

ETF PERFORMANCE MANAGEMENT FRAMEWORK 2012 - 17

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INTRODUCTION

The objective of the ETF Performance Management Framework (PMF) is to ensure that the ETF manages its performance according to priorities cascaded to all levels of the institution. It is intended to guarantee achievement of quality results in terms of efficiency, effectiveness and economy. Through robust planning, risk mitigation, monitoring and evaluation procedures, ETF's performance management system is intended to ensure we deliver predictable results.

In the long term, the ETF's performance management system builds up evidence to document and demonstrate ETF's added value.

Since its creation in 1994, the ETF has developed a broad range of management processes and tools. Many of these have been triggered by the need to comply with the specific rules and regulations governing EU agencies, such as the EU financial and staff regulations. Other tools have been developed on the initiative of ETF to organise internal processes such as planning, implementing, monitoring and evaluating ETF activities. This has led to a multiplicity of fragmented processes and tools often dealing with the same issues such as planning.

The added value of the **framework** is to bring together the existing management processes and tools into a single integrated system with consequent gains in terms of consistency, efficiency and effectiveness of our performance.

The ETF adopted its first Performance Management Framework in 2012. This defined the ETF approach to performance management based on our regulatory environment and international good practice. It brought together the ETF's performance processes and tools according to a quality cycle concept.

The first Framework mapped and integrated the ETF's performance processes and tools according to their contribution to enabling, measuring, achieving, and managing quality performance. This document updates the 2012 Framework taking into account the ETF Mid Term Strategy 2014-2017 and the 2014 reorganisation 'Making ETF More Strategic'.

While the conceptual basis remains unchanged, the framework has been enriched by further integrating into its organisation two relevant tools. These are:

- the Internal Control Standards. Following the Commission Reform in 2001, all EU bodies must comply with specific policies and procedures intended in particular to ensure, efficient and effective management of inputs or resources to achieve set objectives.¹
- the international quality system known as the Common Assessment Framework (CAF). The CAF is widely used by European public services to ensure quality management. CAF's focus on results, impact and continuous improvement through self-assessment complements and enriches the Internal Control Standards.

This document outlines ETF's internal approach to performance management. However, it draws on principles which are also relevant for ETF's support to human capital development in partner countries. ETF interventions in partner countries are increasingly guided by concerns about efficiency, effectiveness and quality of the public management of the VET system. Improving public management has been an explicit objective of the dialogue and capacity building with Arab Mediterranean Countries

¹ The Commission Reform White Paper of 2001

through the Policy Leaders' Fora from 2011-2014. The ETF is increasingly applying performance management principles in other regions, for example through the development of the Torino Process and PRIME.

The next review of the PMF will take place in 2016 following the outcomes of the external evaluation of the ETF and in the light of the next Mid Term Perspective 2017-20.

This document has the following specific purposes:

- confirm the concept of performance management within ETF;
- present the updated framework; and
- describe how the framework functions.

1. PERFORMANCE MANAGEMENT

This section clarifies the concept of performance management and how it applies to the work of the ETF.

1.1 What is a performance management framework?

ETF's performance management framework is based on a number of basic concepts:

- Performance is considered the results, impact and added value achieved by an organisation according to its mandate, strategic objectives, operational plans and regulatory obligations.
- The quality or excellence of performance is measured through planning, monitoring, evaluating or auditing performance against key indicators with criteria of relevance, efficiency, effectiveness, sustainability and impact
- Performance management is how the organisation organises, monitors, quality assures and continuously learns from its performance. Key success factors are process of decision making by management and the active engagement and contribution of staff.
- A Performance Management Framework is the integrated system, which brings together all key specific management processes and methodologies, which collectively determine ETF's performance as an organisation. It encompasses processes for planning, monitoring, evaluation, audit, risk, resource and facility management and communication.

The ETF concept for performance management has been inspired by CAF² model which states that *'the basic idea of performance management is, on the one hand, to balance resources and targets and on the other, efficiency and quality; ensuring that the desired effects are achieved in a cost efficient manner.'*

The ETF PMF concept draws on current approaches to public management in Europe in particular from the work of the International Institute for Administrative Science (IIAS). This gives a PMF both internal and external dimensions. The internal dimension comprises the management of processes through which strategic objectives, operational objectives and resources are converted into activities, outputs, outcomes and eventually impact. These internal processes determine efficiency and effectiveness and provide opportunities for improvement. The external dimension comprises the relationship between the organisation and its stakeholders. The external dimension determines the organisation's accountability towards its stakeholders, and their trust in its capacity to deliver. Accountability and trust are fundamental for influencing decisions on the resources, growth and sustainability of ETF as a public organisation. Figure 1 from Professor Bouckaert³ of the IIAS outlines this concept.

Further detail and definition on the terms concepts behind ETF's performance management framework can be found in Annex 2.

² CAF 2013 revised model.

³ See Prof. Dr. Geert Bouckaert profile at the Leuven University website at <http://bit.ly/JNp6gA> and in particular the project "Citizen governance: quality and trust in government", <http://bit.ly/KvMScD>

1.2 Why is a Performance Management Framework relevant for ETF?

ETF, like other public bodies throughout Europe is under increasing pressure to demonstrate efficiency, effectiveness, value for money and impact. The ETF PMF helps to address these strategic concerns:

Firstly, it integrates all the existing distinct management processes across ETF (planning, monitoring, resource and facility management, risk management etc.) into a common system with gains for internal efficiency and, consistency. It also facilitates understanding and appreciation of the specific contribution of each service and each staff member to the overall performance of the organisation ;

Secondly, it helps the ETF to document and demonstrate its performance, and in particular to provide evidence of its value for money, added value and impact;

Thirdly, it provides ETF with a structured tool for organisational learning and continuous performance improvement. The PMF combines top down strategic direction, with bottom up opportunities for improvement.

Finally, the PMF approach enhancing ETF's capacity to deliver predictable results raises the level of trust and support from key stakeholders such as the Governing Board, EU institutions and partner countries.

Beyond the strategic objectives, the ETF's PMF also addresses regulatory requirements. Auditing bodies and the EU institutions increasingly demand that EU agencies are accountable for performance alongside sound financial management and compliance with the EU regulatory framework.

The ETF's founding regulation recast in 2008 (Regulation (EC) No. 1339/2008). Article 13.2 requires that the Agency 'shall ... indicate the results of operations by reference to the annual work programme and to the objectives set, the risks associated with those operations, the use made of the resources provided and the way the internal control system has functioned.' This implies that the Agency's management systems should therefore ensure that objectives are properly planned and monitored, business risks effectively mitigated and resources used in a sound and efficient manner.

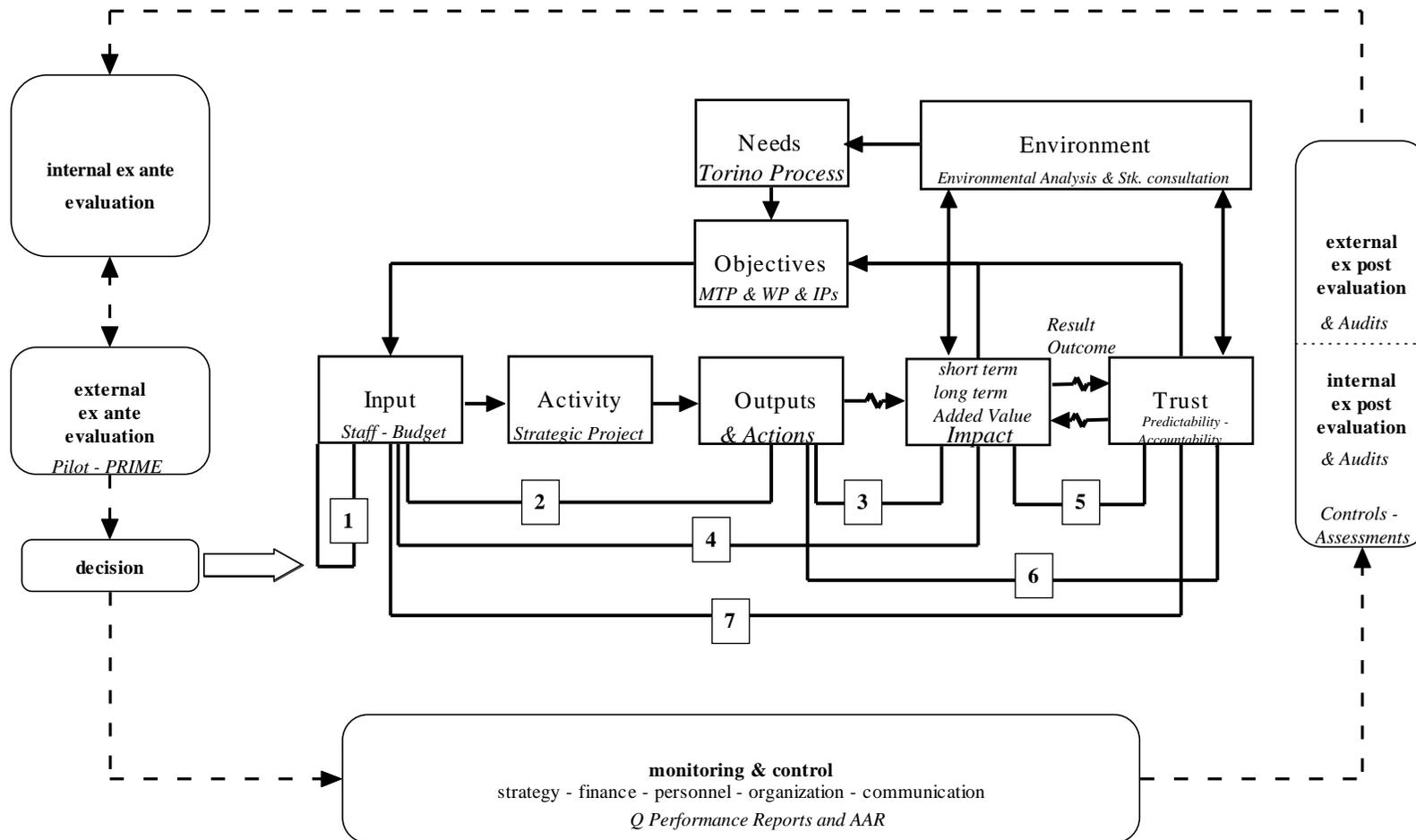
This obligation is reinforced by the Common Approach on EU decentralised agencies endorsed by the European Parliament⁴, the Council and the Commission in July 2012. This sets as its main objective 'more balanced governance, improved efficiency and responsible use of resources, strong focus on results and accountability.'

This is also in line with the long-term engagement of the European Court of Auditors to improving agency performance. The Special Report n. 5/2008 of (The European Union's Agencies: Getting results) and the Communication from the Commission to the European Parliament and the Council European on "Agencies – The way forward, [COM (2008) 135 final]" conveys a clear message to the EU Institutions and agencies on the shift from compliance and quantitative measurement of indicators to a more comprehensive approach embracing effectiveness and quality. The European Parliament conveyed the same message in the 2013 report of the Committee on Budgetary Control entitled "Performance, financial management and control of EU Agencies".

While the ETF regulatory environment does not explicitly require the ETF to put in place a PMF, this is clearly encouraged.

⁴ 20120612 joint Statement of the European Parliament , the Council and the Commission on EU decentralised agencies

Figure 1 Performance measurement and management: a sophisticated model adapted to ETF context



2. THE OBJECTIVES, PRINCIPLES AND ORGANISATION OF THE ETF PERFORMANCE MANAGEMENT FRAMEWORK

This section outlines the objectives and principles of the ETF PMF, and explains how it is organised.

2.1 The objectives

The overall objectives of the ETF's Performance Management Framework remain unchanged. These are to:

- Ensure the overall quality of the ETF's actions in terms of efficient and effective delivery of results;
- Systematically measure and improve the quality of ETF's performance;
- Guarantee the ETF's accountability to its stakeholders⁵ and reinforce trust in the ETF as a high performing EU public body;
- Ensure that ETF as an institution, its departments and all staff work within an integrated and consistent cascade of interrelated priorities, objectives, results and actions. This helps each staff member appreciate how their own responsibilities contribute to the overall performance of the organisation. It also empowers staff through the allocation of resources needed to deliver results and opportunities for development.

2.2 The principles of the ETF Performance Management Framework

The PMF draws on three principles:

The main principle is the **Plan-Do-Check-Improve** (PDCI) continuous improvement cycle in line with the Common Assessment Framework 2013⁶. The PDCI cycle requires that, in everything it does, the organisation plans, implements, verifies and looks for opportunities to improve thereby learning from experience, learning from staff and from other organisations.

The PDCI cycle assesses the organisation's capacity as a whole and with respect to the different CAF criteria and PMF components and levels. The framework links with and draws from all key organisational management processes including:

- establishing strategic performance objectives;
- delivering the planned strategic performance objectives;

⁵ ETF stakeholder cooperation framework for action (12/09/2012)

⁶ CAF 2013: Improving public organisation through self-assessment. ETF has adapted the original PDCA acronym by replaced Act with Improve to ease understanding

- checking and measuring performance through monitoring, self-assessments and external evaluations and validation⁷ in particular against performance indicators;
- using the results to drive performance improvement and demonstrate what has been achieved.

The second principle is taken from the ETF **internal control standards framework**⁸, which provides quality standards for efficiency and effectiveness while ensuring accountability. Performance management is underpinned by effective risk management and internal controls, which support the organisation in taking corrective actions to meet the defined standards. The ICS requirements complement the CAF principles by ensuring that all aspects of the functioning of the organisation are monitored and assessed and all different components and levels have a reciprocal impact on each other. There is a cause and effect relationship between the left part of the framework (the enablers – causes) and the right part (the results – effects). This is triggered by the performance components and deployed through the organisational levels. Self-assessments play a critical role in the improvement process at all levels of the organisation. Self-assessment is about understanding and recognising internally what the organisation is doing compared to what was planned. The self-assessment process is central to both CAF and PMF as a quality management method to measure progress over time and trigger continuous improvement.

The third principle is the ‘**cascade**’ logic with its different components triggering the flow of information on performance between the different organisational levels from the strategic and organisation level to the individual level. The cascade logic works in both directions (top-down and bottom-up). Results-oriented management means applying the cascading logic in the planning stage (mandate, multi-annual programme, annual programme, Department plans, project plans and individual objectives). At each level of the cascade, the principle of differentiation is applied which adapts the respective topic to the specific context of each organisational level or individual member of staff.

In the reporting stage, the logic follows an ascending path, starting from each staff member’s contribution to ETF strategic projects and/or actions in their field of responsibilities. Through strategic projects and actions, the organisation achieve its results on annual and multiannual basis. The performance of the ETF is a result of the performance of staff and their attitude and behaviour. The results expected at the planning stage are monitored, assessed and reported on through the different components and levels of the PMF.

2.3 The organisation of the Performance Management Framework

This section presents the organisation of the PMF illustrated in Table 1 below in a matrix that brings together the performance components of the PDCI cycle with the main organisational levels and the CAF criteria and ICS requirements. The CAF criteria have been in some cases tailored to the ETF environment (e.g. 6. Customers Results has been specified into 6. ETF Institutional Governance Stakeholders) and some of the CAF criteria and of the internal controls standards relate to more than one organisational level (e.g. ICS 7 operational structure and ICS 6 Management supervision). Furthermore, the matrix of the organisation of the ETF PMF shows only the main processes, tools, methods and activities already in place in each component and level of the framework.

⁷ ETF Monitoring and Evaluation Policy, ETF Audit and Risk Management Policy (ETF/10/DEC/033 and ETF/10/DEC/034 issue 2)

⁸ Articles 30 and 44 of ETF Financial Regulation.

Table 1. The organisation of the ETF PMF

CAF criteria (Enablers) And respective Internal Control Standards	PDCI cycle	PLAN	DO	CHECK	IMPROVE	CAF criteria (Results)	
	Performance components ↔	Performance Enablers (resources and processes)	Implementation	Performance Measurements	Performance Improvement Initiatives		
	Organisational levels ↑↓						
1. Leadership 2. Strategy and Planning and stakeholder cooperation ICS 1 Mission, Values; ICS 2 Ethical Organisational Values; ICS 5 Objectives , Performance Indicators; ICS 6 Risk Management ; ICS 7 Operational Structure; ICS 9 Management Supervision ICS 10 Business Continuity Plan ICS 14 Evaluation ICS 15 Assessment of ICS; ICS 16 Internal audit	1. Strategic / Corporate	ETF Strategy 2014-2020 ETF MTP 2014-17 ETF WP 2015 Including Key Performance Indicators MSPP Activity Based mgt.(ABM) ETF Management Team rules of procedure and corporate system for business continuity ETF Governing Board and rules of procedure and consultation EC Structured dialogue Torino Process for core mission priorities Management ⁹ and core processes	Processes for putting in action the annual Work programme and drawing on departmental plans , strategic Projects (SPs) and horizontal actions (HAs), implementation plans (IPs), individual objectives setting	Quarterly progress performance reports (Q) on core mission and corporate resources mgmt. (including ABM, Time Recording) ETF external evaluation by EC Annual self-assessment of ICS effectiveness and organisational performance (CAF) Annual corporate risk assessment Annual Performance Report and Annual Activity Report including country results and support to the EC Annual audit of accounts EP Discharge report	ETF Improvement Action Plans from recommendations in quarterly reports, evaluations audits, CAF, ETF Risk Register	9. Key performance results (core mission and resources management 6. ETF Institutional Governance Stakeholders results	
4. Partnerships and Resources 5. Processes¹⁷ ICS 7 Operational Structure ICS 8 process and procedures;. ICS 9 Management Supervision; ICS 10 Business Continuity Plan; ICS 11 Document Management; ICS 12 Information and Communication; ICS 13 Accounting and Financial Reporting		2. Departmental / Strategic Projects (SP)		Partnerships with EU and international relevant institutions Dept. Plans and indicators ; SPs IPs and indicators ;Country Strategic Perspectives and country progress indicators; horizontal actions IPs Support processes mapping and related indicators in part: -budget and assets mgmt...; - knowledge mgmt. policy; - IT management policy Facilities mgmt.	Monthly resources reports - Q reports Dept./ SPs actions progress and risk assessments Audits (internal and external), Annual Ex post transactional control, procurement ex post analysis Dept. and Project risk assessment Processes review and improvement Monitoring (self-assessment) reports	Implementation of Improvement Action Plans and recommendations Processes reengineering Q performance reports recommendations Risk mgmt.	8. ETF Beneficiaries Stakeholders results (PCs)
3. People ICS 3 Staff Allocation and Mobility; ICS 4 Staff Evaluation and Development				3. Individual	Individual objectives and Indicators Job descriptions Competences Learning & dev. framework Mobility framework	Adele process (performance appraisal) Time recording Staff survey	Training / development Transfer / Detachment Action plan in response to Staff survey

⁹ ETF Process Management policy (ETF/2013/DEC/05) classifies processes as: 1. Management processes: the processes that govern the operation of the ETF; 2. Core processes: processes that constitute the core mission of the ETF; 3. Support processes, which support the operational and management processes. The responsibility for the performance of a process in realising its objectives, and verify and optimise the management of the process and the interfaces with other processes lays with the process owner at departmental level.

2.3.1. The performance management components

On the horizontal axis of Table 1, the PMF includes the performance management components that trigger the developments towards increased quality and improvement. They correspond to the PDCI cycle and are described below:

- **Performance enablers:** include the hierarchy of ETF long-term strategies, mid-term perspectives, and annual work programmes, project plans that set and communicate clear objectives internally and externally and related indicators.

Currently, ETF has put in place the following hierarchy of performance indicators (see annex 2 and 3):

- a matrix of qualitative and quantitative Country Progress Indicators to measure the overall progress of reform in partner countries (see annex 3) over the mid-long term. ETF performance and added value can be measured by collecting evidence for the specific contribution of ETF to country progress;
- in its annual work programme, ETF defines key performance indicators at corporate level covering core mission and its horizontal areas such as resource management (Annex 2);
- each department defines indicators to measure its contribution to organisational performance through the annual Department Plan;
- each project specifies indicators to measure the annual delivery of expected outcomes; and
- each staff member defines, with his/her line manager, indicators to measure achievement of expected results and development.

The performance enablers also includes the definition of processes to organise ETF's work efficiently and effectively, and allow resources to be allocated to priority areas and actions such as planning, activity based management, time recording etc.. They also include the different policies, tools, methodologies and corporate positions that facilitate common understanding and definition of what the ETF should be doing and which processes and resources it should be using.

The performance enablers represent the **PLAN** phase within the PDCI cycle;

- **Performance Implementation:** The actual implementation of ETF processes and activities to reach outcomes and results drawing on departmental plans, strategic projects (SPs) and horizontal actions (Has) implementations plans (IPs) and individual objectives setting. This represents the 'DO' phase in the PDCI cycle;
- **Performance measurements:** the system of appraisal, assessment, evaluation, audits, review and validation of organisational performance at different levels throughout the strategic planning cycle. The specification of performance indicators at planning phase and the measurement of performance against the indicators during reporting are fundamental to the generation of accountability and trust in ETF performance.

ETF performance as an EU public body is measured annually through the regulatory requirements such as compliance with the Internal Control Standards, or the auditing of the annual accounts and underlying transactions. In addition, performance against the ETF core mission objectives and functions set in the mandate is measured through a set of qualitative and quantitative key performance indicators set in strategic documents such as work programme(see performance enablers) . Over time – over the long term seven year ETF strategic planning period 2014-2022, or

the mid term Multiannual Perspective 2014-17, these indicators provide evidence for ETF added value and impact. They are monitored and checked at different suitable frequency and then accordingly reported at corporate level.

The system of performance measurement is the **CHECK** phase within the PDCI cycle, and leads to management information through either self-assessments¹⁰ or external reports:

- a. Exercises carried out internally by the organisation itself such as:
 - Annual management self-assessment on internal control system effectiveness and organisational performance (CAF e-tool);
 - Risk self-assessment at all organisational levels;
 - Internal performance self-evaluation;
 - Financial transactional ex post control and procurement ex post analysis;
 - Project monitoring; and
 - Individual annual performance self-assessments; and
 - Individual annual performance self-assessment validation by line manager.
 - b. Audits, evaluation and other exercises carried out by other actors as a statutory requirement or by ETF initiative, such as:
 - Audits and risk assessments by the Internal Audit Service (IAS);
 - Audits by the European Court of Auditors (ECA);
 - Discharge reports by the European Parliament;
 - External evaluation of ETF by the European Commission;
 - Outsourced Ex post audits;
 - Outsourced evaluations; and
 - Outsourced project monitoring.
- **Performance improvement** comprises the systematic actions and plans to learn from and improve performance or to correct low performance when it does not meet expected standards.

These actions are generally triggered by the performance measurement self-assessments or external reports in the check phase each of which include recommendations or suggestions for improvement.

ETF has put in place a process which ensures that the recommendations from each performance measurement exercise are captured in a formal result in a 'fiche contradictoire' and obliges the ETF to identify any necessary improvement actions for adoption and follow up by the ETF Management .

¹⁰ The self-assessment process is central to both CAF and PMF as a quality management method. For example, the ETF's management carries out an annual performance self-assessment allocating a score to each of the nine criteria in the CAF 2013 model and related ICSs, according to the PDCI. This provides important input for the annual performance report and constitutes one of the building blocks of the ETF Director's annual declaration of assurance in the Annual Activity Report

All the improvement actions are in turn fed into the ETF Improvement Plan through which ETF on a quarterly basis monitors and reports on open actions.

Performance improvements generate a creative learning process, which involves also the introduction and use of new technologies (e.g. SHAREPOINT) to facilitate the dissemination of good practice, and improve communication flow within the ETF. This phase represents the IMPROVE phase within the PDCA cycle. Section 2.3.3. complete the description of this phase.

2.3.2. The organisational levels

On the vertical axis (Table1) the PMF includes the organisational levels. The ETF performance based management framework is designed to add value at all organisational levels and to capitalise on their contribution to the overall organisational performance thus ensuring the cascade principle. At each level, the CAF criteria and the ICS requirements provide guidance and quality benchmark to drive ETF processes and activities. The ETF organisational levels are the following:

1. **Strategic/corporate:** it focuses on the leadership of the ETF. Implementing the mission and the vision of the ETF requires the definition of the goals it needs to achieve and the way it wants to measure progress. Setting the tone at the top. This also covers how, at corporate level, the strategy is translated into an annual work programme with allocated resources, processes and assets and how these are deployed through the performance cycle.
2. **Departmental and Strategic Projects:** it focuses on the appropriate structures of the organisation to effectively and efficiently implement the ETF annual work programme through Strategic Projects (SPs) and horizontal actions.
3. **Individual:** it is the level of each individual staff member of the ETF. Briefly, the individual staff member's performance cycle starts with the allocation to one organisational structure, the definition of individual objectives and related indicators, the identification of competences and development's needs, the mid-year review of achievements and the annual appraisal. ETF staff are an important cause of good organisational performance as they are the most important asset of the organisation.

2.3.3. The ETF cycle of continuous improvement

The below table shows how the PMF works throughout the ETF annual programming cycle framing a **continuous monitored and guided improvement process**:

Year/ month/ Quarter	ETF cycle of continuous improvements : key elements in place	
Year N -1 Quarter 4 December	<ul style="list-style-type: none"> - Drafting project strategic plans and updated Country strategic perspectives Plans (year N +1) including sections describing cooperation with the ETF stakeholders as well as the list of policy makers in the partner countries; - Consultation with the policy makers in the partner countries under the framework of different ETF projects; - Dialogue with interested stakeholders for developing specific tools or instruments 	Implementation WP year N-1

<p>Year N Quarter 1 January</p>	<ul style="list-style-type: none"> - Quarterly progress performance report¹¹ (Q4 year N-1) - Improvement Plan (ImP) implementation (year N-1) including sections on the cooperation with the ETF stakeholders; - Implementation of the different types of cooperation with stakeholders; - - Ex ante check of Departmental plans Implementing Plans (year N) - Approval Departmental plans Implementing Plans (year N) - 	<p>Implementation WP year N</p>
<p>Year N Quarter 1 February</p>	<ul style="list-style-type: none"> - Drafting outline Work Programme (WP) (year N+1) - Implementation of the different types of cooperation with stakeholders 	
<p>Year N Quarter 1 March</p>	<ul style="list-style-type: none"> - Ex post transactional controls year (N –1) - Draft Annual Activity Report (AAR) (year N-1) - - Individual Staff Performance appraisal (year N -1) - Individual objectives setting (year N) - Implementation of the different types of cooperation with stakeholders 	
<p>Year N Quarter 2 April –May June</p>	<ul style="list-style-type: none"> - Quarterly progress performance report (Q1 year N) - Improvement Plan (ImP) implementation (year N) - Ex post Audit programme (year N) (1) - Evaluation programme (year N) (1) - Mid-year review of individual objectives and performance (year N) - - Drafting WP year N+1 full draft - Consultation with ETF Institutional governance Stakeholder (Structured dialogue) - Management Macro level Risk self-assessment WP N+1 - Adaptation of planning (N+1) and reporting (N-1) documents following consultation with governance stakeholders - Annual audit of accounts and underlying transactions (N-1) - - Discharge report (year N-2) - Adoption by GB of AAR and accounts (year N-1) - Submit the draft WP year N+1 to the EC for the Opinion as well as if the case the draft tool and instrument of cooperation developed in collaboration with a relevant stakeholder - - Implementation of the different types of cooperation with stakeholders 	
<p>Year N Quarter 3 July-August- September</p>	<ul style="list-style-type: none"> - Quarterly progress performance report (Q2 year N) - Improvement Plan (ImP) implementation (year N) - Ex post Audit programme (year N) (2) - - Drafting final draft WP (year N+1) - Consultation with ETF Institutional governance Stakeholder (Structured dialogue) - Adaptation of planning document following consultation with governance stakeholders 	
<p>Year N Quarter 4 October-</p>	<ul style="list-style-type: none"> - Quarterly progress performance report (Q3 year N) - Management self-assessment on ICS and performance (CAF) (year N) - Improvement Plan (ImP) implementation (year N) 	

¹¹ Quarter reports includes among other performance information, data and measurements also results of risk assessments at organisational, departmental and SPs/horizontal actions levels and results of CAF in line with their yearly time schedule.

November-December	<ul style="list-style-type: none"> - Adoption by GB of WP year N+1 Final draft - Adoption by GB of the instrument/tool of cooperation with a relevant stakeholder - Signature of the instrument and entering into force - Implementation of the different types of cooperation with stakeholders 	
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The table highlights some of the key elements of the ETF improvement cycle:

- **The engagement and cooperation with stakeholders** is a key part of the ETF's activities. By regular engaging with a range of stakeholders at the European, international and partner country level, the ETF aims to ensure that its work programme is fully relevant to its institutional environment and to its beneficiaries.
- **The quarterly performance progress reporting:** the ETF monitors performance on a quarterly basis. The quarterly performance progress reporting process is a consolidated process, which has been reinforced and streamlined during 2014 to focus on and provide macro management of "critical issues" recommendations to the management to foster decision making on performance improvements during the implementation of the work programme. Quarterly reports contain both quantitative and qualitative aspects of performance with the aim of informing results based management and evidence based analysis and decision-making. Quarterly reports follow a bottom up approach starting from project to departmental to corporate levels according to the PMF. The quarterly reporting is part of the CHECK stage of the ETF PMF;
- **The ETF Improvement Plan (ImP):** it is an established procedure¹² in the ETF that recommendations resulting from internal, institutional and external audits, evaluations and assessments feed into the ETF improvement action plan implemented under the responsibility of the ETF internal control co-ordinator¹³. The ImP is an important element in the integrated ETF's internal control system and performance framework: All performance measurement activities, which conclude with recommendations for actions, are captured, monitored and reported quarterly. The ImP recommendations guide the planning and implementation of future ETF activities. Their efficient and effective implementation is part of the IMPROVE stage of the ETF PMF;
- **The individual staff member performance:** individual performances and ETF performance are linked to each other. Staff motivation and performance are influenced by factors like job satisfaction, commitment to the ETF and public service motivation. The ETF recognises the value of its staff: the PMF follows a top-down and bottom up approach ensuring a continuous flow of information on performance data between the different organisational levels in both directions. Staff engagement, motivation, and performance are regularly assessed and considered as well all

¹² ETF/PROC/26

¹³ ETF/008/DEC/005. The main responsibilities of the ETF ICC are the following :

- To ensure provision to the organisation of an effective and proportional quality and risk control framework based on quality tools and procedures;
- To ensure that actions implemented according to individual ownership of internal control standards to improve the ETF control system are proportional to risks, efficient and coherent between themselves, and with the ETF mission; and
- To ensure coordination of activities to reinforce ETF staff awareness and ownership of Internal Control Standards

aspects of the functioning of the PMF organisation, which have a reciprocal impact on each other performance.

- **The annual performance progress report and the Annual Activity Report.** Reporting is the final step of the PDCI cycle of a given year. It provides evidence on the implementation of the annual Work Programme with a comprehensive reflection on the achievements and areas of improvement on ETF's activities during a reporting year. The annual reporting provides an effective and efficient platform for the ETF to reflect and decide on improvement actions and prepare for the next planning cycle.

Reporting completes the PDCI cycle in a **continuous monitored and guided improvement cycle** as in the diagram below:



ANNEX 1: ROLES AND RESPONSIBILITIES

The PMF creates interlink age and consistency between the functions, roles and responsibilities across all organisational levels. The ETF actors, their role and responsibilities within the PMF are as follows:

ETF Institutional governance stakeholders (Governing Board; Budgetary authority: European Parliament ; Council)	Governance: Adopt ETF MTP, WP and AAR; Discharge reports
ETF Director	Proposes the strategic orientations and related goals of the organisation and bears overall responsibility, accountability and commitment for the ETF PMF
ETF beneficiaries stakeholders	Consultation role
ETF management	Demonstrates overall commitment to the system; Sets clear performance enablers, measurements and improvements; Follows up on performance improvements and fosters PDCA cycle; Completes annual self-assessments of the organisational performance and control system; Takes ownership of ICS and processes: the ETF Management at all levels has to demonstrate not only that they have put controls in place but also that these controls take account of the risks involved and that they work as intended; Undertakes people management, motivation, involvement, appraisal and development.
Corporate Performance department (CPD)	Designs the framework of the PMF Provides methods and tools for implementing the PMF (monitoring, evaluation) Coordinates all activities related to the PMF Drafts the Annual Activity Report Internal Control Coordinator Coordinates stakeholder cooperation
Departmental / Unit Management	Performance reference for Dept./Unit planning , monitoring and reporting of activities and resources; Quality: reference for the implementation of improvement actions action plans under his/her responsibility; Process owners: although processes are corporate organisational, the ultimate responsibility for the performance of a process in realising its objectives lays with Dept./Unit including process review; ETF beneficiaries' stakeholders' cooperation.
Strategic Project Leaders Activities Leaders	Performance reference for planning, monitoring and reporting of Strategic Project activities and resources; Quality: reference for the implementation of improvement actions action plans under his/her responsibility; Self-assessments; peer reviews
Individual staff member	Provision of performance data and information, inputting in PMF system when requested (peer-review, quality enhancement initiatives, etc.). Take responsibility for the continuous improvement of business processes and of their own skills, behavior and contribution. Individual performance self-assessment.

ANNEX 2: CATALOGUE OF ETF KEY PERFORMANCE INDICATORS

Key Institutional performance indicators for efficiency and effectiveness Work Programme 2016

Functional Area	Indicators
Performance Management	<ol style="list-style-type: none"> 1. 100% Timely submission of the draft Annual Work Programme document 2. 90% of completion of the activities of the annual Work Programme 3. 80% timely achievement of objectives of the Work Programme 4. 90% of external and accepted internal audit recommendations implemented within agreed deadlines (excluding 'desirable') 5. Number of critical recommendations received from external audit (European Court of Auditor), internal audit (Internal Audit service) and other audits (target = 0).
Human resources management	<ol style="list-style-type: none"> 6. >95% Average occupancy rate (% of authorised posts of the annual establishment plan which are vacant at the end of the year, including job offers sent before 31st December) 7. <30%) Ratio administrative support and coordination/operational neutral job type category through the yearly job screening/benchmarking 8. >70% Staff satisfaction/engagement from staff survey
Financial management	<ol style="list-style-type: none"> 9. >98% rate of implementation of Commitment Appropriations 10. <2% rate (of cancellation of Payment Appropriations 11. 99%. rate of outturn (Total payments in year N and carry-forwards to Year N+1, as a % of the total EU funding and fee income, where applicable, received in Year N) 12. >80% rate of payments executed within the legal/contractual deadlines.
Information and Communication	<ol style="list-style-type: none"> 13. >99% availability of IT critical systems

Technologies

Facilities

14. >1% annual reduction of building cost/m² after correction for inflation and energy costs

Communication

15. Number of participants in corporate and regional events

16. Number of downloads of publications

17. Number of subscribers to social media channels

18. Number of subscriber interactions on social media channels

19. Number of unique visitors to the website

20. Number of pages viewed per visitor

Performance Management

1. Indicator title	100% Timely submission of the draft Annual Work Programme document
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Measuring ETF efficiency in terms of timely compliance with its regulatory framework and internal processes: ETF mandate and FR require WP to be adopted by 30 November year N-1.
Origin indicator	External : Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
CAF and ICS measurement	CAF criterion: 1 Leadership, 3 Strategy and Planning, and stakeholder cooperation , 6 Institutional governance stakeholder results ; ICS 1, 5
PMF relationship	Input v accountability/trust
Typology of indicator	Quantitative
Target	100%
Source of data	CPD (GB minutes – Mailing :Correspondence register)
Assessment reliability of measure	High
Frequency collection data	Once a year
Resp. Department	CPD

2. Indicator title	90% of completion of the activities of the annual Work Programme
ETF WP/MTP reference	WP 2016 / Objectives 1/4 MTP : Gaol 1/4
Definition of indicator	Measuring ETF efficiency in terms of timely completion of activities planned for a given year in the adopted WP and reported in AAR Director's indicator in relation to operational objectives
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Input v outputs v accountability/trust
CAF and ICS measurement	CAF criterion: 1 Leadership, 3 Strategy and Planning, and stakeholder cooperation , 6 Institutional governance stakeholder results; 9 KP results ICS 1, 5
Typology of indicator	Quantitative
Target	90%
Source of data	Dashboard
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	CPD

3. Indicator title	80% timely achievement of objectives of the Work Programme
ETF WP/MTP reference	WP 2016 / Objectives 1/4 MTP : Gaol 1/4
Definition of indicator	External: Measuring ETF efficiency in terms of achievement of objectives established a given year in the adopted WP
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Objectives v outputs v accountability/trust
CAF and ICS measurement	CAF criterion: 1 Leadership, 3 Strategy and Planning, and stakeholder cooperation , 6 Institutional governance stakeholder results; 9 KP results ICS 1, 5
Typology of indicator	Quantitative
Target	90%
Source of data	Dashboard
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp. Department	CPD

4. Indicator title	90% of external and accepted internal audit recommendations implemented within agreed deadlines (excluding 'desirable')
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Timely improvements in the adequacy and effectiveness of internal control systems. Progress of ETF Improvement Plan: Does the ETF give an appropriate follow up to the audit report's recommendations?
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Inputs v. trust/accountability

CAF and ICS measurement	CAF 9 ICS 16
Typology of indicator	Quantitative
Target	90%
Source of data	Excel sheet (Improvement Plan)
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	CPD

5. Indicator title	Number of critical recommendations received from external audit (European Court of Auditor), internal audit (Internal Audit service) and other audits.
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	External and internal auditors on annual basis verify the ETF compliance with its regulatory framework. The number of “critical” recommendations received from ECA, IAS or other audits is an important indicator of sound management.
Origin indicator	ETF
PMF relationship	Inputs v. trust/accountability
Definition of indicator	The number of “critical” recommendations received from ECA, IAS or other audits
CAF and ICS measurement	CAF 9 ICS 16
Typology of indicator	Quantitative
Target	0
Source of data	Audit reports/ ETF Improvement plan
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	CPD

Human resources management

6. Indicator title	>95% Average occupancy rate (% of authorised posts of the annual establishment plan which are vacant at the end of the year, including job offers sent before 31st December).
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Swift and timely fulfilment of the ETF establishment Plan. Are the available resources used efficiently?
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Inputs
CAF and ICS measurement	CAF criterion 2, 3, 7 ICS3, 4, 8
Typology of indicator	Quantitative
Target	>95%

Source of data	HR monthly and annual reporting
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/HR

7. Indicator title	<30% Ratio administrative support and coordination/operational neutral job type category through the yearly job screening/benchmarking.
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	It measures ETF efficiency in the use of available HR
Origin indicator	External: SG screening exercise
PMF relationship	Inputs
CAF and ICS measurement	CAF criterion 2, 3, 7 ICS3, 4, 8
Typology of indicator	Quantitative
Target	<30%
Source of data	HR monthly and annual reporting
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/HR

8. Indicator title	>70% Staff satisfaction/engagement from staff survey
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	It measures if the level of staff motivation and wellbeing
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Inputs
CAF and ICS measurement	CAF criterion 2, 3, 7 ICS3, 4, 8
Typology of indicator	Quantitative
Target	>70%
Source of data	Survey report/results
Assessment reliability of measure	Medium
Frequency collection data	Every two years
Resp Department	AD/HR

Financial management

9. Indicator title	>98% rate of implementation of Commitment Appropriations
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ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Swift, timely and full use of the financial resources allocated by the budgetary authorities. It is an indicator of sound financial management. Does the ETF work in full budgetary discipline, in line with applicable regulation?
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Input v accountability/trust
CAF and ICS measurement	CAF criterion 4,5, 9 ICS 5, 8, 13
Typology of indicator	Quantitative
Target	>98%
Source of data	ABAC
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/Finproc

10. Indicator title	<2% rate (of cancellation of Payment Appropriations
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Swift, timely and full use of the financial resources allocated by the budgetary authorities . It is an indicator of sound financial management. Does the ETF work in full budgetary discipline, in line with applicable regulation?
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Input v accountability/trust
CAF and ICS measurement	CAF criterion 4,5, 9 ICS 5, 8, 13
Typology of indicator	Quantitative
Target	<2%
Source of data	ABAC
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/Finproc

11. Indicator title	99%. rate of outturn (Total payments in year N and carry-forwards to Year N+1, as a % of the total EU funding and fee income, where applicable, received in Year N)
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Swift, timely and full use of the financial resources allocated by the budgetary authorities. It is an indicator of sound financial management. Does the ETF work in full budgetary discipline, in line with applicable regulation?

Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Input v accountability/trust
CAF and ICS measurement	CAF criterion 4,5, 9 ICS 5, 8, 13
Typology of indicator	Quantitative
Target	99%
Source of data	SAP
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/Accountant

12. Indicator title	>80% rate of payments executed within the legal/contractual deadlines.
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Swift, timely and full use of the financial resources allocated by the budgetary authorities. It is an indicator of sound financial management. Does the ETF work in full budgetary discipline, in line with applicable regulation?
Origin indicator	External: Guidelines on key performance indicators for Directors of EU decentralised agencies SWD(2015)62 final
PMF relationship	Input v accountability/trust
CAF and ICS measurement	CAF criterion 4,5, 9 ICS 7, 8, 11,12
Typology of indicator	Quantitative
Target	99%
Source of data	ABAC
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/Finproc

Information and Communication Technologies and Facilities

13. Indicator title	>99% availability of IT critical systems
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Efficient and effective availability of IT support system
Origin indicator	ETF
PMF relationship	Input
CAF and ICS measurement	CAF criterion 4,5 ICS 7, 8, 11,12
Typology of indicator	Quantitative
Target	>99%

Source of data	ETF automated IT monitoring system
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/IT

14. Indicator title	>1% annual reduction of building cost/m² after correction for inflation and energy costs
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 4 : Organisational development
Definition of indicator	Economy in use of budget
Origin indicator	ETF
PMF relationship	Input v accountability/trust
CAF and ICS measurement	CAF criterion 4,5 ICS 7, 8, 13
Typology of indicator	Quantitative
Target	>99%
Source of data	ABAC
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	AD/IT

Communication

15. Indicator title	Number of participants in corporate and regional events
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Stakeholders/Beneficiaries engagement in ETF activities: measurement of attendance at ETF events Effectiveness of ETF events
Origin indicator	ETF
PMF relationship	Outputs v. trust
CAF and ICS measurement	CAF 9 ICS 5
Typology of indicator	Quantitative
Target	N/A
Source of data	Events Management System (EMS)
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

16. Indicator title	Number of downloads of publications
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ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Volume of downloads of ETF publications. Stakeholder/society interest in ETF work
Origin indicator	ETF
PMF relationship	Outputs v. trust
CAF and ICS measurement	CAF 6,9 ICS 5
Typology of indicator	Quantitative
Target	N/A
Source of data	Quarterly Analytic Web report
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

17. Indicator title	Number of subscribers to social media channels
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Stakeholder/society interest in ETF work
Origin indicator	ETF
PMF relationship	Outputs v. trust
CAF and ICS measurement	CAF 6,9 ICS 5
Typology of indicator	Quantitative
Target	N/A
Source of data	Social media channels reports
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

18. Indicator title	Number of subscriber interactions on social media channels
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Stakeholder/society interest in ETF work
Origin indicator	ETF
PMF relationship	Outputs v. trust
CAF and ICS	CAF 6,9

measurement	ICS 5
Typology of indicator	Quantitative
Target	N/A
Source of data	Social media channels reports
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

19. Indicator title	Number of unique visitors to the website
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Stakeholder/society interest in ETF work
Origin indicator	ETF
PMF relationship	Outputs v. trust
CAF and ICS measurement	CAF 6,9 ICS 5
Typology of indicator	Quantitative
Target	N/A
Source of data	Quarterly Analytic Web report
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

20. Indicator title	Number of pages viewed per visitor
ETF WP/MTP reference	WP 2016 Horizontal objective 4 : Enhance efficiency and effectiveness of ETF institutional performance MTP 2014-2017 : Goal 3: Partnership and Communication Goal 4 : Organisational development
Definition of indicator	Stakeholder/society interest in ETF work
Origin indicator	ETF
PMF relationship	ETF
CAF and ICS measurement	Outputs v. trust
Typology of indicator	Quantitative
Target	N/A
Source of data	Quarterly Analytic Web report
Assessment reliability of measure	High
Frequency collection data	Quarterly
Resp Department	COMM

ANNEX 3: COUNTRY PROGRESS INDICATORS 2015-17

Torino Process Analytical framework Building Blocks	Country Progress Indicators ¹⁴
Vision	<ol style="list-style-type: none"> 1. An integrated, comprehensive national vision for VET has been agreed across and beyond government (all) 2. Monitoring systems have been established and implemented to align VET policies to vision (all)
External Efficiency (economic)	<ol style="list-style-type: none"> 3. Mechanisms have been established and implemented to identify training needs in the labour market (Empl/QA) 4. Activity rate (15+) by sex and educational attainment (Empl) 5. Employment rate (20-64) by sex and educational attainment (Empl) 6. Unemployment rate (15+) by sex and educational attainment (Empl) 7. Youth unemployment rate (15-24) by sex (EMPL) 8. An entrepreneurial policy strategy has been established and implemented (EL) 9. Percentage of employers who do not see skills as an obstacle for their business (EL) 10. Policy/ strategy papers linking skills development policies with migration have been formulated and implemented (i.e. employment, VET, NQF strategies)(SM) 11. Schemes to support migrants and returnees from the skills and employment perspective have been established and implemented (SM) 12. New qualifications promote international mobility (SM) 13. A NQF has been established and implemented (QF) 14. Qualifications have been placed in the NQF (QF) 15. Quality Assurance mechanisms have been established for the NQF (QF/QA) 16. Career guidance policies have been established and implemented to facilitate transition to work (L&T) 17. NEETs rate (15-29) (Empl)
External efficiency (social)	<ol style="list-style-type: none"> 18. Share of learners from low socio-economic background in VET and in general education (Soc Incl)
Internal Efficiency	<ol style="list-style-type: none"> 19. Share of VET teaching staff in professional development (L&T) 20. Work based learning policies have been developed and implemented. (L&T) 21. VET Learning and teaching policies have been developed implemented (L&T) 22. Participation in lifelong learning (25-64) (L&T) 23. Tertiary educational attainment (30-34) (L&T) 24. Low achievers in PISA performance (QA) 25. Share of VET students as % of total students at ISCED 3 (QA) 26. Completion rate in VET programmes (QA) 27. Early school leavers (18-24)(QA) 28. Public spending for VET (as part of total education spending, and per VET student) (Gov) 29. Share of private spending as part of total VET spending (Gov)
Governance	<ol style="list-style-type: none"> 30. Institutional mechanisms have been established and implemented for public-private financing of VET (Gov) 31. Appropriate coordination mechanisms for VET policy making, involving social partners have been established and implemented (at national level, at sectoral level, at regional level) (Gov) 32. Autonomy of vocational schools (Gov)

¹⁴ For process, indicators to be assessed according to ETF policy development stages: ad hoc, initial, structured, defined and consolidated (see annex 4).

QF: Qualifications and qualifications systems; Gov: Skills and VET governance; QA: VET system quality assurance reform; L&T: Learning and teaching in VET; Empl: Employment, skills and employability; SM: Skills and migration; EL: Entrepreneurial learning and enterprise skills; Soc. Incl: Social inclusion.

ANNEX 4: ETF PERFORMANCE MANAGEMENT GLOSSARY

Accountability	Accountability implies the capacity to : <ul style="list-style-type: none"> - Predict, explain and justify ETF actions, - Provide evidence to measure and report on the results of ETF activities - Assume responsibility for these results.
Actions	Individual tasks/components in a project. They are detailed in the strategic project implementation plans (IPs). They are defined in line with the project objectives and expected outcomes, and may serve to produce outputs. Actions are also translated from the IPs into the annual update of the country strategic perspectives. At project level, these are also commonly known as activities.
Activity	A coherent area of action with objectives and resources. The ETF achieves its strategic objectives through its 'activities'. They produce outcomes and outputs and are monitored through indicators. Activities can be operational projects or horizontal processes. In the ETF the activities are the seven strategic projects plus one horizontal or support activity.
Activity based	Being associated with the process (i.e. activities) rather than the outcome.
Activity based budget	Budgets that present the planned and actual cost of activities required to achieve ETF strategic priorities and/or produce ETF outcomes and outputs. According to pre-defined political priorities.
Activity based management	Integrated management methodology to support the prioritisation of objectives, planning, programming, budgeting, management and reporting. It covers all resources managed by ETF. It aids strategic decision making and improves operational control of the ETF as part of ETF performance management approach
Annual activity report	Since the 2001 budget exercise for the Commission, and since 2003 for all Community institutions, the authorising officer by delegation must report to his/her institution on the performance of his/her duties in the form of an annual activity report together with financial and management information. This report indicates the results of the operations by reference to the objectives set, the risks associated with these operations and the way the internal control functions.
Annual risk assessment	The annual risk assessment involves identifying, assessing and risk management plan in an organisation. The exercise can be performed with various involvement of the organisation; it can also be performed top-down or bottom up.
(Annual) work programme (WP)	Annual plan of implementation of activities of the organisation and execution of the budget. The WP defines priorities according to strategic mid-term objectives through activities. It defines annual objectives, outcomes, outputs, indicators and resources for each activity for the following year.
Assumptions	At activity level, indicates a condition which needs to be met in order to progress the project (related to risks).
Baseline	1) The current level of performance at which a partner country, process, or function is operating. Increasingly relevant for the ETF for country and key performance indicators for planning, monitoring and reporting.

Cascading principle	The agency's corporate strategic objectives are translated into activities and activity implementing plans, department plans and individual personal objectives and achieve consistency, efficiency, effectiveness.
Country Strategic Perspectives	An ETF tool to present and justify its work at country level. These are four-year perspectives and outline country needs, maturity levels, stakeholder network, EU policies and cooperation with other international partners. They outline the expected outcomes from ETF interventions. They are updated annually with details on ETF activities in the country in the coming year
Dashboard	An ETF information system which provides at-a-glance views on activities, outcomes, outputs and resources. Dashboard is used for planning, monitoring and reporting.
Effectiveness	The extent to which objectives set are achieved.
Efficiency	The extent to which the desired effects are achieved at a reasonable cost.
Establishment plan	The ETF has an establishment plan adopted by ETF Governing Board concerning the number of Temporary Agents posts allocated for the agency.
ETF Added Value	Considered the value resulting from ETF specific contributions to human capital development in partner countries within the framework of the EU's internal and external policies. Added value comes from measuring ETF contributions to the progress of reform in countries (see country performance indicators or CPI)
Evaluation	ETF tools to provide a reliable and objective assessment of how efficient and effective ETF interventions have been and identify lessons learned and recommendations for improvement. May also be applied ex ante or ex post interventions.
External evaluation	The ETF mandate is formally subject to external evaluation according to the regulation every four years. The ETF also has its own external evaluation annual plan.
Function	The ETF has four functions – support to commission, policy analysis, dissemination and networking and capacity building. Each outcome is associated with one (or more) functions.
Goal	The higher-order objective to which an activity is intended to contribute. In the ETF, goal is a synonym of strategic objective in MTP
Impact	A general term used to describe the longer-term effects of an ETF strategic objective or activity/activities that can be observed after a certain period after the completion of an intervention. Impact may affect either direct addressees of the intervention or indirect addressees falling outside the intervention. It can be difficult to link with direct contribution of ETF due to variables in the EU and partner country context outside the influence of ETF. In WP 2015, the ETF introduced country progress indicators to measure the overall impact in partner countries and identify areas where countries are strengthening/losing ground with their HCD reform.
Input	Financial, human, and material resources that are mobilised for the implementation of an intervention.
Implementation plan	Detailed listing of actions, outputs, outcomes, and resources costs, and schedules that are required to deliver each activity. Each strategic 'activity' has an implementation plan which is organised as a classic project. Country Strategic Perspectives are not considered implementation plans , although they include a list of annual actions in each country.
Internal control standards	Integral element in ETF Performance Management framework

Intervention logic	Methodology which links ETF activities to its policy context (i.e. how we contribute to external projection of ETF policies; how we draw on TRP to identify priorities) and contribute to our MTP and annual objectives, outcomes, outputs.
Key performance indicators (KPIs)	Indicators provide the ETF with a metric to monitor achievement of objectives or performance. The ETF has both KPIs for institutional performance towards our strategic objectives and administrative efficiency and country progress indicators (CPIs) which measure progress of reform in the countries. In some cases, indicators may also be formulated with targets to express the desired level of achievement or performance
Lessons learned	Key feature in work programme cycle to highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact. Self-assessment plays a key role.
Logical framework	How the ETF structures the main elements in a project, highlighting logical linkages between intended inputs, outputs, planned actions, indicators and expected outcomes. Each activity has an implementation plan with a logical framework.
Means/ resources	Can be human and/or financial resources needs to achieve desired outcome.
Mid-term perspective (MTP)	Strategic planning document that sets the key orientations for the ETF work, normally over a four year period. Currently the ETF is in MTP 2014-2017. The next MTP is expected to be 2017-2020 to keep aligned with EU financial perspectives. Above the MTP, ETF has its 2017-2020 strategy.
Mission statement (mission)	The ETF has adopted both a mission statement of our purpose, and values. It is included in our strategy, MTP and annual work programmes. Beyond the mission, it is the formal definition of ETF role and functions in the regulation.
Monitoring and evaluation	The ETF systematically collects and analyses data on structured information and specified indicators to provide management information and analysis on progress in implementation against strategic and operational objectives. The ETF has a quarterly monitoring process which feeds directly into its reporting to external stakeholders (i.e. AAR). Monitoring often generates data, which is used in evaluations.
Multi-annual financial framework	The ETF has a multiannual financial framework based on EU priorities in financial terms. It is the basis for the ETF annual budgetary exercise.
Multi-annual staff policy plan	Three year projection of ETF human resource expectations. This is an integral part of the single programming document from 2017.
(activity or project) Objective	The desired effect of an activity either annual or multiannual. In particular, the objective shows how the activity will contribute to one or more of the ETF strategic objectives. Objectives do not provide a description of the activity itself but the state to be achieved as a result of the activity. The difference between the state to be achieved and the current state (baseline) is what decides what action is to be taken.
Need	The problem or difficulty affecting concerned groups, which the ETF intervention aims to solve or overcome. In ETF, partner country needs are generally captured through the Torino Process

Outcome	Change that arises directly from the implementation of an intervention and which normally relates to the objectives of this intervention. Outcomes capture the immediate or mid-term effects of an activity. At planning level, expected outcomes should contribute to activity objectives. More specifically, in planning, monitoring and reporting ETF uses the term outcomes as a synonym of results (in line with the single programming document).
Output	Outputs are the concrete deliverable of ETF work. They are produced or accomplished with the resources allocated to a project. They derive from the project actions and are intended to contribute to operational outcomes and objectives or outcomes. Outputs are commonly described using ETF functions (i.e. a policy analysis, capacity building). The outputs are associated with one or more partner countries. Outputs can also be used as an indicator or source of verification of completion of project actions.
Performance	How the ETF operates according to specific criteria/standards/ guidelines or achieves results in accordance with stated goals or plans.
Performance based management	Process by which the ETF aligns our resources, systems and employees to strategic objectives and priorities and provides evidence for added value. Performance measurement compares actual levels of performance to pre-established target levels of performance.
Performance management framework	Integrated framework of practices, processes and their results assisting ETF to demonstrate performance and added value and continuously improve. It comprises a system of appraisal, assessment, evaluation analyses, review and audits that the organisation performs at different levels and throughout the annual cycle
Performance indicator	Performance indicators measure to what extent objectives have been met. They may be quantitative or qualitative. The ETF uses in particular Key Performance and Country Progress Indicators in its planning. Performance indicators may also draw on input from ICS, CAF or other performance tools in ETF.
Performance measurement	A system for assessing the performance of interventions, partnerships or policy reforms relative to what was planned in terms of the achievement of outputs and outcomes. Performance measurement relies upon the collection, analysis, interpretation and reporting of data for performance indicators.
Planning	The planning process (1) identifies the goals or objectives to be achieved, (2) formulates strategies to achieve them, (3) arranges or creates the means required, and (4) implements, directs, and monitors all steps in their proper sequence. It ETF plans are based on its seven activities.
Process	Procedures and activities employed to convert inputs into outputs. The concept also covers the generation of management information and its use by managers. Generally, a recurring activity type that comprises a collection of related tasks that produce a standard service or product. A process may recur once a year, several times a year or even several times in a day.
Process mapping	Analysis of a process flow, by distinguishing how work is actually done and what functions are involved and what systems are built to perform that work.
Programme	Programme management is the process of managing several related projects, it is a part of planning.

Programming document	Annual (and multi-annual) programming tool for EU agencies including draft budget and multi-annual staff policy plan (MSPP), translating the APS priorities into objectives while covering all the activities and resources of a DG/Service for a year.
Project	An endeavour that comprises a set of interdependent tasks aimed at providing a unique product or service to satisfy a specific customer demand that cannot be met by following routine processes. Typically, the application of specific practices is necessary, such as project planning and coordination, risk management, scope management, procurement if needed, in order to ensure that the project outcomes are delivered within the pre-defined scope, quality, resource (staff and budget) and time constraints.
Project manager	Manager responsible for day to day management of a project
Project outputs	Specific deliverables of a project
Reporting	1) An integral part of the ETF planning process. The ETF produces quarterly monitoring reports as well as the annual activity report for the GB/EP. Specific reports are also provided to specific users such as accounts to the Court of Auditors. 2) Provide information in a narrative, graphic, or tabular form, prepared on ad hoc, periodic, recurring, regular, or as required basis. Reports may refer to specific periods, events, occurrences, or subjects, and may be communicated or presented in oral or written form.
Reports	Status of implementation of organisation's activities and use of budget on quarterly basis.
Resources	Financial and human means to achieve the objectives and to carry out the activities. ETF systematically monitors and reports on resource consumption through ABAC and time recording.
Result	Results capture the immediate or mid-term effects of an activity. At planning level, expected results should contribute to activity objectives. Results are the collective influence of activity outputs and ETF actions. More specifically, in planning, monitoring and reporting ETF uses the term outcomes as a synonym of results
Result based/oriented	Being associated with the result (outcome) rather than the process (i.e. actions).
Risk	Any event or issue that could occur and have an adverse impact on the achievement of the organisation's political, strategic and operational objectives. Lost opportunities are also considered risks.
Risk register	An action plan that captures risks resulting from the annual risk assessment exercise. It is included in the work programme.
Self-assessment	The ETF uses self-assessment as one element within its performance management framework to learn lessons. For example, this is a key element in ETF project monitoring and evaluation.
SMART/RACER	Specific, Measureable, Achievable (Attainable), Relevant, Timely (Trackable), qualities needed for setting objectives For indicator setting, the reference is Relevant, Accepted (by stakeholders) Credible, Easy (to monitor) and Robust

Stakeholder(s)	EU institutions and bodies, partner country organisations, international and bilateral actors which have a direct or indirect interest in ETF
Stakeholder analysis	A process of systematically gathering and analysing qualitative information to determine stakeholder priorities - notably the environment analysis for EU stakeholders and Torino Process for partner countries
Strategy	The determination of ETF long-term goals and objectives, courses of action and resources necessary. The ETF has a strategy 2014-2017 adopted by its GB
Vision statement	The ETF has a vision statement in its Strategy, MTP and annual work programmes
Work programme	Annual plan of implementation of activities of the organisation and execution of the budget. The ETF WP defines priorities and strategic objectives and sets out key orientations for the ETF for the following year.

ANNEX 5 BIBLIOGRAPHY

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