility and applicability to different policy areas. As a result, they called for more specific, targeted and tailor-made activities in order to identify and use good practices and avoid duplication of activities. This stands in contrast to the general finding that the ETF is highly regarded for its flexibility in its "normal" operations and might be due to the manner in which the project was specified, particularly the time pressure for the delivery of outputs.

The FRAME project contributed to the regional exchange of information and good practice in HRD, and represents a good example of a project that engaged stakeholders and encouraged them to continue strengthening partnerships and establishing comprehensive and forward-looking development policies. As the project has only recently been concluded it is too early to draw any conclusions on the lasting impacts of the initiatives. The monitoring report (2014) noted that the *"14 month time-frame is short for a project of this magnitude"*<sup>77</sup> therefore the sustainability of the actions lies in the successful engagement of stakeholders. The quality of outputs could also suffer as a result of the time pressure. The auditors, for instance, noted that there were inconsistencies in the quality of outputs. Deliverables were generally professional and of high quality (e.g. the country-specific Roadmaps), however the Capacity Development Plans varied in format and approach, making it difficult to compare the plans.

It was concluded that project stakeholders were confident that the FRAME project had increased the interest of relevant national stakeholders to create comprehensive HRD policies. This was confirmed in the case study research in Serbia, where it was noted that the FRAME project helped solidify the relationship between the organisations and key actors in Serbia such as the EU Delegation and relevant ministries, which is important for subsequent IPA II programming.

In conclusion, the two flagship projects Governance for Employability in the Mediterranean (GEMM) and Frame Skills for the Future (FRAME) are both initiatives that cater both to the regional and national needs of partner countries. They complement initiatives under the EC Project and Programming Cycle and have generally been well received. As the projects have only been recently implemented, it is not possible to draw conclusions as to the ultimate added value and sustainability of the projects; however there is evidence for potential positive impacts that will influence VET policy-making in future.

The ETF is generally seen as functioning efficiently and effectively in respect of these projects, with only minor areas for improvement. The sustainability of the FRAME project, for instance, could be questioned due to the particularly short timeframe. The pressure in dealing with the delivery of outputs within a short space of time can influence the quality of the outputs. While in certain cases the ETF is commended for its communication activities, there are also instances where strategic objectives could have been better defined. The ETF should also be more transparent when they deviate from the initial strategy (as in the case of the representatives in the NTTs under FRAME). Ultimately, however, despite time and budgetary restrictions, the ETF can be commended for its flexibility in dealing with the complex socio-political situations of partner countries and engaging a range of stakeholders in the VET policy process.

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<sup>77</sup> p. 3, Johannes, W. (2014) Monitoring Report of the FRAME: Frame skills for Future – Supporting the development of comprehensive HRD (Human Resources Development) strategic vision in the Enlargement countries. (MR-147162.01)

## 5.7 Longer-term outcomes and impacts

In relation to the ETF's contribution to longer-term outcomes and impacts, it is evident that tracing clear causal chains from ETF interventions to effects 'on the ground' - or attributing outcomes and impacts to the ETF - is inherently difficult, and should not be used to form a judgement about the ETF since such effects are outside its responsibility. This is because of: (a) the difficulty intrinsic to education and training in being able to make a direct link from a policy development to what happens in the classroom or training centre, and still less to what subsequently happens to individuals in the labour market; (b) the lack of quantitative data in partner countries; and (c) the intangible nature of ETF activities, acting as they do as a catalyst for change. Indeed, one might say that the ETF makes an intangible contribution in an intangible field (VET) which multiplies the difficulty of attributing impacts on individual citizens back to any particular ETF activity.

Nonetheless, as the box below shows, it is possible to demonstrate clearly the way in which the ETF can affect systems and the potential 'ripples' this can send more widely, as well as the constraints on impacts and sustainability, an issue to which we return in the next chapter. It should also be noted that, despite the difficulties in tracking the value chain linking actions to impact, the ETF is addressing this issue through internal reflection as well as in dialogue with leading bilateral donors in the field with a report to the Governing Board expected in November 2016 as a basis for an improved approach under the Single Programming Document 2017-20.

**Table 5.19 An illustrative example of ETF impacts**

### **The question of impacts and attribution: an example from Tunisia**

The contribution of ETF to the developments in Tunisia related to vocational education and training, over the 2011-14 period, is limited in scale. A pilot project was developed in one region of Tunisia only, the Medinine Region, in the South of the country, on the Libyan border. Nevertheless, it was rather large in scope. It was entitled "Toward the Regionalisation of Vocational Education and Training in Tunisia" (Medinine Pilot Project for short), and covered many aspects of transferring the decision-making power regarding vocational education and training to the regions. At the time, it was of high relevance to Tunisia, and to the Tunisian government, confronted with social unrest in the most economically and socially depressed regions of Tunisia in the aftermath of the revolution. This Medinine Pilot Project has the potential to significantly change the situation of the governance of vocational education and training in Tunisia.

In practice, ETF contribution consisted of:

- Elaborating 12 Practical Fiches (on Regional Governance, Roles of Regional Actors, Regional Dashboard, Regional Statistics, Developing Competences, Training Unit, Network of Training Centres, Occupational Behaviour, Mentoring, Organising a Forum on Employability, Alumni Network);
- Promoting sharing of experience and exchange of good practices with Europe, including Eastern Europe (France, Italy, Romania, Scotland and Spain) through organising thematic review visits; and
- Promoting cooperation also with the MENA countries, especially with Morocco, Jordan and Egypt, through using ETF network and therefore knowledge regarding these other countries.

The 12 Fiches all have the function to take stock on the "pilot experience developed by the MFPE-ETF project in the Medinine Governorate". They aim at leaving an instrument for local stakeholders to continue to work after the 3-year ETF project is over.

In terms of actual impact, i.e. the development that would probably not have taken place without the intervention of ETF, the role of ETF was predominant in terms of:

- Helping in rethinking the place of the Tunisian regions in the governance of vocational education and training;
- Organising the brainstorming process, around the creation of the COREDE (*Comité régional pour le développement de l'emploi*; i.e. the Regional Committee for the Development of Employment – an Advisory Body in charge of organising the regional governance of the vocational education and training system) so that the vision of all relevant stakeholders could be taken on board;
- Elaborating tools (the 12 Fiches) for local stakeholders to actually be in the position to make decisions regarding vocational education and training.

One fiche, that describes the process for *Organising a Forum on Employability*, provides a convincing piece of evidence regarding ETF actual impact because:

- No other forum were organised on employability in Medinine before the Fiche was drafted;
- No such forum were organised in other regions where the Fiche was not available; and
- The year after the first, and unique, joint forum on employability was organised by ETF and the regional Authority of Medinine, the latter organised again, and on its own (i.e. without the assistance of ETF), a second forum on employability, which would most certainly not have been possible without the ETF Fiche.

Furthermore, the ETF was instrumental in building capacity, among TVET stakeholders, in the Medinine region. It played an important role in changing the mindset of stakeholders, and the way Tunisian stakeholders think, act and envision the vocational education and training system; especially when it comes to making sure that the world of work and world of education talk to each other. Stakeholders were not involved before ETF intervention, and they are still not involved in other policy field, e.g. health.

Notwithstanding these positive effects, Tunisia has not benefited fully from the outcomes of the Medinine Pilot Project or sustained them in the medium and long term. No equivalent to the pilot project in Medinine has been carried out elsewhere in Tunisia. There has been no up-scaling, not even locally/marginally. In short, there is some success in this ETF action over the period 2011-14 but this may never benefit the rest of Tunisia, despite the general scope of the action, skills development for employability.

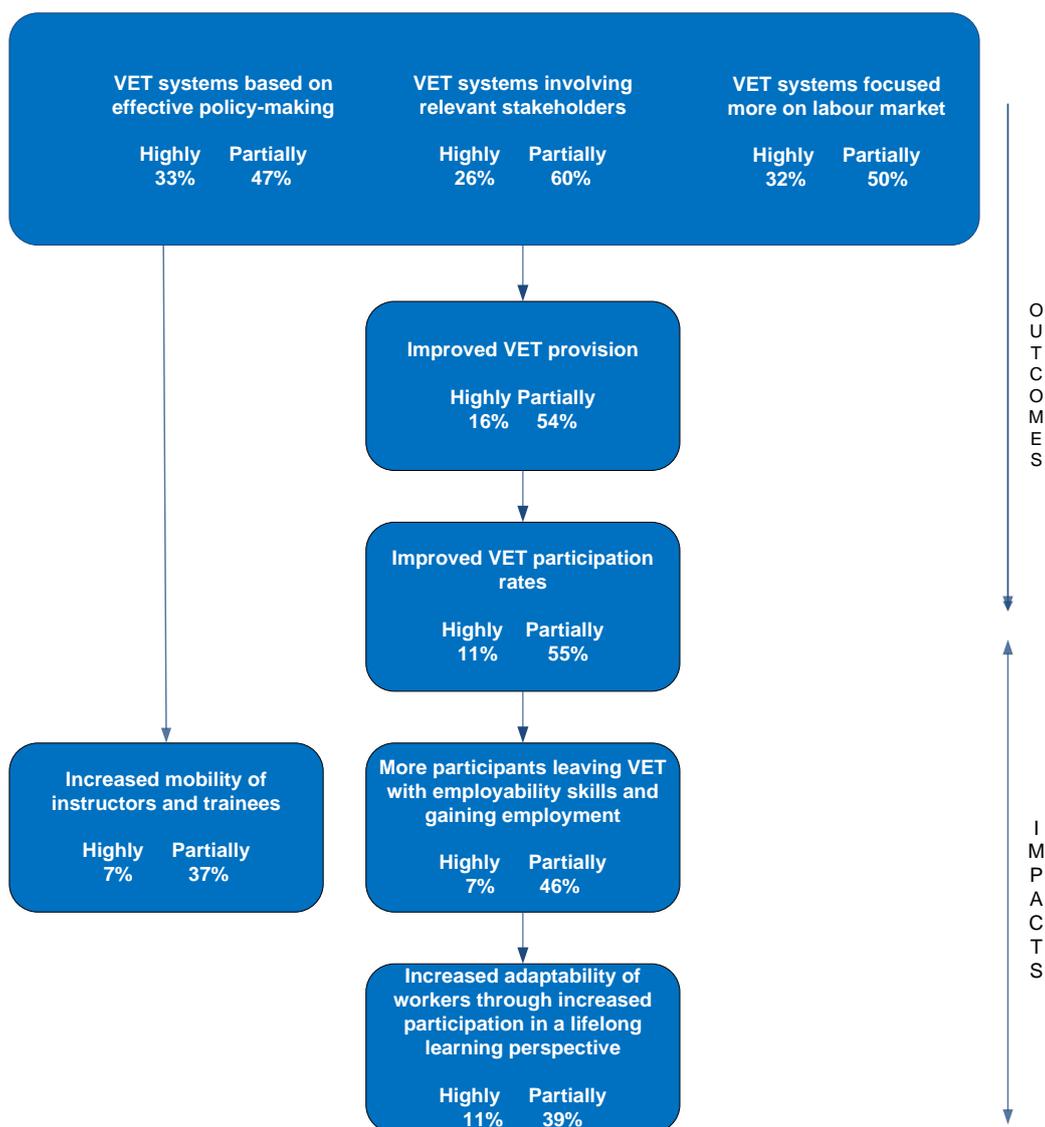
Source: *Ecorys Case Study of Tunisia*

Furthermore, in light of these issues, it is all the more remarkable that survey respondents indicated that ETF was having notable effects<sup>78</sup> throughout the logical chain of outcomes and impacts included in the evaluation intervention logic, as shown in Figure 2.1. This is notable in a number of respects. First, regarding the first level outcomes which are at systems level, 26-33% of respondents identified a high ETF contribution and 47-60% a partial contribution, with only 4-7% reporting no ETF contribution at all. Secondly, this translates into an effect on VET provision itself and,

<sup>78</sup> There are no benchmarks or comparators to help assess the survey results but given ETF scale and modus operandi it is to be expected that the ETF effect would be predominantly 'partial' rather than high. Where a 'high' contribution attracts more than one quarter of all responses this is judged to be a significant level of effectiveness at the outcome level; such a high level would not be expected at impact level where the effects of any policy intervention tail off. Furthermore, even though it must be assumed that these responses are opinion-based, in the absence of quantitative data in partner countries, the scale of the positive response makes it worthy of attention and the gradation through the logic chain suggests respondents gave due consideration to their answers.

although the contribution reduces, still 70% of respondents are of the opinion that the ETF had some form of contribution, whether high or partial. Thirdly, although the ETF contribution falls as the impacts become more distant from the intervention (in terms of both causal chains and time) this is to be expected and, in any case, two thirds of respondents still report some level of ETF contribution to improved VET participation rates and half or more to improvements in employability skills and adaptability, with 11-13% respectively reporting no contribution at all. (The increased mobility indicator is somewhat unusual insofar as it is dependent on different factors than those in the 'main' logic chain.)

**Figure 5.9 - Partner country respondents' views on the ETF contribution to outcomes and impacts**



Source: Ecorys (partner country respondents, N=114)

Notwithstanding this positive picture, it was difficult to find robust (quantitative) evidence to corroborate it in the partner country case studies. In general, respondents did not readily offer instances of the ETF impacting on longer-term outcomes and impacts. Nevertheless, some examples do exist:

- In Georgia, the ETF helped to shape the retraining programme for the unemployed based on the country needs and gave recommendations for policy development to improve and extend training for the unemployed. The ETF conducted a feasibility study in order to assess the capacity of particular VET institutions to implement the training and provided recommendations, and the first 400 persons were trained by the government in 2015;
- In the ETF's school development project in Central Asia, it was reported that the development of teacher training modules had resulted not only in increased internship opportunities, an increase in partnerships between schools and the private sector, and improved internal governance of schools: it had also resulted in improvements in student and community satisfaction with the programmes and increased enrolment rates.

However, since the ETF's activities normally have a much less direct effect at school and individual level, the absence of corroborating evidence is not surprising and respondents tended not to think of the ETF as impacting in this way. There is also generally a lack of data collection in respect of monitoring changes brought about by policy reforms in VET in partner countries.

## **5.8 Factors affecting ETF effectiveness**

Notwithstanding the generally positive findings about ETF effectiveness and impact, it behoves the evaluation to identify the factors that explain the variability in effectiveness that exists and also to examine why there is a failure for ETF interventions at systems level to be translated into effects in VET provision itself and beyond. Measured in terms of the survey responses the gap was 10-16 percentage points between systems outcomes and effects on VET provision, depending on the systems outcome (Figure 5.9 above). So, what are the obstacles to greater effectiveness, how does the ETF mitigate them and, conversely, what factors lead to success?

### **5.8.1 Obstacles to greater effectiveness and their mitigation**

From the case studies as well as other sources of evidence, it is clear that there are a number of important obstacles affecting the effectiveness of the ETF in partner countries. These include fluid and often unstable political situations, and the (often associated) high turnover in personnel which cause discontinuities in activities, affect the ability of authorities to implement policy reforms and require new personnel to go through a learning curve in relation to the involvement of the ETF. A further factor is the variable starting positions of different stakeholders. This was noted in Georgia, for example, where government ministries stood in different positions with respect to the potential role of the ETF in human capital and economic development and therefore took longer to engage with ETF activities. The complex landscape of foreign aid agencies also hinders the effectiveness of interventions.

In all these situations, the ETF tries to mitigate the effects both by building and maintaining good working relationships with organisations but also by more systematically building networks and using the Torino process as a framework to structure activities and thereby to give continuity to its interventions. As noted already, Torino is a very useful aid in helping to coordinate stakeholders.

A further obstacle is misperceptions about the role of the ETF. Although it is only true of a minority of people who participated in the evaluation, there are nonetheless misperceptions that the ETF is much like any other donor/aid agency and provides time-limited, project-based interventions rather than a long-term presence focused on building capacity on the ground. More commonly, people use the term "technical assistance" in relation to the ETF. However, this should not be taken to mean that they equate the ETF with donor/aid agencies. Evidence from the case studies shows that people in partner countries often use the term "technical assistance" in a very general way and often, in relation to the ETF, in a positive sense since much of the support provided is of a technical nature. In short, people do not have a very strict definition of "technical assistance". Nonetheless, the different meanings ascribed to the term make it difficult for the ETF to communicate clear messages about its role. The ETF has long been aware of this issue and seeks to address it through its communication strategy.

There are also negative effects on the ETF's effectiveness as a result of the complex nature of the relationship with EU Delegations and EC Directorate-Generals. As we noted earlier in the report, there is no obligation on the part of EU Delegations to work with the ETF and the ETF also has to work with a large number of Directorate-Generals which may vary in their priorities. Attempts have been made to improve the coordination with the European Commission but relationships with Delegations continued to rely a lot upon the decisions of individual Delegations.

### **5.8.2 Factors accounting for ETF effectiveness**

Evidence primarily from the case studies, supported by evidence from elsewhere, shows that the effectiveness of ETF interventions depends upon a number of factors. An important characteristic of the factors is that they frequently mutually reinforce each another. Where most or all of the factors are present, the ETF's effectiveness tends to be maximized. These factors are as follows:

**A systematic approach** – in a sense this factor underpins all the others and, unlike some of the other factors, is important not just for the effectiveness of individual activities but also for effective interventions in a country as a whole. As noted several times already, the Torino process has been a significant step forward in this respect. In Kazakhstan, the long-term and systemic approach was considered to build trust and social capital which was important when introducing innovative projects and "entering unchartered territory."

**Strategic interventions** – interventions can have a major impact if strategically selected, based on a systematic approach. In Georgia, the ETF project on curricula reforms has led to a methodological package and revised curricula, promoting a more thorough labour market needs analysis and a stronger involvement of social partners in the process. The methodology has been used for a new EU technical assistance project on standards and curriculum.

**High level of expertise** – as we noted in the discussion on the ETF's relationship with other international organisations, it is highly respected for its thematic expertise at a global level. In addition, it is also valued within partner countries for its detailed country knowledge. This puts it in the position, reported by one EU Delegation that, despite its comparatively low available resources, ETF was "concept-wise the leader, pioneering next milestones for the country in order to come closer to European frameworks".

**Flexibility with respect to country needs** – as we noted in the section on relevance, the ETF is regarded as being responsive to country needs, accompanied by great flexibility in respect of the package of activities provided in any individual country. As stated by one Kazakh stakeholder: “The mix of ETF’s activities in Kazakhstan is appropriate. According to my experience, the ETF country expert is capable and willing to change the portfolio of activities whenever the needs arise”. In addition, as noted in Georgia, the ETF has never attempted to “copy paste” best practices into the country, but has always analysed their relevance and transferability from the perspective of the local context. This also contributed to the quality of policy advice provided by the ETF.

**Professional and practical approach** – alongside its high level of expertise, it has also been found that the ETF is highly practical in its advice and professional in its approach. In Georgia, respondents noted that the ETF used language that was easy to understand, implemented well-prepared meetings, and delivered effective and simple presentations to support understanding of the importance of data collection, analysis, cooperation with stakeholders, necessity of particular changes, and possible hindrances and solutions. Such tools helped to strengthen the sense of ownership and ensure the sustainability of the assistance. The recommendations and policy advice given by ETF experts in Kazakhstan through analytical papers, conferences and workshops were positively received with one Kazakh stakeholder stating that “the involvement of ETF is a guarantee for practical solutions that can and should be implemented in practice.”

**Stable working relationships, mutual trust and neutral broker status** – the ETF works hard to establish and maintain good working relationships with a wide variety of stakeholders in partner countries, which is essential since partners are under no obligation to cooperate. In turn, this helps to build mutual trust which enables the ETF to operate as a neutral broker. Additionally, it means that the ETF is also able to act as a critical friend.

**Collaboration and the instigation of dialogue** – as noted, this is an essential feature of the ETF's approach and is highly effective. In Georgia, respondents universally noted that the organisation’s extremely participatory approach multiplied the effectiveness of the assistance provided. The main stakeholders (from government, private sector, social partners) were actively involved in the discussion of policy issues, having equal opportunities to comment on policy documents. The respondents noted that close communication and cooperation among the line ministries and state and non-state agencies was due to the ETF’s participatory style of work. Furthermore, instruments like study tours, seminars, conferences were noted as being effective tools to facilitate team work among the stakeholders and increase the sense of ownership.

### **5.8.3 Does the ETF have more effectiveness and impact systematically in some countries?**

The factors discussed above make it more or less likely that the ETF will be effective both in terms of individual interventions and also within countries as a whole. But are there discernable clusters of countries where the ETF might have had more impact? It is almost self-evident that where countries experience major political turmoil, the ETF’s work can become difficult or impossible, but here the concern is with exploring the hypothesis that countries may have different distances to travel/readiness to implement policy reforms and capacities to absorb developments which is more ‘structurally’ contingent.

The ETF has long recognised this issue of variable ability to absorb reform through its emphasis on capacity building. Further, in the 2014 Work Programme, the ETF adopted, for the first time 'negative priorities' in the context of potential budget cuts and staff reductions "in order to mitigate the risk of reduced quality and impact of ETF interventions"<sup>79</sup>. Although this is a difficult question to address and, not requested explicitly in the ToR, it is nevertheless important to consider since it sheds light on the question of the nature of ETF impact.

It is beyond the scope of the evaluation to explore the topic in-depth, and there is a lack of indices that can be used, but it has been possible to carry out indicative tests using the survey results and clustering countries by one factor that potentially may have a bearing on ETF effectiveness: population.<sup>8081</sup> Small countries have fewer key stakeholders and it can be hypothesised that this makes it easier to organise and implement policy reforms. It is also possible that interventions from external (non-national) organisations such as the ETF might make a larger contribution since there are fewer intervention points, other contributory developments and organisations. It was possible to test this hypothesis by analysing survey data according to the total population of partner countries. Clearly this is a crude measure and the result should be taken as indicative only<sup>82</sup>. Nonetheless it does suggest that ETF interventions may have been more significant in smaller partner countries<sup>83</sup>.

Looking across a range of key survey questions, there are some notable and quite consistent differences between small countries on the one hand (with a population of less than 5 million) and medium-to-large countries on the other<sup>84</sup>. In general, small countries are marginally more likely to have given a high ranking to the quality of ETF outputs, with more mixed responses from medium-to-large countries. More substantial differences however emerge in relation to the specific objectives where small country respondents are more likely to identify ETF support as having been important. Indeed, across all the specific objectives, 57-76% of small country respondents identified the ETF as the main driver or being an important support, compared to 29-61% for

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<sup>79</sup> p.17, ETF Work Programme , 2014. Negative priorities are activities that the ETF decides not to undertake. None have yet been identified, however.

<sup>80</sup> See, e.g., the discussion of Scotland compared to England in McPherson, A. and Raab, C.D. (1988) *Governing Education: A Sociology of Policy since 1945*. Edinburgh: Edinburgh University Press

<sup>81</sup> It was also possible to test whether ETF activities might be more effective depending on a very broad measure of 'development': the World Bank Human Development Indicators. Partner countries were grouped into 2 categories: medium-high, and high-very high. The results were inconclusive on the whole with the exception of one area: regarding the longer-term outcome of "VET systems based on effective policy-making, implementation and review processes and involving relevant stakeholders", respondents from medium-high countries were much more likely to indicate that the ETF had made a high contribution (only percentage point differences of 20 or more were taken into account in light of the small sample sizes in this analysis). A lack of conclusiveness is not surprising in this analysis given that indicators give only an indirect or proxy means of examining the ability of systems to absorb the types of interventions provided by the ETF.

<sup>82</sup> Care has to be exercised given the small sample sizes and also to avoid spurious correlations, i.e. that the groupings of countries do not accidentally reflect the work of other factors, although this does not appear to be the case.

<sup>83</sup> Countries were organised into small, medium and large categories according to population size. Since when ranked by population size there were no obvious breaks in the sequence of percentages, the smallest 10 countries were placed in the "small" category, the next 10 largest in the "medium" category and the remaining 9 in the "large" category. In light of the overall sample size, this approach was preferable to using quartiles which would have generated very small samples in each group. In the event, since the number of respondents per question is lower than the total number of survey respondents, it was necessary to merge the medium and large categories.

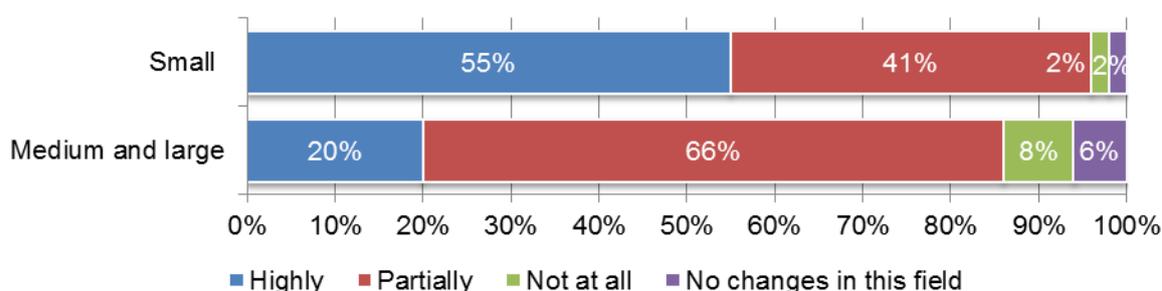
<sup>84</sup> 'Small' countries include: Tajikistan, Kyrgyzstan, Uzbekistan, Bosnia and Herzegovina, Egypt, Republic of Moldova, Turkmenistan, Georgia and Kazakhstan. 'Medium-large' countries include: Azerbaijan, Serbia, Albania, former Yugoslav Republic of Macedonia, Syria, Morocco, Armenia, Montenegro, Tunisia, Ukraine, Algeria, Turkey, Russian Federation, Belarus, Libya, Jordan, Lebanon and Israel.

medium-to-large countries<sup>85</sup>. At the same time, within this broad picture, medium-to-large country respondents tend to be more polarised in their responses, suggesting that the ETF contribution tends to be more variable or less visible to all stakeholders.

Interestingly, the percentage point difference between small countries on the one hand and medium-to-large countries on the other is 14–17 percentage points for the governance, VET provision and qualifications specific objectives, but 24 in relation to entrepreneurial learning and 30 in relation to labour market information systems. This suggests that the gap between small and medium-to-large countries in terms of the ETF’s contribution was at its greatest in relation to entrepreneurial learning and labour market information systems.

In relation to outcomes, the differences become even more marked: small country respondents were much more likely to have indicated that the ETF contribution was high, 32-55% across all outcomes compared to 9-20% for medium-to-large countries. There is a particularly notable difference in respect of the development of VET systems based on effective policy making cycles (Figure 5.9), and VET systems which are more focused on employability and responsive needs of the labour market (Figure 5.9). The pattern is repeated for impacts but the difference is less pronounced: 13-21% of small country respondents selected a high contribution compared to 7-13% of those from medium-to-large countries.

**Figure 5.10 - Assessment by partner country survey respondents of the extent of the ETF’s contribution to the development of VET systems based on effective policy making, implementation and review processes and involving relevant stakeholders, grouped according to partner country total population**

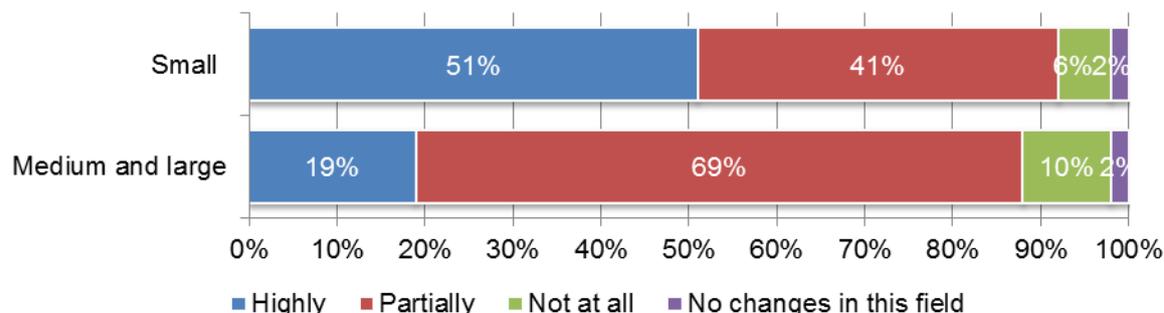


NB: 'Don't know' responses excluded.

Source: Ecorys (Small, N=51; Medium and large, N=50)

<sup>85</sup> Calculations exclude 'don't know' responses.

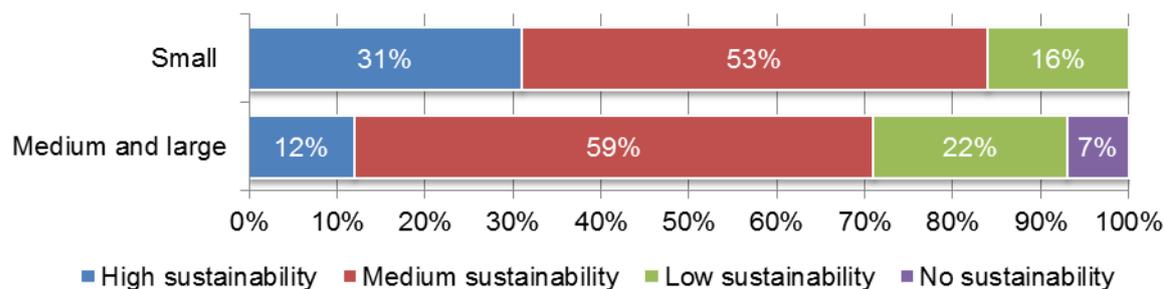
**Figure 5.11 - Assessment by partner country survey respondents of the extent of the ETF's contribution to the development of VET systems more focused on employability and responsive needs of the labour market, grouped according to partner country total population**



NB: 'Don't know' responses excluded.  
Source: Ecorys (Small, N=52; Medium and large, N=51)

Small country respondents were also more likely to have stated that high sustainability was achieved; medium-to-large country respondents tend to be more polarised in their responses. Sustainability is discussed further in the next section.

**Figure 5.12 - Assessment by partner country survey respondents of the extent of the ETF's contribution to sustainable developments in their countries, grouped according to partner country total population**



NB: 'Don't know' responses excluded.  
Source: Ecorys (Small, N=55; Medium and large, N=58).

As to the factors that might explain the differences, the survey findings offer some support, albeit limited, to the hypothesis that the smaller number of stakeholders in small countries makes it easier for the ETF to operate and have a visible impact: the share of respondents answering "don't know" across all specific objectives is notably smaller than in medium-to-large countries, suggesting greater awareness of ETF activities. There are also some indications that the penetration of policy reform is more difficult and the contribution of any one agency, like the ETF, is likely to be lesser in larger countries on account of the longer 'chains' from policy to delivery that are likely to exist. For example, 9–18% of medium-to-large country respondents reported no contribution from the ETF or no changes in the field depending upon the outcome indicator compared to 4–8% of small country respondents. Furthermore, for the specific objective of VET provision and QA it is possible to look directly at the link from policy development to effects 'on the ground'. This shows that whilst 65% of small country respondents and 53% of medium-to-large rated ETF as being the main driver or providing important support, when it came to the outcome of improved

provision of VET in schools, VET centres and by employers the figures for a high ETF contribution were 32% and 9% respectively, showing a greater gap. Such findings must be taken as tentative but they provide very helpful pointers in respect of understanding the nature of ETF impact.

A notable exception to the broad pattern of differences by country size concerns the Torino process where there is a remarkable similarity in responses with respect to the efficiency and effectiveness of the process. This would suggest that the systematic approach adopted by the ETF through the Torino process helps to reduce the potential for variable effectiveness owing to country differences.

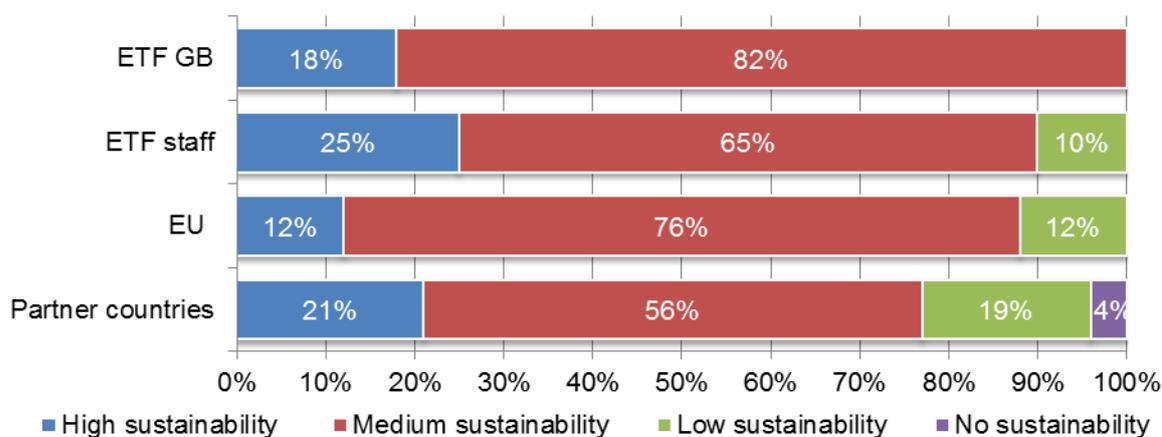
## 5.9 Sustainability

In the ETF context, sustainability not only concerns the extent to which ETF activities and results are still being used but also whether they have generated other activities and results and also, ultimately, whether they have had a sustainable effect "on the ground" at the level of providers and individuals taking part in VET programmes. It therefore concerns not just the immediate sustainability of interventions, such as whether a policy or technical paper or a workshop with policy-makers leads to policy reform, but also questions of implementation and mainstreaming into policy and practice.

Recognising the importance of sustainability, the ETF has put in place a number of measures to enhance the potential in this area, including the Torino process with its principles of evidence-based, participatory analysis to identify actions; the inclusion of assessment criteria within its planning process to analyse the readiness of countries for sustained reform; and including sustainability elements in its methodology for ex-ante impact assessment of reform options.

Sustainability is a major challenge given the nature of partner country operating contexts which were discussed above in relation to obstacles to effectiveness. This is reflected in the survey responses where most respondents stated that "some" activities/results rather than "most" are still being taken into account or have generated other activities and results ("medium" sustainability), and more than one fifth of partner country respondents highlighted poor or no sustainability. Once again, in the absence of benchmarks, it is difficult to say what a 'good' rating would be for sustainability but where more than one in five partner country respondents report that most or all of the potential ETF impact is lost there is evidently room for improvement. This finding is all the more noteworthy in light of the very high ratings given to the quality of ETF activities (see Figure 5.7), suggesting a significant gap.

**Figure 5.13 - Survey responses on the extent of ETF contributions to sustainable developments in partner country countries<sup>86</sup>**



Source: Ecorys (ETF GB, N=11; ETF staff, N=40; EU respondents, N=17; Partner country respondents, N=113)

Difficulties in sustaining changes are also evidenced elsewhere and show that the factors that cause poor sustainability are strongly related to conditions in partner countries and include political will to implement change, political instability, and high turnover in partner country personnel. In relation to qualifications activities, it has been found<sup>87</sup> that follow-up actions after interventions take place could be strengthened, i.e. linking subsequent activities to aspects raised by stakeholders during the interventions, and increasing the number of stakeholders involved in interventions in the partner countries. And as noted above, the major regional governance intervention in Tunisia during the evaluation period has not been upscaled (section 5.4).

According to information collected across the evaluation, the ETF has an important effect in changing overall policy approaches and mindsets within countries and in these areas it probably achieves good sustainability. Sustainability is more of an issue when we consider what happens subsequent to specific pilot activities and the extent to which activities bring about change at the provider level and affect individuals taking part.

Evidence from interviews and case studies suggests that sustainability is enhanced by the strong focus that the ETF puts on processes, networking and positioning towards relevant stakeholders in the countries. The configuration of the ETF budget and interventions, different from a project-based or technical assistance model, requires a specific focus on continuity and stakeholders' engagement and ownership, and the promotion of interventions and methodologies than can then be scaled up by other actors in the country. The Torino process is especially important in terms of broadly involving relevant actors in partner countries; dialogue and policy dialogue can support sustainability. Furthermore, linking into funding opportunities can ensure not just the continuation but also the spread and multiplication of the benefits of ETF

<sup>86</sup> High sustainability is where most activities and results are still being used/ have generated other activities and results; Medium sustainability where some activities and results are still taken into account/ have generated some other activities and results; Low sustainability where only a few activities and results are still taken into account/ have generated few other activities and results; No sustainability where no activities and results are still taken into account/ have generated no other activities and results

<sup>87</sup> ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe (2014) Final Report: Evaluation of Qualifications activities in ETF partner countries

interventions. Two illustrations of how this chain of events can take place are shown in the box below.

**Table 5.20 Two examples of the continuation, spread and multiplication of ETF interventions**

**From tracer study to mainstreaming VET in funded interventions: the case of Kyrgyzstan**

The Transition Study in Kyrgyzstan is considered a particular success in ETF activities in the region. It is the first study of its kind in the region, and thus provides new information on the reality of school-to-work transitions for school leavers in the country. An adapted ETF tracer methodology was used by labour market specialists and statisticians to carry out the survey. Approximately 2,100 young people (aged between 15 and 29) who had left education in the past six years were involved in the study. The results showed that roughly 37% of respondents were involved in family work, as well as presenting evidence that the focus of VET should not be only on urban schools. The results of the study led to ministerial and parliamentary debates on VET and youth employment and will support future policy development in the area. The active involvement of VET providers in the implementation of the studies to anticipate and match skills was encouraged by the ETF in 2013. The following year the methodology was adapted after the initial piloting in five vocational schools and the involvement of 16 schools in Bishkek and Southern Kyrgyzstan. The tracer methodology was furthermore used by the Asian Development Bank and the G20 and ILO for the mainstreaming of initial and secondary VET in their projects.

**From an entrepreneurship platform to learning modules in Georgia**

In Georgia, during the evaluation period, there were number of activities about entrepreneurial leaning and enterprise skills, where the government as well as business representatives took part. For example, business organizations together with representatives of relevant government entities were always present at the entrepreneurship platform and they took an active part in the process of formulating indicators and policy in general. Based on this platform, the representative of a key ministry elaborated the concept of entrepreneurship learning. These activities were followed up by elaboration of the SME strategy, which was complemented with useful recommendations by the ETF. This strategy was approved in February 2016. In addition, the platform encouraged the ministry to introduce transversal skills into learning modules and applied to the UNDP for assistance in this regard.

Source: Ecorys Central Asia and Georgia case study

## 5.10 Added value

Overall, survey respondents and interviewees at both European/international and partner country (case study) levels were positive about the added value of the ETF compared to national actors. One respondent said: *"I think that ETF activities have high added value, we appreciate the quality of support and policy advice as well as timeliness and flexibility of the support received"*. Almost 90% of partner country respondents in the survey registered a positive response.

Synthesising information from all sources indicates the following categories of added value:

- **Thematic and geographic expertise**

According to interviewees, an important added value of the ETF is the world class nature of its thematic expertise plus its uniquely systematic and participatory approach, with a pioneering function when it comes to providing high quality information and expertise to partner countries (e.g. the provision of VET related knowledge, for instance in the fields of qualifications and school development), tailored to their specificities and needs. In-depth country knowledge is a key ETF

strength, coupled with its global reputation: thus, to take one example, in Lebanon, UNESCO asked for ETF's assistance in the VET field.

Several partner country survey respondents highlighted the notable influence of the capacity building exercises within their country, for instance through the strengthening of institutional capacities and stakeholder dialogue or the development of specific systems and methodologies. In addition, the ETF can play an important role in the creation of a networking space for VET practitioners and researchers, as noted in Serbia.

- **Geographic and thematic synergies**

It was reported that the ETF has a capacity to *"find common solutions even for very different contexts, on the basis of knowledge sharing and quality methodologies"*<sup>88</sup>. These synergies are generated thanks to the combination of the ETF thematic and country knowledge, allowing the ETF to *"find common solutions even for very different contexts, on the basis of knowledge sharing and quality methodologies, operating "in a higher part of the system"*<sup>89</sup> allowing for the generation of synergies between projects and across countries on the basis of regional approaches. As stressed by a partner country survey respondent, *"The regional view and mainstreaming the approaches is specific to ETF. National actors do not and can not have this position"*.

- **Stakeholders' involvement and participatory approaches**

Complementarily to the content and technical perspectives, the approach adopted by the ETF in its work with partner countries' stakeholders is also considered to be a key factor determining its added value. The ETF capacity to foster the capitalisation and exchange of experiences and the ETF relations and positioning towards key actors allow for the adoption of participatory approaches in partner countries, supporting the ownership and involvement of partner countries' by a variety of stakeholders and helping the countries in identifying their own priorities through the *"development of fit-for-context models"*<sup>90</sup>. The Torino process was again mentioned as a useful and well established tool for the implementation of this approach.

- **Continuity of the interventions**

Unlike most bilateral or multilateral donors, the ETF's provision of expertise and support is not limited by a budgetary timeframe and is ongoing – as reflected in the strength of the ETF's contacts with key stakeholders in the partner countries. In this context, the relations and networking, and the related positioning and reputation of the ETF with regard to relevant actors, are key aspects to ensure that the utility of the ETF work is maximised.

- **Impartiality of work and independence**

The above idea was also associated with the impartiality of the ETF's work, and the lack of "commercial" or "budgetary interests" in the countries: *"ETF does not bring funds - this obliges ETF to maintain quality and enables ETF to act as a trusted broker rather than apply the conditionalities which come with international assistance"*.<sup>91</sup>

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<sup>88</sup> Interviewee from the European Commission

<sup>89</sup> Interviewee from the ETF

<sup>90</sup> Interviewee from an international organisation

<sup>91</sup> ETF survey respondent

Moreover, interviewees including ETF staff stressed that ETF specialist expertise is *independent*. This sense of independence might also be a by-product of the strong consensus that exists currently in the vocational education and training policy field regarding the need to enhance the quality and labour market relevance of provision and the measures required to achieve this. This means the policy field is on the whole not the subject of much political controversy, which may open up space within which an agency like the ETF can operate in partner countries.

- **European dimension**

In general terms, the added value of the ETF was stressed mainly from a methodological and expertise approach. Nonetheless, some stakeholders also stressed the European dimension as an important aspect characterising the ETF intervention when compared to others. A number of partner country survey respondents specifically noted that they particularly appreciated the European perspective of the policies on education, training and employment. EU respondents also agree that the ETF provided an added value that other organisations could not offer. One survey respondent for instance stated that the “*ETF acts on behalf of the EU and focuses on countries which are in our neighbourhood. No other organisation has the same focus and therefore such relevance.*”<sup>92</sup>

- **Complementarity with other EU support**

When compared with other options from the EU, the ETF offer was generally considered to be complementary to what is offered by other services or assets of the European Commission, mainly in terms of addressing governance aspects in the partner countries on the basis of tailor made interventions and specific tools. In this respect, several EU interviewees from the European Commission and the ETF stressed that it is providing thematic specialisation, which is not ensured to the same extent by all the EU Delegations.

## 5.11 Conclusions

The ETF delivers effective interventions across a wide range of policy fields related to VET and does so with resources which are extremely limited per partner country. As has been shown especially in the case of the entrepreneurial learning and labour market intelligence objectives, ETF effectiveness varies from country to country depending on individual circumstances. Nonetheless, it is evident that in some thematic areas its contribution has been more substantial than others, for a variety of reasons. With respect to the specific objective of governance, systems and policy-making, the ETF contribution has generally been significant and particularly valued in respect of (i) the creation of dialogue involving groups of stakeholders who hitherto may not have taken part in policy-making activities, and (ii) improvements to policy-making cycles, but also (iii) in respect of the improvement of data collection and analysis. In relation to other specific objectives, the stronger focus on skills for employability, the development of national qualifications frameworks and the development of mechanisms for skills anticipation have all been areas where the ETF contribution has been particularly strong. In such areas, the ETF has tapped into major needs within partner countries where few other organisations were offering assistance and where it had the requisite technical expertise. Its impact in respect of governance, systems and policy-making should be regarded as a particularly significant achievement since it is helping partner countries to re-engineer the way they make policy so that they will be better positioned in the long run to implement policies that respond to real needs. In turn, this should enable partner countries to

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<sup>92</sup> EU survey respondent

make far more effective and efficient use of external funding opportunities, not least those from the EU.

In terms of the longer-term impacts through VET systems into classrooms and training centres and ultimately into the life chances of individuals, quantitative data continues to be lacking in partner countries to enable a rigorous assessment to be made. However, it is striking that in the assessment of partner country respondents ETF is making a contribution down this "logic chain", despite the intervention of a large number of factors that generally hinder the implementation and effectiveness of policy developments on the ground in partner countries.

The ETF already has a thorough understanding of the factors that make it effective and it seeks to maximise these factors wherever possible. Inter alia, its dashboard monitoring system (see sections 2.5.5 and 7.2) enables members of staff to reflect on why projects have and have not been successful. It is currently exploring how the stages of policy development in partner countries affect the types of intervention required in general and this would considerably assist the efficiency and effectiveness of operations. Consideration should also be given to the potential effect of other factors, such as country size, and whether this should be used to influence the nature and scale of interventions within countries as a whole.

Overall, as partner countries themselves acknowledge, implementation is the responsibility of partner countries and the ETF lacks the ability to control the achievement of final results. As one respondent stated: *"The ETF is like a front-runner, which raises the new topics, shapes the concepts, prepares the stakeholders to grasp the ideas and generate contemporary views, works on attitudes, and then other donors are working on implementation"*.

There are many obstacles in these countries to realising the benefits from policy reforms. All the evidence collected, including the detailed material from case studies, points to the fact that difficulties and failures with implementation and sustainability are overwhelmingly due to factors outside the control of the ETF. Nonetheless, a key question arising is whether the ETF and its partners could do more to mitigate these factors and to ensure that policy developments translate into effects on the ground more often than at present. This is a point we return to in the conclusions and recommendations.

## 6.0 Cost-effectiveness and efficiency

### 6.1 Introduction

In this section we examine whether and the extent to which the ETF is still the most cost-effective option compared to possible alternatives. In order to do this, we use elements of cost-effectiveness analysis (CEA).

CEA is to be used “when measurement of benefits in monetary terms is impossible” and when the initiative consists of a fixed objective, i.e. a certain level or target to be realised by a given date.<sup>93</sup> In these cases, CEA involves “calculating the cost needed to achieve the objective and then comparing the costs of the different options”. According to the 2006 report for DG Budget, there are four pre-requisites for CEA to be feasible, namely that it is possible to:

- Concentrate on one single effect or to combine several effects;
- Apply a recognised indicator or rating grid for each effect or to develop such an indicator;
- Quantify the effect of the intervention; and
- Compare several interventions or scenarios.<sup>94</sup>

Given these pre-requisites, the evaluation of the ETF does not easily lend itself to a conventional CEA. Performance is considered against multiple objectives rather than a single, fixed objective. The effects will be captured in a mix of qualitative, quantitative and monetary data, where there will be varying degrees of certainty. Moreover, it is not useful or possible to develop a credible system of weighting and scoring to enable aggregation of effects and comparison of alternative options. The alternatives to the ETF are likely to incur different costs and achieve different effects, thus limiting the direct comparability.

For those reasons, rather than conducting a “conventional” CEA, analysis has been undertaken in three areas: i) analysis of the efficiency of ETF in comparison to hypothetical alternative scenarios; ii) comparative analysis of the costs of ETF and those of other EU agencies; iii) analysis of the potential to improve the efficiency of the ETF.

### 6.2 Comparison of ETF to hypothetical alternatives

This part of the analysis considers whether the ETF is more cost-effective compared to possible alternative options. It takes into account added value, transferring responsibilities to the Commission and abolishing the tasks and responsibilities of the ETF entirely. Such an exercise is more typically part of an impact assessment where there is a clear need to consider the merits of alternative options in advance of introducing a new intervention. It has been beyond the scope of this evaluation to undertake such an exercise in the depth that would be required for an impact assessment, e.g. in terms of developing detailed costings. On that basis, the

<sup>93</sup> Ecorys (2013). Study on cost-effectiveness of EAC spending programmes.

<sup>94</sup> Euréval (2006). Study on the cost-effectiveness analysis in EC’s evaluations.

trajectories of the main types of costs/effects have been considered along with their likely scale under each option in comparison to the “no change” scenario.

This exercise has not been able to draw on any precedents since few EU agencies have been abolished, other than the European Agency for Reconstruction whose mandate was naturally time-limited (i.e. managing the EU’s assistance programmes for post-war reconstruction in Serbia, Kosovo,<sup>95</sup> Montenegro and the former Yugoslav Republic of Macedonia). By way of context, the analysis has, however, drawn on the experience of the relocation of Cedefop in the 1990s (Table 6.1).

**Table 6.1 - Lessons from the relocation of Cedefop**

#### Relocation of Cedefop

The European Centre for the Development of Vocational Training (Cedefop) was established in 1975 in West Berlin. This choice of location was primarily for political and symbolic reasons, i.e. to emphasise, at the height of the Cold War, that West Berlin was part of the then EEC. However by 1993, Germany had been reunified and, as foreseen under the Maastricht Treaty, was due to host the European Central Bank, whilst Greece (which had joined the EEC in 1981) was host to no EU bodies. Thus, largely for political rather than operational reasons, the European Council decided that Cedefop would be relocated in Thessaloniki “as soon as possible”.<sup>96</sup>

Given the time that has elapsed, the evidence regarding the costs and benefits of this location is limited. However, evidence from anecdotal sources<sup>97</sup> suggests the following:

- Time taken: Cedefop opened in Thessaloniki nearly 2 years after the Council Declaration (1.9.1995) in temporary premises. The permanent purpose-built premises were not ready for about another 4 years after that, i.e. 6 years after the initial decision.
- Assistance to staff: A special social plan was required for all staff to acquire permanent employment in the European institutions. Those staff not wishing to move to Greece were offered assistance in transferring to the European Commission in Brussels or Luxembourg.
- Staff departures: many staff chose not to relocate and there was a change of director.
- Change in organisational culture: the change from an urban setting in Germany to a rural one in Greece, the different premises and the departure of staff changed the way that Cedefop operated. In the words of one member of staff: “It was clear right from the start for all colleagues that here they had to start again.”
- Retaining a European focus: Cedefop retained its European focus; it did not specifically prioritise Greece or other southern European countries and the Greek government did not particularly seek to influence Cedefop’s work programme.
- Political effect: the arrival of the first EU agency in Greece was seen as highly symbolic by local and national politicians in Greece and by the Commission.

Source: Ecorys

For this analysis, five hypothetical alternative scenarios have been examined:

- 1. “No change” scenario** – The ETF continues in its current form from its current premises in Turin. Any changes are gradual and of the type that would occur in any “normal” year.

<sup>95</sup> Under UNSCR 1244/99

<sup>96</sup> Conclusions de la Présidence – Bruxelles 29 Octobre 1993 (SN/288/93)

<sup>97</sup> <http://www.cedefop.europa.eu/en/news-and-press/news/cedefop-thessaloniki-20-years>

2. **“Expansion” scenario** – The ETF retains its current form and implements the same type of activity as at present, but receives increased funding to implement more activity in each country or in additional countries.
3. **“Discontinuation” scenario** – The ETF is abolished and its roles and responsibilities are not formally adopted by any other body.
4. **“Commission absorption” scenario** – The ETF is abolished and one or more of the European Commission DGs would employ the necessary staff to perform the roles of ETF and implement activities in pursuit of the stated objectives.
5. **“Contracting-out” scenario** – The ETF is abolished and one or more of the European Commission DGs would have political responsibility for achieving the stated objectives but would employ only a minimum of staff. The DGs would deliver activities through one or more external providers, whether selected through calls for tender, calls for projects or direct grant funding.

For all scenarios, the following factors and assumptions have been taken into account:

Estimates of **one-off costs** of closing the ETF and/or relocating staff cannot be known with certainty. However, it is possible to identify the main types of costs and give an indication of their scale, where possible drawing on the requirements of the Staff Regulation and previous exercises of this type.<sup>98</sup> For example, one might expect that such one-off costs of closure might be equal to a significant proportion of the annual ETF budget.

In terms of **ongoing financial costs**, it is assumed that the Staff Regulation would continue to apply and that any staff contracts would be of the same type as at present, i.e. mostly Temporary Agents and Contract Agents. It is also assumed that staff salaries in the ETF are broadly similarly to those of European Commission staff and that non-staff costs (e.g. premises) in Brussels are comparable to those in Turin.

Closing the ETF and/or relocating staff is assumed to create **risks** of opposition from the partner countries, ETF staff and Italy as the host country. Most of those risks would arise at the political level, e.g. in the form of negative feedback from partner countries, although there might also be legal challenges from staff.

**Impact on ETF performance:** the findings in the rest of the report suggest that two crucial determinants of the impact of ETF are the expertise of the staff of ETF and the extent of their engagement in and with stakeholder networks in the partner countries. Under all scenarios, it then becomes necessary to consider the extent to which it is possible to retain and/or enhance expertise and engagement, which is likely to depend to some extent on limiting staff turnover.

The effect of the different scenarios is considered in terms of the different forms of **European added value** currently provided by the ETF and identified elsewhere in this report.

In considering the **impact on policy objectives**, it is assumed that EU external relations policy continues to prioritise human resource development. It is also assumed that the European Commission DGs (or other EU bodies) continue to demand the provision of impartial and independent advice and support services akin to those provided by the ETF and to emphasise the importance of the visibility of this field of EU policy. As with any policy area, if there were to be a major change in

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<sup>98</sup> See for example, First Interim Evaluation of EACEA (2009)

priorities, it is likely that the institutions involved in policy delivery would need to be reconfigured in some way.

Full analysis of each option is shown in Annex X. In summary, the likely effects of the different scenarios have been analysed to be as follows.

**Table 6.2 - Overview of five hypothetical alternative scenarios**

Scenario	Likely effects
"No change" scenario	<ul style="list-style-type: none"> <li>No additional one-off financial costs and no change in ongoing costs i.e. approximately €20m p.a.</li> <li>No new risks.</li> <li>ETF would continue to make gradual improvements in performance through "institutional learning", acquiring thematic and geographic expertise and strengthening networks.</li> <li>Gradual increase in impact on EU policy objectives</li> </ul>
"Expansion" scenario	<ul style="list-style-type: none"> <li>Increase in total costs but a reduction in "marginal costs" of activities. Expanded services use the existing "infrastructure" of ETF and capture economies of scale.</li> <li>Expansion might be put at risk by difficulties in recruiting suitable staff, by higher cost of providing services to countries with a more challenging environment or by exhaustion of capacity of partner countries to engage with ETF.</li> <li>More services could be provided to more countries enabling ETF services to achieve a "critical mass" in more countries, thus increasing impact against overall EU policy objectives</li> </ul>
"Discontinue" scenario	<ul style="list-style-type: none"> <li>High one-off costs of closure (relative to the ETF annual budget): administrative burden for the Commission, indemnity payments to agents, staff resettlement costs, legal costs, lease costs</li> <li>High savings in ongoing costs, i.e. €20m p.a.</li> <li>Some expert or operational roles are likely to re-emerge in an unplanned way within the Commission, thus reducing cost savings.</li> <li>Risk of political damage within the EU and within the partner countries.</li> <li>Loss of body of expertise, impartial body and stakeholder networks.</li> <li>EU likely to fail in the achievement of its policy objectives and Treaty obligations in respect of promotion of human capital development in 3<sup>rd</sup> countries.</li> </ul>
"Commission absorption" scenario	<ul style="list-style-type: none"> <li>High one-off costs of closure (relative to the ETF annual budget): administrative burden for the Commission, Indemnity payments to agents, staff resettlement costs, legal costs, lease costs</li> <li>Potential for some reduction in on-going costs, as fewer staff are required to perform corporate functions (legal, financial, IT, etc.) and supervisory roles in the DGs are suppressed.</li> <li>Risks of losing ETF staff and not being able to replace lost expertise</li> <li>Loss of ETF body of expertise and stakeholder networks in/ with ETF partner countries; takes years to be recreated</li> <li>Risk of damage to relationships with ETF partner countries and other international organisations</li> <li>Potential for increased synergies with other Commission services and other EU policy areas</li> <li>Short and medium term: EU risks failing in the achievement of policy objectives and Treaty obligations in respect of promotion of human</li> </ul>

Scenario	Likely effects
	capital development in 3rd countries
"Contracting-out" scenario	<ul style="list-style-type: none"> <li>▪ High one-off costs of closure (relative to the ETF annual budget): administrative burden for the Commission, indemnity payments, staff resettlement costs, legal costs, lease costs</li> <li>▪ Potential for some reduction in ongoing costs, as few staff are employed</li> <li>▪ Competition between suppliers might reduce the price of services and the quality of provision might rise as those suppliers gain experience and expertise (depending on the extent to which a cohort of "regular" suppliers is used or whether there is continual change)</li> <li>▪ Limits to savings, as contracts must remain commercially viable</li> <li>▪ Loss of ETF body of expertise and stakeholder networks in/ with ETF partner countries; takes years to be recreated within contractors</li> <li>▪ Risk of damage to relationships with ETF partner countries, Member States and other international organisations</li> <li>▪ Potential for increased synergies with other Commission services and other EU policy areas</li> <li>▪ Short and medium term: EU risks failing in the achievement of policy objectives and Treaty obligations in respect of promotion of human capital development in 3rd countries</li> </ul>

Source: Ecorys

A comparison of the options, allows some conclusions to be drawn.

In terms of **costs**, it is only the "discontinue" scenario that has the potential to deliver significant financial savings, i.e. "headline" savings of £20m p.a., once the short-term costs of closure had been met. Of course, this would mean that the added value of the ETF is no longer provided. However, for as long as EU external relations policy continues to prioritise human resource development, it is reasonable to assume that some form of action would eventually be taken by the Commission, as it becomes apparent that EU policy objectives are at risk of not being met. In that case, it is likely that functions similar to those currently provided by the ETF would start to re-emerge in some form or other, either through the recruitment of staff in the DGs or in the use of contractors. This "re-creation" of capacity might thus emerge in an unplanned way, which is neither effective nor efficient. Ultimately, the cost savings would start to diminish, whilst added value would remain below the current level for some time.

Under other scenarios, the potential for any savings are small in global terms since the ETF is not an expenditure programme and accounts for a very modest amount of funding (e.g. in relation to total EU funding for education and training or for external assistance). Moving to an in-house model of provision by the DGs might generate some cost savings in the long run, primarily by removing the need for the corporate "infrastructure" associated with a dedicated agency. A contracting-out model might deliver similar long-term savings, although the ongoing costs of contracting might be much more uncertain. Moreover, in both cases, it might take several years for any long-term savings to outweigh the short-term costs of restructuring.

In terms of impact on **performance and EU added value**, it is clear that discontinuing the ETF and/or moving its functions into the Commission and/or contracting-out ETF services would have an adverse effect. This is especially in the short term when there would be a period of considerable disruption. Interviews of stakeholders and the experience of the Cedefop relocation suggested that many staff

might choose not to relocate, which would lead to a substantial loss of expertise. Over time – perhaps 5 years – it might be that the lost expertise would be re-established within the European Commission, although it is unlikely that the unique “service offer” provided by the ETF would re-emerge as the distinct organisational culture of the ETF is unlikely to be replicated elsewhere. Indeed, as the findings on added value show (section 5.10), there is a consensus amongst stakeholders that the ETF specialist expertise is independent and above commercial or budgetary interests and that such expertise is provided in a timely and flexible way. It is perhaps debatable whether the Commission would be perceived as an independent and impartial source of expertise in partner countries, even were it able to be so, since the current ‘distance’ between EU programmes and the ETF would be lost.

Last, the **impact on EU policy objectives**, the “Commission absorption” scenario or the “contracting-out” scenario might enable its ambitions and fulfil its obligations in respect of promotion of human capital development in partner countries, albeit without the same level of impartiality and independence offered by the ETF. However, under those scenarios there is a substantial risk of failing to achieve those objectives (to the same degree as currently) in the short to medium term. The “no change” scenario would ensure that the current level of impact continues in the short, medium and long term, whilst the “expansion” scenario would offer the potential for greater impact, albeit at extra cost.

## 6.3 Comparison of the costs of the ETF and those of other EU agencies

### 6.3.1 Context for the comparative analysis

This sub-section considers the cost-effectiveness of the ETF in light of the experience of other EU agencies. The EU’s 34 decentralised agencies are all unique, with their own distinctive remits, objectives and activities. One cannot therefore easily apply a set of performance indicators to this task. Indeed, this difficulty is recognised by the Commission in its consideration of the most appropriate indicators of efficiency and effectiveness: *“the choice of indicators for a given... agency depends on the particular business model and requires an in-depth understanding of its services... and of its organisation. Hence it would not be advisable to set out a set of indicators applicable to all the fee-financed agencies.”*<sup>99</sup>

At the same time, the Commission, the Parliament and the Council in their joint statement of 2012 urged the decentralised agencies to increase their performance by implementing the principles set out in a “Common Approach” to agencies.<sup>100</sup> This has included, for example, the requirement to draw up multi-annual strategic plans. Since then, the Financial Framework Regulation has also introduced mandatory performance management tools for the agencies.

According to the EU Agencies Network (EUAN), the agencies have *“implemented the totality of the actions foreseen in the Commission’s roadmap on the follow-up to the Common Approach”*.<sup>101</sup> They are now seeking new ways to capture better information on management performance, efficiency gains and workload volumes. In particular, the EUAN is to propose a new performance management framework. This framework

<sup>99</sup> IIWG2 on decentralised agencies’ resources – Analytical Fiche, Fee-financed agencies and agencies partially co-financed by national public authorities (18 February 2016)

<sup>100</sup> Joint Statement and Common approach of the European Parliament, the Council of the EU and the European Commission on decentralised agencies, July 2012.

<sup>101</sup> EU Decentralised Agencies Performance Framework – measuring and reporting on workload, efficiency gains, and synergies

will gather and synthesise existing information in relation to efficiency gains and synergies in EU agencies and will also include common indicators to measure performance and workload. The framework is to be proposed at the EUAN meeting in October 2016.<sup>102</sup>

Given the difficulties in making comparisons and since the common indicators are not yet available, this part of the analysis is limited to describing and providing an opinion on some efficiency-related aspects of the ETF in light of the experience of other agencies. In order to make a comparison, three decentralised agencies have been chosen that are closest to ETF in terms of policy area and are of similar size, namely Cedefop, Eurofound and EU-OSHA. The analysis also draws on published comparisons with Eurofound and three other agencies: the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), the European Environment Agency (EEA), and the European Fisheries Control Agency (EFCA).

### **6.3.2 Balance of different types of expenditure**

One indication of the cost-effectiveness of decentralised agencies is the extent to which expenditure is directed towards “front-line” activities rather than to the administration of the agencies themselves. The two tables below present data on annual expenditure for the four agencies in question. The data have been drawn from the 2014 Annual Reports (except for Cedefop, which is based on the 2013 Annual Report<sup>103</sup>).<sup>104</sup> The three categories of expenditure are:

- Title 1 (Staff): this includes salaries and related costs, including training;
- Title 2 (Administrative expenditure): this includes items such as buildings, equipment, furniture, software, payment to EU for IT systems;
- Title 3 (Operational expenditure): this includes expenses relating to performance of specific activities and missions through outsourcing of services, e.g. external experts, translation, media and local event support, external expertise for quality assurance, planning, monitoring and evaluation.

From the data, it is possible to extract a number of research findings:

- Of the four agencies, the ETF had the highest proportion of expenditure on staff costs. This reflects the fact that the ETF is not only a centre of expertise, but provides its expertise to the partner countries through relatively “labour-intensive” forms of support. These include dialogue, networking, exchanges and so on. This is in contrast to EU-OSHA, for example, which spends a higher proportion of its budget on operational activities – reflecting the fact that its remit relates more to gathering and disseminating information (e.g. via the European Survey of Enterprises on New and Emerging Risks) and developing tools for good management of occupational safety and health.

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<sup>102</sup> EU Decentralised Agencies Performance Framework – measuring and reporting on workload, efficiency gains, and synergies

<sup>103</sup> The Cedefop 2014 Annual Report did not present expenditure data in a suitable format.

<sup>104</sup> In order to facilitate comparisons, the data does not include items other than Titles 1, 2 and 3, e.g. project-related costs covered by revenue from other European Commission funds, bilateral aid or international organisations. For example, ETF received additional earmarked funds (Title 4) for the FRAME and GEMM projects.

- It should also be noted that around a quarter of the ETF's operational expenditure relates to the use of external experts.<sup>105</sup> Again, this highlights the fact that the ETF typically operates through the provision of in-depth support to the partner countries.
- Administrative expenditure as a proportion of the ETF's total expenditure is slightly higher than for the other agencies. This is to be expected, since the ETF has the highest proportion of expenditure allocated to staffing with many administrative expenses related to staff, e.g. provision of office space, recruitment, transport, missions. Administrative expenditure as a proportion of total expenditure peaked in 2014 at 10.4% before falling to 9.7% in 2015.<sup>106</sup> (Further reductions have been budgeted in 2016.)
- The ETF's average administrative expenditure per member of staff is 5% above the average for the four agencies. The figures for Cedefop and for Eurofound are 21% and 14% lower respectively, whereas the figure for EU-OSHA is 29% higher. This might reflect the fact that ETF tends to provide high-level expertise and engages directly with stakeholders in partner countries. As the ETF moves away from a bottom-up approach which involves country managers organising everything in-country and increases the provision of common tools and approaches as well as the focus on strategic projects, there may be some scope to reduce the level of administrative expenditure per member of staff (and thus bring it closer to the figures for Cedefop and Eurofound).

**Table 6.3 - Balance of expenditure in four decentralised agencies**

Expenditure	ETF		Cedefop*		Eurofound**		EU-OSHA***	
	€	%	€	%	€	%	€	%
2014								
Title 1 (Staff)	12,809,103	64	10,961,400	61	12,114,000	58	5,451,642	38
Title 2 (Administrative expenditure)	2,090,253	10	1,486,000	8	1,492,000	7	1,321,932	9
Title 3 (Operational expenditure)	5,258,697	26	5,477,675	31	7,167,000	35	7,648,876	53
<b>Total</b>	<b>20,158,053</b>	<b>100</b>	<b>17,925,075</b>	<b>100</b>	<b>20,773,000</b>	<b>100</b>	<b>14,422,450</b>	<b>100</b>

\* Cedefop figures are for 2013. \*\* Eurofound figures exclude "Expenditure from Internally/Externally Assigned revenue" \*\*\*EU-OSHA figures exclude "Earmarked activities"

Source: ETF Annual Activity Reports

**Table 6.4 - Administrative expenditure per head of staff in four decentralised agencies**

<sup>105</sup> PwC (2014), Functional Analysis of The ETF in view of Performance Improvement". Final Report.

<sup>106</sup> ETF (2016), Consolidated Annual Activity Report 2015.

Expenditure 2014	ETF	Cedefop*	Eurofound	EU-OSHA	All
Title 2 (Administrative expenditure)	€2,090,253	€1,486,000	€1,492,000	€1,321,932	€6,390,185
Number of staff	133	120	110	65	428
Title 2 (Administrative expenditure) per member of staff	€15,716	€12,383	€13,564	€20,337	€14,930**

\*Cedefop figures are for 2013. \*\* Average administrative expenditure for all four agencies is the arithmetical average across all four agencies, i.e. €6,390,185 ÷ 428.

Source for staff numbers: European Court of Auditors (ECA) Reports on the Annual Accounts 2014

Overall, this data support the ETF's claim to be "a centre of expertise, whose main asset is the expertise of its staff" since staff expenditure represents nearly two-thirds of total expenditure by the ETF, which is higher than for the three other agencies. Moreover, a relatively high proportion of operational expenditure (Title 3) is also devoted to procuring external experts. As the ETF moves away from its "bottom-up" approach based on the individual expertise of country managers, it might be appropriate to allocate more resources to "operational" activities, such as tools and approaches that could be commonly applied to partner countries, as well as country projects, communities of practice and so on. The data also suggest that the ETF should consider its administrative expenditure, given that the average of such costs per member of staff are higher for the ETF than for the other two agencies that are most similar (i.e. Cedefop, Eurofound). Indeed, it may be possible to make savings on administrative expenditure as the ETF replaces its bottom-up approach with one that is more strategic (as described in section 2.5). Potentially this could release more resources for external procurement which might help to address concerns about ETF responsiveness in light of organisational changes (again, see section 2.5).

### 6.3.3 Balance of different types of staff

Another indication of the cost-effectiveness of decentralised agencies is the balance between operational staff and administrative staff. Whilst administrative staff perform functions that are essential to the performance of an agency, such as human resource management, finance, ICT, legal, and evaluation, it is expected (e.g. by the Inter-Institutional Working Group of the Council, Parliament and Commission) that such functions will be streamlined as far as possible. The priority will usually be to maximise the proportion of the staff employed in operational roles.

The table below offers a comparison across the four agencies based on the European Court of Auditors (ECA) Reports on the Annual Accounts for each agency. From the table, it can be seen that ETF has a lower proportion of staff engaged on administrative matters than Cedefop (i.e. 23% versus 28%). If the Eurofound and EU-OSHA staff classified as "mixed tasks" are split evenly between the operational and administrative headings, then the proportion of administrative staff is approximately 22-23%, i.e. very similar to that of ETF.

However, it should be noted that the comparison is not facilitated by the fact that the ECA reports are not consistent in their classification of staff. In particular, corporate co-ordination and communications staff within ETF are treated as a distinct category, whereas they are not for the other three agencies. Similarly, the ECA identifies some

staff of Eurofound and EU-OSHA as performing “mixed tasks”, i.e. a mix of operational and administrative roles.

Looking ahead, it would therefore be beneficial for the EUAN, in its proposal for a Performance Management Framework, to outline a common approach to the categorisation of staff – most notably communication staff. Such a common approach would help EUAN to achieve its objective of finding adequate common indicators to measure performance and workload across the different decentralised agencies.

**Table 6.5 - Balance of staff types in four decentralised agencies**

Staff 2014	ETF		Cedefop		Eurofound**		EU-OSHA	
	No.	%	No.	%	No.	%	No.	%
<b>Operational</b>	76	57	87	73	79	72	46	71
<b>Administrative</b>	30	23	33	28	19	17	10	15
<b>Corporate Coordination &amp; Communication</b>	27	20	-	-	-	-	-	-
<b>Mixed tasks</b>	-	-	-	-	12	11	9	14
<b>Total</b>	<b>133</b>	<b>100</b>	<b>120</b>	<b>100</b>	<b>110</b>	<b>100</b>	<b>65</b>	<b>100</b>

Source: European Court of Auditors (ECA) Reports on Annual Accounts 2014

Overall, whilst differences in categorisation used by the ECA make comparisons difficult, it would seem that the ETF has a similar proportion of administrative staff to other agencies. Moreover, the ETF has met its target of keeping the ratio of full-time equivalent administrative staff to operational staff below 30% in 2014 and in 2015.<sup>107</sup> Assuming that staff in “Corporate Coordination & Communication” roles can reasonably be considered as “Operational” staff” (i.e. if that is how such roles are categorised within other agencies, which is often the case), the ETF can be said to have a high proportion of staff in operational roles relative to those in administrative roles. This is taken to be positive from the cost-effectiveness perspective.

#### 6.3.4 Proportion of staff within administrative functions

In a 2013 Communication, the Commission set out its proposal to impose a 10% staff reduction on the established decentralised agencies over the 2014-2020 period.<sup>108</sup> This was to serve two purposes: first, to comply with the 5% staff reduction over five years applicable to all EU institutions, bodies and agencies; second, to create room for the growth of new agencies and of the agencies that have been assigned new tasks, whilst still complying with the overall reduction of 5%. In that context, the ETF appointed PwC to carry out a “Functional Analysis of The ETF in view of Performance Improvement”.<sup>109</sup> This analysis included a benchmarking of ETF against selected decentralised agencies with respect to key organisational processes. The other agencies were: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA),

<sup>107</sup> ETF Annual Activity Report, 2014, Consolidated Annual Activity Report 2015 (previous years’ reports did not include this target).

<sup>108</sup> COM(2013) 519 final, Communication from the Commission to the European Parliament and the Council Programming of human and financial resources for decentralised agencies 2014-2020

<sup>109</sup> PwC (2014), Functional Analysis of The ETF in view of Performance Improvement”. Final Report.

European Environment Agency (EEA), European Fisheries Control Agency (EFCA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound). Comparability across the agencies was facilitated by considering communications roles as operational rather than non-operational (some agencies classify communications as an operational role, whereas others classify it as non-operational).

The results of that exercise (see also Tables 6.4 and 6.6) offer some insights into the relative cost-effectiveness of the ETF:<sup>110</sup>

- The ETF expends a higher proportion of its operational budget (26%) on external experts than do three of the four other agencies (the exception being the EEA). External experts provide expertise that is not available in-house within the ETF and that is complementary to the expertise of ETF staff. For example, this includes gathering information about partner countries and illustrating or disseminating cases for policy learning.
- The ETF has a high proportion of staff in operational support roles (i.e. Project Officers (POs) and Project Assistants (PAs): the highest of all five selected agencies. This may reflect a need to support the relatively large number of external experts. It might also reflect the greater need for operational support when working in the partner countries rather than working within the EU, e.g. in terms of the diversity of missions and events.
- The ETF's level of administrative staff does not seem to be excessive, since its ratio of non-operational (administrative) staff to operational staff is equal to the average across all five agencies, i.e. 68%.
- The ETF has a comparatively high proportion of staff devoted to finance and human resource management, as well as (to a lesser extent), monitoring & evaluation, planning and control, and procurement.<sup>111</sup>
- Finance also accounts for the largest category of administrative staff (more than one in five of all administrative staff). Similarly, the ETF Annual Activity Report 2014 states that 15% of all staff are within finance/control. Indeed, the PwC report also highlights that the average number of invoices and payments managed is lower within the ETF than in the other four agencies. In response, the ETF reports having reduced the proportion of staff within finance/control since the period covered by the evaluation (2011-14).
- The ETF has comparatively few staff in secretarial & clerical (in particular), as well as in ICT and logistics and security suggesting that there is less scope for efficiency gains within these roles. Moreover, the ICT budget per member of staff is higher within the ETF than in the other four agencies.
- The ETF has the smallest number and proportion of communications staff of any of the five agencies, i.e. 9 people representing a ratio of 7% to total operational staff. As pointed out by PwC, this suggests that the greatest potential for efficiency gains does not seem to lie in the area of communications.

Overall, this data reinforces our earlier finding that the total proportion of staff within ETF who are in administrative or non-operational roles is broadly in line with other agencies. In a context of requirements to reduce staff headcount, consideration has

<sup>110</sup> The figures in the PwC report differ somewhat from the figures in the ECA report, which suggests that a different method was used to categorise staff roles.

<sup>111</sup> ETF also reports that its own review of HR in the other agencies found that the HR functions of those agencies had higher staffing than was reported by PwC and a narrower remit than the HR function within ETF. Correcting for these discrepancies, ETF thus reports that the level of its HR staffing is very close to the average of the other agencies.

been given by the ETF to reducing the number of staff in these functions and has been rejected since the cost savings were not considered sufficient to justify the adverse effect on performance.<sup>112</sup> However, the ETF reports that it has pursued internal redeployment since the period covered by the evaluation (2011-14) and intends to implement further redeployment in 2016.

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<sup>112</sup> The data also highlight the need for more consistent definitions to be used by the European institutions in terms of the categorisation of "Corporate Co-ordination and Communication" roles as this makes comparisons difficult between the different agencies.

**Table 6.6 - Incidence of administrative staff for five decentralised agencies**

	Ratio of non-operational staff to operational staff (FTEs) for ETF, EMCDDA, EEA, EFCA, Eurofound									
	HR	ICT	Finance	Secretari al/Cleri- cal	Procure- ment	Planning & Control	Logistics & Security	Monitor- ing/Eval- uation	Other	Total Admin
Minimum	6%	8%	6%	9%	1%	3%	4%	0%	1%	55%
Maximum	9%	21%	21%	24%	9%	7%	14%	2%	9%	101%
Average (all agencies)	7%	12%	11%	15%	5%	4%	9%	1%	4%	68%
ETF	9%	11%	14%	10%	6%	5%	8%	2%	4%	68%
Average minus ETF	-1.3	1.0	-2.7	4.2	-0.6	-0.7	0.4	-0.8	0.0	0.0

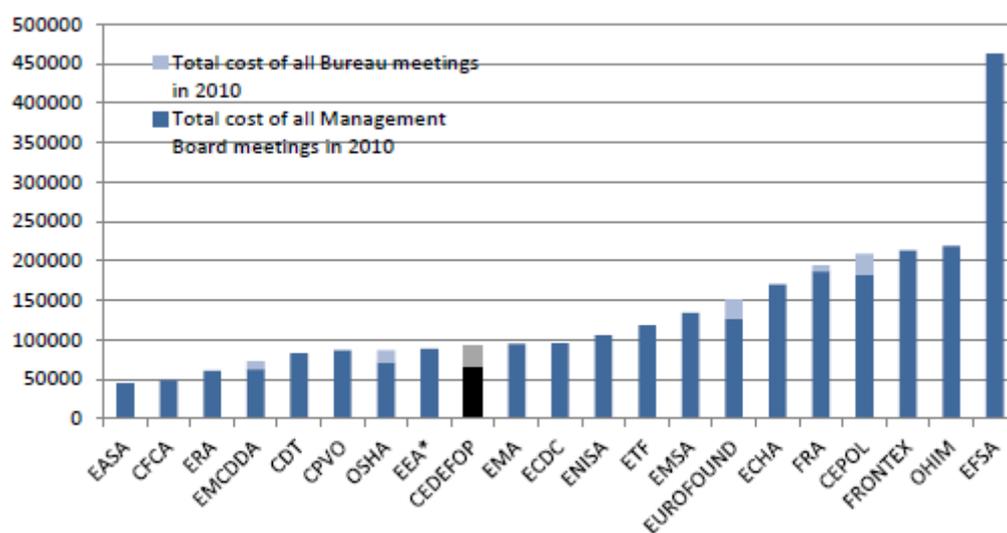
Source: PwC (2014) *Functional Analysis of The ETF in view of Performance Improvement; Final Report*

### 6.3.5 Costs of the ETF Governing Board

At the start of the period covered by the evaluation, the European Court of Auditors prepared a 'Special Report on cost benchmarking of the European Union Agencies'. The report was planned to be issued before the end of 2011. However, the European Parliament reports that it was "not in the intention" of the ECA to issue the report and therefore the report does not seem to be publicly available.<sup>113</sup>

Despite this, the 2013 evaluation of Cedefop offers evidence from the Special Report in the form of a summary of the cost of management boards of the majority of decentralised agencies, as presented in the figure below.<sup>114</sup> From the figure, it can be seen that the cost of the ETF Governing Board in 2010 was 9<sup>th</sup> most expensive of the 21 agencies listed - although it was only just over half the cost of the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> most expensive boards and about one-quarter the cost of the most expensive. It would not seem that the size of the ETF Board entirely explains the relatively high cost. For example, the Cedefop board featured 84 members at the time of the Special Report,<sup>115</sup> whilst the ETF Board featured only 36 members.<sup>116</sup>

**Figure 6.1 – Cost of Management Boards of EU agencies (Eur)**



\*EEA - missing data about cost of Bureau meetings  
Source: European Court of Auditors, Cost benchmarking of EU Agencies, 2011.

<sup>113</sup> European Parliament resolution of 10 May 2012 on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2010: performance, financial management and control of European Union Agencies (2011/2232(DEC))

<sup>114</sup> Source: PPMI (2013), External Evaluation of the European Centre for the Development of Vocational Training (Cedefop).

<sup>115</sup> i.e. one member representing the Government from each Member State; one member representing the employers' organisations from each Member State, and one member representing the employees' organisations from each Member State. Source: Regulation (EEC) No 337/75 of the Council of 10 February 1975

establishing a European Centre for the Development of Vocational Training

<sup>116</sup> i.e. three representatives of the partner countries, three non-voting experts, one representative from each EU Member State and three representatives of the Commission. Source: Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation

The relatively high costs of the ETF Governing Board were highlighted by the European Parliament in its resolution of 10 May 2012: “The European Parliament notes with concern that for eight Agencies, i.e. CEPOL, ECHA, EFSA, EMCDDA, EMSA, ETF, FRA and FRONTEX, in 2010 the Management Board cost on average per meeting and per member between €1,017 and €6,175; is of the opinion that these costs are excessive and need to be reduced drastically”.<sup>117</sup>

In response to these concerns, the Governing Board convened a working group (whose report was adopted by the Board in November 2014) and agreed a number of steps. In particular, a ceiling was imposed on total costs. In order to stay below that ceiling, some specific steps were taken. “Urgent” translations of long documents were discontinued, as these were particularly expensive (i.e. translators rates were higher for documents provided at short notice) and, in any case, Board members often received such documents in a short time before meetings. Instead, the full translations were provided after the meeting. Interpretation was offered but only provided at Board meetings where a specific request was received; for example, some Spanish Board members chose not to request interpretations, preferring to participate in English.

Data on the costs of the ETF Governing Board are not available in the Work Programmes or in the Annual Reports for the period covered by the evaluation (2011-14). However, a review of the European Parliament resolutions on discharges of the budget of the EU agencies for the financial years 2011-2014 uncovered no further reference to the costs of the ETF Governing Board. This might suggest that the Parliament no longer considers these costs to be high relative to the costs of other EU agencies.

Overall, there is limited potential for any reduction in the costs of the Governing Board which have a material impact on the functioning of the ETF, as the costs of the Board account for less than 1% of the total ETF budget. Moreover, there is a limit to which the costs of the Governing Board can be reduced as the ETF Regulation defines the composition of the Board and how often it must meet, i.e. at least once a year and there are mandatory requirements around the provision of translations and interpretation. However, the ETF has successfully taken steps to reduce costs. It might be beneficial for the ETF’s Annual Activity Reports to routinely state the costs of the Governing Board, as way of demonstrating that the costs have fallen and thus that the concerns of the Parliament and other stakeholders have been addressed.

### **6.3.6 Overall findings from the comparison**

As explained above, it is difficult to make comparisons between different decentralised agencies due to the differences in the data available and also because of the differences in location, size, structure, remit, activities and approach. This point notwithstanding, it has been possible in this section to shed light on key efficiency-related aspects of the ETF given the experience of other agencies.

The ETF budget and staffing is structured in a way that enables it to be a provider of advice and expertise (from internal and external sources) rather than a provider of services or technical assistance. This reflects the need to engage with a large number of diverse countries with very different VET systems and labour markets. Although the proportion of administrative staff is broadly in line with other agencies (having been

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<sup>117</sup> European Parliament resolution of 10 May 2012 on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2010: performance, financial management and control of European Union Agencies (2011/2232(DEC))

reduced in recent years), there may be scope to streamline some administrative functions and to make savings on administrative expenditure. In that context, it is encouraging that the ETF reports that some staff redeployment has taken place since 2014 and will continue in 2016. Any savings thus arising might then be used either to increase the number of staff in operational roles (particularly at senior level) or to procure additional external expertise. In a context in which the costs of decentralised agencies continue to come under intense scrutiny from the Parliament and other stakeholders, it is encouraging that the ETF has reduced the costs of its Governing Board. It is also important that the ETF monitors and publishes information on its relative cost-effectiveness, including on the costs associated with the Governing Board. With that in mind, it is therefore also encouraging that a framework of common indicators to measure performance and workload is to be proposed at the EUAN meeting in October 2016. This should be adopted by the ETF as soon as possible and used to structure key information that is made publicly available.

## **6.4 Potential to improve the efficiency and cost-effectiveness of the ETF**

This sub-section considers the potential to improve the cost-effectiveness of the ETF, taking into account the large proportion of tasks that are sub-contracted as required in the Terms of Reference. Such improvements are likely to arise primarily from “micro-level” reallocations of resources (for example, the redeployments of staff that the ETF has undertaken since the period covered by the evaluation – section 6.3.4) and/or improvements in operational efficiency rather than from any “macro-level” revision of the approach. This is for three reasons.

First, the comparison of the ETF with hypothetical alternatives (section 6.2 above) has shown that the (hypothetical) alternatives to the ETF are unlikely to be more cost-effective, assuming that the European Commission and/or other EU bodies continue to demand the provision of impartial and independent advice and support services akin to those provided by the ETF. Indeed, the alternative scenarios all carry a high risk of reduced effectiveness, particularly in the short to medium term. Any improvements in cost-effectiveness are therefore likely to come from revisions to the ETF and the way that it operates, rather than adopting one of those alternatives.

Second, the evaluation of effectiveness (in section 6.3) has also suggested high levels of effectiveness of the existing approach across all the specific objectives of ETF. On that basis, it does not seem that the cost-effectiveness of VET can be increased by any substantial change in the way that it pursues its objectives, for example, in terms of functions or thematic areas/core themes (at least in the current context – over time, changes in EU policy context or in the circumstances of the partner countries might, of course, require the ETF to revise its approach or refocus its activities).

Third, the ETF has recently been the subject of organisational changes, which, as shown in section 6.3.5, are perceived by Governing Board members and staff to have improved the efficiency of ETF. Any further restructuring is thus likely to be disruptive and offer limited potential for further efficiency improvements.

An in-depth analysis of the ETF’s day-to-day, internal operations and of the potential to improve their efficiency has not been within the scope and remit of this evaluation. However, such an exercise has been performed recently by PwC on behalf of the ETF and led to 14 recommendations.<sup>118</sup> One of those relates to the organisational structure

<sup>118</sup> PwC (2014), Functional Analysis of The ETF in view of Performance Improvement”. Final Report.

and has already been acted on (as just mentioned). The other recommendations can be grouped into a number of areas, some of which were also the subject of comments by stakeholders interviewed during the course of this evaluation.

- Better planning, processes and systems: improvements might be possible through better integration of information systems, more explicit consideration of the “expected value” of projects relative to cost, introducing a calendar-based software tool to facilitate expert resource allocation and by reducing by half the planning estimates of person hours spent on non-project related activities by operational staff. In response, ETF has undertaken two main reforms (in addition to the internal reorganisation already mentioned). In 2015, new indicators of efficiency gains were adopted, including some related to the performance of corporate functions.<sup>119</sup> From April 2016, information systems have been revised to ensure that the necessary data is provided against the indicators. There has also been an internal reorganisation of internal processes, for which there are now Key Performance Indicators at corporate level, secondary indicators at departmental level to support the corporate KPIs, and a lower level of indicators that are used at operational level on a day-to-day basis (but not reported at corporate level).
- Reduction in some staff posts: since 2010, there has already been a reduction in the number of staff in the Administrative Department. Further reductions were recommended in the Learning & Development function within Human Resources and in Finance and Procurement through a merger of cells. In addition, it was also recommended to reduce the number of Project Officers (POs) and Project Assistants (PAs) by outsourcing such roles to local contractors in the partner countries whose daily rate would be lower. However, we understand that the number of staff was not reduced within Human Resources and in Finance and Procurement, as the cost savings were not considered sufficient to justify the adverse effect on performance.<sup>120</sup>
- Revision of some staff roles: various recommendations were made to make project management more efficient and ensure that staff time and expertise is deployed on higher value tasks; this included centralising event management, standardising project management roles, reducing the number of projects per person, “coupling” POs/PAs with Country Managers/Team Leaders, and creating more opportunities for administrative to become POs/PAs and for POs/PAs to become Experts.
- Different mix of services acquired via sub-contracting: on the one hand, it was recommended that some of the externalised services not directly linked to expertise (worth €3.8m per year) should be delivered in-house by POs/PAs or administrative staff; on the other hand, it was suggested that PO/PA roles could be outsourced to project management professionals operating on lower daily rates. It would seem that the choice to be made between these two options will depend on whether other revisions in staff roles result in a shortage or an excess of POs/PAs relative to the work available. In fact, the ETF reports that it has chosen not to outsource the PO/PA function, as it does not consider it to be cost-effective. Another key determinant here will be the efficiency of the procurement process itself. ETF staff reported that framework contracts were an efficient means of procuring external services, especially events. However, the efficiency of procuring services via a large number of small contracts was questioned. Evidence from the

<sup>119</sup> ETF (2014), Making the ETF more strategic: revision of the ETF organisational structure.

<sup>120</sup> ETF reports that PwC’s recommendation to reduce staffing within Human Resources (HR) was not based on an analysis of HR processes and how to rationalise them but merely assumed that reducing staff would lead to more efficient processes. As noted earlier, ETF also reports that its own review of HR in the other agencies found that the HR functions of those agencies had higher staffing than was reported by PwC and a narrower remit than the HR function within ETF. Correcting for these discrepancies, ETF thus reports that the level of its HR staffing is very close to the average of the other agencies.

case study of Georgia also shows that procuring local resources and local experts in the partner countries can also prove cost-effective; in the short-term, the ETF benefits from the lower costs associated with local expertise and from having a better understanding of the local context, whilst in the long run this approach helps build local capacity.

- **Events:** it was recommended both to centralise the organisation and management of events and also to review the number of events as well as the time and cost involved in organising or attending them, since events have accounted for a considerable proportion of staff resources and budget expenditure. In 2013, total expenditure was nearly €1.8m (34% of all expenditure under Title 3), whilst 20% of staff time was spent on events and workshops, i.e. a total of 13 FTE or 31 days per event. Some stakeholders interviewed during the course of this evaluation also questioned the value of the ETF participating in so many events and suggested that there was insufficient follow-up in some cases (none contradicted this view). In light of the recommendations of the PwC report, the ETF undertook an audit of events in 2015 with a view to streamlining activities and increasing their overall cost-effectiveness. Evidence from the interviews and case studies suggests that missions and study visits might be more cost-effective. For example, the Tunisia case study highlighted that expert visits tend to have relatively low cost but in some cases can deliver impact in terms of engaging stakeholders and changing mind-sets. Similarly, in Georgia the expert missions were said to be quite intensive and well organised and the costs were quite low, as the host country rather than the ETF was responsible for paying for venues and organising events.

Whilst these recommendations relate to the internal functioning of ETF, they should be seen within the context of the revisions to ETF's structure and corporate processes (see section 2.5). This new structure is intended to move the ETF away from a bottom-up approach, whereby assistance provided to partner countries is strongly influenced by the expertise of country managers and therefore varies from country to country. Evidence from some of the interviews suggests that the bottom-up approach may have been too fragmented with too many small projects taking place in some countries. Moreover, the bottom-up approach perhaps explains some issues identified by the PwC report, such as the high number of projects per expert and the weak coupling of POs/PAs with country managers or team leaders and project management roles not being well defined. The bottom-up approach may also be associated with the high cost and time involved in organising or attending many events; some interviewees also suggested that the ETF staff may not have been able to follow-up all the events meaning that the effectiveness of events may also have been limited.

The ETF's new structure will potentially be strengthened by any actions taken in response to the PwC recommendations and may address some of issues identified. The focus will be on corporate approaches and on providing a range of tools and approaches that can be commonly applied to partner countries. This has the potential to improve cost-effectiveness with the new tools and approaches being developed centrally and according to more standardised project management arrangements and experts and POs/PAs able to concentrate on fewer, more strategic, projects. As noted in section 6.3.3, country managers would not be required to organise everything in-country (which could be administratively burdensome) and therefore might be able to focus on higher value activities. This approach might also enable the ETF to deliver any required reduction in staff numbers. At the same time, this new approach – less customised to each country and potentially with less "face-to-face" contact involving individual country managers and experts – creates the risk that the ETF will be less responsive to country needs. Where the new approach (and any actions taken in response to the PwC report) deliver cost savings, it might therefore prove useful to

use such savings to increase the use of external experts that have the necessary country knowledge and contacts. Alternatively, if the partner countries perceive no loss of responsiveness (as has mostly been the case to date – see section 2.5.2), the savings could be put to other uses in line with ETF's remit and objectives.

## 6.5 Conclusions

From the analysis in the previous sub-sections, some overall conclusions can be drawn about the appropriateness of the ETF budget and human resources and the extent to which it is proportional to what the Foundation is expected to achieve.

It is clear that the current level of budget and human resources is not disproportionately large in comparison to the level of budget and human resources that would be required under the hypothetical alternatives in order to achieve the same effects as at present. Indeed, the analysis suggests that the hypothetical alternatives would be unlikely to enable the same impact for a lower budget and that the potential for any savings are, at best, small in global terms. Instead, it is more likely that those alternatives would require a greater budget in order to achieve the same impact, given that they are likely to have an adverse effect on performance against objectives, especially in the short term.

The comparison with other EU agencies has shown that the costs of the ETF are not dissimilar to those of other EU agencies, e.g. in terms of the ratio of administrative expenditure to operational expenditure or the ratio of administrative staff to operational staff. Based on the previous analysis of the internal functioning of the ETF, there may be scope to streamline some administrative functions and to make savings on administrative expenditure and some actions have already been taken to do so. The ETF has also taken steps since the end of the period covered by the evaluation (2011-14) to improve efficiency and cost-effectiveness (for example, as described in section 2.5). But it does not seem that the cost-effectiveness of the ETF can be increased by any substantial change in the way that it pursues its objectives, for example, in terms of functions or thematic areas/core themes.

As noted in section 2.2, the ETF's mandate has been widened in previous years (i.e. expanding the focus on training to encompass the concept of human capital development) and its geographical remit has been extended to cover 29 countries. The ETF is thus expected to operate across a very broad terrain with a budget that is very modest in relation to total EU funding for education and training or for external assistance. As a result, the breadth and depth of ETF's operations varies from country to country; some countries and some themes receive greater consideration than others. Where requested and provided with the necessary resources, the ETF would have potential to achieve more in terms of extending current forms of support to all its partner countries and even to other EU partner countries not yet served by the ETF. Equally, one might also suggest that a lower level of budget and human resources would require the mandate and/or geographical remit of the ETF to be reduced. However, there is probably a minimum "fixed" cost that must be incurred if the ETF is to operate as a centre of expertise – not only in terms of providing the organisational "infrastructure" but also in terms of having a "critical mass" of experts, resources, tools and activities.

Overall, one might conclude that the size of the current budget and human resources are appropriate and proportional to what the Foundation is expected to achieve *in specific terms*, i.e. given the specific requests that are made of it. But it would be reasonable to conclude that the current budget and human resources are insufficient

for the ETF to fulfil its mandate *in its fullest sense*, i.e. assisting all the EU's partner countries to design, introduce and implement reforms "in education and training systems, in order to develop employability and labour market relevance" and "to promote knowledge and analysis of skills needs in national and local labour markets".

Looking ahead, it is clear that a reduction of 10% in the staff of ETF will require hard choices to be made about the level of support that ETF provides: either to reduce the number of countries covered or to support those countries in less depth. Where additional requests (with additional budgets) are made to the ETF by European Commission DGs or other bodies, it will be necessary for ETF to service those requests either through procuring external expertise or through employing temporary or non-statutory staff.

## 7.0 Proposals for a new ETF intervention logic and for measuring the effect of ETF activities

### 7.1 Renewed intervention logic

As noted at the start of this report, the intervention logic constructed for the evaluation sought to reconcile a number of different perspectives on what it ought to contain and while it had been possible to construct logical chains for most of the intervention logic, weaknesses between the general objectives and impacts remained. In addition, the ETF used a number of different intervention logics to characterise its activities and their effects during the evaluation period and has continued to do so since. Indeed, there is an ongoing tendency for the ETF to consider its activities from a number of different perspectives which, though valid, is nonetheless frequently confusing to its partners at European level, as evidenced through the interviews. This leads to a loss of clarity as to what the ETF is seeking to deliver and how it is seeking to deliver it. The last external evaluation of the ETF also recommended the establishment of a clear hierarchy between strategic and operational objectives.

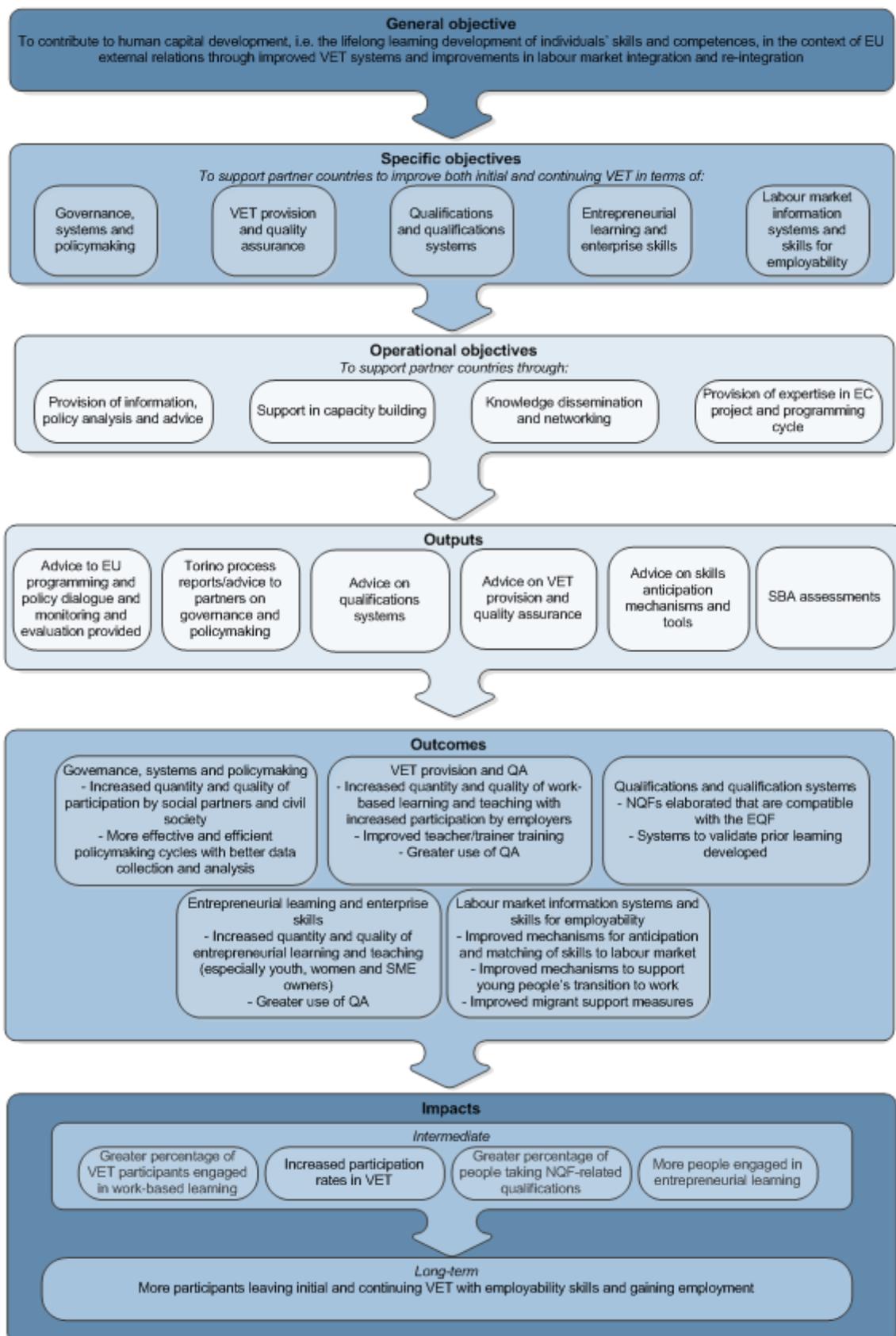
This section therefore proposes a new intervention logic which seeks to, in the words of the Terms of Reference, "*clearly disentangle general, specific and operational objectives*". Naturally, this takes into account recent developments including the new developments within the 2015 Work Programme, which launched the seven 'strategic projects' that now form the main organizing framework for activities.

In developing the intervention logic, the following factors have been taken into consideration:

- As the evaluation findings show, there is no clear need for a fundamental revision of the ETF's mode of intervention or mix of activities and the ETF's activities continue to be relevant to partner country needs.
- The intervention logic should reflect the ETF's modus operandi which is to provide unique combinations of types of support tailored to specific needs in countries, which means it would not be logical to attempt to draw individual causal lines between each of the boxes within each of the levels of the hierarchy of objectives.
- It should reflect what it is reasonable to hold the ETF accountable for. While undoubtedly the development of human capital should contribute to broad social and economic benefits, these are not included in the intervention logic since they are far beyond the control of the ETF.
- It should be possible to measure the effects so that indicators can be adopted to monitor progress – a further reason not to include broad social and economic benefits in the intervention logic.
- The structure should be clear and logical, i.e. there should be clear relationships between the hierarchies of objectives and effects.

The proposed new intervention logic is shown below:

Figure 7.1 - Renewed intervention logic



Source: Ecorys

The structure and content of the intervention logic is explained as follows:

- **General objectives and impacts:** two types of impacts are included in the intervention logic to reflect the fact that improvements in participation (intermediate impacts) are precursors to the longer-term impacts and more likely to be influenced by ETF interventions as demonstrated by the evaluation findings (although both the intermediate and longer-term impacts depend on an increasingly wide range of factors outside the control of the ETF). The impacts focus on the effects on individuals, thereby reflecting the Regulation, whilst also reflecting the likely impact of ETF activities more realistically than the impacts presented in the intervention logic constructed for the evaluation (Figure 2.1). The impacts are also more logically connected to the general objective than those presented in the evaluation intervention logic. Effects on systems and provision are treated as outcomes which is logically their correct location, reflecting the specific objectives.
- **Specific objectives and outcomes:** these represent the key policy and systems level changes which are the prime focus of ETF activities and which are necessary to achieve the impact specified. Their achievement requires the collective effort of partners.
- **Operational objectives and outputs:** these are the key ways in which the ETF seeks to achieve the specific and general objectives and are the immediate products of its activities.

It should be noted that the new intervention logic is consistent with the ETF's 7 new strategic projects.

## **7.2 System for measuring ETF effects**

As specified in the Terms of Reference, the evaluation is required to include "a suggested system for measuring the impact of the ETF intervention in its partner countries". The last external evaluation found that, whilst the ETF had a useful performance indicator system, it was focused only on immediate outputs and there was therefore a need to extend the indicators and associated data collection to incorporate results level indicators with a longer-term perspective.

Since then, various developments have taken place, including the adoption of country progress indicators for 2015–17, the further development of its "dashboard" project monitoring tool and the use of a "policy development stage" tool which helps the ETF to identify optimum "modality of work" and target interventions, and contains progress indicators.

Indicators are presented in different ways and to varying degrees in these different tools. In the policy development stage tool, the indicators do not relate to the intended effects of interventions. The country progress indicators are not expressed with an intervention logic type terminology: instead the terms used are vision, external efficiency (economic), external efficiency (social), internal efficiency and governance. Many of the indicators would be classified as "outcomes" in the proposed new intervention logic and there is not a clear separation of indicators according to the extent to which they can be influenced by the ETF, with wider socio-economic indicators such as employment and unemployment rates – which can only indirectly be

impacted by ETF activity - also being included.

In the dashboard, staff members responsible for individual projects are required to give a rating for each project against a set of criteria. The criteria cover relevance, efficiency, effectiveness, impact and sustainability, thus providing a link to the terminology used in intervention logics. The ratings range from A – very good to D – serious deficiencies. The ratings are discussed by team members as well as corporately so that they in effect moderate different projects.

Within this context, there is a need for a system to measure outcomes/results. In the intervention logic set out above, indicators have been selected because they describe key improvements that would be expected to take place in VET systems given successful delivery of the outcomes specified. They have also been selected since potentially they are the easiest effects to measure and this is an important consideration giving the state of play in respect of data collection and monitoring in partner countries. Evidently, improvements in these effects will inevitably not be fully attributable to the ETF but this is a consequence of the ETF's mode of intervention. The indicators have been drafted so that they can be applied to individual countries but could also form the basis for aggregate measures of the effects of the ETF.

Fully implementing this system of indicators would require the development of the requisite capacity within partner countries in order to gather the data required, especially in respect of intermediate and longer-term effects. Note that some emphasis is put on the implementation of policies, reflecting the concerns expressed in this evaluation about the gap between the quality of ETF interventions and their follow-through into implementation, although consideration is also given to the fact that in some areas, e.g. the validation of non-formal and informal learning, it would be unrealistic to expect many countries to be implementing plans at this point.

**Table 7.1 - Proposed indicators for measuring ETF effects**

#### **OUTCOME LEVEL INDICATORS**

##### **Governance, systems and policy-making**

- Increases over time in the numbers of social partners and civil society representatives involved in governance and policy-making

##### **VET provision and quality assurance**

- Increases over time in the provision of work-based learning (programmes, qualifications)
- Increases over time in participation by employers in VET provision
- Increases over time in the development and concrete implementation of plans and strategies for teacher/trainer training
- Increases over time in the development and concrete implementation of quality assurance systems at both country and regional level

##### **Qualifications and qualification systems**

- Increases over time in the compatibility of indicators of National Qualification Frameworks with EQF
- Increases over time in the formulation and implementation of concrete plans and projects for the validation of non-formal and informal learning

##### **Entrepreneurial learning and enterprise skills**

- Increases over time in the development and implementation of country-specific and regional strategies for entrepreneurial learning

##### **Labour market information systems and skills for employability**

- Increases over time in the development and implementation of concrete mechanisms to identify skill needs in the labour market
- Increases over time in the development and implementation of concrete mechanisms to improve young people's transition to work
- Increases over time in the development and implementation of concrete migrant support measures

## **IMPACT LEVEL INDICATORS**

### **Intermediate impacts**

- Improvements over time in participation rates in VET
- Increases over time in the % of VET participants in work-based learning
- Increases over time in % of VET participants participating in programmes leading to qualifications on NQFs
- Increases over time in the % of learners receiving entrepreneurial education

### **Longer-term impacts**

- Increases over time in the % of participants leaving VET with employability skills
- Increases over time in the % of VET participants subsequently gaining employment

Source: Ecorys

## 8.0 Conclusions and recommendations

In this final chapter of the report, the conclusions and recommendations of the evaluation are presented. First the conclusions are presented, systematically covering the evaluation questions set out in the Terms of Reference (numbered references are provided to the evaluation questions shown in Annex II in footnotes). The chapter then provides a set of recommendations based upon a synthesis of the conclusions.

### 8.1 Conclusions

This section summarises the conclusions from across the report in terms of the main evaluation criteria and questions in the Terms of Reference.

#### 8.1.1 Overall strategy and relevance

Even though it has very limited resources per partner country, the ETF achieves effective interventions relevant to the needs of those countries across a broad range of activities and the organisation's existence remains justified with respect to the objectives assigned to it<sup>121</sup>.

Overall the ETF is highly responsive to the needs of stakeholders, being flexible in its response to requests and using the Torino process effectively as a systematic tool to assemble tailored packages of support from its broad "menu" of activities (although this is only part of the function of the Torino process)<sup>122</sup>. Many of these activities are "tried and tested" but it also innovates and is on the leading edge of global thinking in its field such as in the areas of qualifications and entrepreneurship education.

The ETF operates in a dynamic political environment and continues to respond to changes effectively<sup>123</sup>. It has coped well with changes in EU policy, although there is scope to improve the processes through which it and the Commission work together (see section 3.3). The ETF has been adept at dealing with unstable political environments in partner countries, in some cases being one of only a few organisations to maintain links to state bodies during turbulent times, as in Tunisia.

#### 8.1.2 Coherence and complementarity

Overall the ETF is highly coherent with EU policies and its activities in partner countries are highly complementary with those of others<sup>124</sup>. Indeed, it goes beyond ensuring that its own activities are complementary and helps partner countries to ensure that the different pieces of the complex jigsaw puzzles of development assistance fit together well.

The ETF's objectives are coherent to and complementary with EU policies both in

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<sup>121</sup> EQ1

<sup>122</sup> EQ16

<sup>123</sup> EQ18

<sup>124</sup> EQ17

respect of external relations and internal policies<sup>125</sup>. The organisation plays an important role with respect to promoting the adoption of common EU reference tools in vocational education and training in partner countries, and also plays a key role with respect to the EU Small Business Act. Through its expertise, it plays an indispensable role in assisting partner countries to build up policy and practice so that they share a common understanding with the EU in respect of the need to develop high-quality vocational education and training systems that are relevant to the needs of the labour market and that can address not only economic but also social goals. Its work with EU Delegations in partner countries is central to being able to successfully contribute to EU policies. As noted below, relationships with Delegations need to be strengthened so as to improve the efficiency and effectiveness of the ETF in supporting EU policies.

The ETF is very flexible in its handling of requests, the flow of which varies significantly from year to year. The organisation has to maintain good relationships with a large number of European Commission DG's and does so effectively. There is a need to improve the Work Programme process in some respects (see 8.1.3).

Effective working relationships with EU Delegations are important for the success of ETF activities in partner countries. Currently, these are too dependent on informal aspects which hinder efficiency and effectiveness and there is a need for a more structured cooperation framework. This would help to ensure stronger, systematic inputs to the EU project and programming cycle which would help to increase impacts and sustainability.

Within partner countries, the ETF works in the same space as many organisations without there being any obligation for cooperation to take place, which provides a challenging environment. The ETF ensures its activities are complementary with those of other agencies and its activities also help partner country governments to ensure complementarity amongst stakeholders.

The ETF is well respected by other international and multinational agencies. It has a solid reputation for its expertise and is invited to participate as a full partner in global projects, conferences etc. It is a knowledge co-creator and "punches above its weight" given its size.

The ETF has effective relationships with Cedefop and Eurofound based on joint annual action plans. Cooperation takes place when it is mutually beneficial and is fit for purpose. The ETF has particularly shown effective collaboration with Cedefop throughout the evaluation period, working together on several large-scale joint ventures as well as actively participating in joint events, seminars and supporting the development of publications and policy notes. While the ETF and Eurofound readily exchange information when needed, the level of activity is heavily dependent on whether there are joint thematic interests at that particular time, and there is scope to strengthen cooperation.

The ETF's objectives and activities are coherent with the Common Approach of the European Parliament, the Council and the European Commission and the Commission's Roadmap regarding decentralised agencies<sup>126</sup>, having in place appropriate indicators, and activity-based budgeting and management (although these have been developed

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<sup>125</sup> EQ5

<sup>126</sup> EQ19

and/or put in place after the period covered by the evaluation and hence conclusions are limited in this regard) and having well-developed and effective relationships with relevant agencies. Furthermore, it is also coherent with EU vocational education and training and external relations policy, not just keeping up to date with developments and working with Cedefop as a natural part of its day-to-day work but also continuing to be at the leading edge of thinking globally in respect of vocational education and training. It is also well positioned, in light of its expertise and well-known and highly valued flexibility, to respond to any developments that might arise with regard to the reallocation of the organisation under the portfolio of the Commissioner of Employment, Social Affairs, Skills and Labour Mobility.

### **8.1.3 Effectiveness and impact**

#### *Achievement of expected results and contribution to developments in partner countries<sup>127</sup>*

In light of the objectives, mandate and functions defined in the Regulation, the ETF delivers effective interventions across a wide range of policy fields. Furthermore, without the ETF, developments in partner countries would take place more slowly, differently or not at all. Its success in individual partner countries depends very much on conditions outside its control, and especially on the political situation. Being acutely aware of this, it adjusts its activities accordingly in order to achieve its objectives. The ETF also has very limited resources per country and therefore has focused its efforts on strategically important and systemic developments where it is likely to have most impact. This has been increasingly so in recent years with the advent of the Torino process and the focus on governance, systems and policy-making.

The ETF is most effective when most or all of the following mutually-reinforcing factors are present: a systematic approach, strategic interventions, high levels of expertise, flexibility with respect to country needs, being professional and practical, ensuring stable working relationships, mutual trust and neutral broker status, and working through collaboration and the development of dialogue.

Prima facie, there is also some evidence that the success of the ETF varies according to "structural" conditions in countries. There are quite consistent differences in the results it achieves between small countries (with a population of less than 5 million) and others which supports the hypothesis that small countries find it easier to organise and implement reforms and organisations like the ETF can find it easier to make a larger contribution.

With respect to the specific objectives contained in the evaluation intervention logic, the ETF's contribution has been strongest and most widespread across partner countries in respect of 3 specific objectives: governance, systems and policy-making; vocational education and training provision and quality assurance; and qualifications and qualifications systems. In relation to the other two specific objectives (labour market systems/skills for employability and entrepreneurial learning/enterprise skills), the ETF's contribution has been more heterogeneous.

The ETF has been particularly influential in respect of enhancing the involvement, coordination and collaboration of social partners, the development of national

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<sup>127</sup> EQ2 and EQ3

qualifications frameworks, improved policy-making cycles, focusing systems on the labour market, and better data collection and analysis. Beyond these interventions, there is also some evidence that developments feed through into effects "on the ground" in terms of their impact on individuals.

Less positively, there is scope for the ETF to achieve stronger synergies between individual activities and thereby to build up more cumulative effects in partner countries, and to continue to strengthen its communication efforts to ensure stakeholders understand its role, work and objectives fully.

#### *Contribution to the effective integration of candidate countries*

Regarding its work in candidate countries<sup>128</sup>, the ETF has made a significant contribution in helping countries to integrate into the EU coordination process for vocational education and training (the Copenhagen process). During the evaluation period, it supported the development of national strategies and reform programmes while at the same time ensuring the development of national ownership. At the same time, there is scope to engage social partners and stakeholders more deeply in the decision-making processes.

#### *Work Programme implementation and achievement<sup>129</sup>*

No evidence has been found regarding any systemic difficulties in the implementation of Work Programmes. Generally, the ETF has been successful in accomplishing its objectives. That said, an important minority of outputs were either cancelled or postponed each year (12–21%) but these normally occurred as a result of developments in partner countries and/or European Commission requests. New, ad hoc requests can also be received during the course of the year which offset these cancellations and postponements. This fluidity in requests is a challenge and the ETF is valued for the effective and efficient way it handles them.

Where issues exist around Work Programmes, they concern the process of their preparation with the European Commission. Despite greater focus and specificity in this respect, there is still too much discussion of drafting details rather than strategic direction, and the alignment/reconciliation of perspectives and priorities from different DG's so as to signal clearer priorities could still be improved. For its part, the ETF could improve the way it describes its activities and objectives between the high, strategic level on the one hand and detailed partner country level on the other which could partly be a consequence of the nature of the ETF monitoring system.

#### *Mix of activities<sup>130</sup>*

Overall, the quality of ETF outputs is considered to be high. In relation to the operational objectives specified in the evaluation intervention logic, capacity building is widely valued, along with the provision of information, policy analysis and advice. Knowledge dissemination and networking are, almost by definition, more nebulous activities but are similarly valued, although the ETF could ensure more widespread development of networks to help sustainability. The provision of expertise with regard to the EU project and programming cycle would benefit from being placed on a more systematic basis so that EU Delegations are obliged to tap into ETF expertise.

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<sup>128</sup> EQ4

<sup>129</sup> EQ6

<sup>130</sup> EQ7

With regards to the ETF's specific objectives, while there are variations in the extent of the contribution made by the ETF across partner countries (as noted above), these are not sufficient to justify any major changes in the way in which the ETF conducts its activities.

The ETF operates by offering packages of support to individual partner countries drawn from a "menu" of activities. There is no reason to believe that this menu of activities is inappropriate for achieving the ETF's objectives particularly since the effectiveness of activities depends on individual country contexts. The evaluation findings support the idea that the introduction of the Torino process and the focus on governance, systems and policy-making increases the capacity of the ETF to support countries at strategic points and helps to identify the most appropriate mix of activities and to maximise their impact. Similarly the introduction of strategic projects has the potential to enable all partner countries to benefit from common approaches based on ETF expertise<sup>131</sup>.

#### **8.1.4 Efficiency and cost effectiveness**

Overall, the size of the ETF's budget and human resources are appropriate and proportional to what the ETF is expected<sup>132</sup> to achieve in specific terms, i.e. given the specific requests made of it. However, they are insufficient for the ETF to fulfil its mandate in its fullest sense across all partner countries.

Similar considerations apply to the question of whether resources are sufficient for reaching a critical mass of impact. There is no simple or straightforward relationship between resources and results achieved: impact depends very much on the types of activities used and the capacity and willingness of countries to make reforms.

At the same time, there are evidently insufficient resources for the ETF to extend current forms of support to all partner countries and to reach a critical mass of impact throughout the EU's neighbourhood. But in this context, the introduction of greater commonality in the tools and approaches used by the ETF through recent reorganisation and the introduction of strategic projects is a welcome step forward.

However, the continuation of a flat or declining budget year-on-year will continue to mean that the ETF has to make hard choices about the activities it can deploy and this may also affect its ability to reach a critical mass in *individual partner countries* given that its average budget per country is already very small. It may make it more difficult to address the need to improve synergies between activities and ensure the achievement of cumulative effects in partner countries (which is also a conclusion of the evaluation) and which is important for achieving a critical mass of impact.

The cost structure of the ETF is not dissimilar to those of other EU agencies and using this benchmark it is concluded that there are no concerns regarding the balance between the administrative and operational budgets, or the use of subcontracting, although there may be scope to streamline some administrative functions in order to improve cost-effectiveness. Some actions have already been taken in this regard.

Costs data support the ETF's claim to be "*a centre of expertise, whose main asset is the expertise of its staff*" since staff expenditure represents nearly two-thirds of total expenditure by the ETF, which is somewhat higher than for comparative agencies. As

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<sup>131</sup> EQ10

<sup>132</sup> EQ11

the ETF moves away from its “bottom-up” approach based on the individual expertise of country managers, the fulfilment of this “centre of expertise” role will increasingly be based on the provision of corporate approaches and tools that can be commonly applied to partner countries, as well as country projects, communities of practice and so on. In that context, it might be appropriate to allocate more resources to “operational” activities than is the case at present.

Generally, no major issues were found with respect to the effectiveness and efficiency of management and governance in the evaluation period<sup>133</sup>. Although difficult to judge because of their timing, modifications to the organization appear to be generally beneficial<sup>134</sup>. The loss of responsiveness in partner countries which has been widely seen as a potential issue has not surfaced as a major issue in partner countries themselves.

The ETF has monitoring systems that are comprehensive but this same comprehensiveness is also a source of complexity in that the relationships between the different components can be difficult to understand and a wide range of terminologies is used. These issues hamper the ability of the ETF to present a clear picture of its achievements to outsiders, and reforms here could help improve the basis of its work with respect to the Commission. The ETF should unify and simplify its indicators around a single intervention logic with a common terminology used across the organisation.

In terms of cost effectiveness, alternatives to the ETF are unlikely to be preferable and indeed they have a high risk of being less effective especially in the short to medium term<sup>135</sup>.

Overall, it is concluded that it is highly unlikely that the results achieved by the ETF could be achieved with fewer resources or by allocating resources differently or through other organisations<sup>136</sup>.

### **8.1.5 Added value**

The overall added value of the ETF<sup>137</sup> lies in a number of characteristics. The ETF's combination of competences and approaches and the Torino process set it apart from other organisations. While for individual activities other organisations might do a similar job, none offers the coherence and systematic approach of the ETF to help establish priorities and guide developments. Added value lies in: the ETF's thematic and geographical expertise and the synergies it achieves between the two; its use of participatory approaches to involve all stakeholders; the continuity of its interventions; its impartiality and independence; the European dimension of its work; and the complementary nature of its activities with respect to other services of the European Commission

Attributing tasks and responsibilities from the EU to the ETF provides added value because it has built up a centre of expertise that is also perceived as having, and is valued for, its independence and impartiality, especially in partner countries<sup>138</sup>. This

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<sup>133</sup> EQ12

<sup>134</sup> EQ10

<sup>135</sup> EQ9

<sup>136</sup> EQ11

<sup>137</sup> EQ13

<sup>138</sup> EQ14

feature underpins its modus operandi, enabling it to operate effectively in complex environments. It also has a distinct organisational culture that would be unlikely to be replicated elsewhere.

In relation to the additional projects and activities attributed to the ETF by European Commission services (the FRAME and GEMM projects), these were strongly coherent with the objectives and activities of the organisation and with the needs of partner countries. Overall, the ETF executed the projects efficiently and effectively, dealing with the complex socio-political situation of partner countries well and engaging a wide range of stakeholders.

At the same time, there were instances where the strategic objectives could have been better defined and the ETF could have been more transparent when it deviated from the initial strategy. The projects added value and were complementary to the activities carried out by national and international organisations and stakeholders. Key to the success of the projects was encompassing different levels of support under various components of the projects. Some question marks can be raised about the short timeframe for FRAME which presented a challenge in terms of maintaining the quality of outputs and perhaps would not have arisen had the projects been part of mainstream ETF activities, as the ETF may have been able to accommodate the need for additional time flexibly<sup>139</sup>.

### **8.1.6 Exploitation and sustainability of results**

The services provided by the ETF are of high quality and the organisation operates at the highest level internationally, helping to develop new knowledge about its field. At the same time, there are question marks about the extent to which its activities and results continue to be used after projects have been completed or have stimulated other activities and results in partner countries<sup>140</sup>. Although this is largely due to circumstances beyond its control, e.g. the political situation in partner countries, the ETF could strengthen follow-up activities, e.g. by ensuring linkages to subsequent funding opportunities such as EC programming, more systematic provision of networking platforms, and increasing the number of stakeholders involved.

The ETF also provides to EC services and EU Delegations specialised thematic expertise and country-specific knowledge which are valued. At the same time, the complexity and often informal (non-mandatory) nature of the relationships involved, especially with Delegations, means that whether the ETF is called upon to provide such services can depend too much on the "chance" knowledge of individuals. This means there is probably some untapped potential with respect to the exploitation of ETF services<sup>141</sup> which could be addressed if ETF-Delegation relationships were placed on a more systematic footing. However, this finding must be tempered by the fact that the ETF resource base, without any increase in recent years, is already stretched; a situation which evidently limits the capacity of the organisation to extend activities.

## **8.2 Synthesis and recommendations**

This final section synthesises the conclusions just presented in order to generate a set of recommendations.

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<sup>139</sup> EQ15

<sup>140</sup> EQ20

<sup>141</sup> EQ8

### **8.2.1 The ETF shapes the course of VET developments and could take steps to further improve effectiveness in certain areas**

The ETF achieves a range of effective interventions in a wide variety of contexts. At the same time, there is evidence of variation in its effectiveness at the level of specific objectives. Its contribution to partner country developments has been especially strong in respect of governance, systems and policy-making, the development of provision and quality assurance and in the domain of qualifications and qualifications systems. Regarding the areas of labour market systems/skills for employability and entrepreneurial learning/enterprise skills, the ETF contribution has been more heterogeneous. This may be because activities have not been as ubiquitous as in the other specific objectives. However, even controlling for their lower incidence, the ETF's contribution has not been as substantial in all respects, despite playing an important role regarding the development of skills anticipation mechanisms in some countries. These characteristics may reflect the nature of the activities, i.e. that the ETF naturally becomes more of a partner exerting influence rather than a main driver, but the evidence also points to the need for the ETF to consider whether any improvements are needed in these areas to enhance effectiveness.

**Recommendation:** The ETF should consider whether its more heterogeneous contribution to developments in partner countries in the areas of labour market systems/skills for employability and entrepreneurial learning/enterprise skills are due to circumstances beyond its control or require action on its part.

The effectiveness of ETF operations is also bolstered by its work with other European and international bodies. The evaluation evidence shows that while cooperation with Cedefop is well-developed and quite extensive, there is room for improvement with regard to cooperation with Eurofound on issues of common interest. There is furthermore ample evidence of productive collaboration with international organisations such as the ILO and UNESCO through joint projects on a global level, and also with international aid agencies like GIZ in individual partner countries.

**Recommendation:** There should be closer collaboration with Eurofound when developing Annual Work Programmes or Mid-Term Perspectives in order to capitalize more systematically on potential opportunities for joint work. This could be in the areas of NEETs, employability issues and labour market systems. The ETF should continue to collaborate with international organisations in terms of concrete outputs and the provision of inputs and expertise through knowledge-sharing events.

### **8.2.2 The capacity of partner countries to absorb ETF interventions varies and requires attention and tailoring**

Countries – and different stakeholders within countries – have different distances to travel/readiness to adapt regarding policy reform and capacity to absorb developments. The ETF has long recognised this through its emphasis on capacity building. More recently it has carried out simulations using stages of policy development to map progress in partner countries. The evaluation findings, although only indicative in this area, suggest that not only at the level of individual activities but also at country level there may be **systematic** variations in the ability to absorb policy reforms.

**Recommendation:** The ETF should do more to understand systematically where its interventions are likely to have most effect and how the nature of required activities

may vary depending on factors such as country size and general stage of development, as well as the stage of policy development in individual policy fields. It should then build this into projects. Apart from being a valuable exercise in itself, this would also provide evidence, should it be necessary, to implement decisions not to undertake certain activities (the "negative priorities" now built into its programming).

### **8.2.3 The Torino process has been a key and successful development for the ETF and many partner countries**

The Torino process is the key unifying process for ETF activities, and it is therefore significant to conclude that it has helped to consolidate a more systematic approach to VET development in partner countries. It has helped the ETF to focus on helping partner countries to put in place the 'foundation stones' for effective policy making. It has become accepted and owned by most partner countries as a valuable systematic framework, although in some countries it still needs better linking to policy development and to be more embedded by involving more stakeholders. The Torino process also helps the ETF to focus its scarce resources in areas that are strategically important for the development of VET systems<sup>142</sup>. At the same time, there is evidence that the ETF underperforms in terms of the achievement of synergies between interventions and their cumulative effect which Torino could help address. In spite of this, Country Strategic Perspectives also provide analysis of (potential) links between activities. Torino could also help determine whether and how the ETF should intervene in order to improve its impact.

**Recommendations:** Unlike donor/aid agencies, the ETF lacks "hard conditionalities" which can be used to improve the effectiveness of interventions. However, it is recommended that it develops "soft conditionalities" with the same aim in mind using Torino. Using the Torino framework, it could be feasible to identify the conditions needed for the success of interventions and thereby establish, on the basis of good practice, which interventions need to take place in which sequence to guarantee a greater chance of success. Decisions could be made not to support interventions unless the proper conditions were in place. This could be tied to the "stages of development" approach proposed above. In the same vein, the interrelationships between interventions could also use soft conditionalities so as to better exploit the potential synergies and improve the cumulative impact of interventions. Finally, steps should be taken to ensure that Torino is better linked to policy development and involves more stakeholders in those countries where these drawbacks pertain.

### **8.2.4 A gap exists between the high quality of ETF activities and the implementation and sustainability of subsequent policy reforms**

The evaluation demonstrates a striking paradox in the work of the ETF: on the one hand the quality of its activities is considered to be high whilst on the other hand there is evidence of weak levels of policy implementation and a lack of sustainability. Although the evidence suggests that most of this is due to conditions within partner countries and indeed it is the partner countries which are ultimately responsible for implementation, it is important to consider what could be done to improve the situation on the side of the ETF.

Evidently, the ETF has long sought to address this problem by building capacity, not least by creating dialogue among stakeholders and through participatory approaches

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<sup>142</sup> 'Strategic' doesn't only mean large; small initiatives can have a major effect, e.g. employer surveys, and it is important that the ETF continues to conduct such interventions.

to generate ownership and multiplier effects. Indeed these measures emerge from the evaluation as being one of the most effective and added value interventions, often involving stakeholders who have not been involved before and building wider partnerships than hitherto, thereby helping to establish a key foundation stone for future policy development.

The ETF lacks the resources to maintain significant contact during the lifetime of a policy implementation process and this would, in any case, pull it into a 'technical assistance' role for which it is not fully equipped. It would also reduce the clarity of its advisory role in a context where misperceptions already exist about its functions. Nonetheless, further steps could be taken to reduce the gap between the quality of activities and sustainability.

**Recommendations:** The ETF and the EC should work together to ensure that links to EC projects and programming and technical assistance are built more systematically than at present where current arrangements depend too much on informal relationships. In addition, the ETF should increase its analysis of what could have been done differently in order to generate lessons to improve the chances of more and greater impacts in the longer term, feeding these into its ex-ante impact assessment processes. It should also ensure that sustainability planning is built into projects with clear steps as to the next stage in development, and that assistance is provided to follow-up and embed benefits. This could be by, for example, creating more online platforms and networks linked to projects, with good practices, sharing of practices, exchanges of programmes and curricula, using the lessons from existing successful examples of such activities.

### **8.2.5 The complexities and uncertainties of the ETF's operating environment hamper efficiency and effectiveness but have not adversely affected the delivery of FRAME and GEMM**

Complexity and uncertainty are inescapable features of the ETF's operating environment. The ETF has taken steps to mitigate the effects of these features insofar as it concerns domestic stakeholders in partner countries, e.g. through capacity building. No recommendations are made in this direction save to express support for the ETF's activities to build strong communication messages regarding its role.

However, the complexities of the relationships with the EC services and Delegations continue to reduce efficiency and effectiveness. The current set of relationships between the EC and the project and programming cycle, the ETF and EU Delegations is a result of evolution. Although the relationships with the European Commission and EU Delegations have become better coordinated, the ETF still has to maintain good relationships with a large number of EC services which reduces efficiency and neither side is fully satisfied with the process of Work Programme preparation. Whilst general comments at a strategic level are made, much of the discussion centres around drafting details rather than strategic issues. "Filtering" on the Commission side does not always indicate clear priorities. For their part, EC Services report that it can be difficult to get a picture of ETF activities between the "high" level strategic objectives and the detail in partner countries. More generally, it seems illogical that the EC, the ETF and EU Delegations are not more formally joined up given they mutually benefit from one another's activities. At the same time, it is vital that the introduction of greater formality here minimizes the risk of losing the essence of the ETF role as a provider of impartial and independent expertise.

**Recommendation:** Further steps should be taken to improve communication and coordination between the ETF and EC so that the ETF is clearer as to how the priorities

of different DGs are to be balanced. This should be through a stronger focus on strategic issues in the process of preparing Work Programmes, and through better articulation by the ETF of its objectives between the strategic and detailed partner country levels. This would also improve the efficiency and effectiveness of the ETF if Delegations were obliged to consult with the organisation on key issues such as EC programming (which helps to improve impact and sustainability) and to provide a link to the ETF on their websites.

Despite this context, the delivery of the FRAME and GEMM projects by the ETF was largely successful, although some issues arose with regards to the timeframes involved. It might have been hypothesised that additional activities could suffer from being "bolted on" to the existing portfolio of activities but there is no evidence of this and in fact, the ETF ensured their complementarity with its existing work. No major negative issues were found regarding the interplay between these two projects and delivery of the ETF's core work programme. Similarly, there is no evidence that these projects were subject to more issues of continuity and sustainability than found elsewhere.

**Recommendation:** When considering future projects of this type that are additional to core ETF work, additional consideration should be given to the sufficiency of timeframes.

### **8.2.6 The ETF's new organisational arrangements have the potential to deliver benefits while disbenefits should be countered**

The ETF's new organisation offers potential benefits in terms of more systematic and common approaches. It also establishes common reference points for countries which, as experience with the regional approach reveals, is an effective approach not least by encouraging positive peer pressure. While there is a risk to (perceived) levels of responsiveness, this is judged to be a small price to pay compared to the likely benefits. At the same time steps could be taken to mitigate the risk.

**Recommendations:** It is not economically feasible for the ETF to have a permanent presence in partner countries, i.e. field offices. Concerns about loss of 'on the ground' presence should therefore be addressed in two ways: either through greater use of digital communication tools than at present and/or through using any resources freed up by efficiency gains (see next conclusion below) to purchase more expertise located in partner countries.

### **8.2.7 There are no prima face reasons for concluding there are major issues with the ETF's cost-effectiveness but some steps could be taken to improve efficiency**

The ETF's budget and staffing structure are suited to its role as a provider of advice and expertise. Alternatives to the ETF are unlikely to be more cost effective and have a high risk of reduced effectiveness, especially in the short to medium term. Furthermore, cost-effectiveness is unlikely to be increased by any substantial change in the way objectives are pursued in terms of themes or functions. The ETF is aware of the need to monitor efficiency and has acted upon a review of efficiency. The new strategic projects approach has the potential to improve cost-effectiveness.

**Recommendation:** Where the ETF's new approaches and efficiency actions deliver cost savings, it might prove useful to use such savings to increase the number of staff

in operational roles (particularly at senior level) and/or to fill any gaps in internal expertise by using external experts with requisite country knowledge and contacts.

It is also important that the ETF monitors and publishes information on its relative cost-effectiveness, including on the costs associated with the Governing Board. With that in mind, it is therefore encouraging that a framework of common indicators to measure performance and workload is to be proposed at the EUAN meeting in October 2016.

**Recommendation:** It would be beneficial for the ETF's Annual Activity Reports to routinely state the costs of the Governing Board, as way of demonstrating that the costs have fallen and thus that the concerns of the Parliament and other stakeholders have been addressed. The EUAN's common framework of performance and workload indicators should be adopted by the ETF as soon as possible and used to structure key information that is made publicly available.