

ANNUAL ACTIVITY REPORT 2012

ANALYSIS AND ASSESSMENT



ANNUAL ACTIVITY REPORT 2012 – ANALYSIS AND ASSESSMENT

The Governing Board has analysed and assessed the Director's report on the results for the 2012 financial year. The Board acknowledges the results achieved by the ETF and notes the following analysis and assessment.

Analysis

The 2012 Annual Activity Report (AAR) records the achievement of the ETF's objectives for 2012 following its annual work programme and according to the functions, themes and partner countries in its Council Regulation. 2012 was the third year of the Mid-term Perspective 2010-13.

Part I of the report summarises the activities and results achieved in each of the four regions and in the thematic expertise development area, and presents the work by function, distinguishing between country-based and regional activities.

The AAR contains a detailed description of the corporate outputs achieved in 2012 with annexes outlining areas of expenditure by theme, region and country. Corporate outputs are used as indicators of results achievement. In particular, the Activity Based Budget tables report the use of resources according to the three dimensions of the ETF planning policy (geographical, functional and thematic). The report incorporates details on the specific requests received from the European Commission, both those included in the work programme or requested after its adoption, and the response provided by the ETF.

From a quantitative perspective the 161 corporate outputs achieved in 2012 (150 in 2011) are slightly higher than the 157 targeted. Of the original 157 planned four were deferred for completion in 2013. Overall the level of outputs completed is in line with the final budget received by the ETF and indicate the achievement of the objectives proposed in the work programme. The AAR records increases in policy analysis outputs (30 compared to 27 planned, 22 achieved in 2011), in support to the commission (35 against 31 planned, 31 achieved in 2011) and in dissemination and networking (27 actual, 25 planned, 25 achieved in 2011), at the expense of five less in capacity building outputs (69 actual, 74 targeted, 72 achieved in 2011). The changed mix of outputs is explained by an increase in requests from the Commission services (reflecting the diversity of DGs requesting ETF work), the increase in policy analysis in the Torino Process in 2012 (compared with that in 2011) and the ETF's central role in human capital development (policy analysis and dissemination and networking), as found in the External Evaluation completed in 2012.

To illustrate the qualitative aspect of ETF work, the Governing Board acknowledges the findings and recommendations of the two external evaluations reports completed in 2012. One was conducted by the European Commission and covered the period 2006-10¹, according to art. 24 of the ETF Founding Regulation. This was followed by a report from the Commission². The Governing Board acknowledges the positive findings and recommendations and particularly welcomes the final conclusion of the European Commission report, namely:

¹ External EC evaluation: Service contract EAC-2011-0140 awarded to PPMI by the DG EAC of the European Commission on 30 March, 2011. The evaluation report does not necessarily reflect the opinions and views of the European Commission, nor is it bound by its conclusions. http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#etf12

² COM(2012) 588 final

“The Commission considers that within the Union's external relations policy framework, the ETF has a useful contribution to make as a centre of expertise in all four regions of its mandate. The Commission considers that the ETF has indeed been able to successfully reorganize and refocus its activities. The Commission shares the evaluator's overall positive assessment of the effectiveness of the Foundation's work in its main roles of providing and disseminating information, analysis, and policy advice, capacity building and networking and knowledge transfer. The ETF has also taken up the challenge of its recast mandate for considerable internal reforms.”

The second external evaluation is the one contracted by the ETF covering the first two years of its Mid-term Perspective (MTP) 2010-13³. Its main conclusion is that:

“Overall the evaluation of ETF's performance against its MTP has been positive. On the basis of the analysis carried out it would appear that all objectives of the MTP are relevant. They are broad enough to cover the comprehensive reform of VET that is necessary. In practice they underpin the dialogue between the ETF and their stakeholders. Therefore there is no basis on which to suggest major changes to them.”

The evaluator made a number of recommendations to increase the usefulness of the MTP as a document for strategic planning. These are addressed in a specific ETF action plan.

As for 2012, the Governing Board highlights the success of the second round of the Torino Process analyses and the value of structured evidence in guiding the policy cycle. It also welcomed the methodological approach inspired by the Bruges Communiqué, which has encouraged national authorities to take a leading role in driving the assessment process and follow up. Out of the 25 countries, 15 directly led the process themselves (six in 2010), carrying out self-assessments with the active participation of stakeholders, while in the other 10 countries the ETF assisted the national leadership in consultation with stakeholders, to carry out the analysis. This proves the ownership of the process within the partner countries, its alignment to the countries policy development and guarantees future sustainability. The ETF has also developed a conceptual methodology for capacity building in the field of VET policy making (under the ToriNet initiative).

The Board highlights the ETF's high degree of flexibility and ability to react in its work in the southern Mediterranean in a highly uncertain and volatile context. The ETF responded swiftly to the request from the European Commission to support the identification of a VET project in Libya, being the first international actor in the country in the field of human capital development. The Draft Opinion of the Committee on Employment and Social Affairs for the Committee on Budgetary Control on discharge in respect of the ETF's 2011 budget⁴ calls on the Committee on Budgetary Control to incorporate the following suggestions in its motion for a resolution: *“Welcomes the work of the Foundation done in the aftermath of the Arab Spring revolution and congratulates on 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”*. The emphasis on youth employability and the renewed focus on vocational education and training, the skills dimension of SMEs and migration processes are considered paramount in improving the employability of the existing work force and young people.

The ETF's work to the Commission in the Eastern Partnership platforms, in Mobility Partnerships and the area of Continuing vocational training (CVT) in Eastern Europe is also noted. The ETF has supported Sector Skills Councils in Eastern Europe. The ETF also drafted the country and regional

³ Agora (2012): Mid-term evaluation of the ETF Mid-Term Perspective. Framework Contract CON/11/ETF/002, assignment number 4.

⁴ 2012/2192(DEC), delivered on 8/1/2013. The Committee on employment and social Affairs is the committee responsible for the ETF.

reports for the Small Business Act (SBA) assessment on the basis of discussions with the countries on key issues and scores on Entrepreneurial Learning and Enterprise Skills.

In Central Asia the Board highlights the comprehensive picture that emerges from the ETF study on the transition from school to work, where there are real figures to back up evidence on the often troublesome reality for school leavers. This can become a cornerstone for future policy development.

The Governing Board also highlights the work in the Western Balkans and Turkey, where a wide range of stakeholders have been involved to address the main challenges identified in the Enlargement Strategy Paper 2010-11, the Europe 2020 strategy as well as the South Eastern Europe 2020 Strategy. The ETF embarked on support for comprehensive human resources development strategies in the seven countries of the enlargement region (FRAME project).

Out of the extensive thematic development work, the Board would like to emphasise the success of the ETF's activities in the area of entrepreneurship and enterprise skills, which concluded in 2012 with a conference in November that brought together policy makers and practitioners from ETF partner countries, EU Member States, representatives of the EC and international organisations where examples of good practice (e.g. the entrepreneurship training provision) and their messages for policy makers were presented.

The Board also underlines the ETF's work on multi-level governance in VET. On 31 May and 1 June, the ETF invited key partners from all of its partner countries to Brussels to discuss one of the most promising models for education policy and strategy development: multi-level governance.

Parts II, III and IV of the AAR detail the processes that the ETF uses to ensure its effective and efficient functioning as an EU agency.

Part II describes the significant developments that have improved and reinforced management supervision and control of ETF activities. In 2012 the organisation continued to implement a comprehensive system of internal controls, quality and risk management, ensuring proportional compliance and the effectiveness of internal procedures. The Board acknowledges the entrance into force of a performance-based management framework, and its integrated improvement plan as well as the work done on data protection

The report records very good results from a resource management perspective:

Of the €20,144.530 available for commitment appropriations in 2012, the ETF achieved the following results:

- A commitment rate for subvention funds of 99.91 % (overall title 1, 2, 3) – demonstrating that the ETF is continuing to perform very well on financial indicators, as underlined by the European Parliament in the latest discharge for 2010 (99.9% was the percentage of commitments both in 2010 in 2011);
- A payment rate for subvention funds of 85.9% (both administrative and operational) and an execution of payment appropriations in title 3 of 99.92% (with an overall usage of 95.39% of the total amount of payment appropriations, still to increase in 2013 with the payment of carried forward administrative activities). In 2011, the ETF paid 86.8% of the subvention funds and had a 99.76% title 3 payment execution rate (compared to 87.1% and 96.5% in 2010).
- 64.96 % of operational appropriations were paid within the year (66% in 2011), but in absolute figures the RAL (reste à liquider) decreased from €2.12m to €1.92m.
- The percentage of carry forward (for administrative appropriations) is 6.23%, higher than in previous years (4.3% and 4.0% in 2010 and 2011 respectively) due to the fact that a large amount

of training activities were organised end of 2012 (to be paid in early 2013), a higher number of relocations for staff arriving/leaving the ETF, and an un-received invoice for Villa Gualino costs (with a reserve for heating, water, electricity and maintenance relative to 2012), legal expenses, office stationery and the new switchboard acquired at the end of the year for Title 2.

Part III details the building blocks towards the Director's declaration of assurance that the resources assigned to the activities described in the report were used for their intended purpose and in accordance with the principles of sound financial management. This section also describes the control procedures put in place to give the necessary guarantees concerning the legality and regularity of the underlying transactions (part IV).

Based on the criteria established by the ETF to define the materiality criteria for the ETF Director to base her decision where a reservation should be included in the annual declaration of assurance, the ETF has no reservation to report for the year 2012.

Assessment

In 2012, the ETF:

- satisfactorily implemented the third year of the Mid-term Perspective 2010-13 - its activities were in line with its mandate including greater diversity in the support provided to the European Commission and a growing focus on policy support;
- was externally evaluated and both the evaluators and the Commission concluded with an overall positive assessment of the effectiveness of the ETF's work;
- achieved the objectives set in the annual work programme - the number of outputs and activities recorded in the report provides evidence of this;
- successfully continued the second round of the Torino Process country policy analyses, which is also a capacity building opportunity due to its policy learning and dialogue approach among stakeholders in the countries ,
- continued building capacity in the human capital development sector, in particular through the ToriNet initiative on capacity building in evidence-based policy making;
- accomplished remarkable achievements in the four regions (e.g. support to the European Commission on human resources development strategies in the Western Balkans and Turkey [FRAME], the successful continuation of the multi-annual sectoral qualifications project in the Mediterranean, the sector skills councils in Eastern Europe and the transition study in Central Asia) and work in the entrepreneurship and enterprise thematic area;
- provided expertise on the skills dimension of the Mobility Partnerships, the migration studies in Georgia, Armenia and Morocco, as well as on matching and anticipating skills;
- executed its activities within the resource framework adopted by the Board. In particular, the ETF committed 99.91% of commitment appropriations in 2012 and disbursed 99.92% of its Title 3 payment appropriations (95.39% of its total amount of payment appropriations);
- following the implementation of ex-post controls, concluded that there are no critical weaknesses in its management of financial transactions and that improvements have been made for most of the performance rates compared to the results of 2011; and,

- developed and deployed a comprehensive system of performance-based management including internal controls, quality and risk management, and process development ensuring proportional compliance and effectiveness of internal procedures.

The Board also acknowledges the finalisation of the preparatory phase for the Governance for Employability in the Mediterranean Project (GEMM) and for the Supporting the development of comprehensive HRD strategies in the Enlargement countries (FRAME) project.

The Board appreciates the efficiency of financial management in 2012 which, following the positive trends of previous years ensured the full use of the funds made available to ETF resulting in an unused amount of only €0.12 million (0.68%) to return to the European Commission for 2012 activities - this is a very good result, considering the threshold which would have an impact in budget negotiations is 5%. The number of budget transfers was 11 (12 in 2011).

The Board acknowledges that the ETF has no reservations or critical issues to report for 2012.

The report explains the materiality criteria adopted by the ETF for establishing reservations in the AAR, based on an IAS recommendation issued in 2009. The ETF has no reservation to report in 2012.

The information provided in the report gives the Governing Board reasonable assurance that the resources assigned to the ETF in 2012 have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

In the light of the above analysis and assessment, the Governing Board adopts the ETF Annual Activity Report 2012, and requests that it be forwarded, together with this analysis and assessment, to the European Parliament, the European Council, the European Commission, the European Economic and Social Committee and the Court of Auditors.

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LIST OF ABBREVIATIONS

AAR	Annual Activity Report
ABAC	Activity Based Accounting System
ABB	Activity Based Budgeting
CoP	Community of Practice
CVT	Continuing vocational training
DCFTA	Deep and Comprehensive Free Trade Areas
DG	Directorate General
DG DEVCO	Directorate General Development and Cooperation – EuropeAid
DG EAC	Directorate General Education and Culture
DG EMPL	Directorate General Employment, Social Affairs & Inclusion
DG ENT	Directorate General Enterprise and Industry
DG HOME	Directorate General Home Affairs
E&T2020	Strategic framework for European cooperation in education and training
EBPM	Evidence based policy making
EaP	Eastern Partnership
EC	European Commission
EEAS	European External Action Service
EESC	European Economic and Social Committee
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EPSO	European Personnel Selection Office
ERI SEE	European Reform Initiative of South Eastern Europe
ESD	Education for sustainable development
ETF	European Training Foundation
EU	European Union
EUDel	European Union Delegation
Euromed	Euro-Mediterranean Partnership
FTE	Full-time equivalent
GDP	Gross domestic product
GEMM	Governance for Employability in the Mediterranean

HRD	Human resources development
HCD	Human capital development
ICT	Information and communications technology
ILP	Innovation and learning project
IPA	Instrument for Pre-accession Assistance
NQF	National qualifications framework
PS-VET	Post-secondary education and training
RCC	Regional Cooperation Council
RCI	Regional Competitive Initiative
SBA	Small Business Act
SEE	South Eastern Europe
SEECCEL	South East European Centre for Entrepreneurial Learning
SME	Small and medium-sized enterprise
SPSP	Sector policy support programme
SWAP	Sector wide approach
Tempus	Trans-European Mobility Scheme for University Studies
TRP	Torino Process
TF	Task Force
TT-VET	Teacher training vocational education and training
TVET	Technical and vocational education and training
UfM	Union for the Mediterranean
VET	Vocational education and training
VNFIL	Validation of non-formal and informal learning
WP	Work Programme

PART I: IMPLEMENTATION OF THE 2012 WORK PROGRAMME

The ETF's 2012 work programme contributed to human capital development in its partner countries¹ in the context of EU external relations policies². The aim was to make vocational education and training (VET) in the partner countries a driver for lifelong learning and sustainable development, with a special focus on competitiveness and social cohesion. The report highlights the ETF's added value as well as the findings and evaluations of external evaluations concluded during the year³.

1.1 Strategic objectives

The ETF's 2012 work programme is framed by its mid-term perspective 2010-13, whose strategic and specific objectives were adopted by the ETF Governing Board in November 2009. They shape the planning and reporting of the ETF's work each year. Results in 2012 contributed to the achievement of two of these strategic objectives:

1. To build partner country capacities in planning, designing, implementing, evaluating and reviewing evidence-based policies in vocational education and training (both in initial and continuing training)⁴; and,
2. To support relations, where relevant, between EU internal and external relations policies⁵.

Specific 2012 objectives

To achieve the first strategic objective, the ETF's specific objectives in 2012 were to:

- 1.1 reinforce the holistic, evidence-based analysis of VET reform in partner countries through the Torino Process;
- 1.2 strengthen the capacity of partner countries to develop and apply tools for evidence-based policy making

1 Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Egypt, the former Yugoslav Republic of Macedonia, Georgia, Iceland, Israel, Jordan, Kazakhstan, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion of the Kosovo declaration of independence – hereinafter 'Kosovo'), Kyrgyzstan, Lebanon, Libya, Republic of Moldova, Montenegro, Morocco, occupied Palestinian territory, Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine and Uzbekistan.

2 In the context of the ETF's Council Regulation 1339/2008, human capital development is understood as 'work which contributes to the lifelong development of individuals' skills and competences through the improvement of vocational education and training systems'. Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast) OJEU, 21/12/2008, L354/82.

3 External EC evaluation: Service contract EAC-2011-0140 awarded to PPMI by the DG EAC of the European Commission on 30 March, 2011. The evaluation report does not necessarily reflect the opinions and views of the European Commission, nor is it bound by its conclusions. http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#etf12. Following the evaluation report the Commission produced a Report from the Commission to the European Parliament, the Council and the European Economic And Social Committee on the European Training Foundation, COM(2012) 588 final, and ETF contracted an interim evaluation of the MTP 2010-13: Agora (2012): Mid-term evaluation of the ETF Mid-Term Perspective. Framework Contract CON/11/ETF/002, assignment number 4.

4 The first strategic objective in the mid-term perspective was slightly reformulated in the 2011 Work Programme as follows: "to support relations, where relevant, between EU internal policies and the implementation of its external relations policies". In the work programme this objective was numbered 2 rather than 1, as in the mid-term perspective.

5 The second objective in the mid-term perspective was reformulated in the Work Programme 2011 as follows: "to build partner country capacities in planning designing, implementing, evaluating and reviewing evidence based policies in vocational education and training reform (both in initial and continuing vocational education and training)" and became objective 1.

To achieve the second strategic objective the ETF's specific objectives in 2012 were to:

- 2.1. to improve labour market analysis and forecasting in the partner countries and support them in reviewing vocational education and training systems to make them more relevant and raise quality;
- 2.2. to support the EU external policy instrument programming cycle and, when relevant, the external dimension of internal policies;
- 2.3. to disseminate relevant information and encourage exchange of experience and good practice with and among the partner countries in human capital development.

Planning and implementation follow a three dimensional approach: regional, functional and thematic. In carrying out its mandate, in 2012 the ETF based its work on three core themes⁶:

1.2 Core themes

- A. vocational education and training system development and provision in a lifelong learning perspective;
- B. labour market needs and employability; and
- C. enterprises and human capital development: education and business partnerships

1.3 Functions

The objectives of the core themes are operationalised through the functions set out in the ETF's Council Regulation. These are:

- F1 – Support to the European Commission;
- F2 – Capacity building;
- F3 – Policy analysis; and,
- F4 – Dissemination and networking.

1.4 Contributing to human capital development in partner countries⁷

The assessment of the ETF's results in 2012 shows good progress in achieving the objectives for the four-year period (2010-13). Targeted outputs have been achieved in line with the mid-term perspective and the use of these outputs by stakeholders indicates their contribution to progress in human capital development. 2012 was characterised by the second round of the Torino Process policy analysis, following the first round in 2010 and by an increased effort to support capacity building in the field of evidence-based policy making. Multi-annual projects, both thematic and regional, progressed well and country work contributed to European Commission (EC) programming.

The External Evaluation of the ETF, conducted at the request of the EC and published in March 2012 concluded that: "...the ETF (has) a positive influence in helping (partner countries) to bring about concrete change and (has) the potential to add the most value in building capacity and improving

⁶ In line with Regulation (EC) No 1339/2008, articles 1.2 and 1.3.

⁷ This section focuses on key findings and lessons learned, and provides a synthesis of results and impacts obtained. In addition to the AAR, a publication entitled Highlights 2011 presents the main achievements in the different regions.

information dissemination and networking. The ETF has a considerable impact on developing networks between stakeholders and acted as a central stakeholder in working with existing stakeholders and involving new stakeholders in the process. Regional networks are seen as a significant added value of the ETF and one that is not easily provided by other stakeholders. The ETF's ability to have an impact and add value in developing concrete change in capacity and networking (as well as other areas) is highly contingent on its ability to engage in partner countries long term".

In the conclusions of the EC report (COM[2012] 588 final) to the European Council, the European Parliament and the European Economic and Social committee on the ETF (following the final report of the External Evaluation conducted by the European Commission), it is stated that:

"The Commission considers that within the Union's external relations policy framework, the ETF has a useful contribution to make as a centre of expertise in all four regions of its mandate. The Commission considers that the ETF has indeed been able to successfully reorganise and refocus its activities. The Commission shares the evaluator's overall positive assessment of the effectiveness of the Foundation's work in its main roles of providing and disseminating information, analysis, and policy advice, capacity building and networking and knowledge transfer. The ETF has also taken up the challenge of its recast mandate for considerable internal reforms."

In 2012 the ETF contracted independent external evaluators to undertake an interim evaluation of its Mid-term perspective 2010-13. With reference to the first strategic objective (build partner country capacities in planning, designing, implementing, evaluating and reviewing evidence-based policies in vocational education and training reform), the report concluded that:

"All countries could show progress towards this objective. ... All stakeholders, ... were very pleased with the capacity training." (p. 32) and "Many feel that workshops and conferences with other neighbouring countries build their intelligence and that they can gain a lot of useful information from the experience of others in VET reform." (p. 32),

and with reference to the second strategic objective (support relations, where relevant, between EU internal and external relations policies) the EC external evaluation concluded that:

"The timeline of this evaluation and changes in the ETF shows that the new mandate more closely reflects ETF work, and therefore the change in mandate has improved the coherence of ETF operational objectives with broader strategic and EU-level objectives." (p. 47)

1.4.1. Evidence-based policy making - the Torino Process and Torinet

The policy analysis function (F3) is implemented through the Torino Process and aims at improving the efficiency of the policy making process. The ETF carried out holistic, evidence-based VET policy analysis in 25⁸ partner countries in 2012. In the five candidate countries, this policy analysis was integrated with the Bruges Interim Reporting exercise. Out of the 25 countries, 15 directly led the process themselves, carrying out self-assessments with the active participation of stakeholders (six in 2010), while in the other 10 countries the ETF assisted the national leadership in consultation with stakeholders, to carry out the analysis.

Based on the outcomes from the country reports, the ETF has drafted cross-country assessments for each of the four regions. In 2012 peer learning meetings were held to share and discuss the preliminary results in two regions. Of particular importance was the conference in September in Jordan

⁸ Six partner countries did not participate in the Torino Process 2012. Syria and Iceland (ineligible), Algeria and Turkmenistan (opted-out) and Egypt and Libya (where the exercise was postponed to 2013 due to the political situation). A country assessment was undertaken in Algeria by the ETF using different principles and methods to those of the Torino Process.

for the Arab Mediterranean countries which was attended by ministers from the partner countries and stakeholders representing social partners, civil society and the international community. The meeting was also notable for the launch of the Young Mediterranean Leaders initiative to provide opportunities for young people to contribute to public policy making. A second regional meeting took place in Brussels on the occasion of the Eastern Partnership Platform 4 (coordinated and chaired by DG EAC) in December for the Eastern European partner countries. Preparations have also begun for the major Torino Process conference which will be held in May 2013.

The ETF has developed a conceptual methodology for capacity building in the field of VET policy making. This methodology was subject to a consultation with international experts, including the EC in December as a prelude to testing in ETF activities in 2013. The ETF also finalised a manual on the use of indicators in VET policy making which is available in French, Russian and Arabic and an on-line interactive version is under preparation. It includes guidelines on capacity building for stakeholder groups such as policy leaders, for policy areas such as territorial governance, and the use of specific tools such as study visits. The guide will be published in 2013.

Under knowledge management, the ETF mapped its existing core knowledge according to geographical and thematic priorities, and put in place a tool to systematise the capture of its developing knowledge. In addition, the ETF drew on knowledge management tools and approaches to improve knowledge sharing among stakeholder networks in Kazakhstan and Croatia, as well as in ETF projects. The ETF reinforced its use of ICT and social media tools for knowledge sharing, in particular for the development of on-line communities both internally and externally. This included the launch of the Russian language qualifications platform and the Mediterranean regional qualifications platform. Finally, in 2012 the ETF completed a needs analysis and drew up specifications for an integrated content management system for implementation in 2013.

1.4.2. Thematic expertise development

The annual objectives for thematic expertise development were achieved in 2012. Based on the priorities identified in the Torino Process, the ETF developed its thematic expertise in following areas:

- a) The community of practice (CoP) on qualifications and quality worked on its Qualification Platform (QP) that enjoys an increasing number of participants. The QP opened in May 2012 to the Russian speaking international community. The national qualifications framework (NQF) inventory country sheets were published on the QP; while the format and structure of the global NQF inventory was agreed with co-authors Cedefop and UNESCO. The CoP finalised a policy brief on qualifications (forthcoming) and has started work on two new studies (i) how VET qualification reforms influence VET reforms at large based on evidence from the partner countries, and (ii) on quality and quality assurance. The first study will be finalised in Q1 2013 and the second in Q3 2013. The CoP contributed to high-level international events. For example, during the 3rd Unesco TVET Congress in Shanghai on 14-16 May 2012 the CoP organised a plenary session on "Qualifications that count"⁹. The CoP also disseminated ETF expertise on qualifications at a high-profile ASEM seminar on "Putting Frameworks into Practice: Demand, Development and Decision", organised in February 2012. Furthermore, it provided input to the UNESCO Guidelines for the Validation of Non-formal and Informal Learning and continued to deliver input to country work on qualifications in Bosnia and Herzegovina and the Republic of Moldova (where joint seminars were organised with the Council of Europe) and other countries i.e. Kosovo, Morocco, Lebanon, Azerbaijan and Ukraine and the SEMED regional qualifications project. Finally, CoP members participated and contributed to discussions of the EQF Advisory Group, the EQAVET group and the Cross Sector Reference Group for ESCO.

⁹ The ETF also supported the participation of 11 representatives from the former Yugoslav Republic of Macedonia, Republic of Moldova, Morocco and Serbia in the 3rd UNESCO TVET conference in Shanghai.

- b) the CoP on social inclusion mainly supported the implementation of the ETF regional project on inclusive education in the Western Balkans and Turkey and the IPA multi-beneficiary project on inclusive education. It launched an internal (ETF) discussion on the role of VET in social inclusion with the perspective to explore possibilities for work in other regions. Finally the CoP finalised a policy brief on teacher development for inclusive education.
- c) the CoP on entrepreneurial learning and enterprise skills developed a methodology for identifying examples of good practice. On this basis, 12 examples of good practice in the areas of youth entrepreneurship, women's entrepreneurship, and skills for SMEs growth and internationalisation (six each from the EU Member States and partner countries) were identified and peer reviewed. These examples were a key contribution to the corporate conference on "Towards Excellence in Entrepreneurship and Enterprise Skills" held in November. It brought together policy makers and practitioners from ETF partner countries, EU Member States, representatives of the EC and international organisations. Another contribution to the conference were three policy briefs on youth entrepreneurship, women's entrepreneurship and skills for SMEs growth and internationalisation drawing upon EU, ETF and international experience. The CoP also finalised the country and thematic chapters linked to the dimensions 1 and 8 of the SBA Assessments in the IPA and ENPI-E regions and which were published in the EC, OECD, EBRD, ETF SBA assessment regional reports. The CoP also contributed to the Learning Outcomes Sub-Group of the DGEAC working group on entrepreneurship learning.
- d) the major activity of the CoP on employment and employability was the preparation of methodological instruments for the implementation of the FRAME project funded by DGELARG. The CoP started to design methodologies in (i) foresight (ii) institutional capacity assessment and (iii) monitoring. Other activities included participating in international events and delivering presentations and papers e.g. in the Youth Forum organised by the International Institute for Education Planning (IIEP-UNESCO) on 9-11 October in Paris on the topic of transition from school-to-work, as well as supporting country activities in the ENP-E region, IPA region, Morocco and Central Asia.
- e) the CoP on governance and lifelong learning provided the content for the corporate conference on "Multilevel governance in education and training: challenges and opportunities", held in Brussels on 31 May and 1 June 2012. The event brought together some 145 participants from 37 countries. Besides partner countries and EU institutions there were also a number of EU Member States and international organisations represented. All conference documents, including the conclusions, were published on the ETF website. The CoP developed a methodology for mapping and assessing governance modalities in the partner countries. This methodology was implemented in Azerbaijan, Croatia, Kazakhstan, Serbia, Tunisia and Ukraine on a pilot basis. The outcomes of this work inspired the conference and led to a Study on Governance and effective VET systems. The methodology was also the starting point for mapping governance modalities in the Southern Mediterranean under the GEMM project. The CoP developed a reflection note on VET and regional development on which the ETF work in Tunisia and Morocco builds. The CoP finalised an ETF Position Paper on Social Partnerships. Finally the CoP supported the activities of the ETF in the partner countries in the ENP-E region under the regional project on continuing training.
- f) the work of the CoP on VET and sustainable development focused on drafting a policy brief on "Learning for a Green Future" and finalising a working paper and a methodological paper on indicators for education and sustainable development. The two papers could form the basis for promoting a dialogue for including Education for sustainable development and green skills development in VET systems in the partner countries. Networking and co-operation with relevant international organisations (ILO, UNESCO-Unevoc, OECD etc.) led to the participation of the ETF in the Inter-Agency Working Group on Greening TVET and Skills Development and an ETF contribution to a leaflet for distribution and awareness raising at important conferences. The ETF approach to VET in the context of sustainable development was presented to the BIBB and

perspectives for cooperation discussed. The planned "Development of a methodology for identification, forecasting and provision of skills for green jobs" was cancelled due to the lack of a pilot country (no expressions of interest by partner countries and/or ETF country managers).

2012 was the second year of implementation of three innovation and learning projects (ILPs) to support policy development in the partner countries and the external dimension of EU policies:

- Matching and anticipation of skills developed a position paper outlining the ETF approach in relation to this policy objective in the partner countries. The project worked towards the development of methodological guides focusing on specific approaches to matching and anticipation of skills namely on sectoral approaches, the role of intermediary agencies and measuring skill mismatches. The guides are being developed in cooperation with the ILO and Cedefop. Advanced drafts of the first two guides and the outline of a third one were discussed in an expert validation workshop that took place in Turin on 29-31 October and brought together some 35 participants including internationally renowned researchers, experts and practitioners from EU Member States, partner countries and international organisations. The workshop was an opportunity for discussing the work with the ILO and Cedefop, and for setting out future cooperation in 2013. The project is included in the EU Skills Panorama and the ETF is regularly involved in expert meetings to discuss the progress and coordination of actions in the field with other EU institutions. The application of the Cedefop methodology to partner countries has been cancelled due to lack of interest; while for cost effectiveness reasons the two foreseen validation seminars were merged into one bigger one
- Promoting learning in different contexts and vocational education and training is an ILP that assesses the conditions for applying work-based learning in the partner country context. During the second year of the project under component 1 two field visits took place to Jordan (23-26 April) and Ukraine (24-28 September) to better understand the modalities of practical learning in VET. The results of the field visits will be disseminated in 2013. Under component 2 an International Symposium on competence measurement in VET was organised on 24-25 May in Turin involving experts from seven ETF partner countries (Russia, Belarus, Ukraine, Kazakhstan, Turkey, Lebanon, Kosovo) and other countries (Germany, Switzerland, Norway, China, Brazil, South Africa, Vietnam). The purpose was to better understand the methodologies that can be used to measure competences in VET under different delivery modalities. Under component 3 on Teacher and Trainer Training, the 3rd Focus Group meeting of policymakers and social partners on VET teachers and in-company trainers was implemented (Turin, 23 May) and a peer learning activity on VET teachers and in-company trainers (Cuxhaven, 24-27 September). These activities will contribute to the development of a paper on 'Competence requirements and development of VET teachers and in-company trainers' to be finalised in 2013. Moreover, the ETF cooperated with the ILO-ITC on presentations on 'Key issues in TVET strategic planning: Career Guidance' in the course on 'Strategic Planning in TVET', and on 'Key issues in TVET strategic planning: Modern Apprenticeship' in the course on 'Strategic Planning in TVET' on 7 and 29 May in Turin. Project team members represented the ETF in international events and the ETF contributed to the development of an International Memorandum on 'An Architecture for Modern Apprenticeships – Standards for Structure, Organisation and Governance' as a member of an international commission in the framework of INAP (International Network on Innovative Apprenticeships). Finally the project contributed to the design and implementation of activities in the partner countries.
- The project on migration and skills finalised surveys in Armenia, Georgia and Morocco. The reports for Armenia and Georgia are complete while the one on Morocco will be finished in Q1 2013 given the late arrival of the data. Also the draft of a cross-country report based on the results of the surveys has been finalised. The project continued to provide regular inputs to the Mobility Partnership (MP) agreements and/or migration dialogue meetings, and is proving very relevant for the EC services and other international donors. Project team members made presentations in

international events (e.g. at the DG HOME conference and workshop in Brussels on 27-28 June on “Mobility Partnerships: Past, Present and Future” and the policy workshop on “Mobility partnerships: Why, What and How?”; at the summer school of the Migration Policy Centre, in Robert Schuman Centre for Advanced Studies at the European University Institute (EUI) on 6 July 2012; at the EaP Panel meeting on Migration and Asylum under Platform I in Chisinau in October; at the ETF MP conference on skills and employment of migrants in Yerevan on 16 October etc.). The ETF provided comments and inputs to the draft MP Agreements with Tunisia and Morocco upon the request of DG HOME. Most recently, the ETF was invited by DG HOME to participate in the launch of the EU-Jordan Dialogue on Migration, Mobility and Security which took place in Amman on 12 December 2012.

1.4.3. Enlargement (Western Balkans and Turkey)

The annual objectives for the Western Balkans and Turkey were achieved in 2012. The main challenges identified in the Enlargement Strategy Paper 2010-11, the goals and methods of the Europe 2020 strategy as well as South Eastern Europe 2020 Strategy have shaped ETF cooperation at national and regional levels. As the 2012 Enlargement Strategy Paper says, the political commitment to implement reforms is often too weak. “Labour markets remain largely unreformed and vocational education systems do not contribute to reductions in skills mismatch. As a result, workers often seek jobs abroad which, in the short-term, benefits economies through remittances and relief in unemployment; however, in the longer run it limits the potential for growth due to a smaller labour force and brain drain”. The ETF has been working with a wide range of stakeholders at both country and regional levels to address these challenges.

Support to the European Commission

Human Resources Development (HRD) reviews

The final round of HRD reviews – an analysis of education and training in a lifelong learning perspective, employment and social inclusion conducted at the request of DG Employment, Social Affairs and Inclusion (DG EMPL) - has been concluded. Dissemination seminars took place in Turkey, the former Yugoslav Republic of Macedonia and Croatia. The analysis and recommendations provided input for the finalisation of the respective Operational Programmes (OP) of IPA IV on human resources development and support the EU Delegations and DG EMPL. The presentation of the results of the Croatian HRD Review was an integral part of the Joint Social Inclusion Memorandum /Joint Assessment of Employment Priorities seminar held in May in Croatia to prepare the country for the upcoming accession. The seminar in the former Yugoslav Republic of Macedonia took place in May 2012 and supported the revision of the OP. The ETF has been invited to comment on the draft OPs for Albania and Montenegro and to run a seminar in Serbia on the OP and its implementation in the overall reform context.

Regular progress reviews

The ETF provided input to the Enlargement strategy paper 2012 through the review of VET, employment and social inclusion in all partner countries. This has been complemented with the ETF’s direct contribution to sub-committee meetings for human capital development in Kosovo, Albania, Serbia, and Croatia and support to the EU interventions on the modernisation of the VET system in Turkey. In addition, written inputs have been provided for IPA I programming and implementation to the EU Delegations in Albania, Kosovo and Bosnia and Herzegovina.

IPA - Multi-Beneficiary (MB) Programmes

The ETF has continued to provide advice and guidance to DG Enlargement on the *IPA-MB-Project on Inclusive Education*, and attends steering committee meetings (the first in December 2012 in France). This will continue in 2013 and be closely linked to the ETF regional project on inclusive education.

Also for the *IPA-MB-Project on Private Sector Development*, the ETF has continued to provide regular support to DG Enlargement. This has included input to monitoring the Regional Competitive Initiative (contract with OECD) and the activities of the Southeast Europe Centre for Entrepreneurial Learning (SEECCEL) by attending steering committee meetings in Paris in April and Zagreb in October, which took place back-to-back with a ministerial conference where the Small Business Act regional report was presented. The ETF has continued to be involved in the work of the Southeast Europe Investment Committee (SEEIC) (as per the Memorandum of Understanding signed in November 2011 and facilitated by Regional Cooperation Council) for the development of the Southeast Europe 2020 strategy. The ETF has been a member of the taskforce and attended meetings in Bled (July), Jahorina (September) and Sarajevo (October). At a ministerial meeting in November in Tirana, headline targets and indicators for future regional co-operation and for a regional strategy (2014-20) to be developed by November 2013 were agreed. The ETF was asked to contribute to developments related to HRD. The SEE 2020 strategy will also serve as input for future IPA-MB-Planning. The strategy has developed into the reference framework for ETF interventions in the Western Balkans and Turkey. The ETF will participate in 2013 in the Inclusive Growth working group as well as in the Smart Growth Working Group to prepare for a fully-fledged regional SEE 2020 strategy.

Preparing for IPA II (2014–20)

DG Enlargement invited the ETF to support the programming of IPA II by developing long-term visions for HRD, roadmaps for their implementation and specific indicators for monitoring. The project has been included in the ETF work programme 2013 (€1.4 million) to be financed from the IPA-MB-Envelope 2013. The delegation agreement is expected to be signed in Q1 2013 upon the approval of the budget for IPA-MB 2013. Meetings and discussions with donors active in the region, in particular World Bank and OECD took place to ensure synergy and complementarity.

Torino Process

An important achievement in 2012 was the implementation of the Torino Process (TRP) with a high level of ownership and commitment. Dissemination events took place in Bosnia and Herzegovina, Serbia, Kosovo and Montenegro. Executive summaries for Albania and the former Yugoslav Republic of Macedonia will be available in Q1 of 2013. The draft regional Torino Process report has been drawn up reflecting country report findings, results of HRD reviews and Bruges reports as well as other ETF analytical work. It will be finalised in Q1-2013. The regional debate of the Torino Process analysis will be organised in May 2013.

Bruges Process

The involvement of the candidate countries in the Bruges Process aims to increase the quality of VET in Europe by making it more accessible and relevant for the labour market. It has supported evidence-based analysis for effective policy making in VET. The ETF worked closely with Cedefop on this activity, which included the elaboration of country fiches and a regional report covering the EU as well. This was published at the end of 2012 by Cedefop.

Country initiatives

Regarding support for capacity building and policy advice to partner countries, in Albania the focus has been on the development of a VET strategy by the authorities. In Bosnia and Herzegovina, the ETF has been instrumental in mainstreaming entrepreneurial learning into VET through curriculum development and teacher training. In addition regular dialogue with country stakeholders on the implementation of the Baseline Qualification Framework has helped the country clarify its ideas. In Montenegro, a value chain analysis in the dairy sector highlighting possible implications for VET and economic sectors has increased co-operation between education and the world of work. In the former Yugoslav Republic of Macedonia, the ETF supported policy makers in the development of a new VET

strategy. The collaborative evaluation model developed in 2011 jointly with stakeholders has been the basis for this cooperation. In Croatia, work on evidence-based policy making has continued to focus on matching skills needs and demands and in co-operation between the ministries of science, education and sport, and labour as well as the social partners. Advice on implementing the NQF has also been provided. In Serbia, advice was provided for the further development of the NQF and challenges related to its implementation. In particular the joint involvement of relevant stakeholders from VET and higher education in a lifelong learning perspective was a key achievement. Input to the finalisation of the evidence-based VET strategy was provided through the ETF's analytical work under the Torino and Bruges Process. In Kosovo, support was given to the implementation of an NQF, evidence-based policy making and related indicator development in the area of human resource development (sector wide approach). In Turkey, work continued with the Skills Testing and Certification Centres (VOC-TEST), the Vocational Qualification Authority, Higher Education Council and social partners on the implementation of the NQF.

Dialogue with relevant donors took place in all partner countries, but in particular in Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Albania.

Regional initiatives

At regional level, the two-year regional inclusive education project (2012-13) with a focus on the role of vocational schools in promoting inclusive societies and the formulation of inclusive education policies began in 2012. The project involves policy makers, researchers, civil society and three pilot schools to carry out a comprehensive analysis of the challenges and to look at joint solutions. Israel has asked to join this regional initiative to share experience. Research started at school level and involved wider stakeholder groups in the second half of 2012. Initial findings were shared between the countries during a regional meeting in Vienna organised jointly by the ETF and Kulturkontakt. Common concerns and possible ways forward were discussed. Participants had the opportunity to look at how Austria deals with inclusive education. Work will continue in 2013 leading to country reports and a regional document.

The ETF has continued regular dialogue and exchange of information with the Human Resources Task Force, Regional Cooperation Council (RCC), the South-East Europe Centre for Entrepreneurial Learning (SEECCEL) and the Education Reform Initiative in south eastern Europe (ERISEE). This included regional meetings on NQFs or evidence-based policy making. The Memorandum of Understanding between the ETF and the RCC was approved by the ETF Governing Board and the RCC authorities and will be signed in Q1 2013.

The ETF continued regular dialogue and exchange with counterparts responsible for the Danube strategy and Pillar 9 on skills and pillar 8. It attended the first annual Danube conference in Regensburg in November as well as the pillar 9 steering group meeting. The ETF provided an intervention at the pillar 9 workshop at the Danube conference.

1.4.4. European Neighbourhood

European Neighbourhood South (Southern Eastern Mediterranean countries)

Two years after the Arab Spring, a high degree of uncertainty still prevails in many countries in the region and this requires flexibility and the ability to react quickly. The Draft Opinion of the European Parliament's Committee on Employment and Social Affairs on the discharge of the ETF's 2011 budget¹⁰ calls on the Committee on Budgetary Control to incorporate the following suggestions: "[...] welcomes the work of the Foundation done in the aftermath of the Arab Spring revolution and

¹⁰ 2012/2192(DEC). The European Parliament Committee on Employment and Social Affairs is the committee responsible for the ETF.

congratulates it on 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". The emphasis given youth employability has continued to be a priority and, with it, the focus on vocational education and training as an important means of improving the employability of young people and the existing work force. Support to skills development for micro, small and medium-sized enterprises has also gained attention in the political agenda, acknowledging the key importance of micro and SMEs for job creation. Within these challenges of uncertainty and an increasing number of requests and workload, the results achieved in 2012 are particularly remarkable.

Working in politically heated and unstable areas

The trend of increased support from the EU to the VET sector continued in 2012. The number of new requests for support to EU Delegations increased. At country level, this has included the design of a new VET project in Libya and a mission to Gaza. Contributions were made to the design of work-based learning in Lebanon, a study on employment in Morocco, and the on-going request for a new VET project in Egypt. This demonstrates the capacity of the ETF to adapt to challenging political situations and to work in politically heated and unstable areas¹¹.

Support to the EU

Following the agreement between DGEAC and DGDEVCO, in the second half of the year, preparations intensified for the finalisation of a new project on "Governance for Employability" (GEMM) funded by DG DEVCO. Communication continued on the contractual and administrative modalities. It is expected that the contract will be signed in the first months of 2013.

In addition to the above at cross country level, the ETF completed the third regional review on employment in the countries of the Union for the Mediterranean (both Mediterranean and Western Balkans) that was presented at the high level expert meeting in February and at several international conferences. In parallel, employability fiches for each country were updated. In 2012 the ETF participated at the DGEAC launching of the high level policy dialogue with EuroMed countries, sharing the results of the employability study. In relation to the issue of skills for Micro and SMEs, the methodology for the second EuroMed Charter assessment, in cooperation with OECD and EIB, was finalised, with the assessment started in January 2013. The results of the social partnership project that promotes the active engagement of social partners in skills and training measures were shared, among others, at the informal round table discussion on Euro-Mediterranean Social Partners organised by the European Commission (DG EMPL) in April in Brussels, as well as at the Euromed Summit of Economic and Social Councils and Similar Institutions in Amman, October 2012.

The ETF support DG ENTR in the organisation and implementation of a TAIEX workshop on dimensions 2 and 3 of Euro-Mediterranean industrial cooperation (education and training workshop for entrepreneurship and improved skills) on 26-27 June in Brussels. A total of 45 stakeholders from the Southern and Eastern Mediterranean (ministries, state agencies, business associations) participated. The outcomes were: enhanced capacity of countries to implement guidelines of the Charter and evaluate their progress under the Charter in 2011-12, dissemination of examples of good practice fed into a database and case studies developed for future workshops.

Regarding direct support to the EU, the last issue to mention is skills and mobility that continued to be very topical. From the skills dimension site support was provided to DG Home. The results of the ETF survey on skills and migration in Morocco, to be widely disseminated in February 2013, will provide a

¹¹ In Syria, in line with instructions from the European Commission, activities were suspended in May 2011 and continued thus throughout 2012

valuable input to the Mobility partnership project. A dialogue with Jordan started in December (as a result of the discussions during the EU-Jordan high level taskforce) to which the ETF contributed.

Torino Process

In 2012, the implementation of the Torino process (TRP) has continued in the region with an increased level of ownership, in particular in the case of Jordan and the entry of Libya to the Process. The preliminary results were discussed at a Ministerial Forum and conference in September in Jordan, which also marked the launch of the Young Mediterranean Leaders initiative. The ETF organises learning and development activities for 16 selected young people and involves them in country activities, together with the European Group for Public Administration (EGPA). The turnout of ministers was high (all countries except Algeria and Libya sent ministerial level representatives) and the event offered them the opportunity to network and to share experience. The regional conference confirmed the preliminary findings of the analyses and was an excellent opportunity for networks of new stakeholders that emerged after the 2011 events to meet with the donor community and other countries' delegations.

Finally, and given the increased attention paid by the international community and donors to the region, significant efforts were deployed to coordinate and exchange information and experience with bilateral and international donor organisations. A donor cooperation meeting was organised back to back with the Ministerial Forum. Contacts with the Union for the Mediterranean Secretariat particularly increased in the framework of preparations of the Mediterranean Initiative for Jobs and the Mediterranean Business Development Initiative. In the region, the ETF cooperates successfully with European Investment Bank (EIB).

These activities resulted additional outputs and a 100% level of achievement, a cancellation of a request for the design of a new education intervention in Egypt, a new employment review in Morocco and two requests to support the EU Delegation to design work-based learning and develop terms of reference. This demonstrates the ETF's flexible approach to planning and responding quickly to ad hoc requests. The assessment of the Euromed Charter was postponed to 2013 at the request of DG ENTR and the corresponding resources were used to update the methodology, adding seven new indicators and preparing detailed guidelines.

In terms of support for capacity building and policy advice, in Tunisia the intervention on regional development that started in 2011 was consolidated and a project launched in February. In Morocco support for the NQF continued, with growing political interest and the agreement to hold an inter-ministerial meeting in February 2013 to decide on its governance. Preparations for the regional development project in Tangier continued throughout the year for launch in February 2013. Representatives from Libya participated in European and regional experiences in the fields of governance and entrepreneurial learning. Following the elections, Libya also committed itself to the Torino process in December with a successful launch event. The first Torino Process report should be completed before the conference in May 2013. In Egypt work continued to focus on support to the EU vocational training project. In Lebanon, the NQF project co-funded by Italian cooperation funds was successfully completed, with a public event jointly addressed by the Minister of Education and Higher Education and the Minister of Labour. The Entrepreneurial Learning project continued with the completion of the training of trainers and principals component. In Jordan, support to career guidance was provided and due to an increased sense of ownership of the Torino Process and the need to increase capacity in monitoring VET systems, Jordan will focus on capacity building for evidence-based policy making in 2013. In the occupied Palestinian territories the teacher training project continued with a pilot training module despite some delays due to the split of the Ministry of Education and Higher Education into two separate ministries and some instability during the last months of the year. Israel successfully completed the self-assessment of the Torino Process and continued to participate in the Western Balkans and Turkey regional social inclusion project.

These activities resulted in the achievement of all outputs under F2 and F3. Two outputs linked to the projects in Morocco and the occupied Palestinian territories were cancelled due to a limited availability of resources and a lack of commitment from other key ministries. In Morocco resources were used instead for the identification of a regional development project and other activities, such as participation in the UNESCO congress. In the occupied Palestinian territories resources were used for additional EU requests.

The regional sectoral qualifications project remains very relevant. The October regional conference in Amsterdam confirmed the interest of the countries and provided input for the 2013 project plans. Further to the request expressed in 2011 at the project's annual conference, the ETF developed a proposal for the project's sustainability. This proposal was presented during country missions, to the European Qualifications Framework (EQF) Advisory Group and at the regional conference in Amsterdam. The results achieved so far include agreement on a common methodology to compare qualifications and four common profiles in the sectors of tourism and construction. A number of concrete benefits are starting to emerge at country level. In Tunisia, for example, existing profiles are being adapted in line with the agreed common profiles. In Jordan, the project methodology will contribute to facilitate worker mobility and, at a later stage, to the mutual or partial recognition of qualifications, while the Egyptian representative indicated that the use of EQF terms and concepts has created the necessary conditions to achieve this goal. Morocco highlighted the fact that the project contributed to the dialogue at national level between sectors and VET/qualification authorities.

The social partnership project completed its activities (with the exception of the mapping in the occupied Palestinian territories). The project has focused on two approaches to building capacities among representatives of national social partner organisations in the region: mutual learning at regional level between participants from all seven countries and developing capacity in national organisations. These activities were complemented with a second regional conference in Istanbul in October 2012. The project team was supported by an Advisory Expert Committee (AEC) composed of social partners from the EU and participating countries, the ILO and Eurofound. The Istanbul conference made the link between the social partnership project outcomes possible with the upcoming Governance for Employability in the Mediterranean (GEMM) project. The participants discussed the project results of the social partnership project, such as the methodological note, the mapping of social partners and experiences from study visits and national workshops. The ETF put forward several key aspects to enable the fine-tuning of the upcoming GEMM project to make it more in line with current needs and resources in the region.

A series of dissemination and information exchange events with other international stakeholders were organised at both regional and national levels under the framework of two projects on the regional dimension of sectoral qualifications and social partnership in human capital development. These involved EU Member State institutions and international organisations. All outputs have been achieved with the exception of the dissemination of the migration survey in Morocco published in February 2013 together with the inter-ministerial meeting on qualifications.

[European Neighbourhood East \(Eastern Europe\)](#)

The annual objectives for Eastern Europe were achieved in 2012. ETF support to the European Commission was delivered through the EU Delegations, in particular in Republic of Moldova, Georgia, Ukraine and Azerbaijan. Progress reports on human capital development were drafted as input for the EC reporting on the European Neighbourhood Policy.

In cooperation with DGEAC, in the framework of Eastern partnership Platform 4 'Contacts between people', the ETF organised a regional conference on the Torino Process on 4-5 December in Brussels back-to-back with the Eastern Partnership (EaP) Platform 4 meeting. Partner countries and several EU Member States supported the analysis of VET in the countries and the progress made in VET policy

design, legislation, stakeholder engagement and NQFs. The challenge for the coming years is to accelerate policy implementation.

The Torino Process (TRP) 2012 has been launched in all countries. Azerbaijan, Belarus, the Republic of Moldova, Russia (national and Moscow region) and Ukraine drafted self-assessments of VET in line with the Torino Process methodology. In Georgia, the Torino Process was combined with the monitoring of VET progress under the Sector Policy Support Programme. The Ministry of Education has also shown interest in using Torino Process indicators for regularly measuring progress in VET. This report was an important element in the policy agenda of the new Georgian government. The 2012 Torino Process has led to better quality reports and higher commitments from the countries than the previous round.

The ETF also drafted the country reports and the regional reports for the Small Business Act (SBA) assessment on the basis of discussions with the countries on key issues and scores on Entrepreneurial Learning and Enterprise Skills. The reports have been integrated in the joint EC/OECD/ETF/EBRD publication on SME Policies in the Eastern Partnership (EaP)¹². The ETF contributed to a presentation of the SBA assessment for EaP at the SME Forum in Batumi in October and the EaP Platform 2 meeting in November. One of the follow-ups of this assessment is the organisation of a regional Entrepreneurial Learning conference in June 2013 in Chisinau by the ETF and the Republic of Moldova in the framework of EaP Platform 4. Another follow-up was the advice that the Moldovan Ministry of Economy asked the ETF on its SME strategy development.

The ETF has also prepared a project on skills matching for the EaP Platform 2, which will be implemented in 2013.

At regional level the continuing vocational training (CVT) project went from peer learning visits to the implementation of national actions combined with regional peer learning. Visits to the Republic of Moldova, Georgia and Azerbaijan and peer discussions contributed to the first draft regional report on continuing training in Eastern Europe, which was discussed at the dissemination conference in June in Estonia. The dissemination conference in Tallinn and also the regional workshop on sector committees in October in Kiev showed that the participants were eager to learn from each other. The key challenges for continuing training in Eastern Europe are the involvement of social partners; quality and quality assurance and funding. There are big differences between continuing training provision in and for big companies compared to SMEs. The countries agreed on a national and regional focus on the establishment of sector councils as an instrument for increased social partnership (Azerbaijan, Belarus, Republic of Moldova, Russia) and developing a policy paper on the Validation of Non-Formal and Informal Learning (Armenia, Georgia, Ukraine). All participants are very positive about their learning experience and the motivation to share and implement is high. In Ukraine this has already contributed to the new law "on professional development of workers", a new continuing training policy paper, and a tax law that gives incentives to employers to invest in continuing training.

The ETF has actively contributed to the development of the bilateral Mobility Partnerships (MP) and EaP Platform 1 discussions. The regional meeting in Yerevan in October on migration and skills showed the importance of sharing knowledge and experience. The migration studies for Armenia and Georgia contributed to sharpening the picture on skills constraints and opportunities for migrants.

The migration studies in Armenia and Georgia (carried-over from 2011) were finalised. Presentations on the results were made for national audiences. The conclusions show a strong skills mismatch in migration and problems to use acquired skills effectively upon returning. At national country level

12 OECD et al. (2012): SME Policy Index: Eastern Partner countries 2012: Progress in the Implementation of the Small Business Act for Europe, OECD <http://dx.doi.org/10.1787/9789264178847-en>

progress has been made on several fronts. In Georgia, the ETF project on curricula reforms has led to a methodology package and two 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, which started in July. A workshop in November presented the final results and addressed the issue of assessment and certification of qualifications. The project is a good example of how a small intervention can have a major impact if it is strategically selected.

In the Republic of Moldova the further dissemination of the occupational standard methodology has been combined with raising awareness on the transition to using learning outcomes. Based on earlier work with the ETF, the Republic of Moldova established two new sector committees which have been involved in capacity building and occupational standards using the experience of the agriculture and construction sector committees.

In Ukraine, the support for a NQF (NQF) is moving towards implementation arrangements. The ETF completed a report on the analysis of the Ukrainian qualification system, which was presented during the NQF conference. The report was used by the Ukrainian working group led by the Ministry of Education as input for the NQF strategic concept paper. A presentation on the validation of non-formal and informal learning was also made. Ukrainian social partners contributed to a workshop in Belarus to discuss NQF perspectives and social dialogue in Belarus.

In the Dnipropetrovsk region a skills survey and analysis was carried out as a basis for the discussion about school optimisation. At the request of the Ukrainian government, the skills anticipation methodology and the results in Dnipropetrovsk will be disseminated with the support of the EU Delegation to all regions of Ukraine in March 2013. In Azerbaijan the draft NQF Decree was discussed with a wider group of stakeholders at the international seminar organised by the Ministry of Education, in cooperation with the Council of Europe and the ETF. The submission of the NQF Decree has been delayed because of a disagreement between relevant stakeholders. An ETF seminar on sectoral committees in December 2012 underlined these problems. Strong statements have been made by social partners and sector representatives, that occupational standards must be linked to VET curricula. This issue will be addressed in the framework of the CVT project in 2013.

In Armenia, the ETF participated in the meeting of the Task Force, chaired by the deputy Minister of Labour and Social Issues to monitor the progress in the review of the National Employment Strategy and a new draft law on employment. Key stakeholders were able to learn from Cypriot Training Fund experience during a peer learning visit in June.

The ETF was invited for the first time to participate in the Partnership for Modernisation between the EU and Russia. The issue of the skills gap is high on the agenda and the EC services have shown an interest in the ETF's engagement in future cooperation. Furthermore, career guidance policies and practice in Russia were addressed at a seminar in October.

Belarus actively participated in the Small Business Act Policy Assessment in EaP region and ETF recommendations on SBA Human capital dimensions have been fully supported by the government and stakeholders leading to a priority status being given to entrepreneurial learning promotion. The awareness raising workshop on Entrepreneurial Learning of 30 November received a lot of interest from stakeholders, including ministries of economy and education, employer/entrepreneur associations and education institutions. The Republican Institute for Vocational Education (RIPO) took the responsibility to facilitate the follow-up from the education side while the Youth Business Incubator followed-up from the SME training side.

On 24-25 October in Kiev, the ETF held the first of a series of workshops to help set up sector skills councils in Eastern Europe. The workshop focused on the rationale of the sector skills councils, and

their roles and responsibilities. The participants of the event came from seven countries involved in an ETF project on continuing vocational training (CVT): Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, Russia and Ukraine. Speakers from Croatia and Turkey brought the experience of EU candidate countries to the discussion. Skills councils composed of key stakeholders of a particular economic sector - representatives from trade unions, employer organisations, and education and training systems – can potentially help to reduce skills gaps and shortages, and make the training offer more responsive to labour market demands. The role of social partners is crucial and skills councils can make their involvement stable. In addition to designing occupational standards and reviewing the qualification system, the skills councils contribute to the validation of informal and non-formal learning and assessment for continuing training – the areas covered by the ETF project.

1.4.5. Central Asia

The annual objectives for Central Asia were achieved in 2012. The ETF continued to provide support to the European Commission as defined in one of its key functions. Support was given through updated information for the Education in Central Asia information fiche, by commenting on the action fiche for budget support and on the EU project monitoring reports for the EU Delegations in Kazakhstan, Kyrgyzstan and Turkmenistan. The ETF participated in donor meetings in Kyrgyzstan and Uzbekistan, Tajikistan and Kazakhstan. A specific request was received from DG DEVCO for the preparation (project identification fiche, action fiche and terms of reference) of a follow-up project on education and a mid-term review of the EU VET project in Turkmenistan. In Kyrgyzstan a second set of comments on the action fiche for budget support in Kyrgyzstan was delivered, which were appreciated and taken into account by the EC.

Regional policy dialogue in Central Asia

The Torino Process is progressing in Central Asia. Evidence-based policies were presented by Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan stakeholders at the statistics conference in March in Torino. Kyrgyzstan and Tajikistan increasingly focused on evidence in national strategy papers and through the transition study. The 2012 Torino Process has led to a substantial improvement in the quality of the national reports for Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Focus group meetings and validation meetings have led to lively debates among stakeholders and in general to agreement on the main analyses. Turkmenistan decided not to participate this time. The regional report will be discussed in the regional meeting in Astana in February. The Torino Process report and transition study contributed to the debates about the implementation and use of evidence. The dissemination of the transition study is expected to trigger wider debates in Kyrgyzstan and Tajikistan.

The EEAS and the Commission have also received the Torino Process policy analysis as a contribution to EU Programming 2014-20. Education and training receives more and more attention in EU-Central Asia cooperation. For Turkmenistan, the Commission has asked the ETF to identify a follow-up to the education project. A mission in September provided the key input. As a result the ETF will organise a workshop on teacher training, instead of the planned one on employment. The ETF has provided support to the EU Delegation in Kyrgyzstan on the upcoming Sector Policy Support Programme and on the implementation of grant scheme projects.

In collaboration with the European External Action Service (EEAS), the ETF has become an important expertise player in the Central Asia Education Platform (CAEP). The ETF and CAEP will organise the Regional Torino Process meeting on 13-14 February 2013 in Astana.

The School Development project ended phase I with the regional dissemination conference in Bishkek in March. Several schools shared lessons learned from the capacity development programmes by presenting their strategic plans and follow-up actions, in particular in newly built relations with local companies. There was also evidence that teacher training institutes in Kazakhstan in particular have

already made use of the capacity building modules of the project. In Kyrgyzstan, the additional module on adult learning was carried out. Participants showed strong ownership of the project and designed the follow-up project until 2014. National-local policy dialogue, further capacity development, train the trainers and school partnerships are the key pillars of phase 2.

Although the final conference of the first phase of the project in March in Bishkek was successful in designing for the second phase, regional cooperation through the school development project made slower progress which led to a revision of the plan. In Q4 the first teacher training module was implemented in Kazakhstan, Kyrgyzstan and Tajikistan and the first meeting of the regional policy dialogue on quality assurance was held in Dushanbe. The second training module had to be postponed to 2013. The publication of the first phase of the project had to be delayed, but it is now almost finalised. In Uzbekistan, the NVQ work programme was postponed for a year to ensure the involvement of stakeholders.

At country level EU projects were supported in Kazakhstan, with complementary workshops on education and business cooperation and national and regional policy dialogue, and in Kyrgyzstan with the preparation of budget support. In Kazakhstan, a seminar discussed education and business cooperation and work-based learning.

In Kyrgyzstan, the Transition from School to Work study led to ministerial and parliamentary debates on VET and youth employment and on the need to promote the collection and use of evidence. The focus of activities is shifting from adult training to teacher training, with new opportunities for embedding school development modules into the system and support to the VET Council and sector councils. Kyrgyzstan also participated in the regional workshop on sector councils in Kiev. The ETF shared some examples of good practice from other countries and provided capacity building for the members.

In Tajikistan, the ETF commented on new strategies for education and for employment with the expansion of VET as a priority. Its implementation will be a major challenge. Data have been collected and analysed for the transition study. The report will be finalised in 2013.

In Uzbekistan, the debates on the development of an NQF have led to discussions on referencing existing education levels to EQF levels. EU comparison may be a stronger driver behind the NQF interest than the aspiration to move towards competency-based learning outcomes. Available standards in three professions have been analysed and commented upon.

In Turkmenistan, the ETF played a bridging role between existing and new EU projects in education and VET. The April seminar led to more awareness about the relevance of investing in Entrepreneurial Learning in VET. A November workshop on teacher training supported the identification of new projects. The project identification fiche was sent to the EC in December.

For the first time ever, there are real figures to back up evidence on the often troublesome reality for school leavers in Kyrgyzstan. The comprehensive picture that emerges from the ETF study on the transition from school to work can become a cornerstone for future policy development in the Central Asian country. To collect the data, labour market specialists and statisticians adapted a methodology that the ETF has successfully applied in other countries since 2007. In addition, the ETF carried out a survey involving 2,100 people aged between 15 and 29 who had left education during the last six years. Almost 37% of respondents are involved in family work, the study showed. The results of the research are so fresh that the debate on follow-up activities is only just beginning. There appears to be a strong argument for moving the focus of VET reforms away from urban schools, in part because of the continuing migration.

1.5 Outputs

As in previous years, the 2012 work programme aimed to achieve a series of corporate outputs. Each output is related to a specific need identified in a partner country, at regional level or for thematic support¹³. The 2012 work programme targeted the achievement of 157 corporate outputs distributed between regions, functions and core themes. The ETF's corporate performance is measured on the basis of outputs as quantitative indicators measuring the achievement of the specific objectives, outlined in section 1.1¹⁴. The ETF also assesses the quality of the results, based on the use of the outputs (outcomes)¹⁵, the monitoring of projects (which include a qualitative assessment of the relevance, efficiency, effectiveness, sustainability and impact) and for the whole mid-term perspective, an assessment of added-value and impact.

Table 1: The achievement of corporate outputs in 2012

Corporate Outputs 2012	Achieved in 2012	Cancelled	Postponed to 2013
Targeted in WP 2012: 157 (100%)	136 [121] (86.6%) ¹⁶	17 [13] (10.8%)	4 [15] (2.5%)
New requests in 2012: 11 (12.1%)	11 [15] (7%)	0 [1]	0 [2]
Postponed from 2011: 17 (9.4%)	14 [14] (8.9%)	2 [0]	1 [0]
Total	161 [150] (102.5%)	19 [14] (12.1%)	5 [17] (3.2%)

The figures in [] are for 2011. Percentages are calculated in respect of the annual target of 157 corporate outputs.

The cancellation of the outputs in 2011 was due to the political situation in Egypt. The report on school development in Central Asia is the capacity building output that was postponed and should be completed in the first half of 2013. This was due to the cancellation of an open tender to provide training providers for the programme. The final distribution of outputs reflects the management of priorities in the ETF, which is characterised by the flexibility to accommodate new priority requests and cancel others, within the overall framework adopted by the Governing Board in the annual work programme. In this respect, the achievement of outputs indicates the effectiveness of the work undertaken, but also the capacity to react to the evolving circumstances of the political environment.

Figures 1.1 and 1.2 below show the corporate outputs by function and theme.

Note on the reporting of corporate outputs from different years

As from the 2010 Annual Activity Report, the ETF began reporting on the corporate outputs postponed following the accrual and differentiated appropriations principles used for the budget¹⁷. This means that outputs are counted not according to the year of the budget they are committed, but according to

13 "The activities of a programme or project are expected to produce certain outputs. It is only through (the) use of outputs that results can be achieved. Here it is important to differentiate between results arising directly from the use of outputs (outcome or direct benefit) and more far reaching results (impact or indirect benefit), which can only be indirectly attributed to activities of the project or programme" (Meyer, W., *Monitoring and measuring the results of interventions related to technical and vocational education and training and the labour market. A guideline for practitioners*, GiZ 2011, p.9):.

14 See Annexes I.3 and I.4 for a detailed distribution and description of outputs by region, function and theme.

15 See section 1.4.

16 Percentages calculated in respect of the annual target of 157 corporate outputs. See Annexes I.2, I.3 and I.4 for details.

17 Accrual accounting recognises revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis accounting that recognises transactions and other events only when funds are received or paid (Financial Programming and Budget Glossary, DG Budget, European Commission [<http://bit.ly/xHgTJU>]).

the completion date of the activity. Therefore, the 17 outputs included in the 2011 work programme and postponed to 2012 are counted and reported on in the 2012 report. Similarly, although four corporate outputs targeted in the 2012 work programme were committed by 31 December 2012, parts of the activities were not completed, so their finalisation (and therefore reporting) will be done in the 2013 Annual Activity Report (a list of corporate outputs carried forward from 2011 to 2012 can be found in annex 1.4)¹⁸.

1.6. Performance and cost-effectiveness

The **relevance** of the ETF's corporate outputs is dependent on the country needs analyses conducted as part of the Torino Process in 2010¹⁹ and consultation with stakeholders in the partner countries and the EU. In 2012, the ETF concluded another of the biennial country and regional policy analysis which will be relevant as a measure for the 2013 and 2014 work programmes. Furthermore, a mid-term evaluation of the ETF Mid-term Perspective was concluded and indicated high satisfaction among stakeholders. The quality of ETF support was rated highly among those directly engaged in the country analysis process. In addition, even those who were not directly involved in the analysis but validated the final report or had access to it, rated the Torino Process reports as useful/very useful for their respective countries implying a wide level of interest in the analyses of human capital development.

The external evaluation conducted by the European Commission and published in 2012 concluded on relevance and adaptability that²⁰:

“ETF relevance and responsiveness were both rated very highly by partner countries and EC/EEAS beneficiaries, thematically and in terms of approach (...) and the ETF has struck a good balance in developing a coherent but flexible work plan.” (p. 26 and p. 38).

As an indication of responsiveness and adaptability to changing circumstances in the policy environment, 11 new outputs were requested in 2012 and 17 were cancelled. The political situation in many of the ETF's partner countries is dynamic (e.g. in 2012 developments in the southern Mediterranean) and new requests from the European Commission were received in 2012 after the approval of the work programme for new activities, postponement or cancellation. Accordingly, the ETF managed its priorities to be able to react swiftly to such requests. This has affected the timing and delivery of some activities with four outputs postponed. Similarly, 17 corporate outputs which were initiated in 2011 but completed in 2012 are reported in this report²¹. Moreover, 17 corporate outputs

18 The ETF uses these budget reporting principles to report outputs in order to be consistent with the financial reporting: 'The Community budget, like any public authority budget, has to reconcile the principle of annuality with the need to engage in multi-annual operations, which means that commitments have to be entered for a longer period than the financial year in which they are made. The answer to this twin requirement is to enter differentiated appropriations, which consist of commitment and payment appropriations: (1) Commitment appropriations cover the total costs of the legal commitments entered into, in principle, during the current financial year, and (2) payment appropriations cover payments made to honour the legal commitments entered into in the current financial year and/or earlier financial years. The existence of differentiated appropriations does not constitute an exception to the principle of annuality. Commitment appropriations as such are authorised for one year under the annual budgetary procedure. The payments for the operations covered by these commitments may extend over a number of financial years; the payment appropriations are subject to budget authorisation each year. This dual annual authorisation of commitment and payment appropriations is a unique feature of the Community budget', p.156 of the European Union Public Finance, ISBN 978-92-79-06937-6, European Communities, 2008, [<http://bit.ly/x9G5Qo>].

19 An assessment after the initial drafting of the implementation plans, but before the Director's endorsement, ensures coherence between the objectives of the implementation plans and the needs identified in the Torino Process country analyses.

20 Service contract EAC-2011-0140 awarded to PPMI by the DG EAC of the European Commission on 30 March, 2011. The evaluation report does not necessarily reflect the opinions and views of the European Commission, nor is it bound by its conclusions. http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#etf12

21 See next section on reporting of corporate outputs from different years.

included in the work programme were cancelled, often due to requests from stakeholders who initially requested the output.

In addition to the measurement of outputs, the ETF records direct requests from the European Commission. In 2012, there were 107 requests (100 in 2011, 105 in 2010, 97 in 2009). As a part of its performance-based management framework, in November 2012, the ETF launched a feedback survey on EU requests which had been completed by October 2012 using survey monkey. The survey was targeted to 26 EC/EEAS staff who had made 55 formal requests of the ETF. The response rate for the survey was 50% (13 responses). Regarding the quality of the services provided, 83.3% of the respondents rated the service as “very good”, 16.7% as “good”, whilst 80% considered ETF products or reports as “very useful” and 20 % as “useful”. Requests were considered to have been received on time in all cases (100%) and some suggestions were made about the ETF enlarging its HCD expertise “on skills development for people that leave school before entering upper secondary education, in particular people dependent on the informal economy for their livelihoods”.

Relevance is also highlighted by the flexibility and adaptability of the ETF to evolving circumstances in the policy momentum in the EU and the partner countries. These are illustrated in the dynamic character of the outputs as shown in table 1 and is in line with article 12.6 of the ETF’s founding regulation²²

On **cost-effectiveness** the external evaluation conducted by the European Commission concluded that:

“The ETF was seen to be effective in all of its main roles, and performed especially well in information sharing and networking.” (p. 48)

With 161 corporate outputs completed compared to 157 targeted (102.5% achievement rate), the ETF was **effective** in achieving its target. This figure is largely composed of outputs targeted in 2012 and completed as foreseen (86.6 % of outputs). New outputs achieved during the year (7%) and completed outputs from 2011 represented an additional 8.9% of the outputs achieved in 2012. However, as a result of the volatile operating environment, four outputs targeted for 2012 were postponed to 2013²³.

By region, the Southern Mediterranean and Eastern Europe ended the year with one more output than targeted, the Western Balkans and Turkey, thematic expertise development and evidence-based policy making ended the year with the same as targeted and Central Asia missed one output for the year due to the cancellation of part of regional capacity building of school teachers.

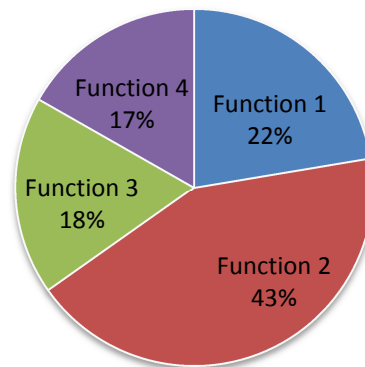
By function, the proportion of achieved outputs was weighted towards F1 (20.4% targeted, 22% achieved), F3 (16.6% targeted, 18% achieved) and F4 outputs (15.9% targeted, 17% achieved) at the expense of F2 (47.1% targeted, 43% achieved). Largely, this was a tendency from the previous year and the reason lies in the description of outputs. Most outputs have capacity building (F2) embedded, but may be associated to another function to reflect the major focus.

Of the achieved outputs for F1, 41.7% were in the Southern Mediterranean and 36.1% in the Western Balkans and Turkey. 16.7% outputs were achieved in Eastern Europe and 5.5% in Central Asia. There was a significant increase of outputs achieved in the Southern Mediterranean compared to the previous year.

²² ‘Where necessary, the annual work programme may be adapted during the year using the same procedure, in order to ensure greater effectiveness of Community policies’, article 12.6, (EC) 1339/2008.

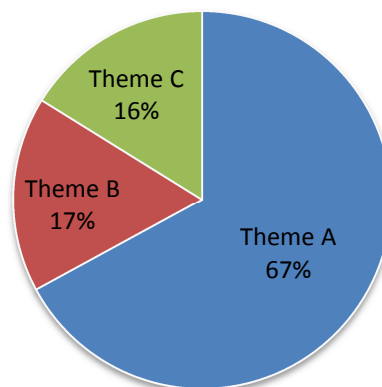
²³ The ETF was also effective in its use of financial resources (see part II).

Figure 1.1 Corporate outputs by function (%)



All targeted F2 (capacity building) outputs amounted to 26% in the Western Balkans and Turkey, the Southern Mediterranean and Eastern Europe. Central Asia achieved 20.3% of the achieved corporate outputs. The Torino Process outputs are recorded as policy analysis (F3). However, the principles and methodology of the Torino Process, following a policy learning approach, could also qualify these outputs as capacity building (F2).

Figure 1.2 Corporate outputs by theme (%)



Finally, by theme, the targeted distribution of outputs was largely respected (67.1% for A. VET and lifelong learning; 16.1%; for B. Employability and labour market; and 16.8% for C. Business and education). The predominance of theme A (VET) is due to the ETF's work at system level, which aims at fostering holistic and integrated policies in the field of human capital development. This is consistent with the definition given in the ETF's mandate to human capital development and its main role in improving VET systems in this broader framework²⁴

²⁴ 'For the purpose of this regulation, human capital development shall be defined as work which contributes to the lifelong development of individual's skills and competences through the improvement of vocational education and training systems'. Article 1.2 (EC) 1339/2008.

The ETF's Performance based Management Framework that was approved in July 2012 by Director's Decision and became operational shortly afterwards closes this section on performance and cost-effectiveness. Most elements of the framework are in place and manage the **quality** of processes for achieving results better. In 2012, the ETF improved its quarterly reporting system and significantly improved its operational planning to ensure project content quality and manage the performance of the agency. In addition, a comprehensive monitoring of all projects was done in 2012, focusing on the identification of areas for continuous improvement using DAC criteria²⁵. The Annual Performance Report issued in March 2013 for the first time describes the availability of quality assurance tools and their use.

With regard to the ETF's **added value**, the external mid-term evaluation of the ETF Mid-term Perspective 2010-13²⁶ in 2012 concluded that:

"Beneficiaries declared the following aspects to be added-values provided by the ETF:

- *Support from long-term experts, who can ensure continuity in the actions and profound knowledge of the fields (57% of respondents have scored this option to be a wide or significant added-value);*
- *The possibility to work under the EC umbrella facilitates the access to relevant national counterparts (58.5% consider this option a wide or significant added value)*
- *The possibility to work under the EC umbrella facilitates access to other relevant donors (60.9% consider this option a wide or significant added value)*

The support provided by ETF's permanent expert is considered a key added value by almost 70% of EU Delegation survey respondents (9 out of 13). This confirms the feedback from the field missions where the advantage of dealing with a "long term expert" if compared to short term framework contractors was outlined in several cases. (p. 24-25 of the MTP Evaluation final report).

The external evaluation conducted by the European Commission in 2011-12 concluded on added value that²⁷:

"The ETF's ability to have an impact and add value in developing concrete change in capacity and networking (as well as other areas) is highly contingent on its ability to engage in partner countries long term." (p. 64)

The Report to the European Council, European Parliament and European Economic and Social Committee following the External Evaluation of the ETF, conducted by the European Commission and published in March 2012, the European Commission concluded in respect of the ETF's added value that: *"...the ETF (has) a positive influence in helping (partner countries) to bring about concrete change and (has) the potential to add the most value in building capacity and improving information dissemination and networking. The ETF has a considerable impact on developing networks between stakeholders and acted as a central stakeholder in working with existing stakeholders and involving new stakeholders in the process. Regional networks are seen as a significant added value of the ETF and one that is not easily provided by other stakeholders. The ETF's ability to have an impact and add*

25 The OECD's Development Co-operation Directorate (DCD-DAC) developed five criteria for monitoring and evaluating development projects, which are agreed and used by most of international donor organisations, including the European Commission. These include: relevance, efficiency, effectiveness, sustainability and impact. More information is available at: <http://bit.ly/wtu0b2>.

26 PPMI (2012).

27 Service contract EAC-2011-0140 awarded to PPMI by the DG EAC of the European Commission on 30 March 2011. The evaluation report does not necessarily reflect the opinions and views of the European Commission, nor is it bound by its conclusions. http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#etf12

value in developing concrete change in capacity and networking (as well as other areas) is highly contingent on its ability to engage in partner countries long term". (p. 9)

In the Report the European Commission concludes in this respect that *"the Commission shares the evaluators' positive assessment of ETF's added value and cost-effectiveness, in particular given its wide mandate and extensive geographic coverage."* (COM (2012) 588 final)

1.7. Stakeholder relations

In 2012, co-operation with stakeholders continued to be a key area of the ETF's activities. This approach was formalised in the *Stakeholder framework for action* adopted in September, which describes the importance of investing in stakeholder cooperation and the ways in which the ETF is looking to strengthen its organisational capacity to manage its cooperation with stakeholders effectively. It also lists the instruments to be used.

In 2012, the ETF regularly presented its work to different Directorate Generals, contributed to events and consulted different key actors in Brussels, including DGs EAC, ELARG, DEVCO, EMPL, ENTR and HOME as well as the EEAS.

Cooperation with other EU agencies was enhanced, in particular with Cedefop and Eurofound, through the exchange of expertise, participation in events, knowledge sharing seminars organised twice a year and the promotion of synergy and complementarity through joint annual work programmes. The achievements are presented in annex.

The ETF was also very active in its relations with European Parliament committees. It provided contributions to debates and decisions such as the communication on the integration of migrants, the situation of young people on the Turkish labour market, and human capital development in South Eastern Europe. The ETF strengthened its links with the European Economic and Social Committee and the Committee of the Regions jointly organising the corporate event on 'Multilevel governance in education and training: challenges and opportunities', on 31 May-1 June in Brussels and through the exchange of expertise and participation in different events related to human capital development in the partner countries.

The ETF cooperated closely with the EU Presidencies of Denmark and Cyprus. A discussion on youth employability in the Southern Mediterranean was held with Danish representatives on 27 March in Turin and the "New challenges for skills development in the Arab countries of the Mediterranean", event held in Jordan from 25 to 27 September was included in the calendar of the Cyprus Presidency. It was also attended by the Cypriot Minister of Education. Particular attention was given to cooperation with institutions from EU Member States active in the area of human capital development in ETF partner countries.

The ETF also consolidated its institutional relations with the international organisations working in the field of human capital development. In this context, the ETF continued to be active in inter-agency cooperation on vocational education and training together with European Commission, UNESCO, the ILO, the OECD, the World Bank and hosted its meeting on 19 October in Turin. The ETF actively contributed to the UNESCO Third International Congress for TVET, organising a session on 'Qualifications that count' as well as facilitating the participation of delegates from five partner countries. The ETF, EBRD and EIB worked together on issues related to entrepreneurial learning. Cooperation with the Council of Europe, the Regional Co-operation Council for South Eastern Europe, Union for Mediterranean, SEECCEL, ERI SEE etc. was promoted by sharing expertise and experience in human capital development. The ETF, in cooperation with the European Commission, organised a special session on 27 September in Jordan for EU, multilateral and bilateral donors to reinforce synergy in international assistance. Cooperation was strengthened with the European Group on Public

Administration (EGPA) and the Network for Policy Research, Review and Advice on Education and Training (NORRAG). A detailed overview of these is presented in annex.

1.8. Communication

In 2012, the ETF engaged in a range of communication activities from events and visits to publications and content production in order to support the overall work of the ETF and its operational activities in particular.

As highlights, over 100 expertise publications in various formats were published - either web-based or on paper (or both). Over 250,000 pdf files of publications were downloaded from the website. The ETF Yearbook for 2012 on the topic of evidence-based policy making was printed and distributed in 1000 copies. Three issues of Live and Learn were written and sent out during the year.

The ETF communicates actively through online channels, and developments and improvements continued to be made to the website which received over 200,000 visits during the year. The ETF's presence on social media continued to develop. The ETF's dedicated Facebook page, which was regularly updated, saw a very big jump in the number of followers, the corporate conferences were well covered on twitter and the corporate blog was launched.

Moving to face to face communication, 57 different events were successfully carried out during the year, ranging from small meetings for a few experts to large-scale ministerial events, such as the one held in Jordan in September. Two major corporate conferences were organised with a special focus on communication aspects including involving young journalists based in the partner countries and scribing (visualising complicated concepts through drawings as an aid to comprehension).

PART II: GOVERNANCE, MANAGEMENT SUPERVISION, CONTROL AND INTERNAL CONTROL STANDARDS

2.1 ETF Governing Board activities

In 2012, the ETF Governing Board met twice in plenary (15 June and 21 November 2012) and participated in two written procedures.

On 15 June 2012 the ETF Governing Board adopted:

- the 2011 ETF Annual Activity Report and the Analysis and Assessment of the ETF Annual Activity Report 2011;
- the Opinion of the Board on the ETF Annual Financial Accounts 2011; and
- the Amended Budget 2012

On 21 November 2012 the ETF Governing Board discussed and approved:

- the ETF 2013 Work programme;
- the ETF 2013 Draft budget;
- the ETF provisional draft estimate of revenue and expenditure and underlying general guidelines 2014;
- the IAS strategic audit "Plan 2013-2015;
- Cooperation agreement between the ETF and dvv international, Germany
- Cooperation agreement between the ETF and the International Institute for Administrative Sciences/ European Group for Public Administration
- Cooperation agreement between the ETF and the Regional Cooperation Council Secretariat

In 2012, the ETF Governing Board approved the following documents by written procedure:

- Amendments to the work programme as regards Libya, launched on 01 March 2012 and successfully concluded on 09 March 2012;
- Second Amending Budget 2012, launched on 11 October 2012 and concluded on 17 October 2012.

On 28 March 2012, Governing Board members participated in working group discussions on the Annual Activity Report 2011, Analysis and Assessment of the ETF Annual Activity Report 2011 and the draft 2013 Work Programme. On 11 September 2011 the working group met again on the ETF 2013 Work Programme, draft Strategic Paper 2014-20 and draft budget 2013. Governing Board members also participated in a working group on the the analysis and assessment of governance costs which met in March and May and presented the outcomes during the Board meeting in June. The Board members also attended several ETF meetings organised at a regional or corporate level, sharing their experience and expertise in the field of vocational education and training with the partner countries.

With the support of Board members, the ETF organised in depth discussions with relevant stakeholders on the implementation of the 2013 Work Programme.

2.2. Management supervision and control

The ETF's mandate drives its management, which in turn achieves its operational objectives.

In 2012, the ETF retained the same organisational structure as in 2011 with the addition of the Deputy Director from the beginning of February. Annex 1 shows the ETF management and organisation in 2012²⁸. The organigramme also shows the reporting line of the accountant as recommended by the European Court of Auditors.

The management team was made up of the following senior managers in 2012: the Director, the Deputy Director, the Head of the Planning, Monitoring and Evaluation Department, the Head of Evidence-based Policy Making Department, the Head of the Thematic Expertise Department, the Head of the Geographical Department, the Head of the Communication Department and the Head of Administration. Together with the senior managers, the three Heads of Unit in the Geographical Department and the Head of Finance and Procurement (Finproc) in AD made up the Enlarged Management Team (including coordinators in some meetings).

Senior management met on a monthly basis in line with an annual plan driven by statutory deadlines and requirements, internal processes and operational milestones. The outcomes of these meetings were recorded and followed-up. Other coordination meetings were regularly held during the year, including the Operations Department and Administration coordination meetings as well as Departmental meetings.

In 2012, the delegation and accountability chains followed the line of command of the organisation and covered the following:

- Financial delegations²⁹, see section 3.1.1;
- Powers conferred to the appointing authority³⁰ according to the established rules (see list in annex 2); and
- Rules and procedures on the deputising mechanism and the presence of managers on the ETF premises³¹.

This section of the Annual Activity Report provides an overview of the main activities and tools for management supervision and control. Sections 2.2.1 to 2.3 describe the key features of this process in more detail.

In line with the ETF's organisational structure, resources and size, the implementation of the 2012 Work Programme was supervised and controlled using the following activities and tools:

- The performance management system (section 2.2.1);
- Financial and procurement management (section 2.2.2);

28 As of 1 July 2011 (ETF/11/DEC/014).

29 ETF/12/DEC/002, see Part 3, 3.1.

30 ETF/10/DEC015

31 ETF/12/DEC/003

- Human resources management (section 2.2.3.);
- Data protection (section 2.2.4);
- Legal advice (section 2.2.5); and
- The ETF internal control standards and performance management principles (section 2.3).

2.2.1. Performance management framework

On 18 June 2012 the ETF Director adopted the performance based management framework (PMF), which is an integrated system to manage the performance of all ETF activities, processes and resources, and to ensure the achievement of its mandate and objectives and fulfilment of the needs and expectations of ETF stakeholders, management and staff.

The PMF represents the ETF institutional commitment to quality, transparency and accountability.

The ETF has adopted a functional and pragmatic approach: performance is a combination of relevance (objectives are identified according to partner country needs and stakeholder expectations), efficiency (making the best use of inputs to produce results), effectiveness (producing results to maximise their impact on users' needs and achieve organisational objectives), and sustainability (so that the achievement of long-term objectives and the expected impact is compatible with the resources available in the long-term). Impact measures the effect that ETF work has had in, or contributed to, in the partner countries, in the mid or long-term.

Put simply, performance-based management is about managing for results. In a public institution, such as the ETF, this implies that the expected results from various corporate, regional, country focused interventions and services should be clearly articulated, that meaningful measures of success are selected and that accomplishments are reported in a fair and credible manner. Good performance is thus more than cost-effectiveness.

According to the "cascade" principle, ETF corporate plans are translated into department and unit plans, project and activity plans and individual plans. The performance management system provides the triggers to ensure the flow of information on performance data between levels in both directions.

To reinforce the message of the PMF and the commitment of the organisation to it, the ETF has integrated the main principles with the existing internal control standards. ETF Performance management is underpinned by effective risk management and internal control activities, illustrated in Annex II.

In 2011, the ETF developed the dashboard system which is an IT-based integrated performance management control system that enables the progress of ETF activities and resources used in real time to be monitored³². The project, deployed to cover all ETF core mission activities, was rolled out to the rest of the organisation in 2012. The system also includes a workspace for self-assessing projects in line with results-oriented monitoring. The main innovations in 2012 included data on direct costing of project outputs and the use of weighting project outputs to decide whether a corporate output has been achieved or not. Output costs are calculated according to financial expenditure, human resources, and travel costs. The methodology will be consolidated and documented in early 2013.

Monitoring progress of work programme activities

³² As noted by the European Parliament, Committee on Budgetary Control, in the draft report on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2011 (C7-0254/2012 – 2012/2192(DEC)), performance points 16. And 17.

The ETF has a well-established quarterly progress reporting process. Since 2012, quarterly reports follow a clear line of assessment and recommendations which contribute to performance-based management during the implementation of the work programme. In addition, since the beginning of 2012, the monitoring and reporting processes for the whole organisation have been carried out through the dashboard system.

Reporting is centrally coordinated and brings together and assesses management information including measuring corporate performance through a set of corporate indicators (KPI) and targets against planned outputs and objectives. Risks or delays in the implementation of the work programme are also identified and analysed.

The quarterly reports also provide aggregated data on human resources investment derived from the time recording system, the status of finance and procurement and the status of the integrated ETF improvement plan to respond to internal, institutional and external audits, as well as risk assessments and related recommendations.

Quarterly reports contain both quantitative and qualitative aspects of performance and aim to support the management team's evidence-based analysis and decision making.

The association between project and corporate outputs was carefully monitored in 2012 for transparent reporting as the ETF use the achievement of its corporate outputs to measure its operational objectives. See annex II for details.

Process management

Process management is one the pillars of the performance management framework. In 2012, work progressed on two strands:

- Maintenance of existing process and procedures documentation;
- Development and deployment of a reviewed process management approach.

At the end of 2012, 52 key processes and procedures were contained in the ETF inventory. Of these, 44 already existed and 30 completed their regular review (14 are still in the review cycle). Eight new ones were added to the inventory, three of which (support processes) were fully mapped. The five remaining ones, all linked to ETF core business, were drafted using an improved process mapping template. Four of these are currently in the final approval stage, and one is still in the review phase.

The risk management process

Risk management feeds into the improvement cycle in ETF operations and overall performance. Lessons learned from risk assessments and audit recommendations are followed up and implemented.

In May and June 2012, the ETF carried out the annual self-risk assessment exercise at management and operational levels. The outcomes of the process were:

- the establishment of a 2013 ETF Risk Register which forms part of the work programme. This has been translated into an action plan for 2012-13 which is regularly followed-up; and
- The creation of operational level risk registers which are treated as live documents and therefore regularly discussed and monitored at the respective unit/department levels.

The ETF risk profile also indicates the organisational risk acceptance/appetite, which is low/medium. The highest risks come from the external environment and while the ETF cannot manage the risk itself, it can partially or totally act on the impact.

No critical or high level risks were identified. (Annex II.5)

The improvement plan

It is a very well-established procedure³³ in the ETF that recommendations resulting from internal, institutional and external audits and assessments feed into the ETF improvement action plan implemented under the responsibility of the internal control co-ordinator. This internal procedure aims to ensure that identified weaknesses in ETF management and control systems are systematically and efficiently managed and all resulting improvement actions are monitored. This is an integral element in the ETF's internal control system. In 2012, the ETF improvement plan was further integrated to include the follow up of recommendations from the European Court of Auditors.

2.2.2. Financial and procurement management: key facts and figures

Of the €20,144,530 available for commitment appropriations in 2012, the ETF achieved the following:

- A commitment rate for subvention funds of 99.91 % (overall title 1, 2, 3) demonstrating that the ETF is continuing to perform very well on financial indicators, as underlined by the latest discharge for the year 2010 (99.9% was the percentage of commitments in both 2010 in 2011);
- A payment rate for subvention funds of 85.9% (both administrative and operational) and an execution of payment appropriations in title 3 of 99.92% (with an overall usage of 95.39% of the total amount of payment appropriations, still to increase in 2013 with the payment of carried forward administrative activities). In 2011, the ETF paid 86.8% of the subvention funds and had a 99.76% title 3 payment execution rate (compared to 87.1% and 96.5% in 2010).
- 64.96% of operational appropriations were paid within the year (66% in 2011), but in absolute figures the RAL (reste a liquider) decreased from €2.12 million to €1.92 million.
- The percentage of carry forward (for administrative appropriations) is 6.23%, higher than in previous years (4.3% and 4.0% in 2010 and 2011 respectively).

³³ ETF/PROC/26

The table below provides details about carry forward and RAL figures 2010-12:

ETF Budget	2010	%	2011	%	2012	%
Subvention Title 1	13,444,368		12,500,284		13,024,891	
Subvention Title 2	1,538,472		1,462,164		1,596,463	
Subvention Title 3	3,849,160		6,387,552		5,523,176	
Re-used funds (C4+C5)			85,335		88,063	
Total Budget	18,832,000		20,435,335		20,232,593	
Carry Forward to N+1						
Title 1	171,721	1.3	212,381	1.7	312,300	2.4
Title 2	474,762	30.9	344,943	23.6	594,070	37.2
Total CF	646,483	4.3	557,324	4.0	906,370	6.2
Reste a Liquider in N+1						
Title 3	1,786,351	46.4	2,119,672	33.2	1,942,016	35.2
Total CF and RAL	2,432,834	12.9	2,676,996	13.1	2,848,386	14.1

The title 3 operational reste a liquider was €1.7 million in 2010, €2.1 million in 2011 and €1.9 million in 2012.

Composition of carry forward and reste a liquider in 2013:

Appropriations	Subvention 2012	Activities to be paid in 2013	of which		
			implemented in 2012 pending payment	to be implemented in 2013	
				planned	delayed
Title 1	13 024 891	2.5%	2.2%	0.2%	0.0%
Title 2	1 596 463	37.2%	18.8%	18.2%	0.0%
Administrative Expenditure (leading to CF)	14 621 354	6.2%	4.0%	2.2%	0.0%
Title 3 - Operational Expenditure (leading to RAL)	5 523 176	35.2%	12.1%	20.8%	2.3%
Grand Total	20 144 530*	14.2%	6.2%	7.3%	0.6%

While the administrative carry forward is 6.2 % of administrative budget (Title 1 and 2), 2.2% corresponds to activities planned, with no delays registered (the remaining 4% correspond to payments related to activities implemented in 2012).

The higher level of administrative (Title 1 and 2) carry forward 2012-13 is due to the fact that a large number of training activities were organised at the end of 2012 (to be paid early 2013), a higher number of staff relocations, and an un-received invoice for Villa Gualino costs (with a reserve for heating, water, electricity and maintenance relative to 2012), legal expenses, office stationery and the new switchboard acquired at the end of the year.

Similarly, while the reste a liquider is 35.2% of operational budget (Title 3), 23.1% corresponds to activities still to be done, 2.3% to delayed activities, while the remaining 20.8% for activities to be implemented in 2013.

In operational expenditure, the likely schedule of payments vis-à-vis commitments entered into in 2012 is as follows:

		Payment**	
		2012	2013
Commitments			
Pre-2012 commitments still outstanding	1,952,107	1,949,201	2,906
Appropriations 2012	5,541,287*	3,588,018	1,953,269
Total	7,493,394	5,537,219*	1,956,175

*includes internal assigned revenue (re-used funds)

** no payments are expected in 2014 on commitments entered into in 2012 and earlier

Overall, the ETF's budget was modified in 2012 by 11 transfers, endorsed by amending budgets in June and October (compared with 12 transfers in 2011, with a single amending budget and 15 in 2010), indicating the effect of the planning and monitoring processes and continued compliance with the recommendations received from the Court of Auditors.

	Initial budget	Final budget	Change %	Re-allocation
Title 1	13,617,854	13,024,891	-4.4%	- 592 963
Title 2	1,496,000	1,596,463	+6.7%	+100 463
Title 3	4,930,676	5,523,176	+12.0%	+592 500
Total ETF	20,044,530	20,144,530	+0.5%	+100 000

The first amending budget (June 2012) integrated an additional €100 000 in Title 3 from the amount ETF reimbursed for 2010.

The second amending budget summarises the transfers of appropriations from Title 1 (mainly linked to staff costs following 2011's budget-neutral salary adjustment) to Title 2 (mainly replacement of old hardware and office re-furbishment) and Title 3 (increased support for operational activities)

Of the total budget, 6.39% was reallocated to different budget lines (7.36% in 2011 and 4.43% in 2010).

In addition to its subvention, the ETF has Internal Assigned Revenue from amounts recovered.

The report on compliance with the payment time-limits and on the suspension of the time-limits is provided in annex.

As in previous years, the ETF implemented an ABM methodology to its planning and reporting processes, continuing the shift from an input-focus cost-based approach to an output-focus result-oriented one. Annex 1 details the ETF's resource allocation in relation to the objectives set at the beginning of the year.

The ABAC Assets system was successfully implemented and the physical inventory exercise initiated, but not completed, owing to technical problems with the system. It will be concluded in May 2013.

The amount to be reimbursed to the EC (budget outturn) represents only 0.68 % of the total budget, which is in line with the small amounts the ETF has returned in recent years (€125,355 in 2012, €117,686.58 in 2011 and €100,981.71 in 2010). This is a very good result, considering that the threshold which would have an impact in budget negotiations is 5%.

For title 4 only €2,805 was received in 2012 (as accumulated interest), raising the budget to €135,814. Of this, €118,073 was committed, and €83,744 paid, leaving an uncommitted residual budget for 2013 of €17,742 (and €34,328 carried forward).

Although there is no time limitation for the use of these appropriations, the original use of the €200,000 received from the Italian Ministry of Foreign Affairs Trust Fund was to co-finance two ETF projects in Lebanon (EL and NQF) in the declared timeframe 2010-2012.

In 2012, 33 procurement procedures were launched (40 in 2011), of which the majority were planned (26, i.e. 78.8 %). This implies that the planning exercise was successful and useful and will be even more so in the coming years due to the inclusion of procurement planning in the work programme. The number of tenders cancelled was three (9.1 %) - a much better result than in 2011. Overall, the ETF issued and signed 40 new contracts in 2012.

New quality assurance measures were introduced in the area of procurement such as the ex-post analysis of cancelled tenders, requests for clarifications and negotiated procedures with one candidate. Similarly, in the area of financial management, the ETF established its methodology for transactional ex-post control, the results of which form part of the building blocks for the Director's declaration of assurance in the annual activity report. The first annual campaign took place in 2012 with very satisfactory results and a few recommendations to be addressed.

The second annual ex-post campaign focused on 2012 financial management operations on the basis of risk analysis (payments and budgetary commitments).

2.2.3. Human resources management

The ETF recognises human resources as its main asset in delivering its mission and work programme objectives. Good human resources management implies a constant improvement of policies and procedures for staff planning, recruitment, learning and development, performance management and deployment.

In 2012, the effective management of human resources is proven by the following:

- Only three posts vacant in the establishment plan;
- 130 staff members in place at the end of 2012 (93 temporary agents, 35 contract agents, 2 local agents) compared to 125 at the end of 2011. During the year, the ETF handled 18 newcomers and 13 leavers, 17 promotions, 11 probation periods and 20 contract renewals, 18 selection procedures involving 2,400 candidates and 117 interviews, 80 learning and development sessions with 560 ETF participants.
- Staff turnover in 2012 was 9.6 % (TA: 6.6%, CA: 17.9 %), the highest rate since 2008. In view of this, the increase in total ETF staff is due to a very high number of successful recruitment procedures. See also Annex II.9.

Staffing evolution versus staff policy plan 2012/14 (GB/11/DEC/004)

Staff Contract	Total ETF on 31/12/2011	Newcomers in 2012	Leavers in 2012	Total ETF on 31/12/2012	Planned 2012
Temporary agents	90	9	-6	93	92
Contract agents	32	9	-6	35	34.5
Local agents	2			2	2
Seconded national experts	1		-1	0	1
Total	125	18	-13	130	129.5

Compared to the human resources planned for 2012, the ETF ended the year with no seconded national experts owing to the difficulty in recruiting this category of staff in a context of worldwide public expenditure cuts. In exchange it recruited one more contract agent than planned.

A staff satisfaction survey carried out in March 2012 indicated a significant improvement in overall the employee engagement index from 68% in 2009 to 74% in 2012. The survey highlighted a number of areas of improvement in communication, management and the working environment which have been taken on board in an action plan for implementation 2012-13. As reported above, the implementation of the Allegro HR information system progressed according to plan and is now in the testing phase prior to its roll-out to all staff in 2013. At the same time, efforts were made in revising and improving HR policies and procedures.

In this context, in 2012 the ETF has:

- further improved its performance appraisal and related annual dialogue processes. It also sent its implementing rules on appraisal and on promotion to DG HR for approval, before having them adopted by the Governing Board;
- developed the learning and development capacity, through tailor-made training courses better targeted to staff by increasing HR involvement at the start of the process (learning and development needs assessment, course design etc.);
- further improved and introduced different HR policies such as renewal of contracts of employment, internal mobility, study support scheme, teleworking, and guidelines for selection assessment board members.

2.2.4. Data protection

In 2012, in order to achieve an increased compliance with Regulation 45/2001, the ETF has undertaken multiple actions, in agreement with the EDPS. The following positive results can be reported:

- a new in-house structure for implementing the regulation was established identifying the Director as Data Controller and appointing the managers of the different functional and operational areas as "Persons in charge";
- implementing rules for the protection of personal data adopted by Director's Decision;
- the ETF mapped all the exiting procedures carried out in-house and identified 53 which processed personal data. All those processing operations were duly notified by the Data Controller to the Data Protection Officer. The ETF, having established a renewed inventory of notifications ex art 25, has identified the operations relevant to art. 27 of the regulation and prepared/dispatched the

relevant notifications to the EDPS. This implied that 17 prior-checking notifications were prepared by the Data Protection Officer and addressed to the EDPS, of which nine have already been closed by the EDPS.

To complement these activities and increase the level of awareness of data protection, the ETF revised and updated the information contained in the internet and intranet pages and delivered ad hoc seminars to Persons in Charge, HR staff and newcomers. Finally the ETF contributed to the EDPS annual enquiry aimed at clarifying the status of Data Protection Officers.

EDPS welcomed the very satisfactory compliance level of the ETF with Regulation 45/2001.

2.2.5. Legal advice

Legal advice service supported ETF managers and the Director providing ad hoc advice on issues related to the juridical framework applicable to the ETF, particularly on the application and interpretation of the staff regulations, financial rules and the recast regulation.

The legal service provided particular supported the Director on the Villa Gualino dossier for all the legal matters related to the Seat agreement, the convention and the protocol. Moreover, legal support was provided on the service contract for the maintenance of the building and systems.

2.3 ETF internal control standards

2.3.1 Compliance with the requirements of the control standards

As mentioned above, in 2012 the ETF adopted a performance-based management framework (PMF)³⁴, an integrated system to The ETF has integrated the main principles with the existing Internal Control Standards: ETF standards set the desired level of quality of performance and drive the assessment of performance³⁵.

The ICS 2012 management self-assessment included an evaluation of the main principles of ETF performance management³⁶.

No significant or material weaknesses of the ETF internal control system became evident in 2012. The controls in place worked as intended.

The results of the 2012 internal control system review and assessment provide reasonable assurance for a positive assessment of the ETF's compliance status with all internal control standards.

The table below shows the results of the risk based self-assessment exercises carried out annually by the management and internal control coordinator since the internal control standards were adopted. The annual review and risk based self-assessment exercise of ETF internal control systems generates assurances on the correct functioning of the systems in place, verifies results, identifies potential concerns and supports corrective action planning. The full results of the 2012 review and assessment is in annex.

³⁴ ETF/12/DEC/010 of 18 June 2012

³⁵ Since 2004, the ETF has made significant progress towards achieving full compliance with the requirements of its internal control standards (ICS) framework. In 2009, the ETF Governing Board adopted 16 revised standards for effective management. The ETF ICS are structured in six building blocks which cover the entire management process, from defining objectives to delivering results.

³⁶ The 2012 process was strengthened with tailored coaching sessions and facilitated workshops in which managers and coordinators (15 people in total) were asked to make a thorough risk-based collective assessment of the effectiveness of internal control systems at the ETF in 2012.

Year of ICS review	% responses 1-2 ³⁷ Adequate system in place / slight improvements	% of responses 3-4 Significant improvements needed / no system in place	No assessment level indicated (%)
2012	93.75%	6.25%	0%
2011	97.62%	2.38%	0%
2010	93.75 %	6.25 %	0 %
2009	79.2 %	19.4 %	1.4%

2.3.2 Effectiveness of the implementation of prioritised control standards

As mentioned above, it is a very well-established procedure³⁸ in the ETF that recommendations resulting from internal, institutional and external audits and assessments feed into the ETF improvement action plan implemented under the responsibility of the internal control co-ordinator.

The ETF Improvement Plan for 2012 prioritised the following building blocks:

1. Building Block 2 'Human Resources' (medium priority) due to:

- 1.a the need to further develop an integrated competence-based HR management system;
- 1.b the need to strengthen discussions and decision making on HR planning and recruitment;
- 1.c the importance of a continuous improvement of the objective setting process focusing on SMART criteria and a quality check of objectives;
- 1.d the on-going development work on competences which should facilitate better staff mobility and skills development.

2. Building Block 4 'Operations and Control Activities' (high/medium priority) due to:

- 2.a the need to further develop an ETF IT governance structure;
- 2.b the need to extend and review the mapping of ETF procedures;
- 2.c the need to develop the ETF document management system;
- 2.d the importance of further developing an integrated performance and quality management system; and
- 2.e the consolidation of the decentralised financial management process.

In 2012, the related standards and systems were effectively implemented through the following main activities:

³⁷ Since 2005 the ETF has made use of the "iCAT" tool provided by DG Budget for reviewing and assessing ICS. The questionnaires have been adapted and tailored to the ETF's environment but the assessment score remains aligned with the one used by the EC. It is based on a scale from 1 to 4: 1 adequate system in place, 2. slight improvements needed, 3 significant improvements needed, 4 no system in place.

³⁸ ETF/PROC/26

1. Building Block 2 'Human Resources':

- 1.a In 2012 the ETF brought forward the customisation of Allegro, an IT system for human resource management to tailor it to ETF needs. A first pilot phase, followed by full deployment are planned in 2013.
- 1.b Monthly AD resource meetings and Management Team meetings included monthly updates on staffing and recruitment for discussion;
- 1.c The ETF revised the annual dialogue process including simplifying objective setting/appraisal, as well as the provision and quality check of standard objectives for all staff;
- 1.d the updated and revised competence framework is planned for the end of 2013.

2. Building Block n° 4 'Operations and Control Activities':

- 2.a To address the issue of management of application requirements, the ETF has mapped and/or reviewed (ETF/2012/DEC/016) the architecture of its software systems with the following objectives:
 - To map the existing level of integration of applications, especially in relation to financial management applications; human resources applications and the newly introduced project monitoring application;
 - To support the review of existing and introduction/development of new systems;
 - To support the review and re-design of business process using IT applications;
- 2.b As reported in section 2.2.4, in 2012 ETF work progressed on two strands concerning process management:
 - Maintenance of existing process and procedures documentation; and
 - Development and deployment of a reviewed process management approach.
- 2.c The document management procedure (ref. ETF/PROC/08) was revised in August 2012 and adopted by Director's Decision (ETF/2012/DEC/035). The review of this procedure also involved updating the document management policy, correspondence registration implementing rules, filing implementing rules, archiving implementing rules and rules on classified documents.
- 2.d In June 2012, the ETF adopted a performance-based management framework and related action plan which has been fully established.
- 2.e The decentralisation of financial management was completed with the validation of its transactional ex-post methodology and the definition of the population to be checked for the first ex-post campaign in January 2012. The first campaign took place in Q1-2012 on transactions made during the 2011 budgetary year and fed into the 2011 Annual Activity Report. On the whole, the results are positive and recommendations for further improvement were also considered.

2.3.3 Conclusion

The main elements of the functioning of ETF internal control standards in 2012 are illustrated in sections II and III of this report.

Taking into consideration the key developments which took place in 2011, and in particular:

- the adoption of an ETF performance management framework which integrates internal control standards; and
- the full deployment of the dashboard system;
- the measurements of ETF achievements and corporate indicators framework;
- the risk management process;
- the ETF Improvement plan; and
- the results of its financial, procurement and human resources management processes.

the ETF internal control standards can be considered as working as intended and thus providing reasonable assurance for controlling the risks related to ETF performance objectives, compliance objectives and the objectives of protecting staff and safeguarding assets and information.

Summary

Part II described the key features of the significant developments that have improved and reinforced management supervision and control of ETF activities. In 2012 the organisation continued to implement a comprehensive system of internal controls, performance and results oriented management embedding risk management and ensuring a proportional approach to compliance and effectiveness of internal procedures and systems.

PART III: BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE

In addition to the management supervision and controls and the internal control standards described in section II, section III explains the specific building blocks which underpin the reasonable assurance given by the ETF Authorising Officer in her declaration of Assurance in section IV of the annual activity report.³⁹

The ETF has a policy⁴⁰ to define the materiality criteria for the Authorising Officer to base her decision as to whether a reservation should be included in the annual declaration of assurance in the context of annual activity reporting. The policy can be found in annex 4.

Deficiencies leading to reservations within the scope of the declaration of assurance are those related to the reasonable assurance concerning the use of resources, sound financial management or the legality and regularity of underlying transactions.

Deciding whether something is material involves making a judgment in both qualitative and quantitative terms.

In order to make a judgement on the significance of a deficiency, it is essential to quantify the potential financial impact ("monetary value of the identified problem"/"amount considered erroneous"/"the amount considered at risk") in monetary terms.

The ETF standard quantitative materiality threshold is 2% of its overall budget. This means that when a detected deficiency has an exposure risk value representing 2% (or more) of ETF total budget ("at risk"/"exposure"), a reservation should always be reported in the Director's annual declaration.

For each reservation in its Annual Activity Report, the ETF should report its precise nature, explain the cause and quantify its significance in budgetary terms and in terms of impact on the assurance declaration. The Annual Activity Report should also set out the corrective measures put in place by the ETF to mitigate, manage and correct the deficiency as far as possible.

3.1. Building Block 1: Assessment by management

Declaration of assurance in cascade by (Sub) Delegated Authorising Officers

In 2012, budgetary implementation powers were delegated by the Authorising Officer through a Director's Decision⁴¹, which allocated the different budgetary areas, including specific budget lines, to the delegated and sub delegated authorising officers ((S)DAOs). The decision is accompanied by the individual delegations, signed by the Director, the authorising officer by delegation and his/her back-up. The signature of the act confirmed the acceptance of the charter of the authorising officer by delegation. The following table shows the 2012 delegation model:

³⁹ In line with the standing instructions for Annual Activity Reports SEC/2012/583

⁴⁰ ETF/09/DEC/018 issue 2

⁴¹ ETF/12/DEC/002

Delegated Authorising Officers	Back-up
Head of ETF Communication Department	Deputy Director
Head of Administration Department	Head of Planning Monitoring and Evaluation Department
Head of Thematic Expertise Development Department	Deputy Director
Head of Geographical Operations Department	Deputy Director
Head of Evidence Based Policy Making Department	Deputy Director
Head of Planning Monitoring and Evaluation Department	Head of Administration Department
Deputy Director	Director

The delegated authorising officers⁴² have further sub-delegated the powers received, with the explicit agreement of the Director, while respecting the following guidelines:

- legal and financial commitments may be sub-delegated to middle managers for amounts below €60,000;
- payments may be sub-delegated to middle managers without limit. Low risk payments may also be sub-delegated to staff members performing the function of coordinator; and
- the back-up for sub-delegated authorising officers shall be ensured by the delegated authorising officer from whom they have received their sub-delegation, and if not available, by his/her backup.

In 2012, the ETF continued to reinforce the building blocks by providing, in an annex to each declaration of assurance signed by (S)DAOs, the respective budget execution rates (covering commitments, payments and carry forward) with explanations of any deviations/changes arising during the year (in line with the related output achievements), the number and value of any direct agreements stipulated and any exceptions registered during the budgetary reporting year. The (S)DAOs are required to report/account for the use of their respective budgetary powers and issue a special declaration at the end of the year to confirm their compliance with the charter. This process enables the direct follow-up of the use of delegated and/or sub-delegated budgetary powers. The model for the 2012 end of year declaration of assurance in cascade is in annex 7. **Internal transactional ex-post controls exercise**

Early in 2013, the ETF implemented ex-post controls on transaction processes in 2012 (low risk payments, low risk budgetary commitments and top-ups made on budgetary commitments). The report concluded that there are no critical weaknesses in the ETF's management of financial transactions and improvements have been made for most of the performance rates compared to the results of 2011 transactions.

Register of exceptions

The ETF has had a procedure for registering exceptions in place since 2005. Its overall objective is to establish appropriate arrangements to ensure that the ETF Director and management register any exceptional circumstances of significant instances of overriding controls or deviations from the established ETF regulatory framework. They are then reported to the Governing Board and Discharge

⁴² While respecting the provisions of art. 34§2 of ETF FR

Authority in accordance with the principle of transparency. The 'exception' must be documented, justified and approved at an appropriate level before any action is taken.

Only two exceptions were registered in 2012 (1 in Q1 and 1 in Q4 2012). The first refers to the language certification requirement for the renewal of a contract in the Staff Regulations and the second to the Financial Regulation of prior commitment before payment. (Two Telecom invoices from 2005 awaiting credit notes for incorrect amounts re-emerged for payment in 2012 long after the relative financial commitment had expired). The total financial value of registered exceptions is €6,930 which represents 0.03% of the total executed budget in 2012 (€20,144,530). This is an indicator of good compliance and sound management of the organisation.

Negotiated procedure ex Article 126 Financial Regulation⁴³

Overall in 2012, the ETF carried out eight negotiated procedures ex Article 126 of the Financial Regulation above the value of €5,000 and which are reported in the table below. The total value of negotiated procedures is €397,768.68.

Contract/ order form no.	Exc. Ref.	Contractor's name	Value (€)	Title of the purchase	Justification
CON/12/ETF/0010	N/A	Condominio Gualino	220,000	ETF building maintenance services and utilities	Article 126 (b) FR IR 2002 (monopoly)
CON/12/ETF/0014	N/A	TStat srl	7,858.65	Purchase of STATA/MP 12 (4-core) network for 4 users with PDF documentation and first year maintenance	Article 126 (b) FR IR 2002 (monopoly)
CON/12/ETF/0021	N/A	AECdisc/ ARC-EN-CIEL Belgium sprl	20,000	Procurement of AECdisc/ ARC-en-CIEL Method (3 years framework contract)	Article 126 (b) FR IR 2002 (monopoly)
CON/12/ETF/0038	N/A	Elex srl	30,000	Maintenance for ETF's "Access control system" and "Clock-in and clock out system" (three year framework contract)	Article 126 (b) FR IR 2002 (monopoly)
CON/12/ETF/0039	N/A	Guerrato spa	50,000	Maintenance services for ETF heating, cooling, electric and water plants	Article 126 (c) FR IR 2002 (extreme urgency due to unforeseeable events)
CON/12/ETF/0040	N/A	Sitecore International A/S	33,750	Purchase of Content Management System licenses and related maintenance	Article 126 (b) FR IR 2002 (monopoly)
CON/12/ETF/0022	N/A	AIM CONGRESS srl	6,160	Amman Conference	Article 126 (e) FR IR 2002 (additional services for unforeseen circumstances)
CON/12/ETF/0035	N/A	IPSA Industria Pubblicitaria Spa	30,000	Advertising space at Caselle airport Turin	Article 126 (b) FR IR 2002 (monopoly)

⁴³ Negotiated procedure without prior publication of a contract notice

3.2 Building Block 2: a) Results from 2012 audits

The ETF has never received any critical recommendations from controlling bodies. 2012 was no exception and no critical recommendations were issued.

Internal Audit Service

In 2012, the IAS did not carry out an audit engagement at the ETF. On 4-6 July 2012, the IAS carried out a risk assessment which fed into the IAS Strategic Audit Plan for the ETF for 2013-15. During the plenary meeting of the ETF Governing Board on 20 November 2012, the IAS Strategic Audit Plan was presented by the Chairman and subsequently adopted by the Board (GB/12/DEC/15).

European Court of Auditors

In May 2012, the European Court of Auditors audited the annual accounts of the ETF, which comprised the “financial statements” and the “reports on implementation of the budget for the financial year 2011 and the legality and regularity of the transactions underlying those accounts”. The Court issued a positive opinion on the reliability of the accounts and on the legality and regularity of the transactions underlying the accounts. The report contained four specific comments on treasury management, legal commitment, premises and recruitment, which the ETF has acknowledged and addressed.

In November, the Court of Auditors made their first visit in relation to the auditing of the 2012 annual accounts. They subsequently issued two preliminary findings concerning financial management and recruitment. The ETF has acknowledged these findings and implemented corrective measures.

ETF 2012 ex-post audit programme

In addition to the audit carried out by institutional bodies, in 2012 the ETF commissioned an ex post audit engagement through a framework contract with external audit companies⁴⁴ whose scope was to carry out an ex post performance / system audit on the efficiency improvements made by the ETF, while keeping the same level of compliance, as a result of the administration functional analysis of 2010/11 and in particular the de-centralisation of financial circuits and of the procurement process.

The overall conclusion of the draft report is that “based on the work undertaken ...the auditors may reasonably assess that:

- The analysis of performance indicators confirmed the efficiency improvements made by the ETF; and
- The compliance test did not highlight relevant exceptions.”

In addition, the auditors propose some recommendations concerning issues of potential risk related to the de-centralisation of the financial and procurement processes and the appropriateness of the indicators used. The ETF will consider the final recommendations in its corporate improvement plan.

⁴⁴ Since 2009, the companies contracted by the ETF for audit services are : Lubbock Fine (CON/09/ETF/019), LittleJohn (CON/06/ETF/0020) , and Mazars & Guérard (CON/06/ETF/0021)

3.2 Building Block 2: b) Results from monitoring and evaluation

Monitoring and evaluation

A particular effort was made in the area of monitoring. Several projects were monitored by the ETF or by external monitors and the lessons learnt have proved useful as input for the annual project assessment. Pending a deeper analysis in Q1 2013, the first review of project self-assessment indicates a clear improvement in the quality of the evaluations. The template for monitoring activities is available now as an automated feature in the dashboard for project leaders to use. The procedure for planning in 2013 and the self-assessment exercise in 2012 was discussed and agreed with Operations Departments. Guidelines for self-assessment (scoring) against proposed criteria have been prepared.

In addition, quarterly reports have become a useful tool for the management to review progress in the implementation of the work programme and identify mitigating measures for potential deviations and to adapt resources to changing needs.

In 2012, two external evaluations (one conducted by the European Commission covering the period 2006-10 and one contracted by the ETF covering the first two years of the Mid-term Perspective 2010-13) were concluded positively. The recommendations have been addressed in action plans included in the 2013 work programme.

External evaluation of the ETF commissioned by DG EAC

The external evaluation commissioned by DG EAC examined, inter alia, whether or not the ETF mandate, as agreed by the European Council and the European Parliament in December 2008, should be reviewed or not. The conclusion was that:

“Significant changes have occurred in the ETF since 2006, and these are reflected in actions undertaken during this evaluation period. (...) In all areas, ETF performance was very strong and no significant changes are recommended. These conclusions and recommendations should be seen as ways to further improve ETF work, rather than indicative of any significant problems with the work of the ETF.”⁴⁵

The European Commission report prepared after the Evaluation also concludes that *“the ETF has also taken up the challenge of its recast mandate for considerable internal reforms”⁴⁶*.

Another aspect investigated by the report was that of impact and added value. The conclusion of this section was that:

“Impacts of ETF actions are hard to measure and causality is difficult to ascertain, but there are indications that the ETF has some impact on the policy process. Measurable impacts are evident in some partner countries and contribution analysis in case studies show that the ETF helps to shape policy in partner countries (...). Processes through which the ETF could add the most value were in the areas of capacity building and dissemination of information and networking. The ETF was particularly successful in improving networking between stakeholders (...). Measurable impact

⁴⁵ PPMI (2012): “EXTERNAL EVALUATION OF THE EUROPEAN TRAINING FOUNDATION, A EUROPEAN UNION AGENCY” FINAL REPORT. This evaluation report has been produced by the Public Policy and Management Institute based on the service contract No. EAC-2011-0140 awarded to PPMI by the Directorate General for Education and Culture of European Commission on 30th of March, 2011.

⁴⁶ COM(2012) 588 final:

occurred mostly in earlier stages of the policy process and in introducing new concepts onto the policy agenda, while ETF impacts were less evident in implementing policy change.”

Furthermore, the Commission report [COM(2012) 588 final], comes to a similar conclusion and recommendation in this respect:

“The evaluator found ETF to perform very well, in particular given its wide mandate and limited resources. It is recommended for ETF to maintain consistency at the partner country level by matching staff skills with particular thematic and geographic areas. Country managers should therefore be rotated infrequently in order to allow them to build up sufficient knowledge and connections at the partner country level.”

Other external evaluations

The external evaluation contracted by the ETF also analysed separately the ETF’s added value and impact. As concerns added-value:

“In summary the work of the ETF is considered to add real value to the partner countries work in VET and HCD, (...) the quality of information and expertise provided is excellent. ETF is a “unique” source of all such experience and data. Its general flexibility and responsiveness are appreciated and whilst permanent in-country ETF presence would be ideal the on-going relationship with the Country Manager provides a good compromise. There isn’t conclusive evidence that the ETF is always preferred to private sector experts or the Commission services nevertheless/but in all countries they play a significant part in project identification and on-going project implementation.”⁴⁷

This is a similar conclusion to the one made by the Commission report (see above).

As far as impact is concerned, the external evaluators’ report recommended a reconstruction of the intervention logic through a nested log frame and the identification of indicators at the level of the strategic objectives that could be used in 2014 to assess the extent to which the Mid-term Objectives 2010-13 objectives were reached. This nested log frame has already been introduced as an annex of the 2013 work programme.

The ETF is also exchanging information and methodologies with bilateral cooperation organisations in Member States on how to apply contribution methodologies in measuring VET policy impact in countries where different actors (local and international) are working. In the Inter-Agency group, work on indicators to measure VET policy progress has also been produced. The EU agencies performance network is also working on developing a common approach to measuring impact, and some progress is expected in 2013.

3.3 Building Block 3: Follow-up of reservations and action plans for audits from previous years

The declaration of assurance of the ETF Authorising Officer in the Annual Activity Report 2011 did not contain any reservations.

As detailed in section 3.2 a) above, the IAS did not carry out an audit engagement at the ETF in 2012.

⁴⁷ Agora (2012): Mid-term evaluation of the Mid-term perspective, Framework Contract CON/11/ETF/002, Assignment n. 4.

As of 31 December 2012, there are no outstanding critical or very important recommendations⁴⁸.

3.4. Building Block 4: Assurance from (S)DAOs in case of crossed sub-delegation

Not applicable.

3.5. Reservations

Based on the criteria established by the ETF policy to define the materiality criteria for the ETF Director to base her decision as to whether a reservation should be included in the annual declaration of assurance in the context of annual activity reporting, the ETF has no reservation to report for 2012.

⁴⁸ With respect to lower ranking recommendations (important and desirable), the ETF has only one recommendation which is not yet implemented, but is expected to be completed in 2013; while the other six open recommendations have already been submitted to the IAS for final review and eventual closure for the 2012 IAS annual report on the ETF.

PART IV: DECLARATION OF ASSURANCE

I, the undersigned, Madlen SERBAN, Director of the European Training Foundation in my capacity as Authorising Officer,

- declare that the information contained in this Annual Activity Report 2012 gives a true and fair view⁴⁹,
- state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal as reported in this report, among others:

- the end of year declaration of assurance issued by (Sub) Delegated Authorising Officers based on the knowledge gained from daily operation and management supervision activities;
- the results of the annual review and management self-assessment of the internal control system and performance management framework⁵⁰;
- the progress and follow-up of risk management activities;
- the results and follow-up of ex-post audits and controls;
- the results of ex-post evaluations and the monitoring activities of ETF activities;
- the recommendations of the Internal Audit Service, the accompanying action plans and their follow-up; and
- the lessons learnt from the reports of the Court of Auditors for the years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Place Torino

date 14/06/2013



⁴⁹ True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.

⁵⁰ ETF/12/DEC/010

ANNEXES

Annex: 1 Activity Based Costing (ABC) per regions, functions and themes compared with planned

Table 1: Distribution of budget and corporate outputs by regions and themes:

Region	Themes									Total sum of resources	Total sum outputs compl.	Total sum of outputs planned
	A			B			C					
	Resources	Outputs compl.	Outputs planned	Resources	Outputs compl.	Outputs planned	Resources	Outputs compl.	Outputs planned			
WBT	3,466,894	35	34	270,876	3	3	236,384	4	5	3,974,154	42	42
SEMED	3,015,083	28	25	339,930	4	5	1,234,720	11	11	4,589,733	43	41
EE	2,206,502	21	19	396,995	7	6	263,933	6	6	2,867,430	34	31
CA	1,642,861	13	15	249,881	8	7	106,009	3	3	1,998,751	24	25
EBP	2,561,002	5	5	-	-	-	-	-	-	2,561,002	5	5
TED	1,865,777	7	7	1,122,776	4	4	1,164,878	2	2	4,153,431	13	13
Grand Total	14,758,117	109	105	2,380,458	26	25	3,005,925	26	27	20,144,500	161	157

WBT – Western Balkans and Turkey
SEMED – Southern and Eastern Mediterranean
EE – Eastern Europe
EBP – Evidence-based policy making
TED – Thematic expertise development

Theme A – vocational education and training system development and provision in a lifelong learning perspective
Theme B – Labour market needs and employability
Theme C – enterprises and human capital development: education and business partnerships

F1 – Support to the European Commission
F2 – Capacity building
F3 – Policy analysis
F4 – Dissemination and networking

Table 2: Distribution of budget and corporate outputs by countries and functions:

Function	Region																				
	WBT			SEMED			EE			CA			EBP			TED			TOTAL		
	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned
1	1,687,831	13	12	1,331,693	14	11	518,160	6	6	191,569	2	2	-			-			3,729,252	35	31
2	1,184,997	18	20	1,414,279	18	18	1,063,125	18	18	1,048,529	14	17	540,586	1	1	-			5,251,516	69	74
3	537,653	5	5	1,128,673	7	7	543,040	6	3	226,466	3	2	1,074,806	1	1	2,833,136	8	9	6,343,775	30	27
4	563,673	6	5	715,089	4	5	743,105	4	4	532,186	5	4	945,609	3	3	1,320,295	5	4	4,819,957	27	25
Grand Total	3,974,154	42	42	4,589,733	43	41	2,867,430	34	31	1,998,751	24	25	2,561,002	5	5	4,153,431	13	13	20,144,500	161	157

Table 3: Distribution of budget and corporate outputs by functions and themes:

Function		1			2			3			4			Total		
Theme		Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned	Resources	Outputs completed	Outputs planned
A		2,970,239	25	21	3,952,806	48	49	4,264,020	17	18	3,571,052	19	17	14,758,117	109	105
B		582,979	5	5	391,580	8	9	1,115,622	7	5	290,277	6	6	2,380,458	26	25
C		176,034	5	5	907,130	13	16	964,133	6	4	958,628	2	2	3,005,925	26	27
Grand Total		3,729,252	35	31	5,251,516	69	74	6,343,775	30	27	4,819,957	27	25	20,144,500	161	157

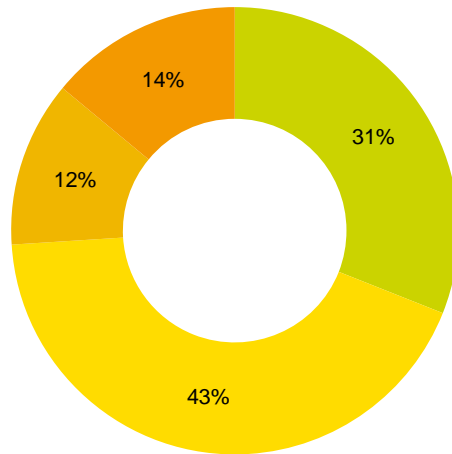
Distribution of budget (ABC) by countries

	%	Budget (m€)
Albania	2.7%	0.544
Bosnia and Herzegovina	3.5%	0.699
Croatia	3.3%	0.669
Kosovo	4.2%	0.852
Former Yugoslav Republic of Macedonia	3.4%	0.682
Montenegro	2.9%	0.581
Serbia	3.8%	0.756
Turkey	3.9%	0.793
Total WBT	27.7%	5.577
Algeria	1.9%	0.391
Egypt	4.8%	0.971
Israel	2.3%	0.455
Jordan	3.6%	0.733
Lebanon	3.4%	0.693
Libya	1.3%	0.253
Morocco	5.7%	1.145
Occupied Palestinian Territories	4.0%	0.807
Tunisia	5.7%	1.145
Total SEMED	32.7%	6.592
Armenia	3.3%	0.659
Azerbaijan	2.4%	0.490
Belarus	2.6%	0.523
Georgia	4.0%	0.810
Republic of Moldova	4.2%	0.856
Russia	2.2%	0.451
Ukraine	5.0%	1.006
Total EE	23.8%	4.795

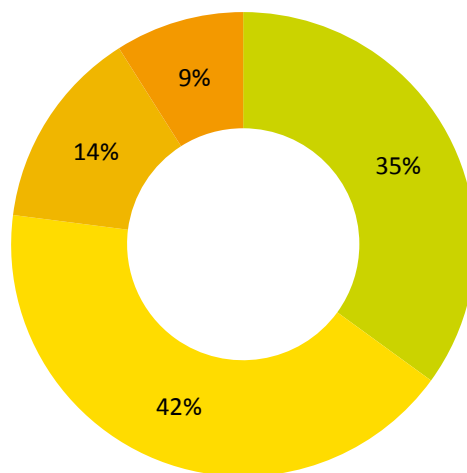
Kazakhstan	3.6%	0.722
Kyrgyzstan	4.0%	0.796
Tajikistan	3.6%	0.728
Turkmenistan	1.8%	0.358
Uzbekistan	2.9%	0.576
Total CA	15.8%	3.180
Total ETF	100%	20.144

Annex: 2 Distribution of achieved outputs by regions, functions and themes

Western Balkans and Turkey

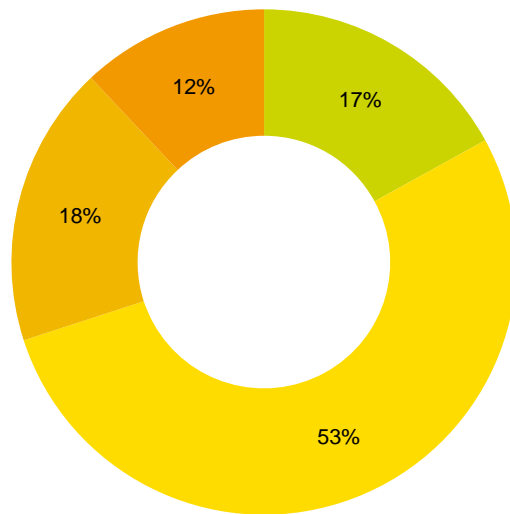


Southern and Eastern Mediterranean

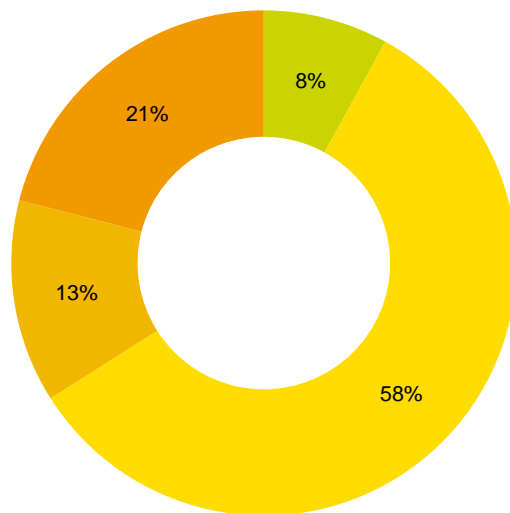


■ Function 1 ■ Function 2 ■ Function 3 ■ Function 4

Eastern Europe

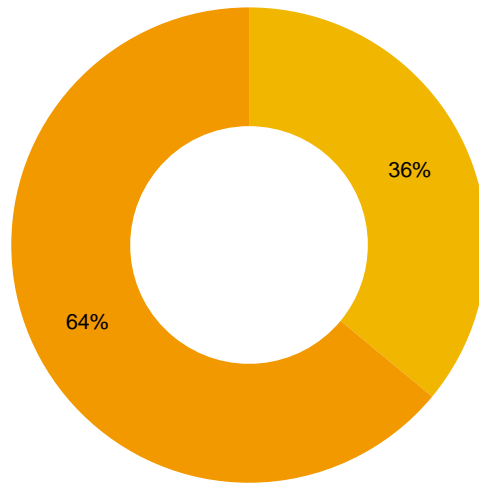


Central Asia

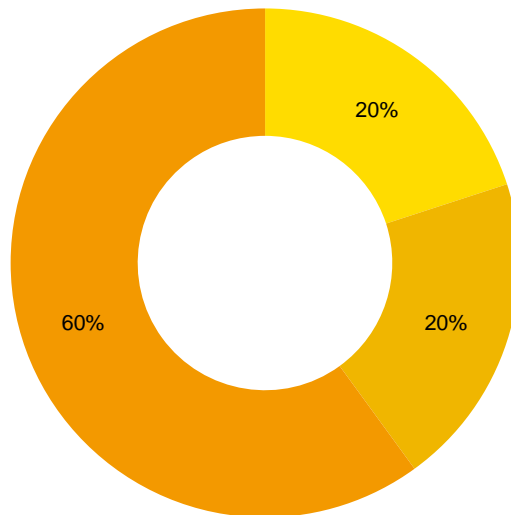


■ Function 1 ■ Function 2 ■ Function 3 ■ Function 4

Thematic expertise

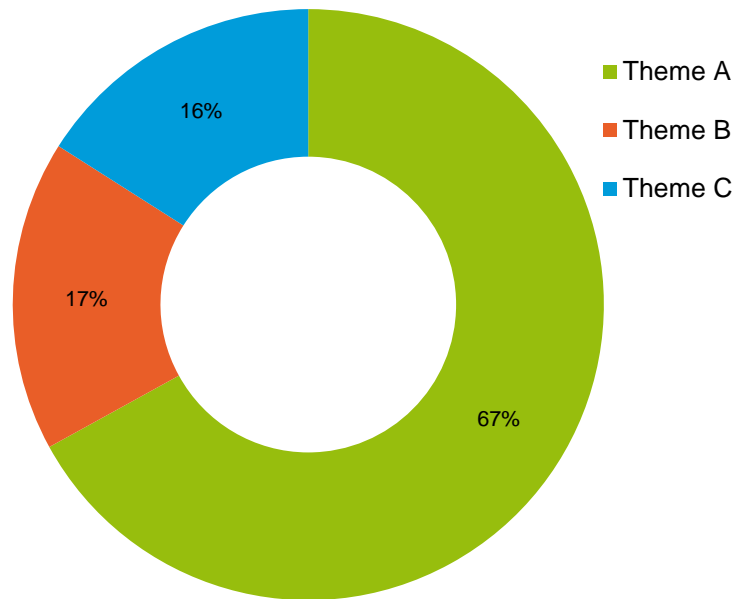


Evidence-based policy making

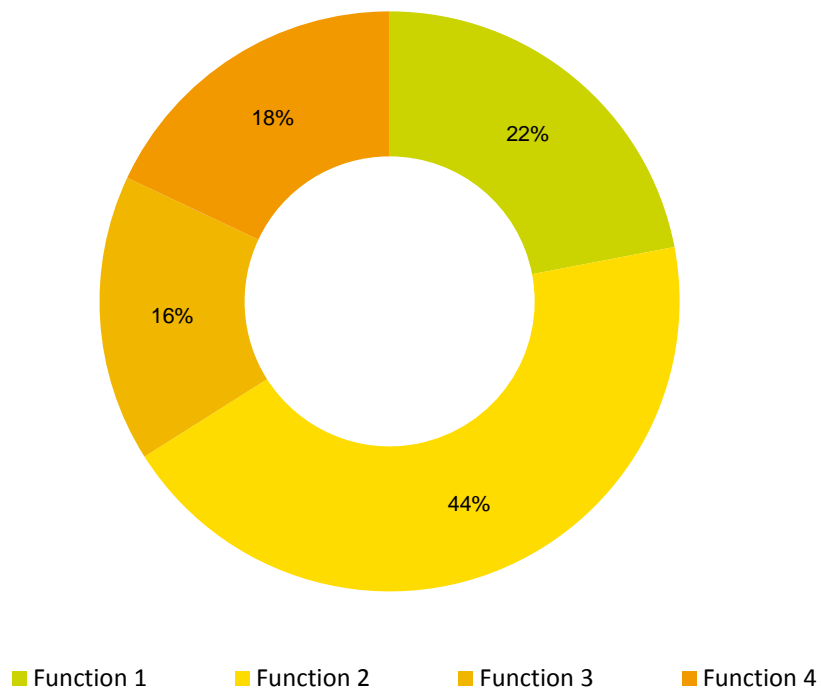


■ Function 2 ■ Function 3 ■ Function 4

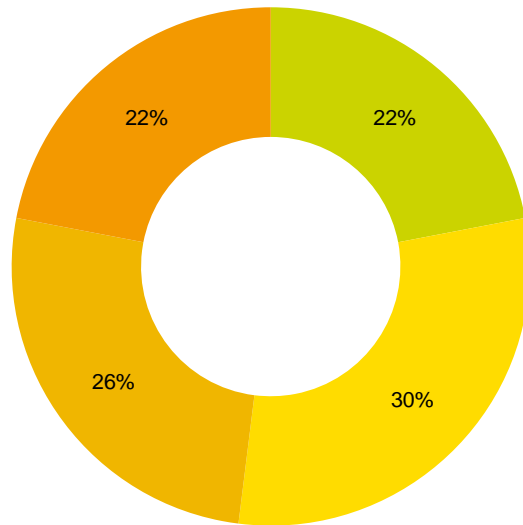
Corporate outputs by theme (%)



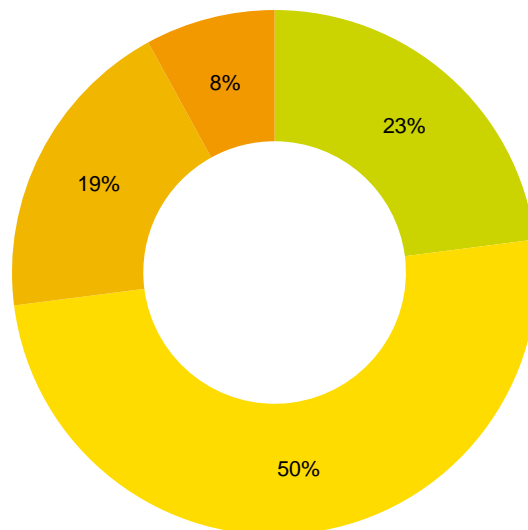
Theme A



Theme B



Theme C



■ Function 1 ■ Function 2 ■ Function 3 ■ Function 4

F1 – Support to the European Commission
F2 – Capacity building
F3 – Policy analysis
F4 – Dissemination and networking

Theme A – vocational education and training system development and provision in a lifelong learning perspective
Theme B – Labour market needs and employability
Theme C – enterprises and human capital development: education and business partnerships

Annex: 3 Corporate Outputs

List of achieved outputs in 2012

1. **1.A.001** IPA I programming, monitoring and implementation support to DG Enlargement and EU Delegation in Albania, preparing for a sector approach
2. **1.A.002** IPA I programming, monitoring and implementation support to DG Enlargement and EU Delegation in Bosnia and Herzegovina.
3. **1.A.003** IPA I programming, monitoring and implementation support to DG Enlargement and EU Delegation of the Kosovo sector wide approach
4. **1.A.004** Support for EU interventions on modernisation of VET Systems as part of the LLL strategy to EU Delegation in Turkey
5. **1.A.005** IPA Multi-beneficiary project preparatory support to DG Enlargement for Inclusive Education through facilitation of regional dialogue
6. **1.A.006** IPA Multi-beneficiary implementation support to DG Enlargement through participation in three steering committees and IPA Multi-beneficiary co-ordination meetings
7. **1.A.007** Review to DG Employment, Social Affairs and Equal Opportunities and DG Enlargement on progress achieved and key challenges in VET, employment and social inclusion for the annual progress Report
8. **1.A.008** Support to DG Education and Culture policy platform for Western Balkans and Turkey through provision of relevant ETF expertise and analysis
9. **1.A.009** Participation in bi-annual subcommittee meetings for Human Capital Development in the Western Balkans and Turkey together with Commission Services for maximising input in HR in the countries in the region
10. **1.B.010** IPA IV programming and follow up support to DG Employment, Social Affairs and Equal Opportunities and EU Delegation in Croatia, the former Yugoslav Republic of Macedonia, Albania, Montenegro, Serbia and Turkey
11. **1.C.011** Regional dialogue and knowledge sharing at DG Education and Culture conference on VET and business co-operation
12. **1.C.012** IPA Multi-beneficiary preparatory support to DG Enlargement for Private Sector Development through the facilitation of regional dialogue
13. **1.A.013** With the Ministry of Education, the VET Centre and the world of work in Albania to improve quality of teaching and learning through a country wide strategic dialogue on VET
14. **1.A.014** With stakeholders from education, business and social partners in Bosnia and Herzegovina to improve quality of education and training through a strategic dialogue on CVET in a lifelong learning context

15. **1.A.015** With the Ministry of Civil Affairs, and the Ministries of Education and Labour in Bosnia and Herzegovina to facilitate the implementation of the Baseline Qualification Framework through a country wide dialogue
16. **2.A.016** With the Ministry of Science, Education and Sports in Croatia to improve the quality of VET through evidence based policy making, including the Central Bureau of Statistics
17. **2.A.017** With the Ministry of Science, Education and Sport in Croatia to improve the transparency of qualifications through supporting the implementation of NQF
18. **2.A.019** With the Vocational Qualifications Authority in Kosovo to facilitate implementation of the qualifications system involving the MoE, MoL and social partners
19. **2.A.020** With the Pedagogical Institute in Kosovo to increase capacities for evidence based policy making in VET
20. **2.A.021** With stakeholders from education and the world of work in Kosovo to facilitate the development of VET policy reviews and development of indicators to inform the education strategy framework (2011-2016)
21. **2.A.022** With the Ministry of Education, the VET Centre and the VET Council in Former Yugoslav Republic of Macedonia to improve quality of teaching and learning through support to rolling out of the collaborative evaluation model
22. **2.A.023** With the VET and Adult Education Council and the VET Centre in Serbia to support the implementation of the VET strategy (2012-2020)
23. **2.A.024** With the Ministry of Education in Serbia for improved education and training policy formulation to look into education indicators, monitoring and evaluation, involving VET Agency, statistical office
24. **2.A.026** With the Ministry of Education in Turkey to improve the implementation of the qualification framework involving Ministry of Labour, the Vocational Qualification Authority, HE Council and social partners
25. **2.A.027** With Ministries of Education in the Enlargement region through regional co-operation on formulating inclusive education policies for the labour market involving MoLs, social partners, civil society, practitioners and researchers
26. **2.B.029** With the Ministry of Labour in Montenegro to support the development of inclusive local labour markets through employment partnerships
27. **2.C.030** With the Strategic Working Group and Core Expert Team in Bosnia and Herzegovina to promote regular dialogue for mainstreaming entrepreneurial learning in VET and employment services in BiH on implementing active labour market measures to improve employability
28. **2.C.032** With Ministries of Education, Labour and social partners in the Enlargement region to identify challenges and solutions for private sector development and skills needs.
29. **2.A.033** Torino Process reports in Albania, Bosnia and Herzegovina, Serbia, Montenegro and Kosovo

30. **2.A.034** A VET strategy and development plan in Albania, supporting preparations for a sector approach
31. **3.A.035** A VET strategy and development plan in Former Yugoslav Republic of Macedonia feeding into a sector wide approach
32. **3.A.037** A regional review on inclusive education for the labour market, highlighting its challenges and solutions
33. **4.A.038** Regional conference on inclusive education for the labour market for Western Balkans and Turkey to promote inclusive education policies involving national stakeholders, Commission services, EU member states and the international community
34. **4.A.039** Regional policy makers, practitioners and researchers in South Eastern European countries engaged in European wide dialogue on inclusive education for the labour market
35. **4.A.040** Dissemination of ETF 2012 Torino Process Review in Albania Bosnia and Herzegovina, Montenegro, Serbia and Kosovo
36. **4.A.041** Information and experience sharing meetings with Member States in four WBT (Albania, Montenegro, Kosovo, Bosnia and Herzegovina) European countries involving national authorities and Commission services and donors
37. **4.A.042** Regular meetings and sharing with regional initiatives and bodies in the region, like ERISSEE, RCC and HRD TF to maximise input in HR in the region
38. **1.A.043** Input to ENP action plan - all countries with ENP action plans
39. **1.A.044** Report on the formulation of new EU intervention in TVET
40. **1.A.046** Report on pre-university education analysis in Egypt
41. **1.A.047** Formulation report on career guidance and VET component of EU intervention in Lebanon drafted
42. **1.A.048** Assessment of employability report and formulation report for TVET support programme to Gaza Strip and Area C of the West Bank
43. **1.A.049** Formulation and identification report for a new EU TVET intervention in Libya
44. **1.B.050** 9 employability fiches updated for policy dialogue on employment
45. **1.B.051** Ad hoc inputs in preparation of UFM Ministerial conference of Labour and Second EuroMed Social Dialogue Forum
46. **1.C.053** Inputs to Industrial Co-operation Working Group
47. **2.A.054** For the Ministry of Employment and VET and social partners, on NQF to enhance transparency and portability of qualifications for all citizens in Morocco
48. **2.A.055** For the Ministry of Employment and VET and other governmental agencies and partners at regional level on multi-level governance and territorialisation in Morocco

49. **2.A.056** For the Ministry of VET and Employment and related bodies (ONEQ) on evidence collection and use to improve policy making in Tunisia - TORINET PILOT
50. **2.A.057** For public and private partners at the region of Medenine (Tunisia) to improve relevance of VET provision for SME needs and multi-level governance issues
51. **2.A.058** For Counsellors on how to implement career guidance counselling at schools with focus on gender equality in Jordan
52. **2.A.060** For Ministry of VET and Employment and social partners in Tourism and construction sectors, on qualifications to improve transparency of qualifications at regional level and labour force mobility - REG - in Tunisia, Morocco, Jordan and Egypt
53. **2.A.061** For Ministries of VET and social partners at national level on issues linked to NQF governance and institutional settings, and quality assurance - REG - in Tunisia, Morocco, Jordan and Egypt
54. **2.A.062** For the Co-ordination Committee (Ministry of Education and social partners) in Lebanon on qualifications framework governance and implementation
55. **2.A.063** For the Palestinian Ministry of Labour and Ministry of Education and Higher Education and Finance to develop a methodology for TVET costing to enhance efficiency in policy making.
56. **2.B.065** For the Ministry of VET and Employment, and social partners on participatory and evidence based monitoring processes for employment implementation in Tunisia
57. **2.C.066** One regional event for SPs on issues related to CVET and how to increase their effective participation in policy formulation and implementation in all participating countries - REG.
58. **2.C.067** At national level, in at least three countries for social partners on specific issues (CVET, financing, Qualifications)
59. **2.C.068** For the Palestinian Ministry of Education and teacher training institutions on innovative practices on teacher training
60. **2.C.069** For EuroMed Charter co-ordinators and VET relevant counterparts on policy analysis and benchmarking on entrepreneurship learning and enterprise skills.
61. **2.C.070** For the MoE, Centre for Pedagogical Research and Development (CRDP) and pilot school staff in Lebanon on the introduction of entrepreneurship skills at VET secondary
62. **3.A.072** Torino Process reviews in all countries
63. **3.A.073** Cross country Torino process review
64. **3.A.074** Action plan for the roll out of NQF in Lebanon developed and agreed
65. **3.B.076** Skills and migration report finalised in Morocco
66. **3.C.077** Innovative practices catalogue on ToT with focus on EL developed for oPt

67. **3.C.078** Methodological paper on how to strengthen organisational structures and capacities in social partner organisations drafted
68. **4.A.079** With the support of decision makers from various institutions from the supply and the demand side of qualifications in the four participating countries in the regional qualifications project (Egypt, Tunisia, Morocco and Jordan) a series of national seminars will be organised In order to raise awareness of project results and analyse applicability of regional project findings to the national context in the development of NQFs
69. **4.A.080** Regional conference on qualifications organised.
70. **4.A.081** One Torino process seminar in each of the participating countries organised
71. **4.C.083** Regional conference on social partnership
72. **1.A.084** Implementation support and follow-up to the EC SPSP in Armenia, Georgia and Moldova through capacity building and advice
73. **1.A.085** Preparatory work and input into design of EU projects in Azerbaijan, Moldova and Ukraine
74. **1.A.086** Technical inputs to EaP Platform IV and to progress reports in Neighbourhood East countries
75. **1.B.087** Technical inputs to EC activities under the EU Mobility Partnerships with Moldova, Georgia and Armenia.
76. **1.B.088** Technical inputs to DG EMPL on HCD issues under the Employment Forum of Platform 2 of the EaP
77. **1.C.089** Technical inputs to DG Enterprise on HCD issues under the SME Forum of Platform 2 of the EaP
78. **2.A.090** Of the VET Council on formulating policy for a future national training fund in Armenia
79. **2.A.091** Of high-level working group led by Ministry of Education on policy decision formulation on NQF in Azerbaijan
80. **2.A.092** Of Ministry of Education on formulating approaches to recognition of prior learning in Armenia, Georgia and Republic of Moldova.
81. **2.A.093** Of Ministry of Education and of Labour, and social partners on designing a policy on occupational standards qualifications in Republic of Moldova.
82. **2.A.094**Of social partners on competence based standards for NQF in Ukraine
83. **2.A.095** Of the Ministry of Education and specialists on implementing career guidance policy in the Russia
84. **2.A.096** Of policy makers, and education and statistical experts on generating evidence for policies in Belarus and Ukraine, as a pilot follow-up of the Torino Process

85. **2.A.097** Of Ministries of Education and Labour, and social partners on reviewing current adult learning systems in all EE countries
86. **2.A.098** Of policy makers, social partners and practitioners on LM based curriculum reforms in Georgia
87. **2.A.101** Of Ministry of Education and of Labour, and social partners on designing an NQF in Belarus
88. **2.B.102** Of Ministries and social partners on labour market intelligence, skill anticipation and forecast in Ukraine
89. **2.B.103** Advice on implementation of Action Plan of Employment Strategy, including active LM measures in selected countries
90. **2.C.104** Of school boards and policy makers on entrepreneurial learning in Armenia
91. **2.C.105** Of social partners on social dialogue in education and training in Ukraine
92. **2.C.106** Of policy makers, social partners and practitioners on VET and sustainable development indicators in Belarus and Ukraine
93. **3.A.108** On VET strategy through the Torino Process 2012 in all EE countries.
94. **3.A.109** On NQF strategy and implementation in Azerbaijan, Moldova, Ukraine
95. **3.C.110** Contribution to Small Business Act report 013 All Neighbourhood East
96. **4.A.111** Discussion seminars for sharing of Torino Process results 013 All EE countries
97. **4.A.112** Regional conference on CVT in EE, presentation of mutual learning project
98. **4.B.113** International conference on VET and sustainable development with focus on new skills in all EECA countries
99. **4.B.114** Dissemination seminars of migration studies in ARM and GEO
100. **1.A.115** EU project implementation support and follow-up in KAZ, KYR and TKM
101. **1.A.116** EU project implementation support and follow-up to the Central Asian Education Initiative platform
102. **2.A.120** For school managers and policy makers on Quality assurance mechanisms in KAZ
103. **2.A.121** For school managers and policy makers on Quality assurance mechanisms in KYR
104. **2.A.122** For school managers and policy makers on Quality assurance mechanisms in TAJ
105. **2.A.123** For policy makers and practitioners on VET and labour market in TKM.
106. **2.A.125** For policy makers, social partners and VET practitioners on means to improve VET teacher and in-company trainer qualification in KAZ

107. **2.A.126** Of policy makers, social partners (incl. Chamber of Commerce) and practitioners on developing NQF in UZB.
108. **2.B.127** For LM and VET policy makers on use of evidence to support policy developments in TAJ and KAZ
109. **2.B.129** For LM and VET policy makers on transition study questionnaire and recommendations in TAJ
110. **2.B.130** For policy makers and VET practitioners in initial VET on the provision of lifelong learning opportunities with a special emphasis on adult learners and vulnerable groups in KYR
111. **2.C.131** For school managers, social partners and policy makers on work-based learning in KAZ
112. **2.C.132** For school managers and policy makers in initial VET (VET agency) on interaction with external stakeholders, including enterprises with a focus on establishing stronger working links KYR
113. **2.C.133** For school managers and policy makers on interaction with external stakeholders, including enterprises with a focus on establishing strong working links between VET providers and enterprises in TRK
114. **3.A.134** On VET strategy through the Torino Process 2012 in all CA countries
115. **3.B.135** On transition from school to work, based on ETF methodology in TAJ
116. **4.A.136** Dissemination of the Torino Process results in all CA countries
117. **4.A.137** Regional conference and dissemination on school development findings, involving national stakeholders from KAZ, KYR, TAJ, UZB and TKM
118. **4.B.138** Dissemination of the Transition study in KYR
119. **4.B.139** International conference on VET and sustainable development with focus on new skills in all EECA countries (see under Eastern Europe)
120. **3.A.140** Study on analysis of work-based learning in PCs
121. **3.A.141** Study on Qualifications/ qualification systems in PCs (specific theme to be identified after the 2011 corporate conference on qualifications)
122. **3.A.143** Governance models in VET in PCs
123. **3.A.144** Set of Indicators for VET and sustainable development.
124. **3.B.145** Studies on: 1. Study on Migration and skills
125. **3.B.146** Study on practices and challenges of matching and anticipation of skills in PCs
126. **3.B.147** Policy briefs on skills matching and anticipations methods for the PCs
127. **3.C.148** Examples of good practice in the fields of entrepreneurial learning, women019s entrepreneurship and skills for SMEs

- 128. **4.A.149** Corporate Conference on Multi-level Governance and VET
- 129. **4.A.150** Inventory of developments in NQFs in PCs
- 130. **4.B.151** Seminar with PCs on migration and skills
- 131. **4.C.152** Corporate Conference on skills for SMEs
- 132. **3.A.153** Torino Process: Cross-country workshop
- 133. **4.A.154** Torino Process: Database for key indicators
- 134. **2.A.155** Torinet: Capacity building tools
- 135. **4.A.156** Torinet: Dissemination of approaches to evidence-based policy making through the Evidence for Training Forum (ETF-NET)
- 136. **4.A.157** Knowledge management: Content management system
- 137. **3.A.158** Regional Bruges Report including all candidate countries.
- 138. **1.A.159** Employment review in Morocco
- 139. **1.A.160** work-based learning component of Education reform
- 140. **2.A.161** Of Ministry of Education in developing policies on quality and learning outcomes in the Republic of Moldova
- 141. **3.A.162** "On monitoring of implementation of the VET strategy in Georgia".
- 142. **2.A.163** Facilitation of regular dialogue with stakeholders on the Bruges Process in all candidate countries
- 143. **4.A.164** Contribution to the international discussion on the future of TVET - third TVET congress in Shanghai, May 2012
- 144. **3.C.165** developed new indicators for SBA assessment in the SEMED region
- 145. **1.A.166** For the EU Delegation in Lebanon, preparation of ToRs and budget for the implementation of the practice-oriented component of the CLOSER project
- 146. **2.A.167** Regional policy dialogue on school development promoted in KAZ, KYR, TAJ, UZB, and TUR
- 147. **1.A.168** Support to DG ENL in the preparation of country strategies 2014-2020. Preparatory work for the FRAME project

Corporate outputs carried forward from 2011 and achieved in 2012 (code from 2011 WP)

- 1. **1.2.A.027** To ministries of education in pre-accession region through mutual learning on development of PSVET to improve student employability and choice involving social partners, education councils and suppliers.
- 2. **1.4.B.048** National seminar in Croatia on the HRD review to inform programming of IPA HRD component involving national stakeholders and Commission services.

3. **2.1.A.054** Identification and feasibility reports for the design of new intervention in TVET in Egypt by the EU Delegation.
4. **2.1.C.058** Input to follow up of EuroMed Social.
5. **2.2.A.061** For the Higher Council of Education in Morocco to carry out the first comprehensive evaluation of the TVET system to provide evidence for more efficiency policy making (2.1).
6. **2.2.A.070** For the Palestinian Ministry of Labour and Ministry of Education and Higher Education to develop a methodology for TVET costing to enhance efficiency in policy making.
7. **2.2.A.071** For Ministry of Labour and Ministry of Education and higher education on the quality of VET in the Occupied Palestinian Territory.
8. **3.2.A.103** Of social partners on competence based standards for NQF in Ukraine.
9. **3.3.B.112** Demand analysis and skill anticipation methodology in Ukraine.
10. **3.3.C.115** Contribution to Small Business Act report - All Neighbourhood East.
11. **4.2.B.129** To enlarge the availability of information and support government officials and experts in creating evidence for education & employment policy development TAJ, KAZ and KYR.
12. **4.3.B.135** Development of a methodology for the analysis of transition from school to work in KYR.
13. **4.4.A.137** Regional conference and dissemination on school development findings, involving national stakeholders from KAZ, KYR, TAJ Participation from TKM and UZB in these opportunities to be sought.
14. **3.2.A.157** Of ministry of education, employment and social partner organisations on sector committees in the Republic of Moldova.

List of carried forward Outputs from 2012 to 2013

15. **2.A.018** With the Ministry of Education in Montenegro to improve quality of teacher training through support to scaling up of a school based teacher training model in secondary schools.
16. **2.A.025** With the Ministry of Education in Serbia support the implementation of a national qualifications framework to improve the transparency of qualifications involving Ministry of Labour and social partners.
17. **4.B.082** One conference organised in Morocco to discuss the skills and migration survey results.
18. **2.A.100** Of policy makers, social partners and practitioners on school optimisation in Ukraine.

List of cancelled outputs in 2012

19. **2.B.028** With the Ministry of Labour in Croatia to foster employability through matching supply and demand of skills, in co-operation with the Ministry of Education and social partners
20. **2.C.031** With the Ministry of Education in Croatia to promote entrepreneurship competence development in teacher training for improved VET quality (IPA) - reason is the country has chosen to focus at the national level on policy
21. **3.A.036** A report on collaborative evaluation at local level identifying challenges and solutions in Former Yugoslav Republic (IPA) - reason the country has chosen to continue focusing at the national level
22. **1.A.045** Final formulation report of new intervention on pre-university education in Egypt
23. **1.C.052** At least 4 country assessments of progress on implementation of EuroMed Charter - HCD dimensions carried out
24. **2.A.059** For ministries of education and trade, industry and labour on issues linked to qualifications and quality assurance for Israeli counterparts
25. **2.A.064** For ministries of VET, employment, statistical office and social partners in Algeria on improvement of participatory and evidence based policy analysis
26. **2.C.071** For the Egyptian Ministry of Education and higher education, and training providers and teacher training institutions on entrepreneurial skills
27. **3.A.075** TVET costing methodology in Morocco and OPT developed
28. **2.A.099** Of policy makers and practitioners on Teacher Training strategies in Azerbaijan
29. **2.C.107** Of policy makers and social partners on training strategies for SME policies in selected countries (ARM and UKR)
30. **2.A.117** For school managers and policy makers on the development of new services for different target groups in a lifelong learning perspective and the setting up of school development plans in KAZ
31. **2.A.118** For school managers and policy makers on school improvement approaches, the development of new services in a lifelong learning perspective and the use of school development plans in KYR
32. **2.A.119** For school managers and policy makers on school improvement approaches, the development of new services in a lifelong learning perspective and the use of school development plans in TAJ
33. **2.A.124** For policy makers and practitioners on use of self-assessment Torino Process methodology in KAZ and UZB
34. **2.B.128** For LM and VET policy makers on transition study questionnaire and recommendations in KAZ

35. **3.A.142** Study on Quality assurance in PCs

Annex: 4 Direct requests from European Commission/ European External Action Service. Commission requests database

The total number of EU requests that the ETF received in 2012 amounts to 107 in comparison to 2011 where the number of requests was 96.

A vast majority of EU requests fall under the project cycle and mainly in the area of programming, content review, identification and formulation, with a decrease of thematic requests and country/regional analysis of HCD issues.

A new feature of the EU requests database is that it captures also the effort in terms of FTEs based on the number of days worked (as estimated by project managers) and the associated cost. A new category of EU requests has been created (i.e “Comments and info on EU instruments and initiatives on implementation of EU planning”).

The highest number of requests of ETF services remain the EU Delegations –EEAS (43%) followed by DG EAC (30%), DG ELARG (7%) and DG Enterprise (7%).

As a part of its quality assurance function, in November 2012, PMED launched a feedback survey on EU requests which had been completed by October 2012 using surveymonkey.

The survey was targeted to 26 EC /EEAS staff who had made 55 formal requests of the ETF.

The response rate for the survey was 50 % (13 out 26 respondents sent feedback).

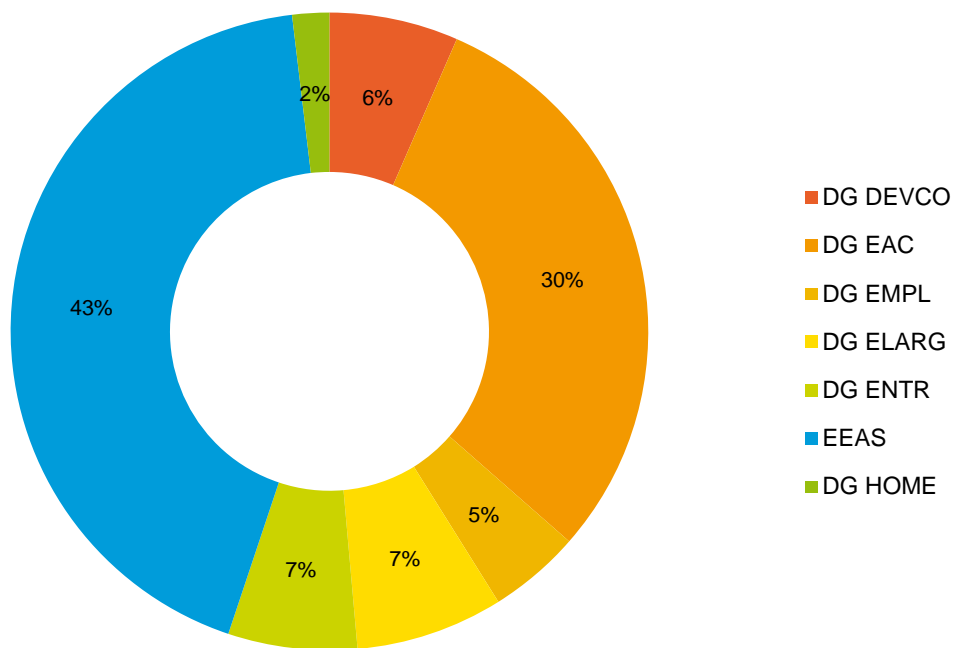
Regarding the quality of the services provided by the ETF, 83.3% of the respondents rated the service as “very good”, 16.7% as “good”, whilst 80% considered ETF products or reports as “very useful” and only 20 % as “useful”.

EU requests were considered to have been received on time in all cases (100%) and some suggestions were made about ETF enlarging its HCD expertise “on skills development for people that leave school before entering upper secondary education, in particular people dependent on the informal economy for their livelihoods”.

Requests by requestor

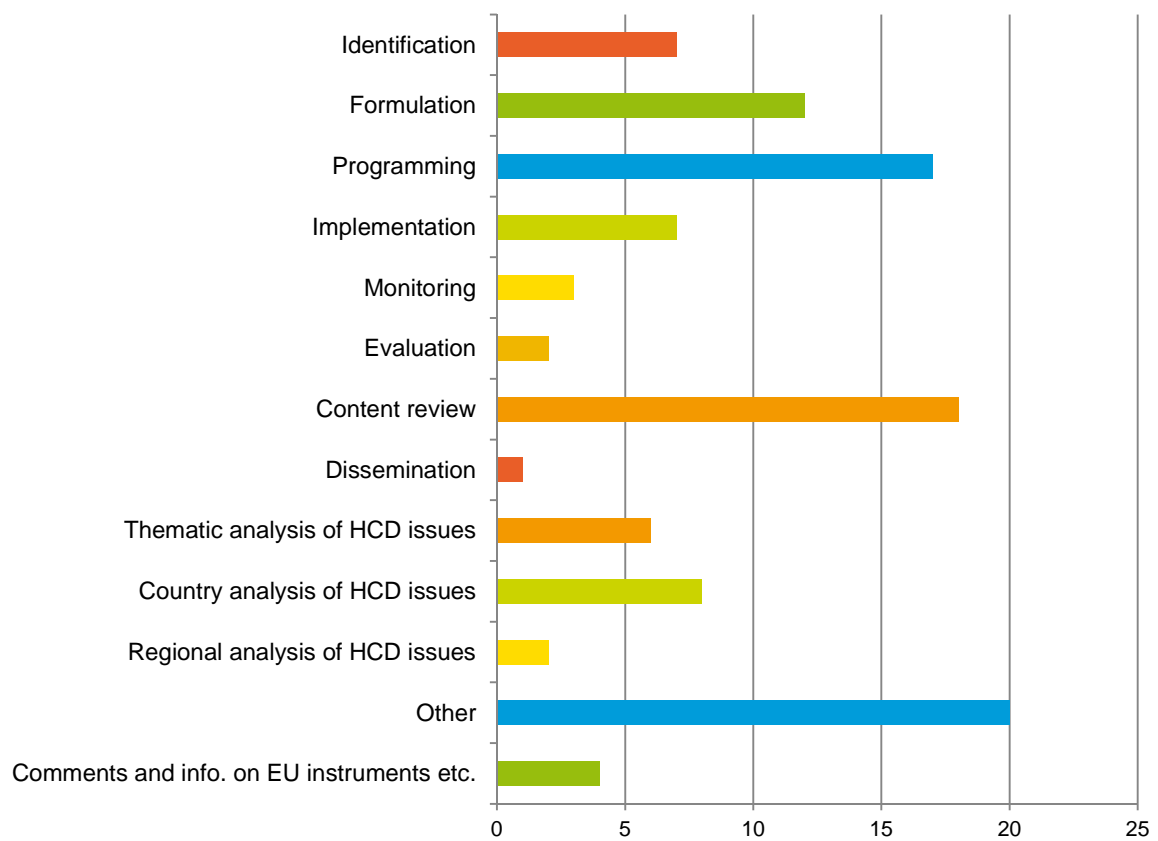
As usual most of the requests are from the EU Delegations (43%), followed by DG EAC (30%) and DG Enterprise (7%) and DG ENLARG (7%).

Requestor	WBT	SEMED	EE	CA	Total	%
DG DEVCO		5	1	1	7	6.54
DG EAC	16	10	4	2	32	29.91
DG EMPL	2	3			5	4.67
DG ELARG	7	1			8	7.48
DG ENTR	4	3			7	6.54
EEAS	16	10	8	12	46	42.99
DG HOME		2			2	1.87
TOTAL	45	34	13	15	107	



EC requests by category

Most of the on-going requests are related to content review (17), programming (17) and other (20).



Requests by country – region

Most of the requests are for the West Balkans and Turkey region (45, 42%) and Mediterranean region (34, 32%), Eastern Europe received 13 (12%) and Central Asia 15 (14%) requests.

Country / Region	Number
WBT	45
<i>WBT (regional)</i>	11
Bosnia and Herzegovina	3
Turkey	4
Croatia	5
Former Yugoslav Republic of Macedonia	1
Kosovo	14
Montenegro	1
Serbia	6
SEMED	34
<i>SEMED (regional)</i>	10
Lebanon	6
Jordan	2
Morocco	4
Egypt	5
Tunisia	1
Occupied Palestinian Territory	3
Algeria	2
Libya	1
Eastern Europe	13
<i>Eastern Europe (regional)</i>	2
Moldova	5
Armenia	1
Ukraine	3
Russia	1
Belarus	1

Central Asia	15
<i>Central Asia (regional)</i>	3
Tajikistan	2
Uzbekistan	2
Azerbaijan	3
Kyrgyzstan	5
GRAND TOTAL	107

List of direct EC requests

36. 21/12/2012, Albania; Bosnia and Herzegovina; Croatia; Iceland; Kosovo UNSCR 1244; Macedonia FYR; Montenegro; Serbia; Turkey. Inputs to briefing (DG Pierre Mairesse) for education-economy summit.
37. 23/10/2012, Belarus. 2012 ENP Draft Progress reports input requested under Chapter 7.
38. 23/10/2012, Armenia; Azerbaijan; Georgia; Moldova; Ukraine. Input to ENPI Progress Reports.
39. 23/10/2012, Egypt; Israel; Jordan; Lebanon; Morocco; Tunisia; West Bank and Gaza Strip. 2012 ENP Draft Progress Reports - Input to Chapter 7 .
40. 23/10/2012, Algeria; Libya; Syria. 2012 ENP Draft Progress reports - Chapter 7.
41. 19/10/2012, Turkey. Participation in a meeting with the EU project team leader 'Improving the Quality of Vocational Education and Training in Turkey (METEK) to follow-up on the IQVET Joint Meeting held on 5/10/12.
42. 18/10/2012, Candidate and potential candidate countries. PowerPoint inputs for EC presentation to summit.
43. 16/10/2012, Central Asia. Briefing request for the EU-Central Asia Ministerial Meeting, Bishkek, Kyrgyzstan, 27/11/2012.
44. 15/10/2012, Ukraine. Updates needed: Line to take for 14th EU-UA Cooperation Committee – Sectors.
45. 15/10/2012, Moldova. Comments to Identification Fiche for SPSP to the Moldovan VET System.
46. 12/10/2012, Croatia. Information provided on Croatia for the purpose of PLA planning.
47. 10/10/2012, Azerbaijan. ETF Comments on Twinning Concept for VET in Agriculture, in the Draft Concept Azerbaijan 2020 - Open Government and Anticorruption National Action Plans 2012-2015.
48. 10/10/2012, Moldova. Input for the line-to-take document for the EU-Moldova Cooperation Committee

49. 10/10/2012, Tajikistan. Briefing request - Objectives, speaking points and background notes as input for the EU-Tajikistan Cooperation Committee
50. 04/10/2012, Mediterranean Countries. Input to ENPI progress reports
51. 04/10/2012, Mediterranean Countries. Response to issues raised by DG Enterprise in relation to ETF 2013 Work Programme.
52. 01/10/2012, Egypt. Recommendation note ESPSP for Steering Committee 1st October
53. 01/10/2012, Azerbaidjan. Draft for educational issues for the 2012 Progress Report
54. 27/09/2012, Candidate and Potential Candidate Countries. Presentation and moderation in the workshop 'How does Higher Education remain relevant in a changing world?' (Dubrovnik, 20-21 November) organised under the Western Balkans Platform on Education and Training
55. 25/09/2012, Russia. Intervention during the P4M Conference, Moscow 12 October 2012 - presentation on SME developments through the skills gap, with focus on possible future EU-Russia cooperation - participation in the panel on business/SME support and education/training
56. 25/09/2012,Uzbekistan. Participation of Mr Vincent McBride, Senior HCD Specialist, Country Manager for Uzbekistan, and contributing to the discussions of the Regional Seminar "Human Resource management in public HE", Tashkent - focussing on the interaction between VET and HE
57. 25/09/2012, Kyrgyzstan. Briefing request - Objectives, speaking points and background notes for the EU-Kyrgyz Republic Cooperation Committee - EU-Kyrgyz Republic Sub-Committee on Trade and Investment, Bishkek, 23.10.2012
58. 25/09/2012, Armenia. Preliminary information on the process of elaboration of the terms of reference and recruitment of expert for the National Employment concept, strategy and legislative framework .
59. 25/09/2012, Ukraine. Skills strategy Note on Ukraine - as a possible priority for the ENI 2014-2020 programming
60. 14/09/2012, Kyrgyzstan. Expertise for the drafting of the Action Plan for Education Sector Development 2015.
61. 14/09/2012, Kyrgyzstan. Education sector related input for the next multiannual indicative programme for the Kyrgyz Republic
62. 13/09/2012, Kyrgyzstan. Input to the ToR for the TA component of the SPSP "Support to reform of the Kyrgyz Education Sector 2013-2015"
63. 13/09/2012, Kyrgyzstan. Support to the implementation of the VET-related components of SPSP "Support to reform of the Kyrgyz Education Sector 2013-2015" under Annual Action Programme 2012 (DCI-ASIE/2011/023-373).
64. 12/09/2012, Candidate countries. Input requested by DG EAC on Terms of Reference.
65. 09/08/2012, Potential candidate countries. ETF to play the role of facilitator/broker for formal meetings between Kosovo institutions and DG EMPL. The overarching theme

for the encounter will be "Employment challenges in Kosovo: from the experiences of IPA-I to the preparation of CSP in the HRD area"

66. 25/07/2012, Turkey. key speaker in the Turkey organised international conference of inclusive education and identification of WB country speakers/cases
67. 18/07/2012, Candidate countries, Potential candidate countries. Request from Turkey Ministry of Youth and Sport to add Youth centers in the ETF conducted country and regional action research under ETF regional and cross region project " VET for Social Inclusion"
68. 17/07/2012, Lebanon. Comments to Action Fiche
69. 13/07/2012, Potential Candidate Countries. Draft law on the functioning and organisation of the Kosovo PES: EU expert, local expert, ETF expertise and conduct of a broad, all actors inclusive process by supporting workshops and high level policy discussions.
70. 06/07/2012, Moldova. ETF Contribution to the 10th Meeting of the EU-Moldova Subcommittee Nr. 4 Energy, Environment, Public Health, Transport & Telecommunications, Science & Technology, Training & Education, Brussels, 19-20 July 2012
71. 06/07/2012, Potential Candidate Countries. Comments to BiH IPA 2012 Project and Sector Fiches
72. 06/07/2012, Morocco; Request for support from ETF on the new programme to encourage employment, vocational training and SMEs
73. 25/06/2012, Mediterranean countries. Comments from Entrepreneurship Team on 'Preparatory Action on youth employment for the Euro Mediterranean region'
74. 01/06/2012, Kosovo. Comments and inputs to the Kosovo latest version of the draft Laws - Research - adult education- VET.
75. 1/06/2012, Kosovo. inputs to the drafting of the Adult Education Law and the process of consultation and final delivery to the Prime Minister's Office Legal Office
76. 30/05/2012, Serbia. Serbia IPA 1 fiche - ETF input
77. 30/05/2012, Candidate and Potential candidate countries. Contribution to policy dialogue between DG ELARG and the implementing international Agencies(CoE, OSCE) of the three IPA MB 2010,2011,2012(total 12 million Euro) on inclusive education in the WB region
78. 30/05/2012,Candidate and potential candidate countries. Comments on DG EAC concept paper on 'rethinking skills'
79. 29/05/2012, Serbia. Comments to Sector Fiche DG EAC.
80. 29/05/2012, Serbia. Comments to Sector Fiche DG ENLARG.
81. 21/05/2012, Croatia. References for good practice in assessment of entrepreneurial learning

82. 14/05/2012, Morocco. Provide comments on the project on mobility partnership Morocco.
83. 14/05/2012, Moldova. Contribution to the EU-Moldova Cooperation Council (June 2012): Speaking points, background, and summary paragraph.
84. 10/05/2012, Serbia. Briefing for EU-Serbia Enhances Permanent Dialogue Sectoral Meeting on SMEs
85. 07/05/2012, Mediterranean Countries. Table on key economic sector to be given priority within a mobility project for young professionals
86. 26/04/2012, Turkey. Comments on IPA ToR of the School Attendance Rate of Children(Kurdish minority children)
87. 26/04/2012, Croatia. Briefing for meeting between Deputy Director General of DG Enterprise and Gordon Maras, Croat Minister for Entrepreneurship and Crafts scheduled for 22.5.12.
88. 23/04/2012, Mediterranean countries. Input to OPT sub-committee meeting
89. 23/04/2012, Jordan. Info on TVET system Jordan
90. 19/04/2012, Serbia. Invitation to meetings with all donors based in Serbia with the focus on the best ways to improve the situation of Roma in Belgrade and chaired by the EU Delegation and with Mr. Pierre Mirel, Western Balkans Director of on Roma issues in Serbia. ETF to provide expertise input to the conclusions of the meetings
91. 13/04/2012, Turkey. Comments to the NQS part of the Progress Report for 2012
92. 13/04/2012, Croatia. Report on the initiative "government scholarship" in Croatia.
93. 13/04/2012, Kosovo. Contribute to the feasibility study for a Stabilisation and Association Agreement with Kosovo, as mandated by the Council on 28 February 2012
94. 13/04/2012 Candidate and Potential candidate countries. Chairing a workshop of the PLA on qualifications related to EQF level 5 on 19-20 April 2012 and participation in the briefing meeting on 18 April
95. 11/04/2012, Algeria. Comments to the Action Plan Algeria.
96. 11/04/2012, Kosovo. Input to an inter-service meeting in view of the preparation of the Kosovo feasibility study for a Stabilisation and Association Agreement with Kosovo, as mandated by the Council on 28 February and participate in the line DGs experts mission in June for the preparation of the feasibility study. ETF team contributes to the Education, training and employment chapters.
97. 03/04/2012, Mediterranean countries. Action fiche + Guidelines for applicants for a TVET support programme in GAZA
98. 03/04/2012, Mediterranean countries. Employability Report OPT.
99. 26/03/2012, Tunisia. Participation to event on 26 March 2012 : Dialogue on Migration, Mobility and Security with Tunisia - Meeting in Tunis on 26 March 2012

100. 22/03/2012, Ukraine. Proposal for follow-up actions to be supported by the Commission following the SBA assessment
101. 19/03/2012, Serbia. Participation in sub-committee meeting under the EU-Serbia Enhanced Permanent Dialogue (EPD)
102. 19/03/2012, Kosovo. Contribution to the agenda, key questions for the the sectorial meeting on innovation, human capital, social policies and information society of the Stabilisation and Association Process Dialogue between DGs and Kosovo Government.
103. 13/03/2012, Mediterranean countries. Informal roundtable discussion with social partners with ETF project staff on social partnership in VET in the Southern Mediterranean
104. 13/03/2012, Mediterranean countries. Regional Seminar in Amman on TVET
105. 08/03/2012, Egypt. Comments on twinning project fiche 'Strengthening the Institutional capacity of the Productivity and Vocational Training Department within the vocational training system in Egypt.
106. 08/03/2012, Kosovo. Member of the group for the design and planning of the KOSOVO EDUCATION SECTOR JOINT ANNUAL REVIEW 2012, facilitator of the group works on Day 1 and Day 2 (Lida Kita for VET sub group) and contributor to the JAR AIDE MEMOIRE and VET sub sector priorities; Kosovo Joint Annual Review in Education and Training,
107. 08/03/2012, Mediterranean countries. UfM Algeria country fiche updated & ETF Implementation plan Algeria 2012 activities.
108. 02/03/2012, Candidate country workplan for the learning outcomes sub-group of the DG EAC Thematic Working Group
109. 02/03/2012, Lebanon. Comments to the new ENP Action Plan Lebanon
110. 01/03/2012, Candidate Countries. Power point on outcomes of SBA assessment for an EU-Macedonian Sub-Committee on Trade & Industry
111. 28/02/2012, Kosovo. ETF contribution in the drafting of the agenda for the EC/Kosovo Government SAPD meeting on Education and Innovation (beginning of May in Brussels).
112. 27/02/2012, Morocco. P3A III OFFPT twinning fiche
113. 21/02/2012, Candidate countries. Comments to the Mid-term report 'EU support to vocational education and training in Bosnia and Herzegovina IV'
114. 15/02/2012, Candidate countries. List of DG EAC thematic working groups which Learning Outcomes Sub-Group needs to consult
115. 14/02/2012, Libya. Training programme for demobilised libyan soldiers - mission report provided on 8/5 and an action fiche to be sent by 20/5.

116. 10/02/2012, Tajikistan. Preparation of a briefing note on VET development in Tajikistan and ETF intervention in the country for the formulation phase of the new EU indicative programme.
117. 10/02/2012, Lebanon. Action fiche Lebanon.
118. 09/02/2012, Kosovo. ETF Comments: REGULATION ON ACTIVE LABOUR MARKET PROGRAMMES.
119. 07/02/2012, Candidate countries. Comments provided on the article on HRD in Montenegro
120. 07/02/2012, Mediterranean countries. EuroMed Second Draft Report - second revision
121. 06/02/2012, Lebanon. Comments to Terms of Reference for experts' selection.
122. 06/02/2012, Jordan. Briefing Note for the EU Task Force
123. 02/02/2012, Central Asia. EU Central Asia Strategy Information Fiche:EU Cooperation in the Field of Education
124. 26/01/2012, Candidate and Potential candidate countries. A short PowerPoint on outcomes of SBA assessment for an EU-Albania, Kosovo, Turkey and Montenegro Sub-Committee on Trade & Industry.
125. 25/01/2012, Morocco, Technical note on employment in Morocco (30 pp)
126. 24/01/2012, Mediterranean countries. South Med Employability review & 2 ETF presentations at the Euro-Mediterranean Employment and Labour High-Level Working Group meeting, 14 February 2012
127. 13/01/2012, Kosovo. ETF Kosovo Team reflections on education and training developments in Kosovo, 13 January 2012: Issue Note on Kosovo Education and Training Developments
128. 13/01/2012, Azerbaijan. Implementation report.
129. 13/01/2012, Egypt. Comments on NAQAAE (National Authority for Quality Assurance and Accreditation of Education institutional capacity) Twinning fiche for Egypt.12/02/2009, Albania. Planning for the support ETF to provide to Ministry of Education and Science (MoES) for preparation and finalization of the ToRs.
130. 13/01/2012, Lebanon. Request from the EU Delegation to comment the intermediate formulation report carried out by GIZ - dual system project
131. 09/01/20012, Mediterranean countries. Input to the DG Enterprise staff working paper on the implementation of the ENPI
132. 05/01/2012, Bosnia and Herzegovina. Comments to Project Fiche for IPA 2012 and 2013
133. 05/01/2012, Egypt. Formulation of TVET II
134. 05/01/2012, Egypt. Assessment of present EU ESPSP (as preparatory work for future formulation in Egypt in Education in 2013)

135. 01/01/2012, Kosovo. ETF expertise in the process of the amendments of the Kosovo Laws on VET and Adult Education.
- 136.
137. 25/11/2011, Moldova. Note on VET in Moldova - focused on policy developments
138. 17/10/2011, Kosovo. ETF is requested to be IPA 2010 Kosovo Teacher Training Project Steering Committee Member: implementation period October 2011- October 2014
139. 28/07/2011, Kosovo. IPA 2008 support to Kosovo NQA finished end of December 2011. ETF is asked by EUD Kosovo and Kosovo authorities to continue support to NQA, NQF development and post-secondary throughout 2012. The final result also will be a design of project proposal to be supported by IPA 2011 programming.
140. 27/05/2011, Moldova. Project Fiche for VET Technical Assistance
141. 27/05/2011, Moldova. Areas of possible support for Moldova on VET.
142. 24/03/2011, Central Asia. TORs for the Central Asian Education Platform
143. 25/01/2011, Candidate and potential candidate countries. ETF staff to provide case studies from the Enlargement/Neighbourhood region and to participate as trainer and facilitator.

Annex: 5 Cooperation with Member States in 2012

Stakeholder relations - ETF Cooperation with institutions from the EU Member States

COUNTRY	TITLE
Austria	<ul style="list-style-type: none"> ■ Meeting of the ETF director with representatives of the Federal Ministry of Education and Culture, Federal Ministry of Science and Higher Education and Kulturkontakt Austria to identify possible areas for cooperation in 2012 (29 February); ■ Participation of the ETF director in the Kulturkontakt Austria conference SPOT ON 3: REALITY - DIVERSITY. 1 Challenge – 3 Discourses, 28-29 February; ■ Governing Board member attended the ETF event on “Youth Employability in the southern Mediterranean”, 27 March, Turin. ■ Governing Board member joined the working group on ETF governance costs analysis and assessment (28 March, Turin and 30 May, Brussels); ■ Alternate Governing Board member supported the ETF in the organisation of a study visit to Austria for 16 experts from Bosnia and Herzegovina on the topic of entrepreneurial learning (19-21 June); ■ The ETF Director met Austrian relevant stakeholders to discuss possibilities for cooperation, 6 September, Vienna; ■ ETF attended the Peer Learning Seminar on Vocational Education & Training, Vienna, 5-6 December 2012, organised by the Federal Ministry for Education, the Arts and Culture; ■ ETF-Kulturkontakt Austria jointly organised a workshop on the role of vocational education and training in social inclusion and cohesion in Vienna on 3-5 December. The ETF action research project was discussed with the team from the London School of Economics Research on South Eastern Europe and some 70 stakeholders from the Western Balkan countries, Turkey and Israel;
Belgium	<ul style="list-style-type: none"> ■ Governing Board member joined the working group on ETF governance costs analysis and assessment (28 March, Turin and 30 May, Brussels); ■ Discussions were held with BTC on possibilities for cooperation in Morocco and the occupied Palestinian territory; ■ The ETF attended the Educaid workshop on transition and equity in education, 29 November, Brussels and made a presentation on the ETF experience on the transition to work paper;
Estonia	<ul style="list-style-type: none"> ■ The Governing Board member supported the organisation of a study visit to Estonia for experts on continuing training from the Eastern Partnership countries (13-15 June); ■ The Governing Board member participated in an ETF event organised in the Republic of Moldova (7-8 May) and supported the ETF by presenting the Estonian experience in learning outcomes based qualifications; ■ The Governing Board member attended the ETF event on “Youth Employability in the southern Mediterranean”, 27 March, Turin; ■ The Governing Board member joined the working group on the draft 2011 Annual Activity Report and draft 2013 Work Programme (28 March, Turin and 30 May, Brussels); ■ The Governing Board member attended the Governing Board working group meeting on the draft 2013 Work programme and ETF Strategy 2014-20 on 11 September.

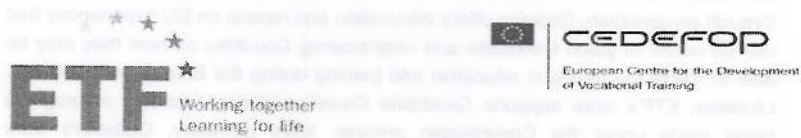
COUNTRY	TITLE
Finland	<ul style="list-style-type: none"> ■ VET experts presented the characteristics of VET in Finland at the ETF, 3 February; ■ Members of Cedefop's ReferNet agreed to support the ETF and authorities from candidate countries in sharing experience and knowledge in preparation of the Bruges reports.
France	<ul style="list-style-type: none"> ■ Meeting of the ETF director with the representatives from the French Ministry of Education to discuss possible areas of cooperation in 2012 (8 January); ■ Visit of the ETF director and head of department at University Cezannes (Marseilles) to discuss cooperation for the ETF event in Amman in September; ■ Discussions with the alternate Governing Board member on the areas of cooperation in 2012, on the occasion of ASEM Forum in Berlin, 28 February; ■ Participation of a French inspector at the ETF event organised in Serbia on the Serbia national strategy in VET, 29 February-1 March and 6-8 June, Belgrade; ■ The Governing Board member attended the ETF event on "Youth Employability in the southern Mediterranean", 27 March, Turin; ■ The Governing Board member joined the working group on ETF governance costs analysis and assessment (28 March, Turin and 30 May, Brussels); ■ The Governing Board member attended the technical ETF workshop organised in Rabat, Morocco on the draft national Moroccan strategy on training and NQF, 17-18 April; ■ Visit of the AFD representatives to the ETF to discuss possibilities for cooperation, 2 April; ■ Support offered for the ETF ENP South project on qualifications framework; ■ Representative of Provence Alpes - Côte d'Azur contributed to the ETF seminar on the reinforcement of regional governance in the TVET system in Morocco, 26-27 June, Rabat; ■ The Governing Board member and a representative of the Ministry of Education, attended the ETF regional event at the Dead Sea, Jordan 25-27 September; ■ The ETF director discussed future possibilities for cooperation with French stakeholders, 10 October, Paris ■ Expert participation in the ETF 'Training for the Unemployed: roundtable with representatives from the Serbian Ministry of Labour, Employment and Social Policy', which will take place in Belgrade on 14 November 2012.
Germany	<ul style="list-style-type: none"> ■ The ETF director and other senior experts attended at the invitation of BIBB, the ASEM Forum on VET, 27-28 February, Berlin; ■ German experts attended and contributed to the ETF seminar on migration, 6-7 March, Turin; ■ Meeting with GIZ representative on possibilities for cooperation in 2012 and follow up activities under discussion (6 March and 6 July); ■ The ETF director contributed to the BIBB lecture series on international TVET consulting, 24-25 June Bonn; ■ GIZ representatives attended the ETF regional event at the Dead Sea, Jordan 25-27 September; ■ Joint event organised on 22-23 October in Turin, to better coordinate, plan and monitor interventions in agreed partner countries; ■ ETF and BIBB organised a joint workshop on areas of cooperation, 13 November, Bonn
Italy	<p>Ministry of Foreign Affairs</p> <ul style="list-style-type: none"> ■ Meeting on 29 February in Rome to discuss possibilities for cooperation in 2012; ■ A Representative of the Ministry of Foreign Affairs attended the Governing Board Working group on ETF governance costs analysis and assessment (28 March, Turin)

COUNTRY	TITLE
	<p>and 30 May, Brussels);</p> <ul style="list-style-type: none"> ■ Visit of Minister of Foreign Affairs to the ETF (14 June) ■ Meeting with secretary of state Marta Dassu, 16 October, to discuss possibilities of cooperation ■ ISFOL, Italian research centre on labour market and vocational training issues ■ Meeting on 29 February and follow up on 7 June to discuss possibilities for cooperation in 2012 and onwards; ■ Representative attended the ETF event on “Youth Employability in the Southern Mediterranean”, 27 March, Turin <p>Chamber of Commerce from Turin</p> <ul style="list-style-type: none"> ■ Meeting on 14 May to discuss possibilities for cooperation in 2012 and onwards <p>Chamber of Commerce from Milan</p> <ul style="list-style-type: none"> ■ Meeting on 26 March to discuss possibilities for cooperation in 2012 ■ Signature of the Letter of Intent on 12 November on the occasion of the Economic and Financial Forum”, Milan <p>Turin local authorities</p> <ul style="list-style-type: none"> ■ Meeting with the management of the International Relations Department of Turin Council, 22 March 2012; ■ Mayor of Turin and other representatives of the local authorities attended the ETF event on “Youth Employability in the southern Mediterranean”, 27 March, Turin. <p>Others</p> <ul style="list-style-type: none"> ■ Representative of the Lombardia Region presented the regional employment agency’s activities during an ETF seminar in Morocco, 26-27 June, Rabat.
Ireland	<ul style="list-style-type: none"> ■ Participation of two experts in the ETF ‘Training for the Unemployed: roundtable with representatives from the Serbian Ministry of Labour, Employment and Social Policy’, which will take place in Belgrade on 14 November 2012.
Portugal	<ul style="list-style-type: none"> ■ The Governing Board member attended the ETF event on “Youth Employability in the Southern Mediterranean”, 27 March, Turin and joined the GB Working group on ETF Annual Activity Report 2011 and draft 2013 Work Programme (28 March).
Romania	<ul style="list-style-type: none"> ■ Romanian experts attended the ETF technical meeting organised to discuss the draft Serbian national strategy on HCD, 29 February-1 March and 6-8 June, Belgrade; ■ Expert attended the ETF seminar in Turkmenistan, 18 April and 8 November, sharing the Romanian experience in entrepreneurial learning and teacher training.
Slovakia	<ul style="list-style-type: none"> ■ The Governing Board member agreed to support ETF and authorities from candidate countries in sharing experience and knowledge in preparation of the Bruges reports; ■ The Governing Board member attended the Governing Board working group meeting on the draft 2013 Work programme and ETF Strategy 2014-20 on 11 September.

COUNTRY	TITLE
Slovenia	<ul style="list-style-type: none"> ■ Participation of two experts in the ETF 'Training for the Unemployed: roundtable with representatives from the Serbian Ministry of Labour, Employment and Social Policy', which will take place in Belgrade on 14 November 2012.
Spain	<ul style="list-style-type: none"> ■ Support offered by the Governing Board members and other institutions for the ETF ENP South project on qualifications framework.
United Kingdom	<ul style="list-style-type: none"> ■ 2012 Action Plan agreed with the British Council in February 2012. ■ British Council representatives attended the ETF regional event at the Dead Sea, Jordan 25-27 September.

Annex: 6 Cooperation with Cedefop and Eurofound

Cooperation between the ETF and Cedefop



Co-operation between the European Training Foundation and Cedefop

Progress Report 2012

Cedefop's mission is to support the development of European vocational education and training policies and contribute to their implementation. Cedefop works with the European Commission, the Member States and social partners and responds to their distinct needs as they develop and implement different aspects of European VET policy.

ETF operates under the framework of the EU's external relations policies and provides support to the European Commission and countries and territories outside the EU that receive assistance through the EU's Enlargement, Neighbourhood and Development and Co-operation policies.

Both Cedefop and ETF support the European commission in the field of vocational education and training in a lifelong learning context. The respective operations of Cedefop and ETF are distinguished by distinct mandates established by their Founding Regulations.

The differences in the operational focuses of Cedefop and the ETF are also delineated in the functions that they conduct under their mandates. The ETF carries out activities involving the following key actions: thematic and technical advice in human capital development to EU services (European Commission: DG Education and Culture, DG Enlargement, DG Development and Cooperation, DG Employment, Social Affairs and Inclusion, DG Enterprise and Industry, DG Home Affairs; and the European External Action Service) and in support of the external relation programmes (IPA, ENPI, DCI) in programming and project cycle; policy advice to partner country governments and stakeholders on policy solutions appropriate to the problems they face and capacity building of key actors, including governments, in the field of education and training and employment. The ETF also disseminates information on approaches and trends in vocational education reform being followed in the EU. Cedefop aims to generate new insights and fill knowledge gaps undertaking strategic research and comparative analyses to support EU objectives in VET, providing policy advice to and raising awareness among stakeholders and the wider public. Cedefop's work aims to: (a) promoting European VET and lifelong

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learning policy by providing evidence and analysis; and (b) strengthen European cooperation, by supporting Member States to implement common European tools and principles, share policy priorities, and exchange experience.

Without prejudicing the distinctive mandates and functions of either Cedefop or ETF, the shared focus on vocational education and training offers potential synergies through co-operation. Cedefop offers information and reports on EU experiences that can be useful to guide Candidate and neighbouring Countries on how they may be able to follow EU trends in education and training during the Enlargement process. Likewise, ETF's work supports Candidate Countries during reporting of progress being made under the Copenhagen process. More generally, Cedefop's work provides a pool of European research on vocational education and training policies that can be partially shared with partner countries and territories.

The potential for the synergies and complementarities is recognised in the Founding Regulations of both agencies. In particular, ETF's Council Regulation requires ETF and Cedefop to systematise their co-operation in the framework of a joint annual work programme annexed to their annual work programmes. This report is subsequently provided to the European Parliament as part of their annual reporting processes.

Report of ETF – Cedefop Co-operation 2012

During 2012, ETF and Cedefop further systematised their co-operation to maximise the benefits for their respective mandates. This resulted in co-operating for the 2012 reporting progress of Candidate Countries as part of the follow up of the Bruges communiqué on reinforcement of cooperation in VET, in organising a knowledge sharing seminar, collaboration in the area of qualifications development and implementation of the common EU instruments, in skill matching and anticipation.

Progress in the implementation of the Bruges communiqué in Candidate countries

In 2012, Cedefop's analysis of and reporting on VET policies focused on establishing an overview of progress with the 22 short-term deliverables agreed in the Bruges Communiqué, which constitute measures and means to reach the strategic goals set for European VET until 2020. Cedefop cooperated with ETF in the context of the Copenhagen working group on how to include progress of candidate countries in the synthesis report which was drafted by Cedefop on progress across the EU and in candidate countries. Cedefop drafted the fiches of progress per country and per deliverable, of the EU Member States as well as the synthesis describing progress across the EU and in candidate countries (Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey). ETF drafted the candidate countries fiches.

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In addition, Candidate Countries that are involved in the Lifelong Learning programme (Croatia and Turkey) participated in the study visit programme of Cedefop on the same basis as Member States.

Knowledge Sharing

In 2012, the ETF and Cedefop conducted one knowledge sharing seminar. The event took place in Thessaloniki on 26 September 2012 and focused on the ETF's work on:
a) the validation of qualifications and competences in the framework of migration and
b) the good multilevel governance for VET.

Qualifications Development

As confirmed in the Bruges Communiqué, Cedefop and ETF have also cooperated to integrate and align their analyses of NQF developments into a world-wide overview of developments to be prepared in cooperation with UNESCO in 2013. Cedefop will cover the EU2020 countries, ETF the partner countries and UNESCO the third countries developments. During 2012 Cedefop was involved in the development of the ETF Qualifications Platform which is a communication tool on qualifications and framework developments worldwide. ETF also contributed to the Cedefop monitoring of National qualifications frameworks development in Europe (covering 36 countries) by providing information on Croatia, Turkey, former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Skills matching and anticipation

Since April 2012, Cedefop and ETF are establishing members of the Interagency group on "Greening TVET and skills development" together with UNEVOC, OECD, ILO and other international agencies. The Inter-agency Working Group meets on a regular basis with the aim to enhance cooperation among members by building on on-going projects and activities.


Cedefop and ETF together with ILO also engaged in a joint venture to publish series of guides on skills anticipation and matching. The first three guides, under the leadership of ETF will cover skills mismatch analysis, intermediary agencies (with emphasis on Public Employment Services) in skills matching anticipation and matching at sectoral level. A fourth guide under the leadership of Cedefop will cover macro-level anticipation. All guides will be published in 2013.

In many events ETF and Cedefop coordinated their participation and contributions. Examples include: ETF is represented in the new thematic working group on professional development of trainers in VET set up by the Commission with coordination support from Cedefop. ETF also participated in the Refernet plenary meeting (Thessaloniki, 16-17 October 2012) that focused on policy reporting

activities. ETF contributed to Cedefop workshop on "The role of qualifications in governing the labour market", Thessaloniki 26-27 September 2012.

Administrative Co-operation

In line with the joint work programme for 2012, co-operation also took place at the administrative level, when applicable¹.



Christian F. Lettmayr
Acting Director
Cedefop
Done in Thessaloniki,



Madlen Serban
Director
ETF
Done in Turin,

¹ participation of ETF Human Resource staff in Cedefop's recruitment panels

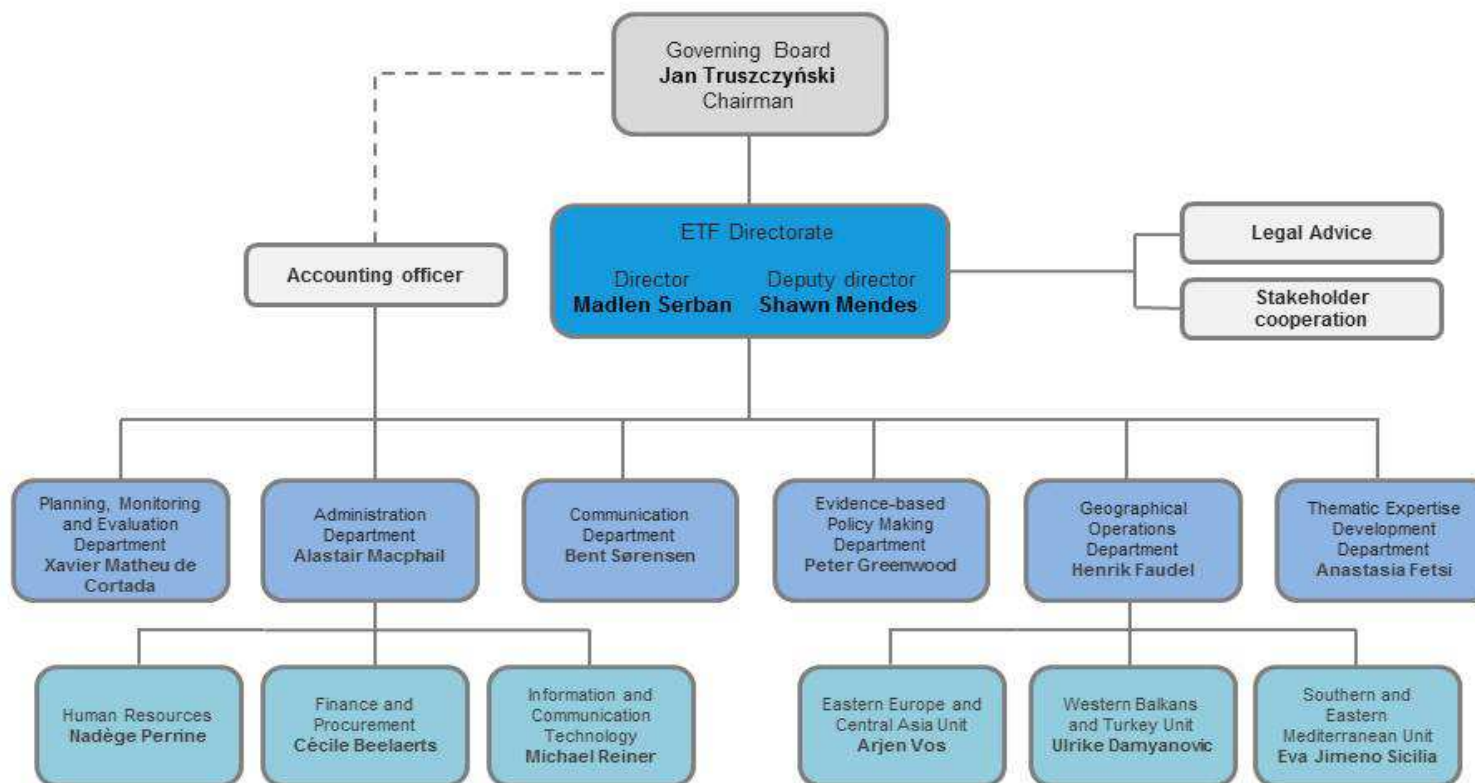
Implementation of the Collaboration Agreement between the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Training Foundation (ETF)

Action Plan from 1/1/2012 until 31/12/2012

Actions	Activities	Timeframe	Status of implementation
Information sharing on analytical work and on-going research	<ul style="list-style-type: none"> ■ Exchange of findings of work, methodologies, practices, publications ■ The Eurofound will share with the ETF the results of the projects on restructuring of SME's and "Growth and employment: anticipation and managing the effects of greening of European industries"; ■ the ETF will provide Eurofound information and knowledge on Eastern neighbouring countries as input for the Eurofound labour migration project; ■ the ETF will share its expertise as regards the Eurofound project "Labour market transitions of young people at risk of poor employment outcomes" ■ Exchange of information in preparation of the annual work programmes ■ Knowledge sharing (meetings, teleconference, etc) 		<ul style="list-style-type: none"> ■ ETF provided observations to Eurofound draft report on- "Growth and employment: anticipating and managing the effects of greening of industries in the EU"; ■ Eurofound sent for consultation its draft Four-Year programme 2013 – 2016; ■ ETF sent for consultation to Eurofound its draft Work Programme 2013 (June 2012); ■ Participation of ETF representative in the Eurofound Foundation seminar series 2011-2012 - Improving working conditions: Contribution to active ageing, 28-30 May 2012, Rome, Italy; ■ Participation of ETF staff in a focus group as a key user of Eurofound information.
Organisation of two annual joint meetings with the possibility of organising also tele-conferences	<ul style="list-style-type: none"> ■ Discussion of joint activities for forthcoming year ■ Follow up meeting on implementation 	<ul style="list-style-type: none"> ■ May 2012 ■ December 2012 	<ul style="list-style-type: none"> ■ Teleconference on 18 October 2012 ■ Permanent consultation by e-mails and phone conversations
Participation in Board meetings		<ul style="list-style-type: none"> ■ June 2012 ■ November 2012 	<ul style="list-style-type: none"> ■ Eurofound participated in the ETF GB meeting, 15 June 2012

Actions	Activities	Timeframe	Status of implementation
<p>Participation in thematic activities carried out by the respective agency</p>	<ul style="list-style-type: none"> Participation of the Eurofound representatives in the ETF project on Social partnership in VET in the Mediterranean (Advisory Committee and activities of the project). The main contribution will be to provide advice to the project implementation and to review the methodological notes which will be prepared through the project. The Eurofound representative will participate in the two events the ETF will organise within this project. The ETF and partner countries could benefit from the results of the Eurofound analysis on "representativeness of European sectoral social partner organisations". The results may be presented during one of the next project events. 	<p>2012-2013</p>	<ul style="list-style-type: none"> Eurofound representative participated in the ETF regional event "Social Partnership in VET in the Southern and Eastern Mediterranean region" , Istanbul, 14-16 October 2012

Annex 7: ETF management and organisation



Annex 8: 2012 Delegations of Appointing Authority

LIST OF POWERS DELEGATED

Authorisation for	Delegated to	Subdelegated to
Annual leave & Flexitime Recuperation	Heads of Unit/Department for staff in their Unit/Department	
Special Leave	Heads of Unit/Department for staff in their Unit/Department ¹	
Sick Leave	Heads of Unit/Department for staff in their Unit/Department ²	
Carry forward of leave in excess of 12 days	Heads of Unit/Department for staff in their Unit/Department for validation of the justification and Head of HR for authorisation	
Compensatory leave	Heads of Unit/Department for staff in their Unit/Department	
Advance on salaries	Head of Administration	
Overtime	Heads of Unit/Department for staff in their Unit/Department ³	
Training requests	Head of HR Unit for validation, (Delegated) Authorising Officer for approval	
Determination of entitlements	Head of HR Unit	
Determination of grade and step	Head of HR Unit	HR Officer(s)
Determination of place of origin	Head of HR Unit	HR Officer(s)
Certification/Attestations	Head of HR Unit	

Annex 9: ETF Corporate performance indicators 2012

ETF corporate performance indicators show the relevance and measurability of its objectives and provide data of how the ETF performs at an aggregated level in relation to its core business and its functioning as an agency of the European Union. ETF corporate performance indicators measure core business efficiency at the level of corporate outputs clustered by functions and specified by subcategories deriving from projects outputs. ETF corporate performance indicators provide the key performance information to enable the organisation and its main stakeholders to understand whether the management of resources is effective and efficient.

ETF CORE BUSINESS DIMENSION		
Indicator	Achievement	Target
1. Measurements of ETF's support to the delivery of Community assistance (Function 1)	N° of outputs (% target) /2011data	(Planned) Target
1.1 Country reviews and needs analysis 1.2 Support for EC instruments programming 1.3 SWAP support and preparation (identification, feasibility, financing) 1.4 Project design (identification, feasibility, financing) 1.5 SPSP/Project implementation support and follow-up 1.6 Support to regional policy dialogue	37 (119%) / 31	(31) 100%
2. Measurement of ETF contribution to partner countries capacity building (Function 2)	N° of outputs (% target) /2010 data	(Planned) Target
2.1 Capacity for policy evidence creation 2.2 Capacity for policy formulation 2.3 Capacity for policy implementation 2.4 Capacity for policy review	67 (89%) /72	(75) 100%
3. Measurement of ETF's provision of policy advice to the partner countries (Function 3)	N° of outputs (% target) /2010 data	(Planned) Target
3.1 Comparative analysis 3.2 Country studies 3.3 Thematic studies 3.4 Analytical tools	31 (115%) /22	(27) 100%
4. Measurement of ETF facilitation of dissemination and networking (Function 4)	N° of outputs (% target) /2010 data	(Planned) Target
4.1 Specialized publications 4.2 Promoting collaborations and facilitation of dissemination activities/events 4.3 ICT-based dissemination	27 (113%) / 25	(24) 100%

ETF RESOURCES MANAGEMENT DIMENSION

Indicator	Achievement (Target) / 2011 data
5. Overall budget commitment (FIN) Title 1, 2, 3 (Subvention) Title 4 (multiannual earmarked revenue)	99.8% / 99.3% (> 98%) 99.91% / 99.7% (>98%) 86.9% / 70.5%
6. Overall budget execution (paid/committed) (FIN) Title 1, 2, 3 (Subvention) Title 4 (multiannual earmarked revenue)	85.9% / 86.8% (> 80%) 86.0% / 86.9% (>80%)/ 70.9% / 77.0%
7. Consumption of budget carried forward (FIN) Title 2 , T3 , T4 and 5 Title 1, 2	91.3% /87.0% (> 98%) 81.07% /89.6%
8. Compliance index: N° of critical observations from auditing bodies (PMED)	0 (< 3) / 0
9. Staff engagement (staff survey)	74%/78% (staff survey 2009) (70%)
10. % staff with >_ 8 days training (HR)	31.5% and average 7 days of training per staff member staff / 31%: (Target 80%) and average 6.5
11. TA turnover rate (staff left/average actual staff) (HR)	9.6% (TA 6.6%; CA17.9%) /6.5% (TA: 5.5%; CA: 9.4%) (8-15%) /6.6%
12. Gender ratio (HR)	AST: F 78.78% M 21.22% AD: F 56.25% M 43.75% AST: /77% F- 23% M AD: /55% F- 45% M (50:50)
13. Environment index - ETF primary carbon footprint: CO ² emissions emitted due to ETF travel and running of offices (no. of tonnes per annum) (PMED)	317.22 CO ² emissions / 327.03 CO ² emissions (target: 3% less than 2011 data)

Annex 10: ETF Policy on Materiality criteria to establish reservations in the annual declaration of assurance of ETF director in the Annual Activity Report (ETF/09/DEC/018 issue 2)



DIRECTOR'S DECISION

NUMBER	ETF/2009/DEC/018 Issue 2	
SUBJECT	ETF Policy on Materiality Criteria	
Issues	Summary of issue	Date
1	Original decision	3 November 2009
2	Modifications: revised ETF Policy on Materiality Criteria	3 February 2012

The Director of the European Training Foundation,

Having regard to

Article 40 of ETF Financial Regulation,
 "The authorising officer shall report to the Governing Board on the performance of his duties in the form of an annual activity report, together with financial and management information confirming that the information contained in the report presents a true and fair view except as otherwise specified in any reservations related to defined area of revenue and expenditure."; and

ICS no. 8 'Processes and procedures' of the revised 16 ETF Internal Control Standards adopted by the GB in March 2009 (GB/09/DEC/004) and in particular the ETF procedure on register of exceptions (ETF/2011/DEC/001)

Considering

The EC guidelines for annual activity reporting ¹ which state that only material reservations can be used to qualify the annual declaration and even in case no reservation is issued, the Annual Activity Report should explain the materiality criteria considers applicable to their operations.

Has adopted the following decision

1. Scope

The aim of this policy is to define the materiality criteria for the ETF Director to base his/her decision where a reservation should be included in the annual declaration of assurance in the context of annual activity reporting.

¹ Standing Instructions for Annual Activity Reports 2010, SEC (2010)1333 and EC Communication COM (2003)28 of 21 January 2003.

2. The concept of materiality

The concept of materiality provides the ETF Authorising Officer with a sound basis for determining **significant deficiencies** that should be subject to a formal reservation to his/her annual declaration. Deciding whether a deficiency is significant is a matter of judgment by the Authorising Officer, who remains responsible for the declaration of assurance, including any reservations to it. In doing so, he/she should identify the overall impact of a deficiency and judge whether it is material enough so that the non-disclosure of the deficiency is likely to have an influence on the decisions or conclusions of the users of the declaration.

In order to ensure coherence with those criteria commonly followed within the EC and to avoid the risk that the reservations included in the ETF Annual Activity Report would not be understood or interpreted in a correct manner by readers of the report, the ETF applies the same common approaches of the EC as regards the assessment and quantification of significant deficiencies and materiality thresholds.

2.1. Types of significant deficiencies

In the ETF, deficiencies leading to formal reservations which fall within the scope of the declaration of assurance, should **relate to the reasonable assurance concerning the use of resources, sound financial management or legality and regularity of underlying transactions.**

The following provides a non-exhaustive list of types of possible deficiencies to be considered in this context:

- *Significant occurrence of errors in the underlying transactions* (legality and regularity) detected during the controls or supervision exercises. Different parameters can be considered, such as the frequency of errors and the financial impact of these errors etc.
- *Significant control system weaknesses.* Controls can also detect major system weaknesses for which the financial impact as such is not easy to calculate but which indicate weaknesses as to the design and the effectiveness of the control systems.
- *Insufficient audit coverage and/or inadequate information from internal control systems.* These include situations where the ETF may not be aware of specific control weaknesses, because it has not performed enough controls in that area to support a definitive conclusion and it does not have compensating evidence from other sources.
- *Critical issues outlined by the European Court of Auditors, the Internal Audit Service and OLAF.* These issues may relate to significant occurrence of errors, weaknesses in the control systems or insufficient audit coverage or inadequate information from internal control system. In these cases, consideration should also be given to alternative sources of evidence (e.g. the management's own information).
- *Significant reputational events.* Reputational events having a significant impact on the declaration of assurance i.e. the use of resources, sound financial management and the legality and regularity of underlying transactions.

Deciding whether something is material involves making a judgment in both **qualitative and quantitative terms.**

2.2. Qualitative assessment

In qualitative terms, when assessing the significance of any deficiencies, the ETF should take into account the following factors:

- The nature and scope the deficiency;
- The duration of the deficiency;
- The existence of compensatory measures (mitigating controls which reduce the impact of the deficiency); and
- The existence of effective remedial actions to correct the deficiencies (action plans and financial corrections) which have had a measurable impact.

2.3. Quantitative assessment

In order to make a judgement on the significance of a deficiency, **it is essential to quantify the potential financial impact**. This entails quantify the monetary value of the identified problem and/or the amount considered erroneous and/or the amount considered at risk in monetary terms.

The ETF standard quantitative materiality threshold is 2% of its overall annual budget. This means that when a detected deficiency has an exposure risk value representing 2% (or more) of the ETF total annual budget ("at risk"/"exposure") a reservation should always be reported in the annual declaration of ETF Director.

For each reservation in its ETF Annual Activity Report, the ETF should report the precise nature of the reservation, explain the cause and quantify the extent of the significance of the reservation in budgetary terms and in terms of impact on the assurance declaration. The ETF Annual Activity Report should also set out the corrective measures put in place by the ETF to mitigate, manage and correct the deficiency as far as possible.

3. Final provisions

The provisions of this policy are subject to regular review every two years.

4. Entry into force and application

This decision repeals and replaces Director Decision ETF/09/DEC/018 (issue 1) and enters into force on the date of signature.

Signed in Turin on

03/02/12

Madlen Serban
Director

ANNEX 11: Summary of ETF Risk Register and Action Plan 2012 – 2013 state of play 31 December 2012

(ETF RISK FRAMEWORK AREAS WP 2013 OBJECTIVES)	RISK NO.	DESCRIPTION OF POTENTIAL RISK	INHERENT RISK	MITIGATING CONTROLS ALREADY IN PLACE (SUB-PROCESSES INVOLVED)	RESIDUAL RISK	ADDITIONAL CONTROL PLANNED (SUB-PROCESSES INVOLVED)	ACTION PLAN 2012-2013 STATE OF PLAY
(1. Risks related to the external environment) 1.2. To strengthen the capacity of partner countries to develop and apply tools for evidence-based policy making 2.3. To disseminate relevant information and encourage exchange of experience and good practice between the partner countries and among the partner countries in human capital development.	ETF-RR-13-01	Disruption in external environment limits partner country engagement in ETF activities (e.g. Torino process) and leads to failure/delays in achieving related objectives Cause 1) Changing priorities of individual countries - due to either institutional political changes in the country or differences in national agenda results in a limited ownership of the Torino process; Cause 2) Changes in EU external policies towards a given country.	High	<ul style="list-style-type: none"> ■ Constant follow up of country by ETF managers and project teams (J6monitoring of activities) ■ Master matrix built up driving different responses in each country situation; ■ Use lessons learned; ■ Continuity in communication both internally and externally; ■ Adaptation to agenda of specific country; ■ Dashboard enabling day to day monitoring of project progresses and quarterly reporting to managers; ■ Communication with EU and GB (cause 2); 	Low	The preventive and mitigation actions put in place by the ETF bring the risk to an acceptable level and beyond which the risk is out of ETF control	ongoing

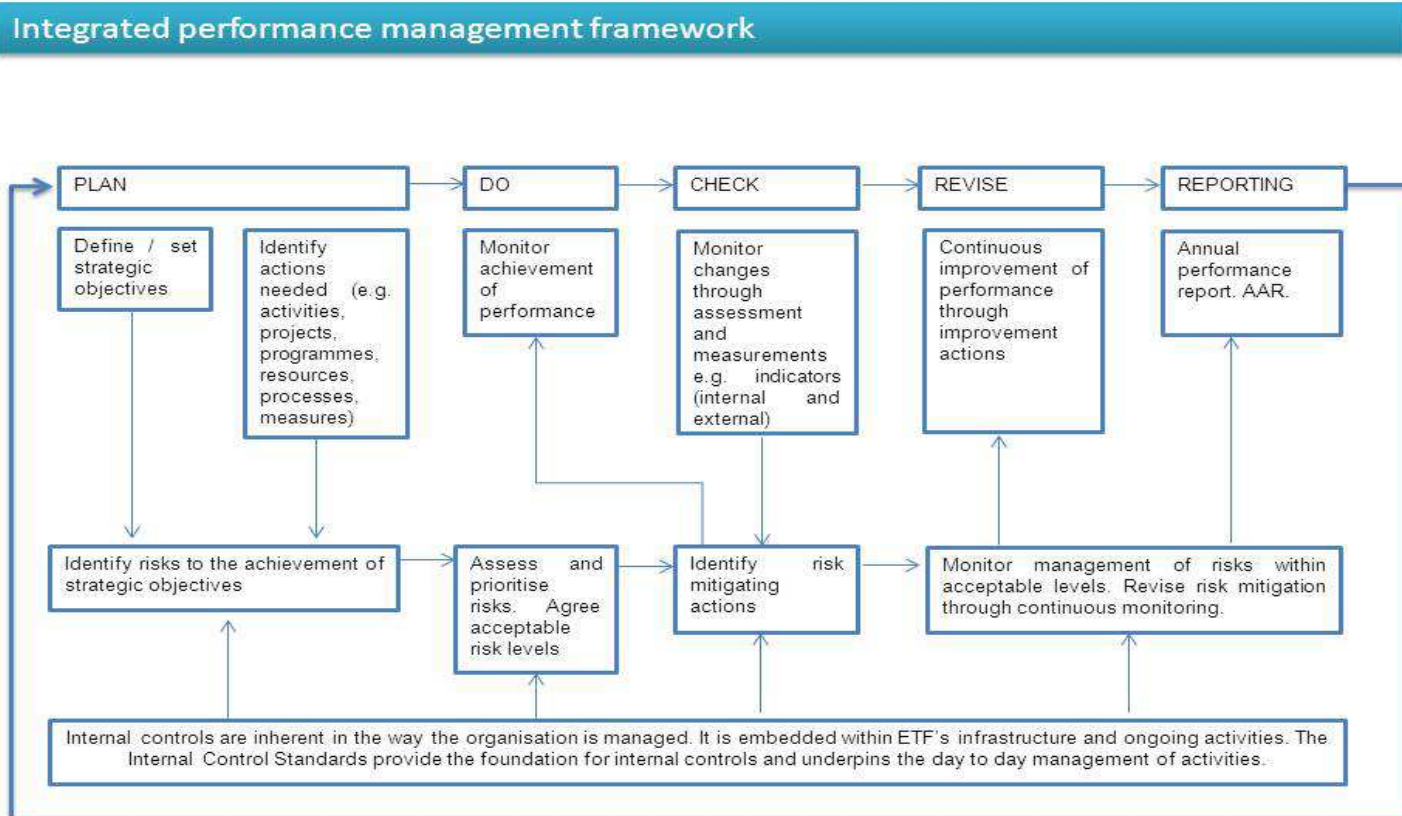
(ETF RISK FRAMEWORK AREAS WP 2013 OBJECTIVES)	RISK NO.	DESCRIPTION OF POTENTIAL RISK	INHERENT RISK	MITIGATING CONTROLS ALREADY IN PLACE (SUB-PROCESSES INVOLVED)	RESIDUAL RISK	ADDITIONAL CONTROL PLANNED (SUB-PROCESSES INVOLVED)	ACTION PLAN 2012-2013 STATE OF PLAY
1. To build partner country capacities in analysing and making evidence-based policies in vocational education and training reform (both in initial and continuing VET); 2. To support relations, where relevant, between EU internal policies and its external relations policies	ETF-RR-13-02	Political uncertainty leads to difficulties in planning ahead and implementation in partner countries, leading to failures/delays in meeting priority objectives	Medium	<ul style="list-style-type: none"> ■ Close monitoring of situation quarterly in particular Q2 ■ Dashboard enabling day to day monitoring of project progresses and quarterly reporting to managers 	Medium	The preventive and mitigation actions put in place by the ETF bring the risk to an acceptable level and beyond which the risk is out of ETF control	on-going
(2. Risks related to planning, project management processes and systems)	ETF-RR-13-03	<p>a) Unplanned requests from EC Delegations for the design of large-scale interventions and input to EU policy dialogue and development leads to overburdened work programmes and priority clashes</p> <p>b) Increased budget and related activities leads to too many priorities. The above results in increased workload for staff, non-delivery of quality work and objectives and, stakeholder expectations not being met and eventual ETF reputational impact.</p> <p>c) Unplanned corporate priorities leads to the postponement of planned activities</p>	Medium	<ul style="list-style-type: none"> ■ Continue to monitor the management of priorities as defined in the WP and in relation to the new ones ■ Adjustment of individual objectives during the year to unplanned requests taking into consideration corporate priorities ■ Mapping of the EU requests process, and reviewing the EU requests database ■ Analysis on the number and reasons for cancellations of tender procedures in 2011 	Low	<p>The preventive and mitigation actions put in place by the ETF bring the risk to an acceptable level and beyond which the risk is out of ETF control</p> <p>The 'EU requests procedure' was drafted in Q2-2012 using the new process map template. As part of the review of the EU request database, new EU request database guidelines have been drafted in Q3-2012</p>	on-going

(ETF RISK FRAMEWORK AREAS WP 2013 OBJECTIVES)	RISK NO.	DESCRIPTION OF POTENTIAL RISK	INHERENT RISK	MITIGATING CONTROLS ALREADY IN PLACE (SUB-PROCESSES INVOLVED)	RESIDUAL RISK	ADDITIONAL CONTROL PLANNED (SUB-PROCESSES INVOLVED)	ACTION PLAN 2012-2013 STATE OF PLAY
(2. Risks related to planning, project management processes and systems)	ETF-RR-13-04	Considering the increased demand for specific expertise in HCD fields in partner countries, the lack of availability of high quality experts may impact the quality of ETF deliverables.	High	<ul style="list-style-type: none"> ■ Quality controls in place (e.g. quality check on the Terms of Reference and selection criteria) ■ Training on the selection criteria ■ Approval of deliverables of ongoing contract instruments ■ Anticipated planning and increased publicity 	Low	<ul style="list-style-type: none"> ■ Enlarged market and research ■ Revision of ETF contractual instruments e.g. improved Terms of Reference ■ More systematic way of using ETF internal expertise and management of framework contracts 	on-going

(ETF RISK FRAMEWORK AREAS WP 2013 OBJECTIVES)	RISK NO.	DESCRIPTION OF POTENTIAL RISK	INHERENT RISK	MITIGATING CONTROLS ALREADY IN PLACE (SUB-PROCESSES INVOLVED)	RESIDUAL RISK	ADDITIONAL CONTROL PLANNED (SUB-PROCESSES INVOLVED)	ACTION PLAN 2012-2013 STATE OF PLAY
(3. Risks related to people and the organisation) (5. Risks related to communication and information)	ETF-RR-13-05	A wide and evolving range of fields of expertise to be covered (in both operational and administrative activities) and limited staff numbers makes it a challenge to ensure staff competences match needs, particularly in case of staff turnover. This can impact on the quality of ETF deliverables and involves recruitment, staff assignment; learning and development, knowledge management, and handover procedure when key staff/ leave the organisation.	Medium	Competency framework under revision (core competences revised, competence profile in every job description and in vacancy notices);	Medium	<ul style="list-style-type: none"> ■ Handover procedure to be reviewed in 2013 (HR) ■ Managers to ensure they are aware of the last day of service of their staff in order to put in place timely debriefing and coaching before the end of service (thus enhancing knowledge management). ■ Completion and deployment of competence framework in 2013; ■ Regular discussion at the level of managers on staffing needs and recruitment plan ■ review of learning and development framework by Q2-213 ■ Revision of the ETF Intranet to enhance accessibility and sharing of documents ongoing, due to be finalised in 2013 (COMM) 	on-going
(1. Risks related to the external environment)	ETF-RR-13-06	The situation regarding the ETF's premises puts its activities at risk of disruption if the ETF building service contract has not been renewed by July 2012. Indeed the ETF depends on the Condominium for essential services such as heating, water, electricity and partly also building maintenance.	Medium	<ul style="list-style-type: none"> ■ Close monitoring of situation and contacts with local/ and national Italian authorities; ■ Involvement of MEPs and GB representatives as adequate; ■ Possible revision of ETF business continuity plan.K11 	Medium	The preventive and mitigation actions put in place by ETF bring the risk to an acceptable level and beyond which is out of ETF control	on-going

(ETF RISK FRAMEWORK AREAS WP 2013 OBJECTIVES)	RISK NO.	DESCRIPTION OF POTENTIAL RISK	INHERENT RISK	MITIGATING CONTROLS ALREADY IN PLACE (SUB-PROCESSES INVOLVED)	RESIDUAL RISK	ADDITIONAL CONTROL PLANNED (SUB-PROCESSES INVOLVED)	ACTION PLAN 2012-2013 STATE OF PLAY
(2. Risks related to planning, project management processes and systems) (3. Risks related to people and the organisation)	ETF-RR-13-07	Limited coordination between units/departments in preparing the departmental work plans, can result in incoherency between objectives of different departments. This can give rise to unplanned requests and unexpected changes in priorities, resulting in additional administrative procedures, unmanageable workload, overstressed staff and mistakes	Medium	<ul style="list-style-type: none"> ■ Coordination role of the newly appointed Deputy Director (February 2012) ■ Enhance coordination of planning documents during preparation and in the first month of the year ■ Regular management review and assessment of feasibility planned activities during Q ■ Simplification of mapping of processes 	Low	The preventive and mitigation actions put in place by ETF bring the risk to an acceptable level and beyond which is out of ETF control	on-going

ANNEX 12: ETF Integrated performance management framework (PMF)



ANNEX 13: ETF Internal Control Standards requirements, ETF main evidence to support measurement of effectiveness in 2012 and overall compliance self-assessment

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
ETF 16 Internal Control (ICS) and Performance management Standards (PMF)	Examples / evidence to support measurement of effectiveness	Risk assessment: Identified gaps or weaknesses	Assessment scale 1. <i>Adequate system in place</i> 2. <i>Slight improvements needed</i> 3. <i>Significant improvements needed</i> 4. <i>No system in place</i>	Proposed actions and priority ranking Priority Ranking: Low Medium High
BB 1. Mission and Values				
The ETF's mission statement is a performance enabler. It is embodied within the ETF's strategies, objectives, policies, corporate positions, criteria, added value, impact, etc. which facilitates common understanding and definition of what ETF should be doing. It is developed on the basis of understanding stakeholders' needs. 1. Mission: The ETF's raison d'être is clearly defined in up-to-date and concise mission statements developed from the perspective of the ETF's customers.	The ETF has a clear mandate. The external evaluation confirmed ETF's mandate. Staff are also clearly aware of the mandate. The Torino process (analysis of needs) helps inform ETF objectives which reflect ETF's mandate.	None.	1. Adequate system in place	1. Low No new actions Focus continues to be on embedding ETF mission into ETF strategies, planning, activities and organisational structure.
The ETF's ethical and organisational values are performance enablers. These are embodied within ETF's codes of conduct and underpin implementation of activities and processes and use of resources.	Conflict of interest: An ETF working group has been established in November 2012 to draft an overarching policy on managing conflict of interest.	Residual Risk Assessment: Likelihood – LOW Impact – HIGH (Residual Risk = MEDIUM but with further actions (overarching policy, regular reminders, clear guidelines to bring the risk level to low)	2. Slight improvements needed	2. Medium Actions: 2.1 establish an overarching policy on conflict of interest. 2.2 Align ETF rules on gifts and donations with the

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
<p>2. Ethical and Organisational Values: Management and staff are aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making.</p>	<p>Institutional level : reputation: e.g. ETF advises partner countries but works within the priorities of the EC Process level (tender + recruitment) Recruitment assessment board and evaluation committee members sign declaration of absence of conflict of interest. Clear procedures in place for recruitment and evaluation process. GB level: procedure on GB declaration, GB members participate in activities every 2 years. Survey carried out on GB declaration of interest, this is analysed by the Stakeholder Management Officer Individual staff members' level: staff travelling (missions). Although there is a clear perception that staff are fully aware of what is a conflict of interest there are no formal ETF guidelines.</p>	<p>Risk of perceived and actual conflict of interest discussed and assessed at four levels: Institutional reputation Process (tender + recruitment) GB Individual staff members</p>		<p>Commission's revised rules on gifts and hospitality 2.3 ex-post assessment of conflict of interest forms for tender evaluation and awareness raising for (S)DAOs 2.4 annual compulsory refresher training on ethics and integrity for all staff with particular attention to conflict of interest</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT		
BB 2. Human Resources			
<p>Corporate objectives within the ETF are performance enablers. The ETF annual Work Programme clearly aligns the planning of its activities to the availability of its human resources.</p> <p>3. Staff Allocation and Mobility: The allocation and recruitment of staff is based on the ETF's objectives and priorities. Management promote and plan staff mobility to strike the right balance between continuity and renewal.</p>	<p>The interpretation of mobility in an Agency is different to the process that is applied by the EC.</p> <p>The area of mobility for ETF is in terms of development of staff to enable promotion (although this is not directly linked to appraisal).</p> <p>There is a mobility policy upon request of staff.</p> <p>There is an Ops process in place that has been drafted (not yet approved).</p> <p>There is an Annual staff policy plan which goes to the budget authority.</p>	<p>The 2012 Staff survey highlighted issues concerning balance of workload to availability of staff.</p> <p>It is known in the planning process that a number of unknown activities will be accepted and implemented by the ETF, which means that some events / activities have to be reassessed.</p> <p>The process in place to align workload with staff availability is based on the process map that has been developed in 2012. It however does not cater for unforeseen activities.. In addition there seems to be limited awareness on other department's/unit's activities, workload, picks, etc. which is important consider the current matrix structure in OPS and the fact that colleagues and shared between different units/departments and coordination is needed.</p> <p>The planning process will be reviewed in 2013</p> <p>One of the issues highlighted was that new projects were accepted but existing ones were not postponed or cancelled. It was not clear whether planning is a problem or implementation, or if this is an issue with the programming phase.</p> <p>There was confirmation that Q3 feasibility discussion had not been fully exploited. Use of Time recording was discussed to help with planning by considering days and not FTE percentages.</p> <p>It was discussed that the WP can be amended and the provision is included within it.</p>	<p>3. High Actions:</p> <p>3.1 Management meetings to discuss the issue of balance of workload further.</p> <p>3.2 The Annual Management Plan includes a calendar. The quarterly management meetings should cover:</p> <ul style="list-style-type: none"> -review of calendar, -quarterly review of WP -priorities and planning concerns, and -impact of workload on other areas of the ETF. <p>3.3 actions ongoing to raise awareness of the impact of IPs on other departments/units (e.g. publications)</p> <p>3.4 Review of planning process (ongoing) embedding ad hoc management team meetings to ensure effective coordination and prioritisation. This includes:</p> <ul style="list-style-type: none"> a) an assessment of lessons learnt from 2013 and current MTP, and b) looking forward to 2014 and the new MTP. <p>3.5 review of TR analysis (looking at days instead of FTEs)</p> <p>3.6 actions ongoing to reduce the length of corporate documents (Work programme) consider reducing length of IPs</p> <p>3.7 Mapping of a new process 'project identification'</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
<p>The ETF defines standards and performance indicators which sets the desired level of quality in performance. ETF assesses how staff is performing. To be effective, performance measurement must be linked to individual objectives and shortcomings must be managed.</p> <p>4. Staff Evaluation and Development: Staff performance is evaluated against individual annual objectives, which fit with the ETF's overall objectives. Adequate measures are taken to develop the skills necessary to achieve the objectives.</p>	<p>Performance appraisal system exists within ETF. The annual performance feedback process is set against ETF's objectives including individual behaviour (corporate values and standards). Good practice: Ops managers met in 2011 to agree common approach. Shared with staff during appraisal which included written comments from other managers.</p>	<p>There is inconsistency across line managers. Perceived problem is that staff are rated A, B or C. Ratings D and E are not used even where there is evidence of poor performance. There is a link to ICS 3 on allocations and workloads.</p>	<p>2. Slight improvements needed</p>	<p>1. Low Actions: 4.1 Take forward approach of line managers of departments (including several units) to discuss amongst themselves performance of individuals with a view to have more harmonised appraisals.</p>
BB 3. Planning and Risk Management Process				
<p>The ETF defines its strategies, objectives, policies, corporate positions, criteria, added value, impact, etc. to act as performance enablers as they should facilitate common understanding and definition of what the ETF should be doing and which processes and resources it should be using.</p> <p>The ETF defines and monitors standards and performance indicators which set the desired level of quality for performance. The performance indicators are balanced in terms of quantitative and qualitative attributes. To be effective performance measurement must be linked to the</p>	<p>Benchmarking performance indicators with other agencies on core business areas. Next year will be a good opportunity to review KPIs in particular to move from outputs to outcomes (deriving from projects outputs). The ops team will implement a log frame approach which will consider outcomes. KPIs are monitored quarterly by the management team. There are currently less than 20 KPIs which is a fair number.</p>	<p>External evaluation completed recently highlighted some recommendations: -improve objective setting (should be precise)</p>	<p>1. Adequate system in place</p>	<p>1. Low No new actions Improvements already identified through existing measures, e.g. external evaluation. Improvements are on-going.</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
<p>organisational strategic plan.</p> <p>5. Objectives and Performance Indicators: The ETF's objectives are clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators are established to help management evaluate and report on progress made in relation to their objectives.</p>				
<p>The ETF risk management process is embedded within all levels of performance-based management.</p> <p>6. Risk Management Process: A risk management process that is in line with applicable provisions and guidelines is integrated into the annual activity planning.</p>	<p>Improvements have been made in the area of risk management. 2012 review bottom up approach. There is on-going monitoring of risk through the use of the dashboard.</p>	<p>None.</p>	<p>1. Adequate system in place</p>	<p>1. Low No new actions</p>
BB 4. Operations and control activities				
<p>ETF management is committed to the development and implementation of the performance-based management framework and continually improves its efficiency and effectiveness through the operational structure.</p> <p>7. Operational Structure: The ETF's operational structure supports effective decision-making by suitable delegation of powers. Risks associated with the ETF's sensitive functions are managed through</p>	<p>IAS carried out an IT risk assessment and a number of improvements were identified and addressed e.g. IT strategy 2011, IT steering committee, and IT technical committee. Last ETF restructuring was in 2010 and 2011 (AD functional and ETF institutional and operational analysis) New strategy and mid-term perspective should not impact</p>		<p>1. Adequate system in place</p>	<p>1. Low No new actions There are improvement actions plans in place, integrated in the ETF Improvement Plan. There will be a wait and see approach to any further budget cuts required by the EC (this is unknown).</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
mitigating controls. Adequate IT governance structures are in place.	on the Organisational structure			
<p>The ETF has in place processes and procedures to recognise good performance, to improve performance and to correct low performance when not matching established standards. These should promote good practice, knowledge sharing, innovation and creativity.</p> <p>8. Processes and Procedures: The ETF's processes and procedures used for the implementation and control of its activities are effective and efficient, adequately documented and compliant with applicable provisions. They include arrangements to ensure segregation of duties and to track and give prior approval to control overrides or deviations from policies and procedures.</p>	<p>An on-going review of processes and procedures. There is an aim to optimise current processes. New processes in Ops. The approach was reviewed and new templates developed. Financial and procurement have simplified procedures e.g. low risk payment</p>	<p>2013 focus on re-engineering processes to enable efficiencies and streamlining. Events organisation could be simplified and ensure internal procedures reviewed.</p>	<p>1. Adequate system in place</p>	<p>1. Low Actions: 8.1 complete on-going actions and related plan 2013 in relation to re-engineering of processes 8.2 simplify current process for corporate events and ensure it is applied</p>
<p>The ETF's performance (progress of achievement against objectives) is supervised at different levels and throughout the annual cycle of appraisal, assessment, evaluation analyses, review and audits. ETF management reviews its PMF, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. This review includes assessing opportunities for improvement and the need for changes. Records from ETF</p>	<p>New performance management framework introduced in June 2012. Implementation is on-going. In terms of quality, the dashboard helps provide an overview for management. Overall management feel that can rely on the underlying information supporting their decision making.</p>		<p>1. Adequate system in place</p>	<p>1. Low Actions: 9.1 The ETF performance management framework is under implementation and will be fully deployed in 2013 9.2 user friendliness of the dashboard can be improved.</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
<p>management reviews are maintained</p> <p>9. Management Supervision: Management supervision is performed to ensure that the implementation of activities is running efficiently and effectively while complying with applicable provisions.</p>				
<p>ETF commits to ensuring the availability of proportional resources to enable business continuity. In the event of business interruption, ETF is able to measure and evaluate the cost of interruption, and apply lessons learnt as performance enablers.</p> <p>10. Business Continuity: Adequate measures are in place to ensure continuity of service in case of "business-as-usual" interruption. Business Continuity Plans are in place to ensure that the ETF is able to continue operating to the extent possible whatever the nature of a major disruption.</p>	<p>BCP in place which covers the entire Agency. Full BC exercise evacuation and drill carried out in November 2012 A three week down time period has been accepted within the BCP although there is recognition that some services should be up and running as soon as possible, e.g. website and email. New teleworking policy is in place.</p>		<p>1. Adequate system in place</p>	<p>1. Low Actions 10.1 Regular testing and assessment of the adequacy of the BCP</p>
<p>ETF ensures adequate and effective processes and tools to manage internal and external flow of papers, documentation and correspondence while complying with legislation. The process supports the provision of data and information for performance management in the organisation.</p> <p>11. Document Management: Appropriate processes and procedures are in place to ensure that the ETF's</p>	<p>"Confidential" document "system" has been introduced. There is also a revised policy on document management. There is an improved correspondence registration system. Use of K-drive has improved. Content management project is in place and is looking at things like version control. IT,</p>	<p>There are current actions in place to improve document management.</p>	<p>2. Slight improvements needed</p>	<p>2. Medium Actions 11.1 Content management system to look at version control and efficiency in communications.</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
document management is secure, efficient (in particular as regards to retrieving appropriate information) and complies with applicable legislation.	Ops and COMM are involved. Document management system will be linked to the new intranet site. New intranet will be presented on 5 & 6 December and will go live in 2013.			
BB 5. Information and Financial Reporting				
<p>The ETF develops system and channels to promote good practices, knowledge sharing and stimulate innovation and creativity through communities of practices, other staff and/or dedicated meetings, in house coaching activities, intranet, newsletters and other various quality initiatives to embed performance management into normal business. The ETF uses collected information, data and opinion from stakeholders to feed the ETF performance management cycle thus addressing and managing their satisfaction, as one of the measurements of the performance based management framework, ETF monitors information relating to customer perception as to whether the organization has met stakeholder requirements.</p> <p>12. Information and Communication: Internal communication enables management and staff to fulfil their responsibilities effectively and</p>	<p>Improvements have been introduced following staff survey:</p> <ul style="list-style-type: none"> -improved reporting across ETF, screens showing intranet, headlines etc. -communication policies have been developed for both internal and external communication -External communication policy – electronic tools used such as social media, internet, email policy. Have started an ETF facebook page where messages are posted. There is a manual for communications. 	<p>2013 staff survey will follow up on the concerns raised in 2012 e.g. communications. Have tried to provide training on the topic of communications for ops team but the take up has been low. Project plans have a slot for communication plans but this is not consistently used</p>	<p>2. Slight improvements are needed</p>	<p>3. High Actions</p> <p>12.1 training on project communication to be organised in Feb/Mar 2013, followed by repeated training on social media, blogging and use of the ETF website for publishing.</p> <p>12.2 training should show examples of practices</p> <p>12.3 new Intranet to be rolled out (actions ongoing) link to action plan</p>

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
efficiently, including in the domain of internal control. Where appropriate, ETF has an external communication strategy to ensure that its external communication is effective, coherent and in line with the EC s key political messages. IT systems used and/or managed by ETF adequately protected against threats to their confidentiality and integrity.				
Accounting and financial reporting are key processes underpinning the performance of ETF. Accountability and transparency are fundamental objectives of ETF PMF. 13. Accounting and Financial Reporting: Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing ETF annual accounts and financial reports are accurate, complete and timely.	ECA have not identified or reported major issues concerning statutory accounts. Accounting system has been validated by the Accounting officer who is independent.	None.	1. Adequate system in place	1. Low No new actions
BB 6. Evaluation and Audit				
ETF's performance (progress of achievement against objectives) is evaluated at different levels and throughout the annual cycle of appraisal, assessment, evaluation analyses, review and audits. 14. Evaluation of Activities: Evaluations of expenditure programmes, legislation and other non-spending activities are performed to assess the results,	There is a system of evaluation in place supported by a policy. Evaluations can be initiated externally e.g. by the EC, or by the ETF.	There is a risk of evaluation fatigue experienced by partners due to lack of coordination between externally facilitated evaluations and those initiated by the ETF. The recommendation arising from DAC is to allow for 'mutual' monitoring – this is EU wide. Implications for the ETF are presently unknown.	2. Slight improvements needed	2. Medium Actions 14.1 ETF initiated evaluations should be decided once the externally facilitated evaluation sample is known. The ETF should avoid evaluating the same projects. 14.2 The system of "fiche contradictoire " to be improved

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
impacts and needs that these activities aim to achieve and satisfy.				as an effective and proportional basis for monitoring the follow up of improvements
<p>Internal control and management systems underpin the PMF, to enable a coherent and continuous improvement system which establishes a common understanding within the organisation about what is to be achieved and how it is to be achieved, whilst striving for innovation and creativity. Once a year the ETF prepares an Annual Performance Report (PAR). The objective of this report is to identify the lessons learned from the recently finalised work programme (n-1), identify risks and corrective actions for the current work programme (n) and identify needs and opportunities for improvement in the next exercise (n+1).</p> <p>15. Assessment of Internal Control Systems: Management assess the effectiveness of the ETF's key internal control systems, including the processes carried out by implementing bodies, at least once a year.</p>	<p>The system of self-assessment is performed annually since 2006 with an increased commitment by the management and added value for the organisation</p>	None.	1. Adequate system in place	1. Low No new actions to be planned.
ETF's internal auditors through the audit process will make recommendations which help the organisation improve its processes, hence performance, and overall achieve its objectives	<p>The internal auditors (IAS) recently carried out their risk assessment (2013-15) and ETF has a strategic audit plan for the next three years. Recent IAS audit on external</p>	None.	1. Adequate system in place	1. Low

A. ICS COMPLIANCE OBJECTIVES AND PMF PRINCIPLES	B. ETF MANAGEMENT SELF- ASSESSMENT			
<p>16. Internal Audit Capability: The ETF has an Internal Audit Capability (IAC), which provides independent, objective assurance and consulting services designed to add value and improve the operations of the ETF.</p>	<p>and internal communications was a positive experience with useful recommendations arising. The ETF in addition to IAS makes use of outsourced audit and consultancy services to integrate IAS activities and provide additional assurance where felt needed by the ETF management.</p>			

ANNEX 14: 8: 2012 end of year declaration of assurance in cascade (model)

ref: 2013-XXX

2012 Declaration by Authorising Officer by (Sub) Delegation

I, the undersigned, [FULL NAME]

In my capacity as Sub/Delegated Authorising Officer by Delegation for the period:

1 January 2012 – 31 December 2012

In accordance with Director Decision ETF/12/DEC/002⁵¹ and with the ETF Charter of Tasks and Responsibilities of Authorising Officers by Delegation,

State that I have reasonable assurance that:

- the resources assigned to the activities delegated under my responsibility have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions⁵² including *the provisional nature of operations which might be subject to future clearance of accounts or closure procedures*;
- There have been no known irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the assurance declaration.⁵³ **(delete if not applicable and report on material/significant reservation)**

This reasonable assurance is based on my own judgement and on the information at my disposal, in particular:

- results of management information gained from daily operations and management supervision activities;
- results of the risk management process and its follow up;
- results of the annual management self-assessment of internal control systems;
- results of the ex-post audits and controls and their follow up;
- results of ex post evaluations and their follow up;
- observations of the Internal Audit Service and their follow up; and

⁵¹ ETF/12/DEC/002 Delegation of Authorising Officers for Budget Implementation 2012

⁵² Annex 1 contains budget execution rates, exceptions registered and Direct Agreements related to the respective DAO.

⁵³ ETF/09/DEC/018-issue 2 ETF Policy on materiality criteria to establish reservations in AAR.

- lessons learnt from the reports of the Court of Auditors for the years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Place..... Date..... Signature.....

Enc. Annex 1 budget execution rates, registered exceptions and direct agreements in 2012

The information below relates only to the **Sub/Delegated Authorising Officer by Delegation** for 2012:

[FULL NEAME, HEAD OF XXX DEPARTMENT/UNIT]

Table 1: Budget Execution Rates 2012

Table 2: Exceptions registered in 2012

Table 3: Direct Agreements above € 5,000 concluded in 2012

Table 1 Budget Execution Rates 2012

A-Commitment consumption rates (C1 and C8⁵⁴ final budget) for 2012 by Delegated Authorising Officer

B-Payment consumption rates (C1 and C8) for 2012 by Delegated Authorising Officer

	A Commitment (Final Budget)	B Payment (Final Budget)	C In line with achieved outputs, please explain any discrepancies in the budget / changes in 2012
Title 3 C1	XX %	XX %	
Title 3 C8	XX %	XX %	
Title 2 C1	XX %	XX %	
Title 2 C8	XX %	XX %	

Table 2 Exceptions registered in 2012

Exception Ref.	Subject	Type of exception	Value (€)
Total Value (€)			

Table 3 Direct Agreements above € 5,000 concluded in 2012

Contract / Order Form N°	Exception Ref.	Contractor Name	Type of purchase	Value (€)
Total Value				

⁵⁴ C1 relates to 2012 funds; C8 relates to funds carried forward from 2011 to 2012

Annex 15: ETF staffing

a) Temporary Agents

FUNCTION GROUP	GRADE	Establishment Plan 2012	TAs in Post as of 31/12/2012
AD	16	0	
	15	0	
	14	1	1
	13	4	
	12	8	7
	11	10	11
	10	3	1
	9	11	12
	8	9	5
	7	12	20
	6	0	
	5	3	3
Sub-total Function Group AD		61	60
AST	11	0	
	10	5	1
	9	4	5
	8	5	5
	7	6	6
	6	2	3
	5	4	3
	4	3	3
	3	4	6
	2	2	1
1	0		
Sub-total Function Group AST		35	33
TOTAL TA posts		96	93

b) Contract Agents

Function group	Posts filled in as of 31/12/2012
FGII	12
FGIII	19
FGIV	4
Total	35

c) Local Agents

Function group	Posts filled in as of 31/12/2012
ALN2	2
Total	2

d) ETF staffing by nationality

Nationality	Total	Percentage
A	3	2
AL	1	1
B	8	6
BG	1	1
CZ	2	2
D	8	6
DK	3	2
E	6	5
EE	2	2
EL	2	2
F	5	4
FIN	4	3
the former Yugoslav Republic of Macedonia,	1	1
GB	9	7
H	1	1
I	48	37
IRL	3	2
L	1	1
MAR	1	1
NL	5	4
P	1	1

Nationality	Total	Percentage
PL	2	2
RO	6	5
S	2	2
TUN	1	1
TUR	1	1
UKR	2	2
	130	100

e) ETF staffing by gender (TA, CA, LA, SNE)

	F	M	Total
AD associated level	36	28	64
AST associated level	52	14	66
Total	88	42	130

Managerial positions	F	M	Total
Middle Managers	3	1	4
Senior Managers	2	6	8
Total Managers	5	7	12

f) ETF staffing by function

Function	TA	CA	LA	Total
Assistant	1	8	2	11
Senior Assistant	7	12		19
Professional	15	15		30
Senior Professional	10			10
Expert - Junior Specialist	2			2
Expert - Specialist	27			27
Expert - Senior Specialist	14			14
Coordinator	5			5
Middle Manager	4			4
Senior Manager	8			8
Grand Total	93	35	2	130

ANNEX 16: Economic outturn and balance sheet 2012

a.	Economic outturn account	31/12/2012	31/12/2011
	Operating revenue	20,113,135.31	19,794,124.37
	Administrative and operational expenses	-20,271,206.69	-19,749,206.37
	Non operational activities	-126.01	-680.57
	Outturn for the year	-158,197.39	44,237.43

b.	Balance sheet	31/12/2012	31/12/2011
	Intangible fixed assets	2,293,037.80	2,344,779.01
	Tangible fixed assets	168,045.00	194,736.00
	Stocks	5,248.93	17,173.95
	Current assets - Short term pre-financing	603,384.75	819,212.49
	Current assets - Short term receivables	110,736.13	124,521.86
	Cash account	1,108,937.56	1,461,276.34
		4,289,390.17	4,961,699.65
	Capital	808,026.97	966,224.36
	Provisions for risks and liabilities	500,000.00	500,000.00
	Provisions for risks and charges	148,734.50	16,734.50
	Accounts payable	2,832,628.70	3,478,740.79
		4,289,390.17	4,961,699.65

c.	Statement of changes in capital	31/12/2012	31/12/2011
	Economic result of the year 2012	-158,197.39	44,237.43

d.	Statement of cash flow	31/12/2012	31/12/2011
	Cash at beginning of the year	1,461,276.34	1,501,950.45
	Decrease in cash	-352,338.78	-40,674.11
	Cash at end of the year	1,108,937.56	1,461,276.34

e.	Budget outturn	31/12/2012	31/12/2011
	Revenues	20,173,484.56	19,940,342.09
	Expenditures	-20,613,480.23	-20,424,401.80
	Outturn for the year	-439,995.67	-484,059.71
	Adjustment for carry forward from previous years	459,895.02	534,751.74
	Appropriations carried forward and cancelled	105,457.23	66,987.93
	Exchange gains/losses	12.08	6.62
	Balance for the financial year	125,368.66	117,686.58
	Balance carried over from previous year	117,686.58	100,981.71
	Amount reimbursed to the EC	-117,686.58	-100,981.71
	Total amount to be reimbursed to EC	125,368.66	117,686.58

ANNEX 17: ETF compliance with the payment time-limits and on the suspension of the time-limits

Legal Times

Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	627	455	72.57 %	17.40879121	172	27.43 %	90.50581395
45	620	445	71.77 %	26.42921348	175	28.23 %	55.10285714
60	1	1	100.00 %	38			

Total Number of Payments	1248	901	72.20 %		347	27.80 %	
Average Payment Time	36.00160256			21.88679245			72.65129683

Suspensions

Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	43	131.	10.50 %	1,248.	844,949.97	11.64 %	7,261,836.25

Late Interest paid in 2012

Agency	GL Account	Description	Amount (Eur)