



## **ETF ANNUAL ACTIVITY REPORT 2011**

## **ANNUAL ACTIVITY REPORT 2011 – ANALYSIS AND ASSESSMENT**

The Governing Board has analysed and assessed the Director's report on the results for the 2011 financial year. The Board acknowledges the results achieved by the ETF and offers the following analysis and assessment.

### **Analysis**

The 2011 Annual Activity Report (AAR) records the achievement of the ETF's objectives for 2011 following its annual work programme and according to the functions, themes and regions in its Council Regulation. 2011 was the second year of the mid-term perspective 2010-13.

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

The AAR contains a detailed record and description of the corporate outputs achieved in 2011 together with annexes and specific tables outlining areas of expenditure by theme, region and function. In particular, the activity based budget tables report the use of resources according to the three dimensions of ETF planning (geographical, functional and thematic). The report also presents details on the specific requests received from the European Commission and the services provided by the ETF in response.

Of the 150 corporate outputs achieved in 2011 (against the 149 targeted), 121 were targeted in the 2011 Work Programme, 15 were the result of new requests in 2011 and 14 were carried-over from 2010. Overall, the level of outputs completed is in line with the final budget received by the ETF and indicates the achievement of the objectives proposed in the work programme.

The 2011 AAR records an increase in policy analysis outputs (22 achieved compared to 18 targeted), as well as those related to support to the European Commission (31 achieved against 27 targeted) at the expense of two less in dissemination and networking (25 achieved, 27 targeted) and five less capacity building outputs (72 achieved, 77 targeted).

The changed mix of outputs achieved in 2011 compared to 2010 is explained by the increase in capacity building activities due to ToriNet in 2011 (compared to Torino Process policy analysis in 2010), by the number and type of requests from the European Commission (which increased in 2011 and became more diversified reflecting requests for expertise from different DGs and the complex and dynamic political situation in several ETF partner countries), and the central role of the ETF in the field of human capital development (policy analysis and dissemination and networking), as found in the External Evaluation undertaken in 2011.

The Governing Board highlights the success of the Torino Process conference and the importance of the resulting Declaration where policy leaders from partner countries, the EU and the international community acknowledged the value of structured evidence in guiding the policy cycle. The Board also

welcomes the approach inspired by the Bruges Review, which has encouraged national authorities to take a leading role in driving assessment processes and follow up.

The Board acknowledges the importance of the ETF's response in Tunisia and other countries in the aftermath of the Arab Spring. For example, the ETF redefined its support in line with the priorities of the Tunisian transition government to focus on support to the government and other stakeholders in field of employment (capacity building) and on the contribution of human resources to territorial development.

The ETF's work in supporting the Commission in the Eastern Partnership platforms, in mobility partnerships and in lifelong learning in Eastern Europe is also noted. The priorities of attractiveness of VET and relations between education and business were supported by all five partner countries in Central Asia at the first regional policy dialogue on VET that was followed up at the Torino Process conference in May, the conference on evidence-based policy making in November in Turin and the OECD's policy seminar on VET in December.

The Governing Board also highlights the work on social inclusion in the Western Balkans and Turkey. The regional network promoted by the ETF in this field was called upon when DG Enlargement asked the agency to design an IPA multi-beneficiary project for inclusive education. The work of the members of the network resulted in a project proposal that will consolidate the work done by the ETF and its partners in promoting inclusive education and training.

From the extensive activity in thematic development, the Board emphasises the success of the "Qualifications Frameworks, from concepts to implementation" conference organised by the ETF at the European Parliament, which brought together experts from ETF partner countries, the EU and third countries. This conference underscored the ETF's expertise at national and international levels in order to provide the expert support required by ETF partner countries.

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 key features of the significant developments that have improved and reinforced management supervision and control of ETF activities. In 2011 the organisation continued to implement a comprehensive system of internal controls, quality and risk management, ensuring proportional compliance and the effectiveness of internal procedures. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and in resources management.

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

- of the €20.350 million available as commitment appropriations in the 2011 budget, the ETF achieved a commitment rate of 99.7% (similar to the execution rate of 2010 but higher in nominal terms);
- the ETF disbursed 86.8% of the amount committed (compared to 87.1% in 2010 and 82% in 2009);
- including the payments on operational commitments carried forward from 2010, of the €19.850 million available payment appropriations in 2011, the ETF achieved a payment execution rate of 99.8% (compared to 96.5% in 2010 and approx. 90% in 2009);
- the ETF reduced the number of budgetary transfers to 12 in 2011, compared with 15 in 2010 and 33 in 2009, and carried forward 13.1% of the 2011 amount committed (compared with 12.8% in 2010 and 17% in 2009);

- the rate for carrying forward operational activities was 33% for differentiated appropriations (*reste à liquider*, RAL), while the administrative carry forward was 3.9% for non-differentiated appropriations;
- the budget outturn (total amount to be reimbursed to the European Commission) amounts to € 117,686.58 (€100,981.71 in 2010);
- In the area of procurement, nine tendering procedures were cancelled, 38 contracts were signed and 104 contracts were active on 31/12/2011; and
- the ETF ended 2011 with six vacant posts in its establishment plan, three of which were filled by March 2012. The ETF's staff at the end of 2011 was 125 (90 Temporary Agents, 32 Contract Agents, two Local Agents and one Seconded National Expert) with seven staff members joining the agency and 10 leaving in 2011.

Part III describes in detail the building blocks towards the Director's declaration of assurance that the resources assigned to the activities described in the report have been 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 policy 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 in the context of annual activity reporting, the ETF has no reservation to report for 2011.

## Assessment

In 2011, the ETF:

- satisfactorily implemented the second year of the multi-annual work programme 2010-13, reflecting that its activities were in line with its new mandate including greater diversity in the support it provides to the European Commission and a growing focus on policy support;
- achieved the objectives set in the annual work programme, and the number of outputs and activities recorded in the report provides evidence of this achievement;
- successfully continued the second year of the Torino Process, with the conference consolidating the findings of 2010 analyses and agreeing on the Torino Declaration, as well as with the Torinet initiative on capacity building in evidence-based policy making;
- accomplished remarkable achievements in the four regions with which the ETF works (e.g. support to Tunisia, linking social inclusion network to multi-beneficiary programming in the Western Balkans and Turkey, mobility partnership in Eastern Europe and school development in Central Asia) and in the thematic expertise development (qualifications conference and platform);
- executed its activities within the resource framework adopted by the Board. In particular, the ETF committed 99.7% of the available commitment appropriations and disbursed 99.76% of its payment appropriations; and
- continued to implement a comprehensive system of internal controls, quality and risk management ensuring a proportional compliance regime and the effectiveness of internal procedures.

The Board appreciates the efficiency of financial management in 2011 which, following the positive trend started in 2009 and 2010, has ensured the full use of the funds made available to the ETF, with

an unused amount of 0.1M€ (0.5%) to return to the European Commission for 2011 activities, mainly due to decommitments on carry forward appropriations during the year.

The Board acknowledges that the ETF has no reservations or critical issues to report for 2011.

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 had no reservation to report in 2010.

The information provided in the report gives the Governing Board reasonable assurance that the resources assigned to the ETF in 2011 have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

In light of the above analysis and assessment, the Governing Board adopts the ETF Annual Activity Report 2011, 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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# PART I: IMPLEMENTATION OF THE 2011 WORK PROGRAMME

The ETF's 2011 work programme contributed to human capital development in the context of EU external relations policies. The aim is 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. 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'<sup>1</sup>.

## 1.1 Strategic objectives

Results in 2011 contributed to the achievement of the two strategic objectives of the ETF's mid-term perspective (MTP) 2010-13. These objectives are to contribute to:

1. the interplay between EU internal policies and the implementation of its external relations policies in human capital development through vocational education; and
2. the development of partner country intelligence and capacities in planning, designing, implementing, evaluating and reviewing evidence based policies in vocational education and training reform.

### Specific objectives of 2011

To achieve the first strategic objective<sup>2</sup>, the ETF's specific objectives in 2011 were to:

- improve labour market analysis and forecasting about the partner countries and support them in reviewing vocational education and training systems;
- support the EU external policy instrument programming cycle;
- disseminate relevant information and encourage the exchange of experience and good practice between the EU and the partner countries and among the partner countries in human capital development; and,
- contribute to the analysis of the overall effectiveness of external assistance to the partner countries in the field of human capital development.

To achieve the second strategic objective<sup>3</sup> the ETF's specific objectives in 2011 were to:

- support relevant stakeholders, governments and social partners in the partner countries
- increase their involvement in vocational training reforms and develop their capacity for becoming key actors in those reforms; and,

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> The second mid-term perspective objective was reformulated in the WP 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 n. 1.



- build partner country institutional capacity to analyse and interpret trends and challenges and design, implement, evaluate and review evidence-based policies in human capital development.

## 1.2 Core themes

The strategic and specific objectives for the mid-term perspective 2010-13 were adopted by the ETF Governing Board in November 2009. They shape the planning and reporting of the ETF's work programme for each year. In carrying out its mandate, in 2011 the ETF based its work on three core themes<sup>4</sup>:

- vocational education and training system development and provision in a lifelong learning perspective;
- labour market needs and employability; and
- 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 countries<sup>5</sup>

The assessment of the ETF's results in 2011, as presented in the Annual Activity Report, indicates good progress in achieving the objectives for the four-year period (2010-13). In summary, targeted outputs have been achieved in line with the mid-term perspective and the use of these outputs by ETF stakeholders indicate their contribution to progress in human capital development in the partner countries<sup>6</sup>. Following the Torino Process analyses, 2011 was characterised by an increased effort to support the capacity building of stakeholders in partner countries in the field of evidence-based policy making, validation of the findings of the 2010 country and regional analyses and preparation for the new 2012 country analyses. Multi-annual projects, both thematic and regional, progressed well in their second year and country work contributed to both European Commission programming and to capacity

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<sup>4</sup> Following Regulation (EC) No 1339/2008, Article 1.2 and 1.3.

<sup>5</sup> 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.

<sup>6</sup> Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Egypt, former Yugoslav Republic of Macedonia, Georgia, Iceland, Israel, Jordan, Kazakhstan, Kosovo (as defined in UNSCR 1244), Kyrgyzstan, Lebanon, the Republic of Moldova, Montenegro, Morocco, occupied Palestinian territory, Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

building in ETF partner countries. The external evaluation conducted by the European Commission in 2011 concluded in this respect that<sup>7</sup>:

*The ETF underwent significant change during the last five years. Since the 2008 recast of the ETF mandate, there has been significant organisational and operational reform. Key among these changes is the introduction of the Torino Process, whereby the ETF aims to more accurately and easily identify, enumerate and address human capital development issues in partner countries and develop their capacities for evidence-based policy making. While only one year's reports were available for this evaluation, Torino Process outcomes were viewed favourably at the ETF level and produced a considerable amount of data and literature on partner country situations and policies. Internal organisational reform within the ETF took place to improve the cost effectiveness of the organisation and to better address the multiple thematic areas covered by the ETF. Many of these changes took place very recently and as such are difficult to evaluate, but initial evidence is positive in suggesting that these reforms are addressing factors that require attention. (p. 85)*

This section describes the activities carried out in 2011 by the ETF in the four regions covered by the EU's external assistance instruments<sup>8</sup>. In each region, the ETF performed four main functions in line with its mandate: F1 (support to the European Commission); F2 (capacity building); F3 (policy analysis); and F4 (dissemination and networking)<sup>9</sup>.

### **1.4.1. Enlargement**

In this region, the ETF supported the European Commission (F1, 12 outputs)<sup>10</sup> in the preparation of IPA multi-beneficiary projects in the areas of inclusive education and private sector development through competence development by: i) contributing to the project fiches; ii) setting up a task force on social inclusion and education and training; and iii) organising regional meetings on social inclusion and private sector development. Assessments of progress achieved in vocational education and training, employment and social inclusion were prepared to support the Commission Progress Reports for the Enlargement region. This was complemented by country briefings for DG Employment, Social Affairs and Inclusion on employability in Albania, Bosnia and Herzegovina, Croatia, Montenegro and Turkey for the dialogue related to the Union for the Mediterranean.

The ETF participated in monitoring the activities of the on-going multi-beneficiary project implemented by the South East European Centre for Entrepreneurial Learning (SEECCEL) on behalf of DG Enlargement and provided regular input to the Regional Competitiveness Initiative, where 2013 programming is expected to focus on sector development. The ETF also played an active role in the preparation of the declaration "Building a 2020 Vision for South East Europe", endorsed by the Ministers of Economy from the region in Paris in November 2011. The event was co-organised by the Organisation for Economic Co-operation and Development (OECD) and the Government of the Republic of Slovenia, with the Regional Cooperation Council Secretariat's support.

The human resource development reviews for the three candidate countries were finalised and a peer review of the draft operational programmes was carried out in Montenegro and Serbia. ETF work helped in programming and identifying priorities for VET reform, employment and social inclusion policies. Capacity building measures (F2, 26 outputs) were promoted at both the regional and country levels, and mutual learning activities on activation policies, adult basic skills, post-secondary VET and

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<sup>7</sup> 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](http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#etf12)

<sup>8</sup> Following Regulation (EC) 1339/2008, art. 1.

<sup>9</sup> In addition to this section, see the table with the distribution of outputs per region and theme, and the complete list of outputs in Annexes 3 and 4.

quality assurance were performed through study visits, seminars and preparation of policy briefings. They are available in English and the local languages on the ETF website (F4, 7 outputs).

Support was provided in Bosnia and Herzegovina where a baseline national qualifications framework (NQF) was approved by the authorities and the ETF facilitated discussions on how to implement it. In Serbia and Albania the ETF's role was to bring different activities together and to contribute to the overall reform process. For Kosovo<sup>11</sup>, a capacity building event took place in Turin, followed by advice and guidance in the country. In Montenegro a handbook for in-service teacher training was finalised. Also in Kosovo a methodology to monitor causes for dropouts was developed and tested and will be used on a regular basis for informed policy making and the ETF provided advice on an administrative capacity building plan for the Public Employment Service for effectiveness of active labour market measures. In Croatia a methodology for sector skills needs analysis was developed and tested in partnership with the Inter-Ministerial Body for Labour Market Monitoring for future regular application in the country. Finally, the ETF was asked by the national authorities in Albania, the former Yugoslav Republic of Macedonia and Serbia to facilitate the development of a VET strategy.

Policy assessments (F3, 4 outputs) of entrepreneurial learning and enterprise skills under the European Small Business Act were performed in all the Enlargement countries. This was carried out in close cooperation with the ministries of economy and education to assess progress in the field and identify key issues as part of the SME Policy Index. As a result, all countries are making efforts to improve entrepreneurship skills. For example, in Bosnia and Herzegovina, emphasis has been on mainstreaming entrepreneurship education in VET.

## **Social inclusion through education and training**

*Promoting education and training as a tool for creating more inclusive societies has been at the core of the ETF's activities in the Western Balkans. A total of 28 issues representing challenges for teacher development were identified along with 12 suggestions for future policy making and are reflected in the publication "Teachers for the Future". The ETF supports a network of some 120 experts and officials who are instrumental for introducing education policies that help overcome social exclusion.*

*This regional network was called upon when DG Enlargement asked the ETF to design an IPA multi-beneficiary project for inclusive education. The work of the members of the network resulted in a project proposal, which is likely to be endorsed by the IPA-Management Committee shortly.*

## **1.4.2. European Neighbourhood**

### **1.4.2.1. European Neighbourhood South**

Events in the Mediterranean region in 2011, initiated by the Arab Spring, had a significant impact on the ETF's work in the region. The ETF's activities in Tunisia and Egypt were reviewed to match the new situation with a stronger focus on employability. In the case of Egypt, and given the high instability, work focused on supporting the design of two large-scale EU interventions in technical and vocational education and training (TVET) and education. In Tunisia, the focus was on supporting the emergency plan for employment and on identifying new support for regional development. In Syria activities were suspended in May. In other countries, work was able to proceed largely as foreseen in the work programme.

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<sup>10</sup> Bracketed figures indicate the number of outputs by function achieved in each region or thematic area.

<sup>11</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

A common denominator across the region was a renewed focus on vocational education and training as an important means of improving the employability of the existing work force and youth as well as supporting skills development for micro, small and medium-sized enterprises, as key engines for job creation. This was also reflected in an increase in requests for direct support to EU Delegations for the design of interventions linked to employability, with additional requests in Algeria, Lebanon, Jordan, the occupied Palestinian territory as well as the on-going request for Egypt.

The issue of skills and mobility became even more topical with the launch of negotiations for Mobility Partnerships in Tunisia and Morocco. To support this dialogue the ETF organised an international conference in Rome on the skills dimension of migration. 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.

For the European Commission (F1, 6 outputs), the ETF provided expertise and prepared employability fiches in preparation of the Euro-Med Ministers Conference on Employment; contributed to the Euro-med Industrial Cooperation working group with an input on the skills dimension of sustainable development and training needs analysis; finalised the third review on employability; provided expertise on social partnership for the follow up of the Euro-Med Social Dialogue Forum; and supported the design of EU interventions in Algeria, Egypt, and Lebanon, with a new request at the end of the year for the occupied Palestinian territory.

Due to the unstable political situation, some of the targeted capacity building activities (F2, 17), were replaced with new measures requested by the new political authorities (Tunisia) or by the EU (Egypt) while some were suspended (Syria). In Tunisia, the ETF contributed to the monitoring process of the implementation of a roadmap for employment promotion, focusing its activities on skills development for SMEs at the regional level and human resources development to support regional development. The ETF also helped the Tunisian authorities to build capacity in internal and external communications. National qualifications frameworks, qualifications and education pathways were discussed at both the regional and country levels, involving stakeholders in Morocco, Algeria, Tunisia, Egypt, Jordan and Lebanon. The regional project on social partnership development continued and benefited from the expertise offered by social partners from EU member States and those active at European level.

The ETF also facilitated the debates on the national VET strategy and NQF in Morocco; organised and facilitated a national consultation involving all concerned stakeholders (ministries of education and labour, social partners and practitioners) on qualifications frameworks and continued the project on entrepreneurial learning in cooperation with other international organisation; supported Jordanian stakeholders on career guidance and social partnership; and provided examples of EU practices in quality and qualifications in Israel. Analysis (F3, 3 outputs) on the progress in the countries in the region on entrepreneurial learning and enterprise skills was carried out in 2011.

A series of events for dissemination of the work and exchange information with other international stakeholders were organised at both the regional and national levels under the framework of two regional projects on the regional dimension of sectoral qualifications and social partnership in human capital development. These involved EU member state institutions and international organisations (F4, 6 outputs). The ETF also contributed to debates during the Euro-Med Summit of Economic and Social Committees meeting with a presentation on skills and migration; the Mediterranean week organised by the Union for Mediterranean Secretariat in November with a presentation of the results on human capital development in northern Africa, education-business cooperation and women's entrepreneurship; and the skills for SMEs were discussed by the SME core group meeting in Barcelona organised by Union for Mediterranean Secretariat.

The ETF supported DG Enterprise and Industry in monitoring the implementation of the EuroMed Charter for Enterprise by providing input to the industrial cooperation working group and the skills dimension of the charter at the ministerial meeting held in Malta in May and its follow-up.

### **Key achievements: ETF response to Tunisia**

*At country level, the ETF redefined its support after the revolution in line with the priorities of the Tunisian transition government. Support focused on support to the government and other stakeholders in the monitoring of the emergency plan for employment. The ETF facilitated workshops and several capacity building exercises for the national observatory for jobs and qualifications and for the Ministry and social partners. An important area of support to the ministry was on improving communications and included capacity building actions on the use of communication tools, social media as well as key principles for the establishing a communication strategy. In response to the government's emphasis on disadvantaged regions, the ETF initiated a project on the contribution of human resources to territorial development. The region selected by Tunisian government, Medenine, has growth potential (with Djerba as an important touristic hub but also with important industries in agro-food sector, for example). Medenine borders Libya and represents an opportunity for examination of migration phenomena. In 2011 several awareness raising seminars, fact finding missions and multi-stakeholder focus group were organised to identify project activities.*

#### **1.4.2.2. European Neighbourhood East**

ETF actions in Eastern Europe in 2011 contributed to the agency's overall objectives in many ways. Policy makers and social partners have been brought together in most of ETF projects in the region (F2, 16 outputs). In the regional lifelong learning project the capacity of policy makers, employer representatives and trade union representatives to analyse continuing vocational training (CVT) policy issues increased through peer learning visits to four countries and through discussing and comparing CVT policies and practice. After the visits to Ukraine, Belarus and Russia a peer visit to Armenia was held. Key CVT issues were identified and CVT strengths and weaknesses discussed in the countries. The remaining three visits, a state of the art report on CVT in Eastern Europe and a dissemination seminar will end the first phase of the project in 2012.

Another important stakeholder discussion took place in November in the Republic of Moldova on the Validation of non-formal and informal learning (VNFIL) in the framework of the Mobility Partnership (F4, 2 outputs). High-level representatives from the Republic of Moldova, Georgia, Armenia and Ukraine discussed the potential demand for VNFIL (including of returning migrants) and the relevance of establishing an infrastructure for it in the countries on the basis of a policy paper in Republic of Moldova and feasibility studies in Armenia and Georgia. It was concluded that it is important to take action to increase the transparency of qualifications.

At the country level, stakeholder relations were strengthened in particular on national qualifications frameworks-related matters in Azerbaijan, Republic of Moldova and Ukraine. In Moldova it led to government approval of the methodology for occupational standards and to an official regulation on the set up of sector committees. In Azerbaijan and Ukraine important steps in the design of national qualifications frameworks were made. In Georgia the specific focus of cooperation between government and social partners was on curricula reform based on revised occupational standards. The project contributed to institution building of the National Centre of Quality Enhancement and to a

stronger awareness and practice of engaging employers in the discussions and identified the need to revise the standards based on analysis of the labour market through the DACUM method<sup>12</sup>.

The ETF's second objective in 2011 concerned supporting the links between EU internal and external policies. The most direct contribution was delivered to the Eastern Partnership (EaP) Platform 2 and the Mobility Partnerships (F1, 8 outputs). DG EMPL and the ETF presented input on employment for the Work Programme 2012-13 of the Platform 2 of the Eastern Partnership in the Platform meeting in October and discussions to establish an Employment Panel under Platform 2 will be concluded in 2012. The ETF also prepared and presented at the Platform 2 meeting a donor map with priority areas identified during the 2010 Odessa conference on employment.

The ETF has also contributed to the first SME policy assessment in the Eastern Partnership under Platform 2, in close cooperation with DG Enterprise, the Organisation for Economic Co-operation and Development and the European Bank for Reconstruction and Development. Self-assessments on entrepreneurial learning and enterprise skills were assessed by ETF country managers and the Entrepreneurial Learning team. Due to a midway increase of indicators, DG ENT and the OECD decided to postpone the drafting of the country and the cross-country reports to the first half of 2012 (F3, no outputs in 2011).

### **Small and medium-sized enterprise policy assessment in Eastern Europe.**

*The first SME policy assessment was completed in the Eastern Partnership countries with DG Enterprise and the OECD, EBRD and the ETF. The ETF built capacity for self-assessment and assessed policies and their implementation in the areas of Entrepreneurial Learning and Enterprise Skills. It contributed to promoting the links between education and SME strategies and between the ministries of economy, labour and education and their implementing agencies. The findings will be published in an SME report on the Eastern Partnership in 2012.*

Participants from the region in the ToriNet project (Belarus, Republic of Moldova and Ukraine) became more familiar with approaches to evidence-based policy making through national workshops and participation in the ETF corporate event in November. VET and sustainable development were discussed and two indicators for sustainable development agreed. This work is a preparation for the planned Ministerial conference on sustainable development, which had to be postponed until 2012 due to the political situation in Belarus. European experience on quality assurance was shared and discussed with stakeholders in Russia and has led to a better understanding of the European Quality Assurance Reference Framework for VET objectives and methodology.

The ETF provided support to the Sector Policy support Programme (SPSP) budget support on VET in Armenia and Georgia<sup>13</sup>. The awareness of the importance of VET in Armenia was supported through the organisation of an international conference, where Armenian policies and experiences were mirrored by European experience. The ETF also provided support to the development of a twinning project on VET for Ukraine. A request to prepare the identification of a project on VET sector governance in the Republic of Moldova resulted in the formulation of an EC Identification Fiche approved for EU 2012 funding. Finally, the ETF with the support of the Polish Presidency of the Council of the European Union organised an event in Brussels in October on "Development of Human Capital in the Context of the EU Neighbourhood Policy", to present its activities in the Eastern Partnership countries.

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<sup>12</sup> DACUM (Developing a Curriculum) is an occupational analysis method aimed at the achievement of results that may be applied to the development of training curricula. It has been specially promoted and developed by the Centre on Education and Training for Employment of the Ohio State University of the United States. See <http://bit.ly/wk08eD>.

<sup>13</sup> For Sector Policy Support Programmes, see <http://bit.ly/AuMfnG>.

### 1.4.3. Central Asia

Stakeholder involvement in policy design and implementation (F2, 13 outputs) was promoted through the school development project. Competences of policy makers and school directors in Kazakhstan, Kyrgyzstan and Tajikistan were developed in the areas of strategic planning and of stakeholder management in schools during capacity building workshops. Monitoring missions have shown that several school directors have made impressive progress in engaging companies and social partners in the work of the schools. In Kazakhstan education and business cooperation were discussed between policy makers and social partners at the national level and in three regions. How to increase the capacity of VET trainers in companies was discussed and led to a policy advice paper with recommendations for different relevant actors. In Kyrgyzstan a training module on how to develop continuing vocational training in schools was created and implemented, which specifically links to earlier capacity building action on the training of vulnerable adults. In Tajikistan capacity building took place in the area of entrepreneurial learning. In Uzbekistan the ETF supported the discussion on national qualifications frameworks. An Action Plan was developed and all relevant stakeholders confirmed their commitment to develop an Uzbek NQF with the support of the ETF.

The main areas for linking EU internal and external policies in Central Asia involved the promotion of the concept of evidence based policy and transitions from school to work (F3, 1 output). While the methodology of the study was discussed with Kazakhstan, Kyrgyzstan and Tajikistan stakeholders, the pilot implementation of the methodology was implemented in Kyrgyzstan. Earlier methodologies on transition from school to work have been refined to include important aspects of the local context, like migration. The three countries have also participated in the ETF corporate event on evidence-based policies in November. The commitment to improve the collection and use of evidence has increased, in particular in Kyrgyzstan and Tajikistan.

Specific support was provided to the EU projects in Kazakhstan and Kyrgyzstan (F1, 6 outputs), through participation in the steering committees and inputs and comments on relevant documents. ETF provide also information and intelligence on Turkmenistan's VET policies and practice to the contractors of the new EU VET project that started in July 2011.

#### **Regional policy dialogue on VET in Central Asia**

*In Astana, a regional conference discussed the regional Torino Process report for Central Asia and the relevance of evidence-based policy making. The priorities of attractiveness of VET and relations between education and business were supported by all five countries in the region. This first regional policy dialogue on VET was followed up during the Torino Process conference in May and the conference on evidence-based policy making in November in Turin and the OECD policy seminar on VET in December. The ETF supported the regional dialogue through the Astana conference on the Torino Process. The conference confirmed the analysis and conclusions of the Central Asian chapter of the Torino Process report. The ETF presented its activities to the yearly EU meeting on Central Asia and has provided inputs to the Central Asia information fiche on education. The ETF also provided a keynote presentation to the OECD policy seminar on tools to support VET systems in Central Asia in December 2011.*

### 1.4.4. Evidence-based policy making - the Torino Process and Torinet

The ETF facilitated the participatory approach ending with the Torino Process country, cross country reports and education and business cooperation reports (F3, 4 outputs). The reports were validated during the conference organised in May (F4, 1 output). On that occasion the participants representing

the partner countries adopted a declaration of commitment, which includes the policy priorities, the key deliverables, four key principles, two implementation modalities and the commitment to participate in the next stage of activities. A policy leader's seminar was organised and ministers, deputy ministers and high level officials from partner countries and the Commission exchanged views on the relevance of the EU VET policy framework, tools and instruments for partner countries. They also reached a shared understanding on policy options and methodologies to enhance innovation in VET and improve information on the links between VET and employment.

### **Torino Declaration**

*The results of the first round of the Torino Process were presented at a major international conference in 2011. In the final declaration, policy leaders from partner countries, the EU and the international community acknowledged the value of structured evidence in guiding policy decisions from formulation, adoption and implementation to monitoring and evaluation in line with international developments. They also welcomed the methodological approach inspired by the Bruges Review, which has encouraged national authorities to take a leading role in driving the assessment process and its follow up. The Declaration also identified a number of policy priorities for further reform in partner countries: ensuring the relevance of skills provision and increased employability; providing an integrated, lifelong learning approach to education and training; supporting the changing role of the teachers, trainers and managers of vocational training institutions; improving opportunities for access to education and training for all; investing in quality and improving the attractiveness of VET; reinforcing anticipatory, inclusive and good multi-level governance, also through education and business cooperation and enhanced social dialogue; and stimulating creativity and innovation through entrepreneurial learning. The Declaration also identified a number of short-term actions which informed the 2012 ETF Work Programme. The progress in partner countries towards these short-term actions will be assessed through the 2012 Torino Process.*

When preparing the 2012 Torino Process, the ETF revised the analytical framework and support package and included a section on governance. The key objectives of the new exercise are to increase participation and ownership of process and to enhance the quality of evidence and analysis. For the candidate countries, the reporting will include the Bruges Communiqué reporting.

Capacity building measures for evidence based policy making were developed in 11 countries through Torinet, focusing on governance and institutional roles and responsibilities, policy/sector, quality, transition and synergy with other initiatives<sup>14</sup>. Peer learning among partner countries and with EU institutions on achievements from the first phase of Torinet were organised at the first network meeting in Turin in November.

#### **1.4.5. Thematic expertise development**

In 2011 the ETF, through its communities of practice (CoPs), developed and disseminated thematic expertise in five policy areas of key importance for VET reforms in the partner countries:

1) qualifications and quality; 2) VET, social inclusion and equity; 3) entrepreneurial learning and enterprise skills; 4) governance and lifelong learning; and 5) VET and sustainable development.

The community of practice on *qualifications and quality* disseminated experience gained in the implementation of NQFs in the ETF partner countries, the EU and internationally through a series of

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<sup>14</sup> Croatia, Belarus, Egypt, Kazakhstan, Kosovo, Kyrgyzstan, Republic of Moldova, Serbia, Tajikistan, Tunisia and Ukraine. The full involvement of Tunisia and Egypt was considered but conditioned to the evolution of the political situation in these countries.



actions including: the launch of the Qualifications Platform in June; the organisation of the ETF conference on “Qualifications frameworks, from concepts to implementation” in October; a study on implementation arrangements in 10 countries; contributions to events organised by the Hungarian and Polish EU Presidencies; and active participation, supporting the European Commission, in the workshop on qualifications and recognition for African countries in Johannesburg in May. Moreover the CoP ensured active ETF participation in the working groups of the European Commission (e.g. Learning Outcomes Group, EQAVET and ECVET) and the EQF Advisory Group to capture developments within the EU and share experience with ETF partner countries.

### **Contributing to dissemination of experience in the field of qualifications**

*The development of qualifications frameworks has been a key policy component in the education and training modernisation agendas of EU member states and many countries around the world. The 23 ETF partner countries planning or developing reforms in their qualifications systems are a current priority. The ETF is at the forefront of analysing developments in this field and disseminating the experience gained to provide the expert support required by ETF partner countries.*

In October 2011 the ETF launched “The Qualifications Platform” to facilitate the sharing and dissemination of expertise and support practitioners, experts, officials and others working on qualifications reforms by providing a shared space for them to network and exchange information and ideas using discussion forums, blogs and other tools. The Platform also publishes news and provides an extensive library of documents such as laws, manuals, policy papers, studies and conference reports for members to draw on. The Platform therefore sits comfortably with the ETF’s mandate to facilitate peer-learning and share EU experience with our partner countries. Its coverage and membership are global, and currently 250 members actively participate. Additionally the ETF organised an event at the European Parliament on 6-7 October 2011 entitled “Qualifications Frameworks: from concepts to implementation”, which brought together experts from partner countries, the EU and third countries such as Australia, Chile, Malaysia, Namibia and South Africa. Finally the ETF has carried out a study on “Implementation arrangements of Qualifications Frameworks”, which analysed how 10 diverse countries are implementing their qualifications frameworks. The study will be widely disseminated in 2012.

The CoP on *VET, equity and social inclusion* disseminated the experience gained in the 2008-10 innovation and learning projects on “Equity and HCD” and “Women and Work in Egypt, Jordan and Tunisia” through the organisation of events including the conference on “Equity and competitiveness: two sides of the human capital development coin that took place at the ETF on 24-25 May with policy makers, experts, and practitioners from the partner countries (Armenia, Egypt, Republic of Moldova, Tajikistan and Ukraine) and international experts. The CoP also organised, together with DG Development, the European External Action Service and the EU-funded Euromed Gender Equality Programme, an event on “Advancement, Challenges and Priorities for Women’s Rights and Gender Equality in the Euromed Region” in May. Finally, the CoP presented the results of the ETF study at a workshop on the role of women in the democratisation process and governance changes in North Africa and the Middle East at the European Parliament in June.

The CoP on *entrepreneurial learning and enterprise skills* supported the implementation of Small Business Act assessments (Dimension 1 on entrepreneurial learning and Dimension 8 on enterprise skills) in the Eastern Partnership and pre-accession regions. It also contributed to the international discussion on entrepreneurship education in the definition of entrepreneurship education as part of an inter-agency group as well as in the setting up of a template for the identification of examples of good practice in the frame of the World Economic Forum European Action Group on entrepreneurship

education. Finally, the CoP raised awareness and disseminated experience in ETF partner countries on teacher training for entrepreneurial learning at a conference organised in Istanbul in June.

The CoP on *governance and lifelong learning* launched the ETF's work in a policy area of high relevance and demand among partner countries (as highlighted by the 2010 Torino Process conference) through: the organisation of a round table on multilevel governance in education and training on 4 November in Turin with the participation of the Committee of the Regions and EU experts; and the launch of a study on functional analysis in VET systems to be finalised in 2012. Moreover, the CoP supported the implementation of the social partnership project in the southern Mediterranean and prepared a position paper on social partners in VET.

The work of the CoP on *VET and sustainable development* focused on shaping ETF operations in this field with support of a position paper that identifies key areas of intervention in the coming years. It also produced a list of indicators for measuring partner country progress in including sustainable development considerations in their VET reforms. The indicators were discussed in a workshop on "Indicators on learning for sustainable development in vocational schools" in September with participation of countries from the Neighbourhood east region.

In 2011 the ETF launched three three-year innovation and learning projects (ILPs) to deepen its expertise in the respective areas (F3, 9 outputs).

The ILP on *matching and the anticipation of skills* explored current practices and challenges in transition and developing countries to identify future trends in the demand and supply of skills and ensure a better matching through informed decision making in VET. This exploration took stock of the experience of eight ETF partner countries (Croatia, Egypt, Georgia, Montenegro, Kyrgyzstan, Republic of Moldova, Turkey and Ukraine) through country reports and discussions in two meetings of an expert network that brought together experts from ETF partner countries and EU member states. This ILP also produced a cross country analysis and reviewed current practices in the EU, including the work of Cedefop and the EU skills panorama, to assess their relevance and applicability in the context of transition and developing countries. Finally a methodological paper was prepared for measuring skill mismatch.

The ILP on *promoting learning in different contexts and vocational education and training* assesses the conditions of applicability in the partner country context. In its first year, the project produced case studies on Albania and Montenegro (reasons for the absence of apprenticeship schemes); a literature review on benefits and obstacles for work-based learning; a compendium of policy and practice examples; and a summary of work-based learning in the partner countries. A key activity was an International Expert Panel on work-based learning at the ETF and which attracted world-class experts from ETF partner countries (Syria, Egypt, Ukraine, Albania, Kosovo, Croatia), EU member states and institutions, India, South Africa and China. Conference proceedings will be disseminated as a flagship publication in 2012. Moreover, a methodology to assess the feasibility of work-based learning is under preparation, as part of a toolbox available for partner countries at the end of the project. Also the project established a focus group of policy makers and social partners on 'VET teachers and in-company trainers' with representatives from Kazakhstan, Belarus, Turkey, Algeria and the occupied Palestinian territory. The focus group had a peer learning activity in Austria and is working on the issue of competence requirements and development of VET teachers and in-company trainers. ILP members actively fostered new contacts in the area of work-based learning with Cedefop, European Commission (DG EAC, DG EMPL) and the European Association for Practitioner Research on Improving Learning<sup>15</sup>. It also joined DG EAC's new working group on trainers in VET. International networking was also enhanced with the ILO/ITC in Turin, the International Network of Innovative Apprenticeships, the European Lifelong Guidance Policy Network and Euroguidance. The visibility of ETF expertise in apprenticeship, work-based learning and career guidance was strengthened through

invited key notes at international conferences in the UK, Bulgaria, China and South Africa (F4, 9 outputs).

Finally, the ILP on migration and skills focused on the development of new evidence on the links between skills and migration in the context of ETF partner countries. The project adapted the ETF developed methodology to the conditions of three partner countries, launched surveys in Armenia and Georgia and prepared to launch the survey in Morocco in 2012. Moreover, the project team disseminated ETF expertise internationally through presentations at different events including the Turin International Summer School on Migration; the Euromed Summit of Economic and Social Councils in November in Istanbul; the SEMED Migration and Qualifications Conference in November in Rome; the EaP migration and Mobility Partnerships meeting in November in Chisinau; and the Eurofound-Polish Presidency Conference on the Socio-economic Impact of Migration in Central and Eastern European countries in Warsaw in November. Finally, the project team provided input to the EC Discussion Paper on "Migration and Mobility for Development" and pursued the exchange of information with relevant DGs in the field of migration (DG HOME, DEVCO and DG EMPL) and the EEAS.

## 1.5 Outputs

As in previous years, the 2011 work programme aimed to achieve a series of outputs. Each output is related to a specific need identified in a partner country or at the regional or thematic levels<sup>16</sup>. The 2011 work programme targeted the achievement of 149 corporate outputs distributed between regions, functions and core themes. Measurement of the ETF's corporate performance relies on outputs as quantitative indicators measuring the achievement of the specific objectives, outlined in section 1.1<sup>17</sup>. The ETF also assesses the quality of the results, based on the use of the outputs (outcomes)<sup>18</sup>, the monitoring of projects (which include a qualitative assessment of relevance, efficiency, effectiveness, sustainability and impact) and for the whole mid-term perspective, an assessment of added-value and impact.

**Table 1: Corporate Outputs achievement in 2011**

Corporate Outputs 2011	Achieved in 2011	Cancelled	Postponed to 2012
Targeted in WP 2011 = 149 (100%)	121 (81.2%) <sup>19</sup>	13 (8.7%)	15 (10.1%)
New requested during 2011 = 18 (12.1%)	15 (10.1%)	1 (0.7%)	2 (1.3%)
Postponed from 2010 = 14 (9.4%)	14 (9.4%)		
<b>Total</b>	<b>150 (100.7%)</b>	<b>14 (9.4%)</b>	<b>17 (11.4%)</b>

In figures 1.1, and 1.2 below, corporate outputs by function and theme are presented.

<sup>15</sup> See in Annex I.6 the information on the cooperation with Cedefop and Eurofound

<sup>16</sup> "The *activities* of a programme of 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., 2011 p.9): Monitoring and measuring the results of interventions related to technical and vocational education and training and the labour market. A guideline for practitioners, GIZ.

<sup>17</sup> See Annexes I.3 and I.4 for a detailed distribution and description of outputs by regions, functions and themes.

<sup>18</sup> See section 1.4.

<sup>19</sup> Percentages calculated in respect of the annual target of 149 corporate outputs. See Annexes I.2, I.3 and I.4 for details.

## 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 2010<sup>20</sup> and consultation with stakeholders in the partner countries and with the European Union. A stakeholder satisfaction survey was undertaken in 2011 among the participants of the Torino Process and confirmed the high level of interest and participation of different stakeholders in the partner countries, primarily from governments and education and training institutions but closely followed by the social partners. The quality of ETF support was highly rated amongst those who were directly engaged in the country analysis process. In addition, even for those who were not directly involved in the analysis but validated the final report or had access to it, they rated the Torino Process reports as useful/very useful for their respective countries implying that there was a wider level of interest in the contents and the analyses of country needs in the field of human capital development.

As an indication of responsiveness and adaptability to changing circumstances in the policy environment at the European Commission or in the partner countries, 18 new outputs were requested in 2011 and 14 were cancelled. The political situation in many of the ETF's partner countries is dynamic (e.g. in 2011 events in the southern Mediterranean, notably in Egypt and Tunisia but also in Syria) and new requests from the European Commission were received in 2011 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 17 outputs postponed, 39% at the request of the European Commission DG which requested the work and 33% at the request of the beneficiary<sup>21</sup>. The other 28% of the postponed outputs are part of multi-annual projects and the rescheduling of some activities does not alter the final result of the projects. Similarly, 14 corporate outputs which were initiated in 2010 but completed in 2011 are reported in this report<sup>22</sup>. Finally, 14 corporate outputs included in the work programme were cancelled, often due to a request from the stakeholder which initially requested the output.

In addition to the measurement of outputs, the ETF records direct requests from the European Commission. In 2011, there were 100 requests (105 in 2010, 97 in 2009). Out of these, 70% were planned as activities contributing to an output, 15% were postponed from 2010 and other 15% were new and not included in the Work Programme 2011<sup>23</sup>.

With 150 corporate outputs completed compared with 149 targeted (100.7% achievement rate), the ETF was effective in achieving its target. This figure is largely composed of outputs targeted in the 2011 and completed as foreseen (81.2 % of outputs). New outputs achieved during the year (10.1 %) and completed outputs forwarded from 2010 represented an additional 9.4% of the outputs achieved in 2011. However, as a result of the dynamic operating environment, 17 outputs targeted for 2011 were postponed to 2012.

- By region, Enlargement ended the year with one more output than targeted, Neighbourhood south (ENP-S) with the same as targeted, Neighbourhood east (ENP-E) with three less and Central Asia with two less outputs than targeted. However, there were four more outputs than targeted related to thematic expertise development (TED) and one more output related to evidence-based policy

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<sup>20</sup> 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.

<sup>21</sup> See the list of 2012 carry-forward outputs in annex I.4. Seven out of 17 outputs were postponed at the request of the European Commission, six at the request of the beneficiary and four due to re-scheduling inside a multi-annual project, (negative priority). One third of the postponements are directly linked with the political situation in the partner country (Egypt and occupied Palestinian territory).

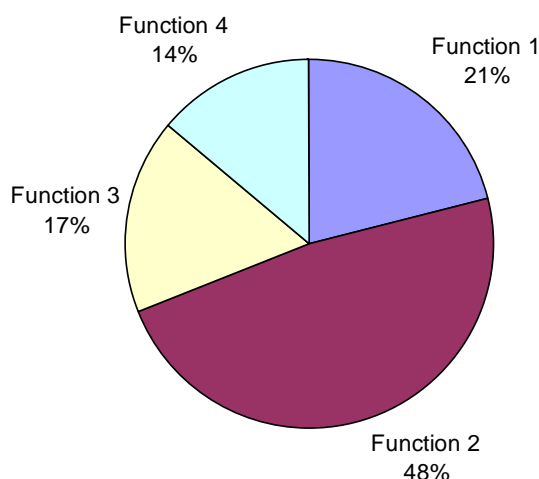
<sup>22</sup> See next section on reporting of corporate outputs from different years.

<sup>23</sup> See Annex I.5.

making (EBPM). These slight deviations are mainly due to the finalisation of outputs carried forward from 2010 or to the postponement of outputs to 2012.

- By function, the proportion of achieved outputs was weighted towards F1 (18.1% targeted, 20.7% achieved) and F3 (12.1% targeted, 14.7% achieved) at the expense of F2 (51.7% targeted, 48% achieved) and F4 outputs (18.1% targeted, 16.7% achieved).

**Figure 1.1 Corporate outputs by function (%)**

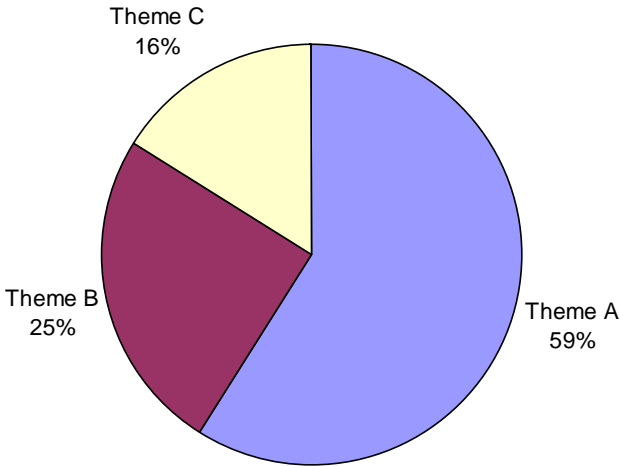


- Of the achieved outputs for F1, 38.7% were in the Enlargement region (33.3% targeted), 25.8% were in ENP-E (18.5% targeted) while Central Asia accounted for 16.1% of F1 outputs (14.8% targeted) and ENP-S dropped significantly to 19.3% of achieved F1 outputs compared with 33.3% targeted. In the case of ENP-S, the number of F1 outputs decreased because of unanticipated political instability in the region in 2011. The ETF was able to react to the dynamic situation by maintaining the level of capacity building (F2) projects and outputs and increasing policy analysis (F3) and, especially, dissemination and networking (F4) outputs.
- All targeted F2 (capacity building) outputs in both the Enlargement (36.1%) and ENP-S regions (23.6%) were achieved in 2011 but three less F2 outputs were achieved in ENP-E (24.7% targeted, 22.2% achieved) and two less in Central Asia than targeted (19.5% targeted, 18.1% achieved).
- Regarding F3 (policy analysis) outputs, targets were achieved in the Enlargement region and Central Asia but ENP-E achieved two less and ENP-S achieved one more output than targeted. Significant F3 output increases were achieved in both the thematic expertise development and evidence-based policy making departments. Outputs increased from six targeted (33.3%) to nine achieved (40.9%) for TED and from three (16.7%) to four outputs (18.2%) for EBPM, mainly due to the finalisation of 2010 activities and corresponding outputs (four in TED and one in EBPM).

Finally, by theme, the targeted distribution of outputs was largely respected (59.3% for A. VET and lifelong learning; 24.7% for B. Employability and labour market; and 16% for C. Business and education)<sup>24</sup>.

<sup>24</sup> The ETF was also effective in the use of its financial resources – see Part II. For 2011, the ETF again performed very well on all financial indicators, with consumption of commitment and payment appropriations close to 100%, carry forward of

**Figure 1.2 Corporate outputs by theme (%)**



The ETF’s Performance and Quality Management system was under development during 2011, some elements were in place and used to manage the quality of processes for better achieving results (e.g. the Editorial Board procedure and, in particular, the establishment of a system of peer review to ensure the quality of publications<sup>25</sup>). During 2011 several corporate initiatives were approved, or at an advanced stage prior to approval, to assure project content quality<sup>26</sup>. Implementation of the action plans following the functional analyses of the Administration and former Operations Departments resulted in improved internal procedures and efficiency<sup>27</sup>. In addition, monitoring assessment of all projects was achieved in 2011, focusing on the identification of areas for continuous improvement thanks to a qualitative assessment instrument using DAC criteria<sup>28</sup>.

The External Evaluation of the ETF<sup>29</sup> in 2011 concluded, regarding the ETF’s added value, that:

*Longer-term impacts of ETF actions are hard to discern as clear causality cannot be established given the ETF’s mandate of non-binding interventions as a centre of expertise. Given that, the ETF was shown to add significant value in the field of human capital development (HCD) at EU and*

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administrative appropriations below 4%, and 66% of 2011 operational appropriations paid within the financial year. These results were achieved with a limited number of budgetary transfers (12). Relatively few issues were raised by the Court of Auditors during their November visit, and none of great importance, which would indicate that the ETF achieved an acceptable level of compliance with the regulatory framework in 2011.

<sup>25</sup> See more information on the Editorial Board in section 1.7.

<sup>26</sup> See section more information on Corporate Positions in section 1.4.4.

<sup>27</sup> See more information on Action Plans in section 2.2.8.

<sup>28</sup> See more information on Monitoring and Evaluation in section 3.2. 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>.

<sup>29</sup> PPMI (2012).

*partner country levels, and contribute strongly to development of policy in the area. The types of intervention that added the most value over the longer term were in the areas of capacity building and provision of information and knowledge. The ETF was central to the HCD policy process as a whole and added value by strengthening ties between stakeholders in the area. The main finding in the area of impact and added value is the crucial importance of long-term involvement of the ETF in partner countries in order to have an impact. Lengthy involvement with partner countries improves communication between the ETF and stakeholders, deepens knowledge and information transfer and allows for iterative development of specific policies over time. Therefore, it is vital that ETF interventions in partner countries (and with relevant EEAS/EC personnel) are on-going and continuous in order to achieve impacts and add value (p. 11 of the External Evaluation final report).*

#### **Note on reporting of corporate outputs from different years.**

Starting with the 2010 Annual Activity Report (p.12) the ETF started reporting on corporate outputs postponed following the accrual and differentiated appropriations principles used for the budget<sup>30</sup>. This means that outputs are counted not according to the year of the budget they have been committed but according to the completion date of the activity. Therefore, the 14 outputs included in the 2010 work programme and postponed to 2011 are counted and reported in the 2011 report. Similarly, although 17 corporate outputs targeted in the 2011 work programme were committed by 31 December 2011, parts of the activities were not completed so their finalisation (and therefore reporting) will be done in the 2012 Annual Activity Report (the list of corporate outputs carried-forward from 2010 and reported in the 2011 Annual Activity Report are listed in Annex 1.4, and the list of corporate outputs committed in 2011 but postponed to 2012 will be reported in the 2012 report)<sup>31</sup>.

When applying the new budget principles to the reporting of corporate outputs, the ETF counts the corporate outputs targeted, committed and completed in 2011, even if the actual payment falls into 2012 according to the accrual principle. The result is the completion of 136 out of 149 targeted<sup>32</sup> outputs from 2011 as well as the completion and payment of 14 outputs carried forward from 2010.

The ETF does not count outputs targeted in 2011, even if some activities started during the year, if there is any associated activity which will be completed in 2012. Accordingly 18 corporate outputs from 2011 will be reported in the 2012 report, assuming they are fully completed.

The postponement of activities related to corporate outputs targeted for 2011 that will be reported in 2012 are either related to a request from the stakeholder (e.g. DG, EU Delegation or national authority, 72%) which initially requested the service, or to rescheduling of activities inside a multi-annual project (differentiated appropriations), 28%.

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<sup>30</sup> Accrual accounting recognises revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This is contrasted 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>)

<sup>31</sup> The ETF uses these budget reporting principles to report outputs in order to keep consistency between the financial reporting and the output reporting: "The Community budget, like any public authority budget, has to reconcile the principle of annuality with the need to engage in multiannual 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 appropriations and payment appropriations: (1) Commitment appropriations cover the total cost 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. It must be stressed that 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. It is simply the payments for the operations covered by these commitments which may extend over a number of financial years, the payment appropriations themselves being subject to budget authorisation each year. This dual annual authorisation of commitment and payment appropriations is a unique feature of the Community budget", p. 176 of European Union Public Finance ISBN 978-92-79-06937-6 © European Communities, 2008) [<http://bit.ly/x9G5Qo>]

<sup>32</sup> As stated in the 2011 Work Programme (p. 16.) "The ETF's environment can change frequently and new requests from the European Commission may be received in 2011 after the approval of this work programme. Accordingly, the ETF manages its priorities to be able to react swiftly to such requests. This may affect the timing and delivery of some activities". Accordingly, out of the 149 corporate outputs targeted in the WP 2011, 14 were cancelled during the year and 18 new ones were included.

## 1.7. Stakeholder relations

In 2011, the ETF continued to invest in its relations with European Commission services, in particular DG Education and Culture (its DG *de tutelle*) and other DGs (Enlargement, Development and Cooperation, EuropeAid, Employment, Social Affairs and Inclusion, Enterprise and Industry, Home Affairs and Justice, DG for Regional Policy) and the European External Action Service (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 with Cedefop and the promotion of synergy and complementarity in terms of activities through the joint annual work programmes. The achievements are presented in the Annex

The ETF was also very active in its relations with European Parliament committees by providing contributions to the debates and decisions, and strengthened its links with the European Economic and Social Committee and the Committee of the Regions through exchange of expertise and participation in different events related to the human capital development in the partner countries. Consultations with European social partner organisations were organised during the year and they were involved in the ETF project on social partnership in the southern Mediterranean.

The ETF cooperated closely with the EU Presidencies of Hungary and Poland, with particular attention given to the NQF development, adult learning, mobility and competences for youth, and migration. Particular attention was given to cooperation with institutions from EU Member States active in the area of human capital development in ETF partner countries<sup>33</sup>. Experts from EFTA countries were also invited to share their expertise during some of the ETF events.

The ETF also consolidated its institutional relations with the international organisations working in the field of human capital development such as UNESCO, the ILO, UNCTAD, the OECD, the World Bank, the Regional Co-operation Council for South Eastern Europe, the Asian Development Bank and the Council of Europe by sharing expertise and experience in supporting the development of human capital in the ETF partner countries.

The ETF continued to be active in inter-agency cooperation on vocational education and training including chairing meetings of the sub-working group on indicators for monitoring vocational education and training and actively contributed to the activities of the sub-group on entrepreneurial learning. Finally, the ETF contributed to the activities of the UNESCO Advisory Group created for the organisation of the Third International Congress for TVET. Cooperation was initiated with the European Group on Public Administration (EGPA) and the cooperation with the Union for Mediterranean Secretariat (UfMS) was strengthened.

## 1.8. Communication

In support of ETF activities in general and its expertise activities in particular, the ETF Communication Department (COMM) was engaged in a number of communication and promotional activities and initiatives during 2011. It was active in implementing a number of events and media activities, developed and launched a new website and published numerous reports and periodicals. In parallel a new Corporate Communication policy, social media guidelines<sup>33</sup> and a new Internal Communication Policy were adopted following extensive consultations. Main achievements include publications (four magazine issues and 10 newsletters, six leaflet/ brochures, and 32 reports and working papers), the

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<sup>33</sup> Annex I.6 outlines the cooperation with Member States undertaken during the year.



management of the Editorial Board, eight Internet and audio-visual products and 51 Events/Dialogue-generating communication. In addition, the department organised the two corporate events, the two statutory Governing Board meetings, 35 technical events and 12 study visits. The Communication Department also works continually to promote the ETF through the media.

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

### **2.1 ETF Governing Board activities**

In 2011, the governance functions of the ETF Governing Board were exercised during two plenary meetings (15 June and 22 November 2011) and through six written procedures.

In June 2011 the ETF Governing Board adopted:

- the 2010 ETF Annual Activity Report and the Analysis and Assessment of the ETF Annual Activity Report 2010;
- the Opinion of the Board on the ETF Annual Financial Accounts 2010; and
- the ETF organisational structure.

On 22 November 2011 the ETF Governing Board discussed and approved:

- the ETF 2012 work programme;
- the ETF 2012 draft budget;
- the amended ETF 2011 budget;
- the ETF provisional draft estimate of revenue and expenditure and underlying general guidelines 2013;
- the protocol between the ETF and the Kazakh Ministry of Education and Science; and
- the Memorandum of Understanding between the ETF and the British Council.

In 2011 the ETF Governing Board approved the following documents by written procedure:

- amendments to the ETF 2011 work programme and 2011 budget;
- implementing rules of the ETF Financial Regulation;
- implementing provisions on part-time work and leave;
- the ETF Rules of Procedure;
- 2011 budget transfers; and
- adjustments to the ETF Budget and 2012 Work Programme.

In March 2011, Governing Board members participated in a working group on the Annual Activity Report 2010 and the 2012 Work Programme, and in September 2011 the working group met again on the ETF 2012 Work Programme. 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 support of the Governing Board members, the ETF organised eight study visits for partner country representatives in relevant EU member state institutions.

At the Governing Board meeting in November 2011, three working groups were established for 2012 on the 2011 Annual Activity Report, the 2013 Work Programme and on the ETF governance costs analysis and assessment.

## 2.2. Management supervision and control

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

On 1 July 2011 a Director's Decision (ETF/11/DEC/014) consolidated the organisational structure and this was approved by the Governing Board at its June 2011 meeting.

In 2011, the ETF comprised the following structures, each operating within its own field of responsibility and in charge of its own tasks:

- the directorate;
- legal advice;
- stakeholder cooperation;
- Planning Monitoring and Evaluation Department (PMED);
- Evidence-based Policy Making Department (EBPM);
- Thematic Expertise Development Department (TED);
- Geographic Operations Department (GEO);
- Communication Department (COMM); and
- Administration Department (AD).

The following senior managers made up the management team: the Director, the Head of PMED, the Head of EBPM, the Head of TED, the Head of GEO, the Head of COMM and the Head of AD. Together with the senior managers, the three Heads of Unit in GEO, the Head of Human Resources (HR) and the Head of Finance and Procurement (Finproc) in AD made up the enlarged management team.

In 2011, in line with the provisions of the ETF Council Regulation, the ETF revised its Rules of Procedure which were approved by the Governing Board following an opinion of the Commission. The revised rules are structured so as to provide a sound basis for transparent, effective and efficient management by clearly setting out the ETF regulatory framework, the bodies exercising its governance and those exercising regulatory control, the management and organisational structure and the guiding principles and values. Furthermore, the revised rules define the decision-making process and the roles and responsibilities of the different actors involved in ensuring transparency and effectiveness.

Annex 1 shows the ETF management and organisation in 2011.

This section of the Annual Activity Report provides an overview of the main activities and tools for management supervision and control in the ETF in 2011. Sections 2.2.1 to 2.2.11 describe the key features of this process in more detail.

Considering the ETF's organisational structure, resources and size, the implementation of the 2011 Work Programme was supervised and controlled using the following activities and tools:

- meetings (section 2.2.1.);
- reporting (section 2.2.2);
- performance management and corporate performance indicators (section 2.2.3);
- the dashboard monitoring and reporting system (section 2.2.4);

- the risk management process (section 2.2.5);
- delegations and accountability chains (section 2.2.6);
- the functional analysis of administration (section 2.2.7);
- the institutional and functional analysis of operations (section 2.2.8.);
- financial management (section 2.2.9.);
- human resources management (section 2.2.10.);
- data protection (section 2.2.11) and
- the ETF internal control standards (section 2.3).

### **2.2.1 Management 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;
- Operations Department coordination meetings;
- Administration Department coordination meetings;

### **2.2.2. Reports**

- Online weekly reports on ETF budget implementation;
- Quarterly progress reporting on:
  - the progress of implementation of all Work Programme activities. Since the beginning of 2011 the reporting process for projects has been carried out through the dashboard system. The reporting is centrally coordinated by the Planning, Monitoring & Evaluation Department (PMED) which gathers and assesses management information including measuring progress against planned outputs and objectives. PMED also identified risks or delays in the implementation of the Work Programme. The quarterly reports also provide aggregated data on human resources investment derived from the time recording system and monitor corporate performance through a set of indicators and targets. Quarterly reports contain both quantitative and qualitative aspects implementation progress and aim to inform the management team's analysis and decision making;
  - the status of finance and procurement; and the status of action plans to respond to internal, institutional and external audits and risk assessments.

### **2.2.3. Performance management and corporate indicators: towards an integrated performance and quality management system**

The overall objective of the ETF's Performance and Quality Management System (PQMS) is to set up an integrated system to manage the performance of all activities, processes and resources and ensure the achievement of the organisation's mandate and objectives, while fulfilling the needs and expectations of ETF stakeholders, management and staff. It is designed to improve the provision, analysis and application of organisational management information and knowledge to identify and

address risks and opportunities, and to improve performance. It focuses on the management of results across all its key management processes.

Following the approval in 2010 of new policies for planning, monitoring, evaluation and risk management and through the creation of a new function on process development, the Planning, Monitoring and Evaluation Department reviewed the different performance and quality management practices and tools in use at the ETF with a view to improving them and developing an integrated performance and quality management system (PQMS).

The PQMS covers different levels, from operational to top management as well as different policy and functional areas in the ETF. A strong approach to quantitative measurement already exists in the corporate performance indicators and the dashboard (see 2.2.4) and this must be complemented by assessments on the quality of the results and processes, and the identification of areas for improvement. Existing practices in risk management and the use of the internal control standards have been consolidated with a qualitative assessment on corporate policies and broad processes.

More specifically the ETF PQMS provides:

- a channel to achieve consistency of direction and consensus on what needs to be done to ensure the continuous improvement of the organisation;
- an evidence-based system;
- a means of measuring progress over time through periodic self-assessment;
- a clear link between strategies and objectives and the implementation of activities and processes;
- a means to focus on improving areas that need it most;
- opportunities to promote peer review and sharing of good practice within the organisation and with other organisations; and
- a system to embed various quality initiatives into normal business.

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

Information on performance from several sources (i.e. corporate performance indicators, corporate and project outputs, results and stakeholder satisfaction) is used to monitor the progress of a project or service and to make decisions about strategic objectives and resource allocation. The 2011 achievements as measured through the corporate performance indicators are presented in Annex II.3 and include 2010 data as well.

The PQMS focuses on assessing the qualitative performance of the ETF’s projects as a basis for continuously improving the quality of the ETF’s processes. It also includes the development of an inventory of references to assess operational performance using result-oriented monitoring criteria. Moreover, the system enables an assessment of how the ETF’s performance supports its added value as an EU agency and how well it carries out its thematic work. The PQMS is expected to be further implemented in 2012.

## **2.2.4 The dashboard**

The dashboard system is an IT-based integrated performance management control system that enables the progress of ETF activities and resources used in real time to be monitored. Managers can

see the current status of each project through three levels of aggregated data “control panels” (project, regional and corporate). The dashboard integrates and processes data from different existing ETF systems and databases to provide live “control panels” on the progress of ETF projects. The project was deployed in January 2011 to cover all ETF core mission activities. The system also includes a workspace for self-assessing projects in line with results-oriented monitoring. Following an incremental approach, the roll-out of the system to the whole organisation was prepared in 2011 for full deployment in 2012.

### **2.2.5. The risk management process**

The annual macro level risk assessment was carried out by ETF management in July 2011. External consultants facilitated the exercise, provided methodological support and delivered training sessions on internal control standards and risk management to management and staff. The process covered the following steps:

- a desk review and assessment of the state of play of the ETF Risk Register 2010-11 and related action plan. All areas in the register have been addressed and actions have either been implemented or closed as of 31 May 2011 (see annex 5).
- A senior and operational management assessment was carried out to identify and assess risks linked to the implementation of the draft 2012 Work Programme in the frame of the mid-term perspective 2010-13 (through a workshop).

The outcome of the exercise was captured in the ETF risk register 2011-12 and the established action plan provided input for the 2012 planning exercise and the ETF 2012 Work Programme.

No critical or high level risks were identified. Actions established to mitigate medium level risks resulted in a low residual risk level assessment.

### **2.2.6. Delegation and accountability chains**

In 2011, the delegation and accountability chains followed the line of command of the organisation and covered the following empowerment patterns:

- Financial delegations<sup>34</sup>, see section 3.1.1;
- Powers conferred to the appointing authority<sup>35</sup> according to the established rules (the list is in annex 2); and
- Powers conferred to the acting director<sup>36</sup> according to the rules established to ensure the continuity of the management and representation of the ETF.

### **2.2.7. The administration functional analysis**

In the 2011 Work Programme, the ETF committed itself to continuing its efforts to increase efficiency, in particular by streamlining and rationalising its central administration following the functional analysis of administration conducted in 2009/10. Following a successful piloting in the Administration Department, a decentralised model of financial and procurement management was successfully rolled out to other ETF departments on 1 July 2011. This enabled a further reduction of staff engaged in

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<sup>34</sup> ETF/09/DEC/020, see Part 3, 3.1.1

<sup>35</sup> ETF/10/DEC015

<sup>36</sup> ETF/10DEC/011

central administrative activities, thus bringing the total staffing of AD to 28 posts compared to 39 at the end of 2009. The positive budget execution figures at the end of 2011 indicate that this change was effected without a negative impact on efficiency.

## **2.2.8. Operations institutional and functional analysis**

In July 2010, the Operations Department launched an initial institutional and functional review of its organisation and processes. This internal exercise led to a realignment of operations into three departments - responsible for Geographical Operations; Thematic Expertise Development and Evidence-based Policy Making. This was announced in a Director's Decision (ETF/10/DEC/28). The internal review of strategic changes to the ETF's environment was complemented with an external review of procedures and processes, with a view to assessing the scope for improving efficiency and effectiveness as well as possible adaptations to the new organisational structure.

The final report prepared by an external consultant<sup>37</sup> gives a rich and comprehensive assessment of the procedures and processes in the core business environment and of the implications of the new structure that was put in place in January 2011. The report confirmed that the ETF had established a good reputation in terms of effectiveness/efficiency. This provided a solid platform for the reorganisation of operations as well as the opportunity for improvement. The report outlines a number of practical suggestions and recommendations for improving the main procedures and processes and these have been taken into account through a dedicated action plan prepared in mid-2011.

In particular, the report confirms the expectation that:

- The establishment of TED should lead to enhanced (thematic) expertise development and knowledge sharing throughout operations; including a better management of the innovation and learning programme and improved content leadership and identification of thematic priorities.
- The establishment of EBPM should contribute to achieving higher and more consistent quality in operational activities and better alignment with the core functions and objectives.
- Through the contributions from TED and EBPM, GEO should be in a better position to ensure the respect of corporate positions as well as more qualitative elements in staff appraisal and coaching.

The report therefore confirms the strategic gains that come from a more distinct thematic and methodological approach, the importance of knowledge management and a greater strategic focus which, for example the Torino Process can give to identifying future strategic work programme priorities, and improvements in implementation arrangements. The following areas were the focus for 2011 and will continue to be so in 2012:

### **1. Improving quality in core business content**

Under the leadership of TED, and with the broad participation and contribution of ETF specialists, further efforts have been made to define what is meant by a corporate position, how such a position should be developed, and the tools that can help to ensure their consistent application across operations. References to corporate positions in project design and monitoring will have to be defined more clearly and feedback mechanisms should be put in place to ensure that positions are systematically enriched with experience from the field.

The report recognises the important contribution that the peer review process makes to content quality in particular regarding publications and other written outputs. The peer review guidelines are under review to ensure that recommendations for improvement are integrated into draft texts.

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<sup>37</sup> Tilkon

## **2. Concerted campaign to improve efficiency**

The following specific actions were implemented in 2011:

- the optimisation of financial cells and consideration of other opportunities to improve efficiency by centralising or outsourcing support services (e.g. mission management);
- a greater systematisation of approaches/guidelines for repeated operational actions (e.g. events organisation, conditions for recourse to external expertise);
- greater concentration on induction and knowledge sharing on administrative procedures;
- reviewing corporate efficiency indicators/targets for the organisation of operations;

## **3. Boosting knowledge management and IT systems to support efficiency and effectiveness**

While the report calls for greater efficiency in the core business, it also represents a valuable source of reflection on the development of the ETF as an expertise and learning organisation. This is the direction of the ETF Knowledge Management Strategy, "Knowledge in Action", adopted in 2010. This exercise was the Knowledge Management team's main focus in 2011.

## **4. Promoting a culture based on cooperation, communication and coordination.**

In this area the main actions implemented followed the objectives of the newly adopted ETF policy on internal communication <sup>38</sup> and focused in particular on strengthening cooperation meetings among Head of Departments and Head of Units of ETF operations.

### **2.2.9. Financial management**

In 2011, developments in finance and procurement management were guided by the introduction of efficiency improvements.

The 2010 piloting of a decentralised model of finance and procurement management in AD proved successful and the model was replicated in 2011 throughout the organisation following a review of the financial circuits and risk analysis of transactions. In this model, the processing of all financial and procurement transactions takes place at department level within a financial cell reporting directly to the delegated authorising officer. The centralised finance and procurement unit refocused on (ex-ante and ex-post) quality control and providing advice to other colleagues.

In 2011, attention was given to budget monitoring through a rigorous and structured budget review process. This led to a further reduction of budget transfers made during the year and to a successful year for the ETF from the budget execution perspective. The results provided below were also achieved in the context of the successful roll-out of the decentralised financial model. An ETF budget implementation policy was adopted to provide a clear description of how the ETF ensures the best use of its financial resources. It covers all phases related to budget implementation.

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<sup>38</sup> ETF/11/DEC/021



## Key facts and figures

- of the €20.350 million available for commitment appropriations in 2011, the ETF achieved a commitment rate of 99.7% (similar to previous years in terms of execution rates but nominally higher);
- the ETF paid 86.8% of the amount committed (compared to 87.1% in 2010 and 82% in 2009);
- including payments on operational commitments carried forward from the previous year, of the €19.850 million available payment appropriations in 2011, the ETF achieved a payment execution rate of 99.76% (compared to 96.5% in 2010 and approx. 90% in 2009);
- the ETF reduced the number of budgetary transfers to 12 in 2011, compared to 15 in 2010 and 33 in 2009, and carried forward 13.1% of the 2011 amount committed (compared to 12.8% in 2010 and 17% in 2009);
- the rate for carry forward of operational activities - differentiated appropriations (RAL (reste à liquider)) is 33%, while the administrative carry forward is 3.9% - for non-differentiated appropriations;
- the budget outturn (total amount to be reimbursed to the EC) amounts to €117,686.58 (€100,981.71 in 2010); and
- in the area of procurement, nine tendering procedures were cancelled, 38 contracts were signed giving a total of 104 contracts running on 31 December 2011.

In 2011, the ETF amended its budget once to integrate assigned revenue (€286,284.28 available from previous years and €4,522.81 accumulated interest), which is usually undefined at the time of the adoption of the budget (November 2010 for the 2011 Budget).

Also, in line with established practice, the ETF reviewed the implementation of its work programme activities during the second and third quarter of the year.

Following the review of activities and budget allocation, the ETF proposed a budgetary reallocation to reinforce operational activities, resulting in a transfer of €147,340 commitment and payment appropriations from Title 1 to Titles 2 and 3 to be used for:

- reinforcement of the survey on migration in Morocco;
- organisation of a debate on youth employability and role of social partners organisations in Turkey, under the initiative 'Friends of Turkey', at the request of the European Parliament;
- increasing support to the event "Governance and effective VET policies: the role of evidence"; and
- acquisition of licences for the virtualisation of IT systems.

The payment appropriations on Title 3 were re-distributed across operational budget lines, in line with the updated expected payments during the year.

In addition, an important 2011 milestone was the switch to the ABAC assets module of the European Commission accounting system, ABAC, to improve the compliance and efficiency of the ETF's assets management (See Annex 9).

At the end of 2011, an ETF transactional ex-post control methodology was established for the verification of a sample of financial transactions in order to ensure that the procedures set up were carried out effectively (see also section 3.3).

The report on compliance with the payment time-limits and on the suspension of the time-limits is provided in Annex 10. No waiving of recovery of an established amount receivable was made in 2011.

## 2.2.10. 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 this context, in 2011 the ETF:

- introduced a human resources management framework, which is a compilation of guiding principles for the management of human resources. These guiding principles comply with the applicable provisions of the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities (CEOS) as well as with the ETF Financial Regulation;
- further improved its performance appraisal and related annual dialogue processes and implementing rules. It has also revised its implementing rules on promotion and sent both to DG HR for approval, before having them adopted by the Governing Board;
- initiated a review of the ETF technical competences framework to increase clarity on staff roles and tasks and the related competence requirements;
- began to focus more on quality than quantity in the learning and development area, 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.); and
- further concentrated on staff welfare with the introduction of a policy for welcoming back colleagues following long absences and supporting the integration of newcomers with mid-probation interviews between HR, new staff members and the relevant reporting officer to ensure that supportive and/or corrective measures can be introduced if necessary.

### Key facts/figures

- by the end of 2011, six posts in the establishment plan were vacant, three of which were filled by March 2012. The ETF had 125 posts filled at the end of 2011 (90 Temporary Agents, 32 Contract Agents, 2 Local Agents and 1 Seconded National Expert). Seven staff members joined the agency and 10 left during the year. See also Annex 8.

## 2.2.11 Data protection

In 2011, the implementation of the European Data Protection Supervisor (EDPS) recommendations on ETF procedures was the main activity carried out in the field of the protection of personal data. The procedure on events management - submitted for EDPS scrutiny in 2010 - was approved and closed in the course of 2011. The procedure on the prevention of harassment was also submitted to the EDPS in 2011.

## 2.3 ETF internal control standards

### 2.3.1 Compliance with the requirements of the control standards

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 the revised 16 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:

1. Mission and values;
2. Human resources;
3. Planning and risk management;
4. Operations and control activities;
5. Information and financial reporting; and
6. Evaluation and audit.

No significant or material weaknesses of the ETF internal control system became evident in 2011. The controls in place worked as intended.

The ETF discovered that after the switch to ABAC, the control system to monitor the ceiling of running ETF contracts was not functioning as expected. However, mitigation measures were put in place and the situation was resolved. Indeed this had contractual implications for only two cases out of 104 running contracts (on 31 December 2011).

The results of the 2011 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 controls standards were adopted. In 2007 and 2009 the assessment involved a wider sample of staff members to gain a greater and diverse representative assurance.

Year of ICS review	% responses 1-2 <sup>39</sup> Adequate system in place / slight improvements	% of responses 3-4 Significant improvements needed / no system in place	No assessment level indicated (%)
2011	97.62%	2.38%	0%
2010	93.75 %	6.25 %	0 %
2009	79.2 %	19.4 %	1.4%
2008	83.3 %	15.4 %	1.3 %
2007*	70.3 %	29.3 %	0.4 %
2005*	54.0 %	35.0 %	11.0 %

<sup>39</sup> 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.

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 2011 review and assessment is in annex 6.

### **2.3.2 Effectiveness of the implementation of prioritised control standards**

It is a well-established procedure<sup>40</sup> 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.

The ETF Improvement Plan for 2011 prioritised the following building blocks:

#### **1. Building Block n°2 'Human Resources' (high priority) because of:**

- 1a the need to reinforce the learning culture within the ETF (training attendance, management support, training opportunities related to core business activities); and
- 1b the need continue to adapt ETF staffing capacity to match the needs deriving from its mandate.

#### **2. Building Block n°4 'Operations and Control Activities' (high/medium priority) because of:**

- 2a the need to further develop a comprehensive ETF ICT strategy.

#### **3. Building Block n°5 'Information and Financial Reporting' because of:**

- 3a the need to further improve internal communication and the quality and effectiveness of information flows.

In 2011, the related standards and systems were effectively implemented through the following main activities:

#### **1. Building Block n°2 'Human Resources':**

- 1a updating of training opportunities and a competence catalogue for ETF staff, in particular technical competence terms and training for newly appointed managers, and strengthening the monitoring of training days and training attendance; and
- 1b reinforcing the links between ETF human resources policies (staff appraisal, staff development, staff allocation / job description framework) thus enhancing the efficiency and effectiveness of the systems.

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

- 2a developing a comprehensive (ICT) Strategy 2011-14 approved by management in September 2011. The strategy outlines an ICT governance model which aims to ensure that the strategic planning and provision of ICT, resource allocations and funding are coherent across the ETF and that IT objectives are aligned with ETF objectives.

#### **3. Building Block n°5 'Information & Financial Reporting':**

- 3a Updating and revising the ETF Corporate Communication Policy 2012-13 in line with the current mid-term perspective. An updated policy was approved in December 2011. The policy

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<sup>40</sup> ETF/PROC/26

supports the ETF's overall objectives as set out in its key corporate documents and it provides an overall framework for communication and guides the ETF policy on internal communication. It sets out the aims, objectives and principles of communication and provides information on the roles, responsibility and coordination of communication.

The ETF Internal Communication Policy, approved in August 2011, establishes the overall framework and fundamental principles governing internal communication at the ETF. The specific objectives, activities and indicators for communication will be included in the 2012 annual planning and reporting cycle.

### **2.3.3 Conclusion**

The main elements of the functioning of ETF internal control standards in 2011 are illustrated in sections II and III of this report.

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

- actions implemented as a result of the institutional AD and Ops functional analyses;
- further work on ETF performance management and corporate indicators framework;
- deployment of the dashboard system;
- risk management process; and
- financial 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 2011 the organisation continued to implement a comprehensive system of internal controls, quality and risk management ensuring the proportional compliance and effectiveness of internal procedures. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and in resources management.

## **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.<sup>41</sup>

The ETF has a policy<sup>42</sup> 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 2011, budgetary implementation powers were delegated by the Authorising Officer through a Director's Decision<sup>43</sup>, 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 2011 delegation model:

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<sup>41</sup> In line with the standing instructions for Annual Activity Reports SEC(2011)1333

<sup>42</sup> (ETF/09/DEC/018)

<sup>43</sup> (ETF/10/DEC/035)

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

The delegated authorising officers<sup>44</sup> 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;
- 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.

Since 2008, the ETF has had a system of end of year reporting by (S)DAOs on their implementation of the budget during the past year and as a declaration to confirm their compliance with the charter of delegations signed at the beginning of the financial year.

In 2011, the ETF continued to reinforce the framework of the building blocks supporting the AO declaration of assurance 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 2011 end of year declaration of assurance in cascade is in annex 7 of the report.

## **Register of exceptions**

The ETF has 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

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<sup>44</sup> 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.

In total, in 2011, seventeen exceptions were registered, fourteen exceptions related to deviations to the Financial Regulation (FR), two related to deviations to the Staff Regulations (SR) and one to internal control. The total financial value of registered exceptions is € 360,763 which represents 1.8% of the total ETF overall budget in 2011. None of the registered exceptions have been assessed as matching the qualitative and quantitative criteria for placing a reservation in this report.

Qualitative analysis of exceptions typology including mitigations measures taken (ex ante or ex post):

- a) Two exceptions are related to teleworking arrangements granted to a staff member under specific circumstances;
- b) Four exceptions are related to "commitment a posteriori" linked to de-commitments performed during the re-evaluation of commitments in preparation for the carry forward exercise, where an ex ante risk assessment was made by ETF management with the scope of limiting the unspent funds on 2010 budget;
- c) Five exceptions are related to "commitment a posteriori" due to weaknesses in the specific approval workflow of each commitment. However each commitment covered planned and budgeted activities. The workflow for commitment approval has been reinforced by adding one additional control step;
- d) Two exceptions are related to direct agreements where following an ex ante assessment of the market two contractors only have been identified as matching the ETF needs for visibility (the exceptions relate to an advertisement of management recruitment post and an ETF promotion campaign);
- e) One exception is related to a direct agreement where following an ex ante assessment it was decided to contract the existing service provider due to the confidentiality nature of the subject (calculation of Local agents remunerations) and the need for continuity;
- f) One exception is related to a direct agreement for a migration and skills study in Morocco following the failure of both a negotiated procedure and an open tender and following the fine tuning of the terms of reference of the contract;
- g) One exception is related to a contract stipulated following a negotiated procedure with five candidates where the amount committed and spent is above the procedure threshold. This was caused by the malfunctioning of the control system to monitor the ceiling of running ETF contracts, which has been in the mean time fixed;
- h) One exception is related to a contract where the estimated total value published in the OJ notices has been exceeded due to the malfunctioning of the control system to monitor the ceiling of running ETF contracts and to an unforeseen increase of service needs during 2011, whilst the new tendering procedure was being launched. In the meantime the system to monitor contracts ceilings has been fixed.

Overall three out of 17 exceptions have a value equal to or greater than €50,000 and which, according to the ETF internal procedure on reporting on exceptions,<sup>45</sup> have to be reported in the AAR:

- EXC/2011/03 concerning a commitment a posteriori on the mission budget of 2010 for an amount of €90,000 (see b) above);

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<sup>45</sup> ETF/PROC/01/2011



- EXC/2011/09 concerning a direct agreement for a migration and skills study in Morocco for an amount of €110,000 (see f) above); and
- EXC/2011/10 concerning a commitment a posteriori for a total amount of €53,895 (see c) above).

### Negotiated procedure ex Article 126 Financial Regulation<sup>46</sup>

Overall in 2011, the ETF stipulated two 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 €106,000 which represented 0.5% of the total executed ETF budget in 2011 (€20,140,807).

CONTRACT/ ORDER FORM NO.	CONTRACTOR'S NAME	VALUE €	TITLE OF THE PURCHASE	JUSTIFICATION
CON/11/ETF/0031	Be Tech Srl	76,000	Maintenance of Extreme Networks infrastructure (4 year contract)	Article 126 (b) FR IR (Situation of monopoly)
CON/11/ETF/0036	IPSA Industria Pubblicitaria Spa	30,000	Advertising space at Caselle airport	Article 126 (b) FR IR (Situation of monopoly)

## 3.2 Building Block 2: a) Results from 2011 audits

The ETF has never received any critical recommendations by controlling bodies. 2011 was no exception and no critical recommendations were issued by controlling bodies.

### Internal Audit Service

As planned in the IAS Strategic Audit Plan 2010-12, in April 2011, the IAS carried out an audit on "external and internal communication within the ETF". The final audit opinion<sup>47</sup> states that "based on the results of our audit as described in the objective and scope, the internal control system in place within ETF provides reasonable assurance regarding the achievement of the objectives set for the following activities and underlying processes:

- Communication – externally at corporate level and internally aiming at ETF staff; and
- Public procurement in connection with communication activities."

As a matter of fact, no critical or very important recommendations were issued. A number of important and desirable recommendations were raised by IAS aimed at ensuring the updating and alignment of ETF external and internal communication framework and activities with the ETF mid-term perspective and core business needs.

<sup>46</sup> Negotiated procedure without prior publication of a contract notice

<sup>47</sup> IAS.A-2010-W ETF-001, 21 May 2010.

## European Court of Auditors

In May 2011, the European Court of Auditors audited the annual accounts of the ETF, which comprise the “financial statements and the “reports on implementation of the budget for the financial year 2010 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 no specific comments.

In November, the Court of Auditors made their first visit in relation to the auditing of the 2011 annual accounts. They subsequently issued two preliminary findings concerning financial management and recruitment. The ETF has acknowledged these findings and implemented corrective measures.

### ETF 2011 ex-post audit programme

In addition to the audit carried out by institutional bodies, in 2011 the ETF commissioned the following ex post audit assignments through a framework contract with external audit companies<sup>48</sup>:

- ex-post financial and performance audit on costing outputs in the ETF with the aim of providing recommendations for costing methodology and opportunities to support ETF activity-based management. The ETF refined its corporate performance indicators in 2010 to enhance the relevance and measurability of its objectives. In addition, in 2011, the ETF worked towards measuring the true cost of its services in terms of outputs, thus facilitating the measurement of its effectiveness, efficiency, economy and added-value as an EU agency.
- The overall conclusion of the report is that the ETF implements a formal costing system based on an accurate time recording system enabling the organisation to gather and report on the time spent on each project.
- the 2011 audit sample was based on 30% of the ETF’s 154 corporate outputs<sup>49</sup> indicated in the ETF 2010 Work Programme. Overall, the 2011 ex post audit programme showed no significant weaknesses in internal controls and the recommendations provided useful lessons for the organisation to improve its internal practices and procedures. To this aim dedicated action plans have been established and implemented to follow up relevant recommendations. The annual ETF ex-post audit programme is a supervision and control activity to provide additional management assurance.

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

### Monitoring and evaluation 2011

The main challenge in 2011 was the implementation of a new project monitoring system. According to the monitoring and evaluation policy, each project implemented was monitored using a standardised monitoring fiche by the different project teams and approved by line managers. Additionally 10% of projects were also monitored by PMED which included visits to Albania, Armenia and Morocco, where activities were observed and interviews with beneficiaries and stakeholders held. Overall the first round

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<sup>48</sup> 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)

<sup>49</sup> Since each corporate output is linked to between two and five project outputs, and each project output is linked to a number of transactions (commitments & payments) the audit sample therefore involved an estimated of 400 transactions (€45,3504.73 which represent 11% of the Title 3 operational budget).

of implementation was successful in providing insights into the quality and impact of project results achieved with useful recommendations for future improvements<sup>50</sup>.

Two evaluation assignments were successfully completed: i) Evaluation of the LEARN project and ii) Evaluation of labour market activities.

One of the main findings from the LEARN evaluation was that ETF made a relatively large contribution to the reform process in vocational teacher competence development and a “key added value of the ETF lies in the cost-effectiveness of the approach used”.

In order to maximise internal knowledge sharing as a result of the evaluations carried out, a “cappuccino” meeting was organised in-house. The focus was on the LEARN project and included a presentation from the project team leader, input from one of the key stakeholders from Serbia, a presentation from the evaluators and a discussion on how the positive outcomes of the LEARN project and lessons learned will be incorporated in future ETF projects, such as the School Development project in Central Asia.

### **External evaluation of ETF commissioned by DG EAC**

The external evaluation of the ETF was conducted in 2011 and began with a visit of the contractors to the ETF in early September. Four in-depth country studies and a survey of over 900 ETF contacts were conducted between August and November. PMED provided information and support to the evaluation team and the Head of PMED was a member of the evaluation steering committee. The draft final report was received in December and the final report will be published in 2012.

## **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 2010 did not contain any reservations.

As detailed in section 3.2 a) above, the ETF has not received any ‘critical’ or ‘very important’ audit recommendations as a result of the audit carried out by the IAS in 2011.

As of 31 December 2011, there are no outstanding critical or very important recommendations.

As a follow-up to the recommendation made by the IAS concerning the audit of the building blocks of the Director’s declaration of assurance, at the end of 2011 the ETF established a methodology to introduce transactional ex-post control/verifications of a sample of financial transactions to ensure that the procedures set up are carried out effectively. The first ex-post control campaign has been implemented in early 2012 on transactions covered by the 2011 budget and the results represent an element of the building block towards reasonable assurance in this Annual Activity Report.

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

Not applicable.

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<sup>50</sup> See more information in Part I, 1.5 “Performance and cost-effectiveness”

### 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 2011.

## 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 2011 gives a true and fair view<sup>51</sup>,
- 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 management review of the internal control system;
- 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 Turin,

date 15/06/2012



<sup>51</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.

## ANNEXES

### Annex: 1 Activity Based Costing (ABC) per regions, functions and themes

#### Comparison of ETF budget lines 2009-2011

Budget lines	Year, share of the total (in %)			
	2009	2010	2011	Average 2009-2011
Operations of which:	52.26	53.56	59.02	54.95
Enlargement	18.12	15.76	17.80	17.23
Neighbourhood	19.41	17.51	20.58	19.17
Central Asia	4.78	7.03	5.86	5.89
Innovation and learning (ILP) <sup>52</sup>	9.95	13.26	14.13	12.45
Corporate communication	13.74	9.77	11.38	11.63
Management, governance and resources	33.97	36.70	30.21	33.63
of which Administrative	24.69	24.39	19.19	22.76

Source: Public Policy and Management Institute (PPMI) (2012): External Evaluation of the ETF, a EU Agency, service contract No. EAC-2011-0140 awarded to PPMI by the Directorate General for Education and Culture of European Commission on 30 March, 2011.

<sup>52</sup> After the approval of the ETF Work Programme 2011 the Innovation and Learning Programme (ILP) was split into two departments – Evidence-based Policy Making (EBPM) and Thematic Expertise Development (TED). The following tables use ILP when referring to what was planned in the work programme, while providing separate data according to the two departments, when reporting on the actual use of resources and achievements. Similarly, the Operations Department (OPS) as a single department at the moment of the approval of the work programme, was split into three different departments in December 2010 (mentioned in the table as ODs: Geographic Operations Department (with three geographical Units: Enlargement, Neighbourhood South and Neighbourhood East and Central Asia), the Evidence-based policy making Department and the Thematic Expertise Development.

**Activity Based Budgeting (ABB) for Titles 1-3 by region and theme (in work programme 2011)**

Budget resources (€)	Enlargement	Neighbourhood South	Neighbourhood East	Central Asia	ILP	Total
Theme A: Vocational education and training system development and provision	4,029,922	2,381,801	2,268,382	1,322,041	3,225,355	13,227,500
Theme B: Labour market needs and employability	1,549,970	916,077	872,454	508,477	1,240,521	5,087,500
Theme C: Enterprises and human capital development: education and business partnerships	619,988	366,431	348,982	203,391	496,208	2,035,000
<b>Total</b>	<b>6,199,879</b>	<b>3,664,309</b>	<b>3,489,818</b>	<b>2,033,909</b>	<b>4,962,085</b>	<b>20,350,000</b>

**ABB for Titles 1-3 by region and theme (completed at the end of the year)**

Theme	Enlargement	Neighbourhood South	Neighbourhood East	Central Asia	Thematic Expertise Development (TED)	Evidence Based Policy (EBPM)	Total
A. VET system development in a Lifelong Learning Perspective	3,435,404	2,592,170	2,372,571	1,345,321	1,701,065	2,188,458	13,634,989
B. Employability and Labour Market Systems	1,368,992	719,442	478,572	673,308	1,256,944	-	4,497,257
C. Business and Education	644,696	932,482	330,814	246,813	-	-	2,154,806
<b>Total</b>	<b>5,449,092</b>	<b>4,244,093</b>	<b>3,181,957</b>	<b>2,265,442</b>	<b>2,958,009</b>	<b>2,188,458</b>	<b>20,287,051</b>

**Table: ABB posts allocation by theme and work programme activity (in WP 2011)**

Posts	Enlargement	Neighbourhood South	Neighbourhood East	Central Asia	ILP	Communication (COMM)	Planning, Monitoring and Evaluation – Directorate (PME-DIR)	Administration (AD)	Total
Theme A: Vocational education and training system development and provision	13.7	8.1	7.7	4.5	11	12.0	18.0	29.0	80.4
Theme B: Labour market needs and employability	5.7	3.4	3.2	1.9	4.6				33.5
Theme C: Enterprises and human capital development: education and business partnerships	3.4	2	1.9	1.1	2.7				20.1
<b>Total</b>	<b>22.8</b>	<b>13.5</b>	<b>12.8</b>	<b>7.5</b>	<b>18.3</b>	<b>12.0</b>	<b>18.0</b>	<b>29.0</b>	<b>134</b>



**ABB posts allocation by theme and work programme activity (actual at the end of the year)**

Posts 31/12/2011	Enlargement	Neighbourhood South	Neighbourhood East	Central Asia	TED	EBPM	COMM	PME-DIR	AD	Total
Theme A: Vocational education and training system development and provision	9.5	10.0	6.5	6.0	8.8	9.7	11.0	16.0	28.0	90.4
Theme B: Labour market needs and employability	2.0	1.8	2.1	1.0	6.7	0.1				24.0
Theme C: Enterprises and human capital development: education and business partnerships	0.5	2.2	1.4	0.0	1.5	0.2				10.7
<b>Total</b>	<b>12</b>	<b>14</b>	<b>10</b>	<b>7</b>	<b>17</b>	<b>10</b>	<b>11</b>	<b>16</b>	<b>28</b>	<b>125</b>

**Organisation area and budget titles (in WP 2011)**

Activity	Title			
	1	2	3	Total
Operations	7,411,000	-	4,600,000	12,011,000
Enlargement	2,226,000	-	1,407,000	3,633,000
Neighbourhood-South	1,322,000	-	835,000	2,157,000
Neighbourhood-East	1,254,000	-	797,000	2,051,000
Central Asia	729,000	-	464,000	1,193,000
Innovation and Learning	1,779,000	-	1,097,000	2,876,000
Corporate communication	1,166,000	110,000	1,039,000	2,315,000
Management, governance and resources	4,570,000	1,195,000	383,000	6,148,000
Administrative	2,821,000	1,085,000	-	3,906,000
Planning, Monitoring, and Evaluation	1,749,000	110,000	383,000	2,242,000
<b>Total</b>	<b>13,023,000</b>	<b>1,305,000</b>	<b>6,022,000</b>	<b>20,350,000</b>

**Organisation area and budget titles (completed at the end of the year)**

Activity	Title			
	1	2	3	Total
Operations	7,009,828	-	4,813,288	11,823,116
Enlargement	1,237,090	0	1,389,217	2,626,306
Neighbourhood-South	1,362,969	0	990,267	2,353,236
Neighbourhood-East	1,010,507	0	962,990	1,973,497
Central Asia	695,027	0	498,159	1,193,186
Thematic expertise development	1,740,607	0	595,286	2,335,893
Evidence based policy making	963,628	0	377,370	1,340,998
Corporate communication	1,081,567	154,473	1,251,633	2,487,674
Management, governance and resources	4,404,038	1,278,747	293,477	5,976,262
Administrative	2,757,699	1,141,247	0	3,898,946
Directorate, Planning, Monitoring, and Evaluation	1,646,339	137,500	293,477	2,077,316
<b>Total</b>	<b>12,495,433</b>	<b>1,433,220</b>	<b>6,358,398</b>	<b>20,287,051</b>

**Provisional distribution of resources by function (in WP 2011)**

	Budget	Staff (posts)					FTE	Distribution
	(million €)	OPS53	COMM	PME- DIR	AD	Total	Total	%
Function 1 – Input to Commission sector programming and project cycle <sup>54</sup>	7.123	26.3	12	18	29	46.9	44.8	35%
Function 2 – Support to partner country capacity building	5.088	18.8				33.5	32	25%
Function 3 - Policy analysis	5.088	18.8				33.5	32	25%
Function 4 - dissemination, and networking	3.053	11.3				20.1	19.2	15%
<b>Total</b>	<b>20.350</b>	<b>75</b>	<b>12</b>	<b>18</b>	<b>29</b>	<b>134</b>	<b>128</b>	

<sup>53</sup> After the approval of the ETF Work Programme 2011 Operations Department was split into three Operational Departments (ODS) – Geographical Operations (GEO) Department, Evidence-based Policy Making (EBPM) Department and Thematic Expertise Development (TED) Department.

<sup>54</sup> Support to the European Commission includes inter alia, contributions to progress reporting, formulation and identification of European Commission interventions.

**Provisional distribution of resources by function (completed at the end of the year)**

	Budget	Staff (posts)					FTE	Distribution
	(million €)	ODs	COMM	PME-DIR	AD	Total Posts	Total	%
Function 1 – Input to Commission sector programming and project cycle	3,911,029	13.5	11.0	16.0	28.0	24.1	23.5	19.28%
Function 2 – Support to partner country capacity building	8,102,975	28.0				49.9	48.7	39.94%
Function 3 - Policy analysis	4,143,959	14.3				25.5	24.9	20.43%
Function 4 - dissemination, and networking	4,129,088	14.2				25.4	24.8	20.35%
<b>Total</b>	<b>20,287,051</b>	<b>70.0</b>	<b>11.0</b>	<b>16.0</b>	<b>28.0</b>	<b>125.0</b>	<b>122.0</b>	

**Provisional distribution of resources by region (in WP 2011)**

	Budget	Staff (posts)					FTE	Distribution
	(million €)	OPS	COMM	PME-DIR	AD	Total Posts	Total FTE	%
Enlargement	6.200	22.8	12.0	18.0	29.0	40.8	39.0	30%
Neighbourhood South	3.664	13.5				24.1	23.0	18%
Neighbourhood East	3.490	12.9				23.0	22.0	17%
Central Asia	2.034	7.5				13.4	12.8	10%
Innovation and Learning	4.962	18.3				32.7	31.2	24%
<b>Total</b>	<b>20.350</b>	<b>75.0</b>				<b>12.0</b>	<b>18.0</b>	<b>29.0</b>

**Provisional distribution of resources by region (completed at the end of the year)**

	Budget	Staff (posts at 31/12/2011)					FTE	Distribution
	(million €)	ODs	COMM	PME-DIR	AD	Total Posts	Total FTE	%
Enlargement	5,449,092	12.0	11.0	16.0	28.0	21.4	20.9	27%
Neighbourhood South	4,244,093	14.0				25.0	24.4	21%
Neighbourhood East	3,181,957	10.0				17.9	17.4	16%
Central Asia	2,265,442	7.0				12.5	12.2	11%
Evidence Based Policy Making and Thematic Expertise Development	5,146,466	27.0				48.2	47.1	25%
<b>Total</b>	<b>20,287,051</b>	<b>70.0</b>				<b>11.0</b>	<b>16.0</b>	<b>28.0</b>

**Provisional distribution of resources by theme (in WP 2011)**

	Budget	Staff (posts)					FTE	Distribution
	(million €)	OPS	COMM	PME-DIR	AD	Total Posts	Total FTE	%
Theme A: Vocational education and training system development and provision	12.210	45.0	12.0	18.0	29.0	80.4	76.8	60%
Theme B: Labour market needs and employability	5.088	18.8				33.5	32.0	25%
Theme C: Enterprises and human capital development: education and business partnerships	3.053	11.3				20.1	19.2	15%
<b>Total</b>	<b>20.350</b>	<b>75.0</b>	<b>12.0</b>	<b>18.0</b>	<b>29.0</b>	<b>134</b>	<b>128.0</b>	

**Provisional distribution of resources by theme (completed at the end of the year)**

	Budget	Staff (posts)					FTE	Distribution
	(million €)	ODs	COMM	PME-DIR	AD	Total Posts	Total FTE	%
Theme A: Vocational education and training system development and provision	13,634,989	46.1	11.0	16.0	28.0	82.2	80.3	67%
Theme B: Labour market needs and employability	4,497,257	16.1				28.8	28.1	22%
Theme C: Enterprises and human capital development: education and business partnerships	2,154,806	7.8				14.0	13.6	11%
<b>Total</b>	<b>20,287,051</b>	<b>70.0</b>	<b>11.0</b>	<b>16.0</b>	<b>28.0</b>	<b>125.0</b>	<b>122.0</b>	

## Annex: 2 Costing of outputs per region, function and theme

Region	Direct Costs – Budget (€)	Direct Costs FTEs (€)	Direct Costs Missions (€)	Indirect Costs (€)	Total Costs (€)	Number of Corporate Outputs	Average Corporate Output costs (€)
Enlargement	1,100,298	1,412,817	239,605	2,696,372	5,449,092	49	111,206
Neighbourhood South	786,218	1,162,088	173,323	2,122,464	4,244,093	32	132,628
Neighbourhood East	731,220	774,302	117,231	1,559,204	3,181,957	26	122,383
Central Asia	409,069	631,338	87,889	1,137,146	2,265,442	20	113,272
EBPM	328,765	699,599	25,429	1,134,665	2,188,458	5	437,692
TED	455,800	892,120	100,801	1,509,287	2,958,009	18	164,334
Total	3,811,370	5,572,264	744,278	10,159,138	20,287,051	150	135,247

Theme	Direct Costs – Budget (€)	Direct Costs FTEs (€)	Direct Costs Missions (€)	Indirect Costs (€)	Total Costs (€)	Overall %	Number of Corporate Outputs	Average Corporate Output costs (€)
A. VET system development in a Lifelong Learning Perspective	2,704,582	3,665,876	460,070	6,804,461	13,634,989	67%	89	153,202
B. Employability and Labour Market Systems	742,382	1,283,593	206,382	2,264,899	4,497,257	22%	37	121,547
C. Business and Education	364,407	622,795	77,826	1,089,778	2,154,806	11%	24	89,784
Total	3,811,370	5,572,264	744,278	10,159,138	20,287,051	100%	150	135,247



Function	Function Sub Indicator	Direct Costs – Budget (€)	Direct Costs FTEs (€)	Direct Costs Missions (€)	Indirect Costs (€)	Total Costs (€)	Overall %	Number of Corporate Outputs	Average Corporate Output costs (€)
1	1.1 Country reviews and needs analysis	112,022	252,687	34,603	418,902	818,213	4%		
	1.2 Support for EC instruments programming	33,285	326,388	60,124	472,027	891,824	4%		
	1.3 SWAP support and preparation ( identification, feasibility, financing)		14,198	3,702	20,115	38,015	0%		
	1.4 Project design (identification, feasibility, financing)	253,356	327,520	53,727	622,899	1,257,501	6%		
	1.5 SPSP/Project implementation support and follow-up	3,750	59,617	22,986	91,092	177,445	1%		
	1.6 Support to regional policy dialogue	121,302	216,068	19,953	370,709	728,031	4%		
Total		523,714	1,196,477	195,094	1,995,744	3,911,029	19%	31	126,162
2	2.1 Capacity for policy evidence creation	759,148	697,657	132,942	1,489,321	3,079,069	15%		
	2.2 Capacity for policy formulation	320,851	546,393	89,149	968,172	1,924,565	9%		
	2.3 Capacity for policy implementation	581,584	720,119	116,990	1,385,995	2,804,689	14%		
	2.4 Capacity for policy review	47,631	85,532	12,513	148,975	294,652	1%		
Total		1,709,214	2,049,702	351,594	3,992,464	8,102,975	40%	72	112,541

3	3.1 Comparative analysis	148,203	115,571	9,746	255,669	529,189	3%		
	3.2 Country studies	270,619	352,571	30,200	654,128	1,307,518	6%		
	3.3 Thematic studies	199,884	439,362	40,484	721,273	1,401,004	7%		
	3.4 Analytical tools	148,886	282,555	7,077	467,731	906,248	4%		
Total		767,591	1,190,060	87,507	2,098,801	4,143,959	20%	22	188,362
4	4.1 Specialised publications	68,620	299,628	731	430,318	799,297	4%		
	4.2 Promoting collaborations and facilitation of dissemination activities/events	693,701	748,799	106,851	1,494,989	3,044,340	15%		
	4.3 ICT-based dissemination	48,529	87,599	2,501	146,821	285,451	1%		
Total		810,850	1,136,026	110,083	2,072,129	4,129,088	20%	25	165,164
<b>Grand Total</b>		<b>3,811,370</b>	<b>5,572,264</b>	<b>744,278</b>	<b>10,159,138</b>	<b>20,287,051</b>	<b>100%</b>	<b>150</b>	<b>135,247</b>

## Annex: 3 Distribution of achieved outputs by regions, functions and themes

### Achievement of ETF outputs by function in 2008 – 2010

ETF functions		Outputs		
		2008	2009	2010
Input to Commission sector programming and project cycle	Target	18	25	31
	Achieved	36	29	30
Support to partner country capacity building	Target	70	91	73
	Achieved	67	68	67
Policy review and analysis	Target	8	10	26
	Achieved	55	23	28
Dissemination and networking	Target	15	20	29
	Achieved	10	23	30
Innovation and learning projects	Target	7	9	
	Achieved	14	13	
Effectiveness analysis	Target	2		
	Achieved	9		
Total	Target	120	155	159
	Achieved	191	156	155

Legend: light grey – achievement or overachievement; dark grey – underachievement.

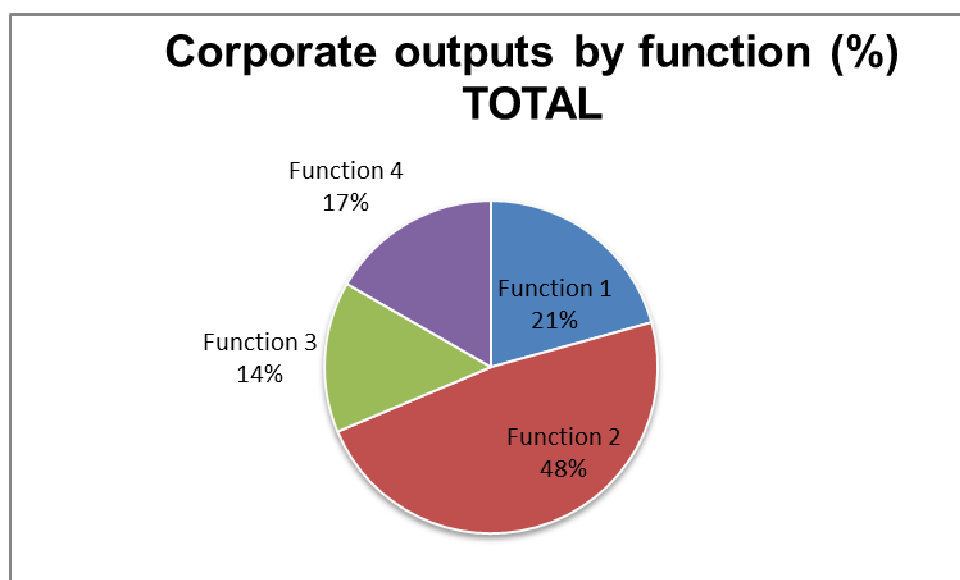
Source: Created by the authors using data from the ETF annual activity reports 2008 – 2010, : Table 7 of PPMI (2012): External Evaluation of the ETF, a EU Agency, service contract No. EAC-2011-0140 awarded to PPMI by the Directorate General for Education and Culture of European Commission on 30 March, 2011.

### By region and function

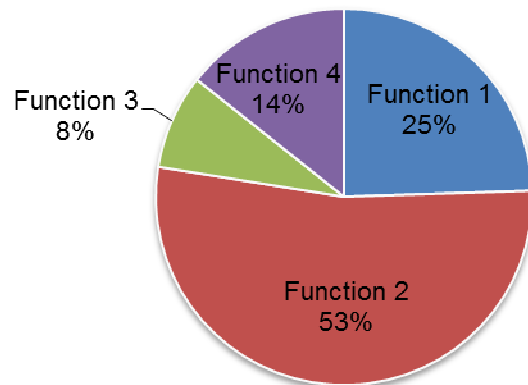
Functions ↓	EBPM		NEIGH. SOUTH		NEIGH. EAST		CENTRAL ASIA		ENLARGEMENT		TED		Total	
	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned
Function 1. Input to commission programming	0	0	6	9	8	5	5	4	12	9	0	0	31	27
Function 2. Capacity building	0	0	17	17	16	19	13	15	26	26	0	0	72	77
Function 3. Policy analysis	4	3	3	2	0	2	2	2	4	4	9	6	22	18
Function 4. Dissemination and networking	1	1	6	4	2	3	0	1	7	9	9	8	25	27
Total outputs	5	4	32	32	26	29	20	22	49	48	18	14	150	149

## By theme and function

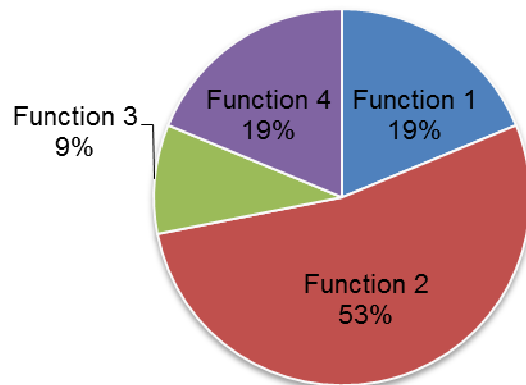
Themes	A. VET system development in a lifelong learning perspective	B. Employability and labour market systems	C. Business and education	Total
Functions ↓	Completed	Completed	Completed	Completed
1. Input to commission programming	18	9	4	31
2. Capacity building	41	16	15	72
3. Policy analysis	13	7	2	22
4. Dissemination and networking	17	5	3	25
Total outputs	89	37	24	150



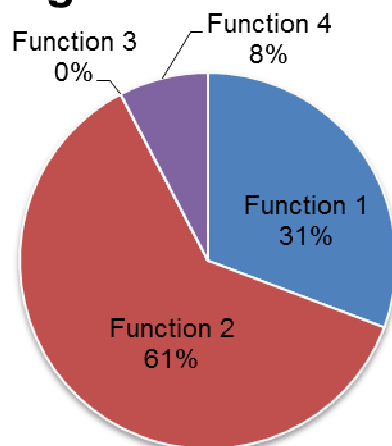
## Enlargement



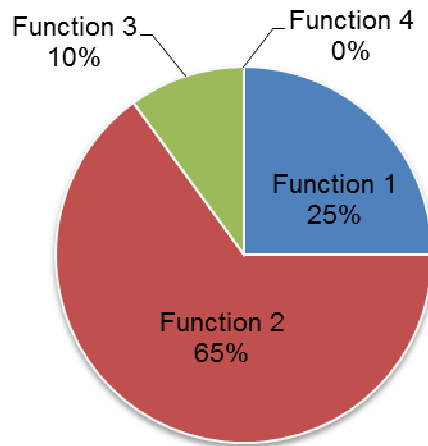
## Neighbourhood South



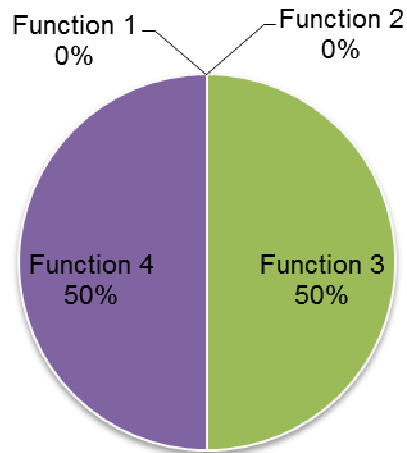
## Neighbourhood East



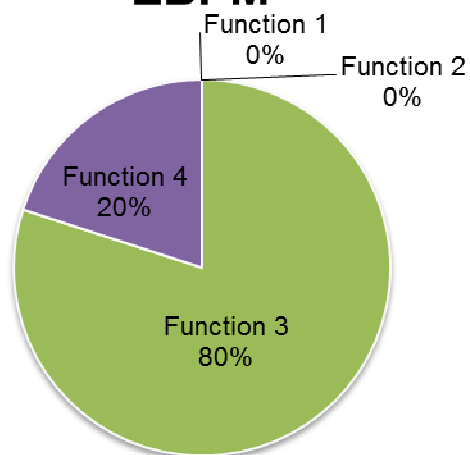
### Central Asia



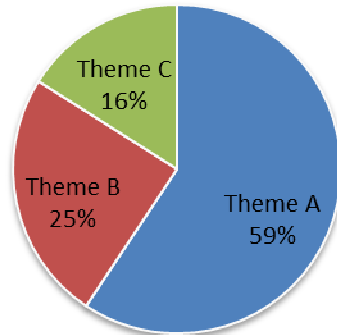
### TED



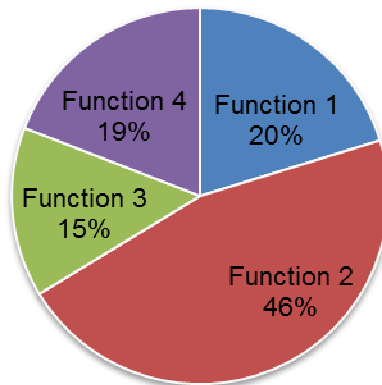
### EBPM



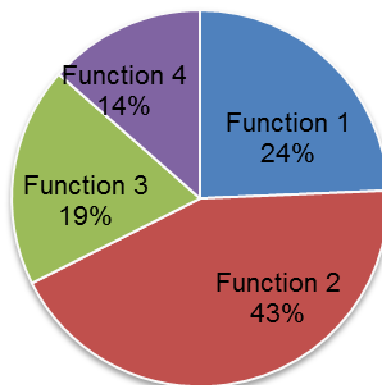
## Corporate outputs by theme (%) TOTAL



## Theme A

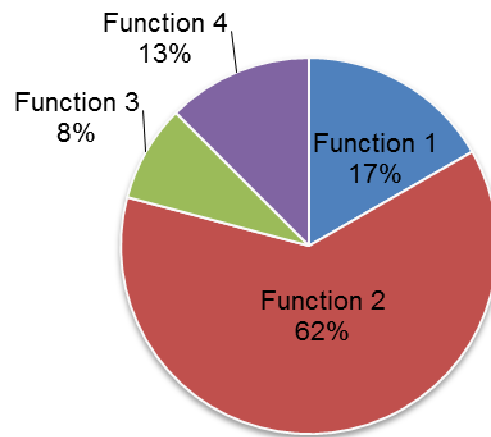


## Theme B





## Theme C



## Annex: 4 List of achieved outputs in 2011

1. 1.1.A.001 IPA I programming, monitoring and implementation support to DG Enlargement and EU Delegation (EUD) in Albania, Bosnia and Herzegovina (BiH), Kosovo, Montenegro and Serbia.
2. 1.1.A.002 IPA IV implementation and follow up support to EUD in Croatia and Turkey.
3. 1.1.A.003 IPA Multi-beneficiary project design support to DG ELARG through elaboration of two project fiches.
4. 1.1.A.004 IPA Multi-beneficiary implementation support to DG ELARG through participation in two steering committees.
5. 1.1.A.005 Review to DG Employment, Social Affairs and Equal Opportunities and DG Enlargement on progress achieved and key challenges in Vocational Training and Education (VET), employment and social inclusion for the annual Progress Report.
6. 1.1.B.006 Human Resources Development (HRD) review for national authorities and DG Employment, Social Affairs and Equal Opportunities to inform the revision of the HRD Operational Programme for the period 2012-13 including VET, employment and social inclusion in Croatia.
7. 1.1.B.007 HRD review for national authorities and DG Employment, Social Affairs and Equal Opportunities to inform the revision of the HRD Operational Programme for the period 2012-13 including VET, employment and social inclusion in the former Yugoslav Republic of Macedonia.
8. 1.1.B.009 IPA IV programming support to DG Employment, Social Affairs and Equal Opportunities as a peer reviewer of first operational programmes in Albania, Montenegro and Serbia.
9. 1.1.C.010 Regional symposium for teacher educators and trainers on entrepreneurship education for DG Enterprise as a follow up to High Level Reflection Panel on entrepreneurship education.
10. 1.2.A.011 On implementation of quality assurance mechanisms for National VET Agency (NAVETA) in Albania to improve quality of teaching and learning involving providers, VET Centres, Ministry of Education (MoE), Ministry of Labour (MoL) and social partners (SPs).
11. 1.2.A.012 On formulation of teacher education and training policy for the Ministry of Education in Albania to improve teaching in secondary VET involving universities, Institute for Educational Development and NAVETA.
12. 1.2.A.013 On implementation of a national qualification framework for the Ministry of Civil Affairs (MoCA) in BiH to improve the transparency of qualifications involving ministries of Education and Labour and social partners.
13. 1.2.A.014 For social partners in BiH to ensure their role in improving the relevance of VET involving national education and training councils.
14. 1.2.A.015 For the Vocational Qualifications Authority in Kosovo to sustain implementation of the qualifications system involving the MoE, MoL and social partners.
15. 1.2.A.016 On teachers professional development in Kosovo for formulation of modern teaching policies in secondary VET for the Ministry of Education to facilitate modern teaching and learning in VET schools involving teacher educators, trainers and school staff.
16. 1.2.A.017 For the Council of VET in Kosovo to review its role and responsibilities in governance of VET to enhance the institutional representation in the Council involving in particular social partner organisations.
17. 1.2.A.019 For the MoE to formulate a new policy for education and training of VET teachers in Montenegro to modernise teaching in VET schools involving the Bureau of Education, the VET Agency and a university.
18. 1.2.A.020 For the MoE in Serbia for the implementation of the guidance and counselling strategy to improve the employability of the labour force involving MoL, employment services, SPs and providers.
19. 1.2.A.021 For the VET and Adult Education Council and the VET Centre in Serbia to improve the involvement of social partners in policy formulation and implementation.
20. 1.2.A.022 On implementation of a national qualification framework for the MoE in Serbia to improve the transparency of qualifications involving MoL and social partners.

21. 1.2.A.024 On implementation of decentralisation and school autonomy for the Ministry of National Education (MoNE) in Turkey to improve governance in secondary VET involving local authorities, VET schools, VET Agency, and social partners.
22. 1.2.A.025 For MoNE and the Council of Higher Education (YOK) in Turkey for development of Post-Secondary VET (PSVET) to improve student employability and choice.
23. 1.2.A.026 For ministries of education in pre-accession region through mutual learning on formulation of quality assurance mechanisms to improve secondary VET involving VET agencies, social partners and schools.
24. 1.2.A.028 To ministries of education in pre-accession region through regional cooperation on formulating inclusive education policies involving MoLs, social partners, civil society, practitioners and researchers.
25. 1.2.A.029 On implementation arrangements in Croatia, Kosovo and Serbia for evidence creation for improved education and training policy formulation, monitoring and evaluation involving MoEs, VET agencies, VET councils, statistical offices PILOT for the Follow up of the Torino Process.
26. 1.2.B.030 For ministries of labour and employment services in BiH on implementing active labour market measures to improve employability.
27. 1.2.B.031 On analysing and forecasting labour market needs for MoL in Croatia to improve employability and relevance involving the VET agency and researchers.
28. 1.2.B.032 For the MoL and employment institutions in Kosovo through advice on implementing the capacity building plan for employment services to improve efficiency of measures involving MoE, Ministry of Economy (MoEcon) and social partners.
29. 1.2.B.033 A review of long term unemployment for the MoL in Montenegro to assess active labour market measures involving employment services and social partners.
30. 1.2.B.034 For ministries of education in pre-accession region through mutual learning on adults basic skills to improve employability of adults involving Adult Education agencies and centres.
31. 1.2.B.035 For national employment services in pre-accession region through mutual learning on activation policies to improve employability of adults involving MoLs.
32. 1.2.C.036 On implementing the teaching of entrepreneurial key competences in secondary VET in Albania involving providers, MoE, MoL, MoEcon, NAVETA.
33. 1.2.C.037 For social partners in the National VET Council in Albania to improve business education cooperation at VET provider level.
34. 1.2.C.038 For National Competitiveness Council in Croatia to strengthen the role of human capital development as a precursor for national economic competitiveness involving social partners, chambers and ministries.
35. 1.2.C.039 For Employers Association in Montenegro to support partnerships with VET providers to improve relevance and quality of skills.
36. 1.3.A.040 Develop enhanced research capacity in pre-accession region on inclusive education to strengthen formulation of inclusive education policies involving ministries of education, social partners, civil society, research community.
37. 1.3.A.041 Regional seminar in Skopje for pre-accession region on sustainable institutional mechanisms for creating and developing the evidence base for formulation, monitoring and evaluation of education and training policies involving MoEs, VET agencies, VET Councils.
38. 1.3.C.042 Contribution to the Small Business Act policy report on pre-accession countries through assessment of entrepreneurial learning policy indicators.
39. 1.4.A.043 Regional conference on social inclusion through education and training for all pre-accession countries to promote inclusive education policies involving national stakeholders, Commission services, EU member states and international community.

40. 1.4.A.044 Regional policy makers, practitioners and researchers in pre-accession countries engaged in European wide dialogue on social inclusion through education and training.
41. 1.4.A.045 Information and experience sharing meetings with Member States in four pre-accession countries involving national authorities and Commission services.
42. 1.4.A.046 Experience sharing on approaches to VET reform in South Eastern European countries involving ministries of education, key advisors on IPA VET projects and Commission services.
43. 1.4.A.047 Regional conference on policy recommendations stemming from the Mutual Learning Programme to share experience across the four thematic groups involving key decision makers and participants.
44. 1.4.B.049 National seminar in the former Yugoslav Republic of Macedonia on the HRD review to inform programming of IPA HRD component involving national stakeholders and Commission services.
45. 2.1.A.051 Input to European Neighbourhood Policy (ENP) action plan monitoring -All countries with ENP action plans.
46. 2.1.B.055 Input to follow up of the Euromediterranean (EuroMed) Ministerial conference on Employment.
47. 2.1.C.057 1 Set of inputs to EuroMed Industrial working group (1.6).
48. 2.1.C.059 Draft of two chapters for the Second EuroMed Charter assessment provided to DG ENT (1.6).
49. 2.2.A.060 For the Ministry of employment and VET and social partners, on National Qualifications Framework (NQF) to enhance transparency and portability of qualifications for all citizens (2.2).
50. 2.2.B.062 For the Ministry of VET and Employment related bodies (ONEQ) on evidence collection and use to improve policy making in Tunisia ( 2.1) - Pilot for the follow up of the Torino process.
51. 2.2.A.063 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 (2.3) -REG- in Tunisia, Morocco, Jordan and Egypt.
52. 2.2.A.064 For the Ministry of Education in Israel on qualifications and quality assurance.
53. 2.2.A.065 For Algerian entrepreneurs and key government agencies on entrepreneurship learning and as preparation for 2012 Torino process.
54. 2.2.A.067 For the Coordination Committee (Ministry of Education and social partners) in Lebanon on qualification frameworks.
55. 2.2.A.068 For the Employment and Technical Vocational Education and Training (E-TVET) council in Jordan on drafting and implementing a coherent career guidance strategy with a specific focus on gender equality.
56. 2.2.A.072 Through a study visit, governmental organisations responsible for developing NQF and social partners in four ETF partner countries (Egypt, Tunisia, Morocco and Jordan) to analyse the challenges of the implementation of a NQF in an EU Member State – REG.
57. 2.2.B.074 Advice and guidance for the Central Bureau of Statistics in Syria on policy analysis (using data from the 2010 transition study)(2.1).
58. 2.2.C.075 SPs on VET key issues to ensure their informed and effective participation in policy formulation and implementation in all participating countries (2.1, 2.2) – REG.
59. 2.2.C.076 For EuroMed Charter coordinators on policy analysis and benchmarking on entrepreneurial learning and enterprise skills.
60. 2.2.C.077 For Egypt Competitiveness Council and concerned Ministries on economic competitiveness and the role of Human Capital Development (HCD).
61. 2.2.C.078 For the MoE, Centre for Pedagogical Research and Development (CRDP) and pilot school staff in Lebanon on introduction of entrepreneurship skills at VET secondary.

62. 2.2.C.079 On implementing a strategy for articulating the needs of the social partners in Jordan in order to strengthen the E-TVET reform towards efficient and demand driven education.
63. 2.3.A.081 Sectoral representatives of tourism and construction sectors in Egypt, Morocco, Tunisia and Jordan will develop with the support of the ETF a methodology for the comparison of qualifications in the Euromediterranean region for enhancing mutual transparency and understanding.-REG.
64. 2.3.A.082 An inventory of trades and a concept paper for the Moroccan NQF.
65. 2.3.B.083 Regional review on employability.
66. 2.4.A.085 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.
67. 2.4.A.086 Information and communication technology (ICT) platform created for component 1 and 2 of regional qualifications project.
68. 2.4.B.087 Technical meetings and participation to international conferences to present the results of the Women at Work project on female participation in the labour market.
69. 2.4.C.088 Regional conference on social partnership.
70. 2.4.C.089 International platform for social partnership.
71. 2.4.C.090 International event on entrepreneurial learning.
72. 3.1.A.091 Implementation support and follow-up to the EC Sector Policy Support Programme (SPSP) in Armenia through capacity building and advice.
73. 3.1.A.092 Advice and follow-up through complementary activities to EC SPSP in Georgia and follow-up to EC project in Azerbaijan.
74. 3.1.A.093 Preparatory work and input into design of EU funded twinning project in Ukraine.
75. 3.1.A.094 Technical inputs to Eastern Partnership (EaP) Platforms II and IV.
76. 3.1.A.095 Reporting on progresses in Neighbourhood East countries.
77. 3.1.B.096 Technical input to design of project under the EU-Armenia Mobility Partnership.
78. 3.1.B.097 Technical design of project in support to EU-Georgia Mobility Partnership.
79. 3.1.B.098 Continued input to and synergy with EU-Rep of Moldova Mobility Partnership.
80. 3.2.A.099 Of the VET Council on formulating policy for a future national training fund in Armenia.
81. 3.2.A.100 Of high-level working group led by Ministry of Education on policy decision formulation on NQF in Azerbaijan.
82. 3.2.A.101 Of Ministry of Education on formulating approaches to recognition of prior learning in Armenia, Georgia and Republic of Moldova.
83. 3.2.A.102 Of Ministry of Education of Labour, and social partners on finalising a policy on occupational standards in Rep of Moldova.
84. 3.2.A.104 Of the Ministry of Education and specialists on implementing quality assurance policy in the Russia.
85. 3.2.A.105 Of policy makers, and education and statistical experts on generating evidence for policies in Belarus, Moldova and Ukraine, as a pilot follow-up of the Torino Process.
86. 3.2.A.106 Of Ministries of Education and Labour, and social partners on reviewing current continuing training systems in all countries(2.4).

87. 3.2.A.107 Of Ministries of Education on VET optimisation and finance in Ukraine.
88. 3.2.B.108 Of Ministries and social partners on labour market intelligence, skill anticipation and forecast in Ukraine.
89. 3.2.B.109 Advice on implementation of Action Plan of Employment Strategy in selected countries.
90. 3.2.C.110 Workshop for coordinators of small and medium-sized enterprises (SMEs) development on policy assessment in collaboration with EC and Organisation for Economic Co-operation and Development (OECD) All Neighbourhood East countries.
91. 3.2.C.111 Of school boards on realising the dialogue with enterprises in Armenia.
92. 3.2.A.113 Policy advice on VET teachers in-service training in Azerbaijan.
93. 3.4.A.116 Study on good examples of practice and indicators on VET and sustainable development with focus on new skills, and sharing of Torino Process results - All Neighbourhood East.
94. 4.1.A.117 DCI project implementation support and follow-up in Kazakhstan (KAZ).
95. 4.1.A.118 DCI project implementation support and follow-up in Turkmenistan (TKM).
96. 4.1.A.119 DCI project design, implementation and follow-up support in Kyrgyz Republic (KG).
97. 4.1.A.120 DCI project implementation support and follow-up to the Central Asian Education Initiative platform.
98. 4.2.A.121 For school managers and policy makers of the Ministry of Education 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.
99. 4.2.A.122 For school managers and policy makers in initial VET (VET Agency) on school improvement approaches with a focus on self-assessment methods, the development of new services for different target groups in a lifelong learning perspective and the use of school development plans in KYR.
100. 4.2.A.123 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 Tajikistan (TAJ).
101. 4.2.A.124 For policy makers of the Ministry of Education, social partners and VET practitioners on means to improve VET teacher and in-company trainer qualification in KAZ.
102. 4.2.A.125 On preparing an NQF in Uzbekistan in cooperation with the Centre for the Secondary Specialised Vocational Education, the Chamber of Commerce and Ministry of Labour.
103. 4.2.B.126 For policy makers working on labour market and VET developments on various types of evidence that can be used to supporting policy developments in TAJ, KAZ and KYR and means to generate evidence Participation from TKM and Uzbekistan (UZB) in these opportunities to be sought.
104. 4.2.B.127 For policy makers working on labour market and VET developments on the matching of VET supply and labour market demands, including aspects of self-employment in TAJ and KYR.
105. 4.2.B.128 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.
106. 4.2.C.130 For school managers and policy makers of the Ministry of Education on interaction with external stakeholders, including enterprises with the focus on establishing stronger working links in KAZ.
107. 4.2.C.131 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.
108. 4.2.C.132 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 TAJ.
109. 4.2.C.133 On entrepreneurial education and learning to create synergies between education and enterprise policies in order to support job creation and on local development and poverty reduction TAJ.

110. 4.3.B.136 The ETF methodology on transition from school to work survey adapted to KYR, KAZ and TAJ and implementation modalities discussed with authorities (subject to the government acceptance on the Torino Process).
111. 5.3.A.139 Setting up of an expert network bringing together researchers and practitioners from EU Member States and ETF Partner Countries to identify and assess the potential of work-based learning as an instrument for skill development.
112. 5.3.A.140 Identification of examples of good practice in EU member states (MS) and ETF partner countries (PCs) for broader dissemination in ETF partner countries policy makers and practitioners.
113. 5.3.A.141 Design of pilot activities in selected ETF partner countries.
114. 5.3.B.142 Setting up of an expert network bringing together policy makers, researchers and practitioners from EU Member States and ETF Partner Countries to identify, analyse and assess the different methodologies and approaches to matching demand and supply of skills.
115. 5.3.B.143 Stocktaking of current practices in matching methodologies and approaches in EU and Partner Countries to be used as a background for future work of the expert network.
116. 5.3.A.144 Methodology for evidence-based pilot activities in selected partner countries for ETF country managers.
117. 5.3.A.145 Corporate Conference on the dissemination of the Torino process 2010 results for partner countries policy makers, social partners, EC services and international organisations.
118. 5.3.A.146 Publication of Torino process 2010 results for dissemination to partner countries policy makers, social partners, EC services and international organisations.
119. 5.4.A.147 European Qualifications Framework (EQF) global Conference Oct 2011 for policy makers and practitioners from EU countries, ETF PCs and third countries.
120. 5.4.A.148 Creation of Qualifications Platform for exchanging information and experiences between institutions and stakeholders that are involved in the development of qualification frameworks. The platform foresees networking activities, regular updates on on-going developments within countries, an e-library and links and joint thematic events.
121. 5.4.A.149 Policy brief on Continuing Vocational Education and Training (CVET) and sustainable development for international and national actors in the ETF partner countries.
122. 5.4.A.150 New analytical framework for assessing VET systems to be used by the 2nd round of the Torino process in 2012.
123. 5.4.B.151 Policy brief on CVET and social inclusion for international and national actors in the ETF PCs.
124. 5.4.B.152 Conference for dissemination of the results of the ILP 2008-2010 HCD reviews on the Equity and Human resources development for partner countries policy makers and researchers, EC services and international organisation.
125. 5.4.B.153 Conference for dissemination of the results of the ILP 2008-2010 FLEX on Flexicurity in Developing and Transition Countries for policy makers, researchers from Morocco, Ukraine, Kazakhstan and Turkey, EC services and international organisations.
126. 1.1.A.154 Iceland involved in all regional dissemination and experience-sharing events in the framework of the ETF mutual learning and peer learning programme for the Western Balkans and Turkey.
127. 3.2.B.156 Of ministries of education and employment and social partner organisations on EU practices and legal frameworks in social dialogue and equal opportunities in Ukraine.
128. 5.3.B.158 Three migration surveys on Morocco, Turkey and Ukraine to analyse the skills composition of migration flows at country level.
129. 3.4.A.159 Seminar on recognition and validation of prior learning for returning migrants.
130. 2.2.B.160 Coaching to support the monitoring of the roadmap for Employment.

- 131. 2.2.A.161 Concept note on international experience on governance of TVET.
- 132. 2.1.A.163 Feasibility Fiche for EU Delegation in Lebanon.
- 133. 3.2.A.164 Outline of approach for development of VET curriculum linked to occupational standards.
- 134. 2.1.B.165 Appuyer la Délégation de l'Union européenne lors de la phase de formulation du projet Jeunesse-Emploi.
- 135. 2.2.A.166 Capacity building seminar for the United Nations Relief and Works Agency (UNRWA) VET centres counsellors.
- 136. 5.4.A.167 Sharing and/or dissemination of results internally and externally.

### **Corporate Outputs carried forward from 2010 and achieved in 2011 (code from 2010 WP)**

- 1. 3.1a(13) Country assessments for the Small Business Act.
- 2. 1.1b(2) Impact assessment of EU assistance in VET.
- 3. 2.1d(12) Draft human resources development review for Croatia to inform IPA IV programming.
- 4. 2.3b(44) Study on long term unemployment – Montenegro; DONE as foreseen in 2011.
- 5. 1.4d(97) Donor dialogue meeting in Tunisia.
- 6. 2.2a(117) Labour demand analysis workshop in Ukraine.
- 7. 2.1h(115) National qualifications workshop in Ukraine.
- 8. 1.1d(132) Contributions to the inception phase of the DCI Action Plan (AP) 2007 education reform project for Turkmenistan.
- 9. 1.3a(149) Analysis of the quality of vocational schools in a lifelong learning perspective based on survey results of participating countries (Kazakhstan, Kyrgyzstan and Tajikistan).
- 10. 3.1a(156) Cross country reports on the Torino Process.
- 11. 3.2a(158) Women and work cross-country synthesis reports.
- 12. 3.3a(160) Education and business cooperation synthesis reports.
- 13. 4.1d(160) Dissemination event and Egyptian competitiveness report.
- 14. 4.1d(167) The Egyptian Competitiveness report finalised in May 2011.

### **List of carried forward Outputs from 2011 to 2012**

- 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.052 Identification and feasibility reports for the design of a new intervention in education in Egypt by EU Delegation.
- 4. 2.1.A.054 Identification and feasibility reports for the design of new intervention in TVET in Egypt by the EU Delegation.
- 5. 2.1.C.058 Input to follow up of EuroMed Social.



6. 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).
7. 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.
8. 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.
9. 3.2.A.103 Of social partners on competence based standards for NQF in Ukraine.
10. 3.3.B.112 Demand analysis and skill anticipation methodology in Ukraine.
11. 3.3.C.115 Contribution to Small Business Act report - All Neighbourhood East.
12. 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.
13. 4.3.A.134 Report on VET school development in KAZ, KYR and TAJ.
14. 4.3.B.135 Development of a methodology for the analysis of transition from school to work in KYR.
15. 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.
16. 3.2.A.157 Of ministry of education, employment and social partner organisations on sector committees in the Republic of Moldova.
17. 2.3.A.162 Economic Co-operation and Development (OECD) Review in Egypt.

### **List of cancelled outputs in 2011**

1. 1.1.B.008 HRD review for national authorities and DG Employment, Social Affairs and Equal Opportunities to inform the revision of the HRD Operational Programme for the period 2012-13 including VET, employment and social inclusion in Turkey.
2. 1.2.A.018 To institutionalise evidence creation through local monitoring and evaluation mechanisms and research networks to improve secondary VET in the former Yugoslav Republic of Macedonia involving MoE, VET Agency, municipalities, schools and social partners.
3. 1.2.A.023 For the Vocational Qualification Authority in Turkey to improve implementation of the qualification framework involving MoNE, MoL, HE Council and social partners.
4. 1.4.B.050 National seminar in Turkey on the HRD review to inform programming of IPA HRD component involving national stakeholders and Commission services.
5. 2.1.A.053 Inputs to DGEAC on tertiary education and labour market oriented VET reforms as follow up to EuroMed Ministerial on higher education.
6. 2.1.C.056 Revision of EuroMed Policy index.
7. 2.2.A.066 For the Egyptian Observatory for Education, training and Employment on evidence collection and on formulation of evidence based recommendation for policy making 013 PILOT for the Follow up of the Torino Process.
8. 2.2.A.069 For Syrian Ministry of Education, Labour and social partners on set up of VET Council.
9. 2.2.A.073 For the Ministry of VET and training in Morocco on TVET costing to increase internal efficiency of the system.
10. 2.3.A.080 Review of postsecondary VET in Neighbourhood South countries.
11. 2.3.C.084 1 set of country reports on Entrepreneurial learning and enterprise skills.

12. 3.3.C.114 Elaboration of key indicators for active participation of social partners in VET in Belarus.
13. 4.4.A.138 Regional conference hosted by Kazakhstan, to share experiences among Central Asian Countries on regional Torino Process report, evidence-based policy making and regional cooperation.
14. 3.2.A.155 Of ministries of education in Georgia and Armenia on institutional opportunities for the validation of prior learning.

## Annex: 5 Direct requests from European Commission/ European External Action Service

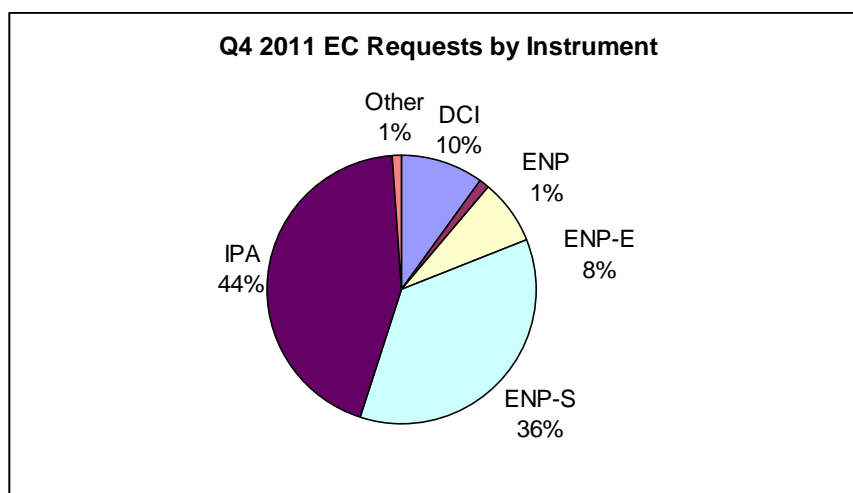
### Commission requests database

In addition, to the functions carried out in the context of its work programme, the ETF also responded to direct requests from the European Commission throughout the year. In 2011 reported 100 on-going Commission requests, 44% were addressed to IPA countries and 45% to European Neighbourhood Policy Instrument (ENPI) and 10% to DCI. (In 2010, 105 on-going direct requests, 62% were addressed to IPA countries and 30% to ENPI and 7% to DCI). Interestingly, there has been an important increase in the requests linked to the Implementation phase of the Project Cycle (something found as a weakness in the External Evaluation for the period 2006-2010), which added to Content Monitoring, makes the distribution of phases more balanced. Beyond project cycle and sector programming, Policy Advice remains an important category (with Comments and information on EU instruments and initiatives on implementation of EU planning being the most frequent category). 15% of the requests also imply some evaluation function.

A 70% of the requests in 2011 are for activities which contribute as project outputs to the 30 Function 1 corporate outputs (planned in the Work Programme (WP) 2011), while 15% were initiated in 2010 and 15% are not related to any corporate output in 2011 (not planned in the WP).

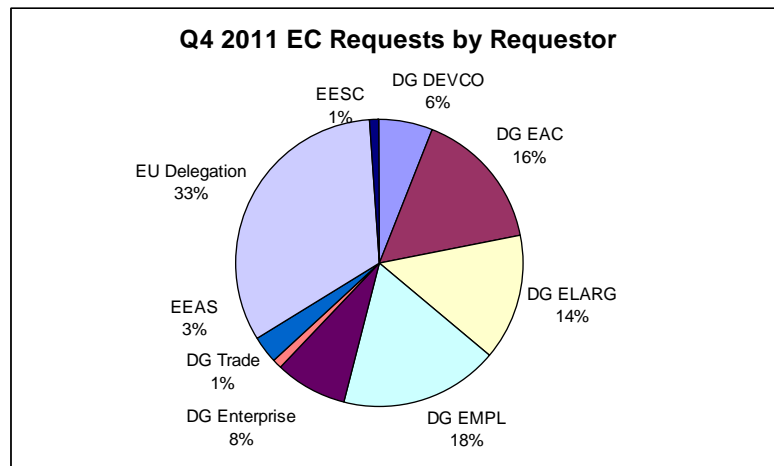
During Q4 2011 we have 100 on-going commission requests (Q4 2010: 105; Q4 2009: 101) out of which 44% for IPA, 36% ENPI South, 8% ENP East and 10% DCI. Most of the requests are coming from the ENP regions (45%).

### Requests by Instrument



As usual most of the requests are from the EU Delegations (33%), followed by DG EMPL (18%), DG EAC (16%) and DG ELARG (14%).

## Requests by requestor



Requestor	DCI	ENP	ENP-E	ENP-S	IPA	Other	Total
DG DEVCO	3	1	1	1			6
DG EAC	1		2	12		1	16
DG ELARG					14		14
DG EMPL	1		2	7	8		18
DG Enterprise				7	1		8
DG Trade	1						1
EEAS	1			2			3
EU Delegation	3		3	6	21		33
EESC				1			1
Grand Total	10	1	8	36	44	1	100

## EC requests by category

Most of the ongoing requests are related to Implementation (12 ) and content review (11).

The requests for policy advice are nine, plus the related categories (\*) are 17 requests, those represent the relative majority of requests.

Category	DCI	ENP	ENP-E	ENP-S	IPA	Other	Total
Implementation		1		1	10		12
Content Review	2		1	3	5		11
Other	1			8	3		12
Formulation	1		2	2	4		9
Identification	1		2	3	3		9
Policy Advice	2			1	6		9
*Comments and info on EU instruments and initiatives on implementation of EU planning				5			5
*Country Analysis of Human Capital Development (HCD) issues				1	1		2
*Thematic Analysis of HCD issues					1		1
Programming				3	6		9
Dissemination				1	3	1	5
Evaluation	2		2				4
Identification; Evaluation			1	3			4
Monitoring	1			1	1		3
Identification; Formulation				1			1
Identification; Formulation; Evaluation				1			1
Identification; Formulation; Implementation; Evaluation				1			1
Monitoring; Evaluation				1			1
Programming; Identification; Formulation					1		1
<b>Grand Total</b>	<b>10</b>	<b>1</b>	<b>8</b>	<b>36</b>	<b>44</b>	<b>1</b>	<b>100</b>

## Requests by country – region

Most of the ongoing requests are for the Mediterranean region (17), Kosovo (12), Turkey (9) Bosnia and Herzegovina with Tunisia (6).

Country	No. of Requests
Kosovo	12
Turkey	9
Bosnia and Herzegovina	6
Tunisia	6
Albania	5
Algeria	4
Montenegro	4
Kazakhstan	3
Moldova	3
Georgia	2
Israel	2
Jordan	2
Lebanon	2
Uzbekistan	2
Libya	1
Armenia	1
Egypt	1
ENP	1
Iceland	1
Kyrgyzstan	1
Macedonia FYR	1
Morocco	1
Other	1
Turkmenistan	1
Regional Requests	
ENP-S	17
IPA	6
DCI	3
ENP-E	2
Grand Total	100

## List of direct EC requests

1. 27/12/2011, Israel. Input into Israel progress report.
2. 21/12/2011, Albania. ETF comments on the draft conclusions Roma seminar Albania.
3. 19/12/2011, Kosovo. ETF expertise in the process of the amendments of the Kosovo Laws on VET and Adult Education.
4. 07/12/2011, Kosovo. ETF comments on the Kosovo NQF higher education draft document to be attached to the National Qualification Framework, not as an annex but as a chapter.
5. 06/12/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Progress reports.
6. 21/11/2011, Lebanon; Tunisia; occupied Palestinian territory. Inputs to Budapest Symposium: rapporteur.
7. 21/11/2011, Mediterranean countries. Publicity flyer for Malta inter-ministerial meeting.
8. 21/11/2011, Lebanon; Tunisia; occupied Palestinian territory. Inputs into Commission report on teacher training symposium.
9. 21/11/2011, Tunisia. To give comments on draft identification fiche.
10. 21/11/2011, Lebanon; Tunisia; occupied Palestinian territory. Nomination of partner countries for 2012 EU teacher training laboratories.
11. 21/11/2011, Montenegro. Inputs to Montenegro (MNE) bi-lateral SBA meeting following MNE approach to DG ENTR.
12. 15/11/2011, Kosovo. ETF comments on the EU Support to quality assurance and a labour market oriented education and training in Kosovo "Establishing a sustainable linkage between education and labour market" and comments on the other IPA 2012 PROGRAMME in education, employment and social sector.
13. 11/11/2011, Algeria. Algeria in the framework of the EUD del request Jeunesse-emploi.
14. 11/11/2011, Algeria. Letters on 2 mission in the framework EU delegation on the Formulation of Jeunesse-emploi programme in Algeria.
15. 28/10/2011, Israel. Briefing for sub-committee with Israel on "Research, Innovation, information society, education and culture".
16. 25/10/2011, Algeria. Reply-letter within the "Jeunesse-emploi" project.
17. 23/10/2011, Armenia; Azerbaijan; Georgia; Moldova; Ukraine. Progress reports.
18. 23/10/2011, Egypt; Israel; Lebanon; Morocco; Syria; Tunisia. Progress reports 2011.
19. 20/10/2011, Mediterranean countries. Analysis of the activities on Education to possible implement in Libya.
20. 17/10/2011, Tunisia. Commentaires sur "EU-Tunisie: plan d'action pour un partenariat privilegie - chapitre cooperation sectorielle".
21. 17/10/2011, Kosovo. ETF is requested to be IPA 2010 Kosovo Teacher Training Project Steering Committee Member: implementation period October 2011- October 2014.
22. 10/10/2011, Albania. Speaker in the Seminar on inclusion of Roma and Egyptian communities in the framework of Albania's European Union integration - 15 December 2011.
23. 21/09/2011, Kazakhstan. Request for contacts on Higher education institutions from Central Asia that are participating in the implementation of Tempus IV projects.
24. 21/09/2011, Tunisia. Note summarising ETF actions in the Mediterranean region and more specifically the current activities in Tunisia.

25. 20/09/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Identification of Female Entrepreneurship (FE) experts in the Mediterranean region to attend FE mentors network launching event in Warsaw 15 November.
26. 01/09/2011, Algeria. Input on societe de l'information, recherche, innovation, Education, audiovisuel et culture – Algeria.
27. 29/08/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Input to the Euromed Role of Women in the Mediterranean report to be presented at the European Economic and Social Committee (EESC) Euromed Summit Nov 2011.
28. 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 National Qualifications Approach (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.
29. 27/07/2011, Morocco. Input on challenges and reforms affecting the Moroccan TVET system in Morocco as inputs for the meeting of the 28th.
30. 25/07/2011, Kyrgyzstan. Request to provide the information on the activities carried out in the country in 2011 (sample table is attached).
31. 18/07/2011, Turkey. Invitation to speak at two panels and to design one of the panels with experiences from the Western Balkan countries in the Workshop on the integration of Roma citizens into the Turkish Labour Market, ref no: 45183 (request 15927), Izmir, Turkey, 15-16 September 2011.
32. 12/07/2011, Tunisia. Comments for a draft fiche on project in Tunisia.
33. 11/07/2011, Kosovo. Comments on the Kosovo Higher Education Qualifications Framework (QF) policy note developed as a follow up of ETF organised two days meetings in May in Turin and followed with the support of the IPA 2008 - Interculturalism and the Bologna Process, An EU funded project managed by the European Commission Liaison Office; Implemented by the Council of Europe.
34. 04/07/2011, Lebanon. Identification fiche.
35. 16/06/2011, Egypt; Jordan; Lebanon; Morocco; Tunisia. Participation in an informal meeting with social partners from EU and PCs.
36. 09/06/2011, Jordan. Comments on Terms of Reference (TORs) for technical assistance to Computer-Aided Quality Assurance (CAQA).
37. 06/06/2011, Belarus; Moldova; Russian Federation; Ukraine. Reports of activities in Eastern Partnership (EaP) countries.
38. 01/06/2011, Algeria; Belarus; Egypt; Israel; Jordan; Lebanon; Moldova; Morocco; Russian Federation; Syria; Tunisia; Ukraine; Occupied Palestinian territory. ETF Comments on the Discussion Paper on "Migration and Mobility for Development".
39. 31/05/2011, Kosovo. Comments to draft conclusions of the Stabilization Association Process Dialogue (SAPD) "Innovation, Human capital, Social Policies and Information Society".
40. 31/05/2011, Armenia. Project Fiche on "Promoting entrepreneurship through education and training in Armenia".
41. 27/05/2011, Moldova. Note on VET in Moldova - focused on policy developments.
42. 25/05/2011, Moldova. Project Fiche for VET Technical Assistance.
43. 17/05/2011, Moldova. Areas of possible support for Moldova on VET.
44. 04/05/2011, Kosovo. Comments, input to the drafting of Performance Assessment Framework for Kosovo Education: indicators that are measured/assessed each year and constitute one corner stone in the background material for the annual review about progress in the sector.



45. 21/04/2011, Kosovo. ETF input on the agenda, list of participants and policy recommendations as conclusion to the EU and the inclusion of Roma, Ashkali and Egyptians ; A Way forward for Kosovo (May 11th) co-chaired by Mr Hashim Thaçi, Prime Minister of Kosovo and Mr Pierre Mirel, Director for the Western Balkans DG ELARG.
46. 15/04/2011, Algeria; Egypt; Morocco; Tunisia. Advice and internal consultation on dialogue for Migration, mobility and security within the Southern Med region.
47. 14/04/2011, Tunisia. Provide comments on the project proposal from DG DEVCO to be implemented in Tunisia, called Appui a la insertion socio economique des personnes handicapés.
48. 01/04/2011, Turkey. Mission completed as indicated in the draft agenda.
49. 29/03/2011, Iceland. Presentation on linking employment and education and training strategies at a DG EMPL event for Iceland.
50. 28/03/2011, Turkey. Input for the progress report of EC supported project / Vocational Qualifications Approach (VQA).
51. 25/03/2011, Montenegro. Participation in the OP HRD Workshop in Montenegro on 14-15 April 2011.
52. 24/03/2011, Kazakhstan; Kyrgyzstan; Tajikistan; Turkmenistan; Uzbekistan. TORs for the Central Asian Education Platform.
53. 22/03/2011, Jordan. Comments on the proposal from the Ministry of Planning and Cooperation for creating female employment in the rural areas.
54. 17/03/2011, Albania; Bosnia and Herzegovina; Croatia; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey. Information provided on Teacher Shortage in Western Balkans and Turkey (WBT).
55. 15/03/2011, Kosovo. Advice on social sector issues in Kosovo provided to the EC Office colleagues in charge of political criteria chapters for Kosovo 2011 Progress Report.
56. 15/03/2011, Lebanon. Review of policies and guidelines for career guidance in UNRWA refugees camps.
57. 11/03/2011, Kosovo. ETF expertise input/discussions as a member of the EC family during the Stabilisation and Association Process Dialogue between DG ENL and Kosovo Government - Sectorial meeting on Innovation, Human Capital, Social Policies and Information Society - Pristina, 11-12 May 2011 and in out to DG ENL and EC Office on the Kosovo 2011 Progress Report.
58. 10/03/2011, Turkey. Participation to the Council of Europe meeting 4-5 April in Strasbourg and contribution to the minutes.
59. 03/03/2011, Lebanon; Tunisia; Occupied Palestinian territory. Inputs to Budapest Symposium: rapporteur.
60. 15/02/2011, Montenegro. Comments to draft Strategic Coherence Framework (SCF) and draft Operational Programme (OP) IV.
61. 07/02/2011, Turkey. Comments on the project fiche "Promoting active inclusion in Turkey".
62. 02/02/2011, Turkey. Attend EC and Turkey Sub-Committee Meeting in Brussels 09.02.2011.
63. 31/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Amendment of the text in French and English by introducing Skills dimension. The proposal sent to DG-ENT and Abdelaziz Jaouani will present it to the charter coordinators for agreement the 21 February in Brussels (see proposed text attached).
64. 28/01/2011, Kosovo. Comments/expertise input to the drafted criteria and procedures for the validation and approval of national qualifications and the accreditation of qualification awarding bodies in Kosovo.
65. 26/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. 2-3 page updated note on the employment challenges in the south ENP region.

66. 26/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Preparation of 1-2 page country fiches for every the Union for the Mediterranean (UfM) country on labour market and employment.
67. 26/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Employability review.
68. 25/01/2011, Albania; Bosnia and Herzegovina; Croatia; Iceland; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey. ETF staff to provide case studies from the Enlargement/Neighbourhood region and to participate as trainer and facilitator in two modules in the forthcoming DG ENL organised Sector Wide Approach (SWAPs) and Performance Based Acquisition (PBA) training for EUD staff from ENPI-EAST and ELARG , Brussels, June 14,15,16.
69. 10/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. ETF symposium on entrepreneurship Training of Trainers (ToT) features as activity in the Euro-Med industrial cooperation WP 2011-2012 to be presented to the Ministerial in May 2011 in Malta.
70. 10/01/2011, Algeria; Egypt; Israel; Jordan; Lebanon; Morocco; Syria; Tunisia; Occupied Palestinian territory. Preparation of a note on Skills for Sustainable Energy Development (SED) (Arne Baumann) sent to DG-Ent and Abdelaziz Jaouani participation to the meeting in Brussels the 31.01.201 with Milena Corradini and the consortium. DG-ENT agreed to introduce skills aspect in the survey and 4 questions on education and enterprise skills will be inserted in the questionnaire and 2 good practices out of 18 will be dedicated to skills dimension and introduced in the final report (Abdelaziz Jaouani mission report attached).
71. 06/01/2011, Uzbekistan. Up-dated note on ETF activities in Uzbekistan for the briefing of Mr Barroso meeting with President Karimov 24 Jan in Brussels.
72. 03/01/2011, Albania; Bosnia and Herzegovina; Croatia; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey. Support for IPA-MB 2012 Programme for Inclusive Education -facilitate evidence based policy discussions in the Western Balkans and Turkey and enhance capacity building of stakeholders for setting the priority areas of inclusive education and training policies to be supported by country and regional IPA programmes. ETF IPA SOC team drafted the IPA M-B 2012 project fiche on inclusive education. The project fiche accepted by DG ELARG Multi Beneficiary Program, IPA Committee on the 23rd of November 2011.
73. 20/12/2010, Turkey. Comments to inception report / and comments on revised inception report VQA project.
74. 20/12/2010, Turkey. Comments to Quarterly technical report.
75. 08/12/2010, Albania; Bosnia and Herzegovina; Croatia; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey Regional event on 'Competences and Training for Private Sector Development: toward regional actions' organised in Budva, 3-4 March 2011.
76. 08/12/2010, Albania; Bosnia and Herzegovina; Croatia; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey. IPA-MB programming - Organisation of a regional event on 'Competences and Training for Private Sector Development: toward regional actions' organised in Budva, 3-4 March 2011.
77. 08/12/2010, Kazakhstan; Kyrgyzstan; Tajikistan; Turkmenistan; Uzbekistan. ETF to provide policy advice on the country reports and to interact with the country stakeholders. ETF to be member of the inter DGs Steering group Study 'Social impact of emigration and rural-urban migration in Central and Eastern Europe' - guidance for Country Reports.
78. 08/12/2010, Albania; Bosnia and Herzegovina; Croatia; Kosovo; Former Yugoslav Republic of Macedonia; Montenegro; Serbia; Turkey. ETF to provide policy advice on the country reports and to interact with the country stakeholders. ETF to be member of the inter DGs Steering group Study 'Social impact of emigration and rural-urban migration in Central and Eastern Europe' - guidance for Country Reports.
79. 06/09/2010, Egypt. Identification report.
80. 17/05/2010, Albania. Key speaker "The role of education and training in fighting social exclusion: outcomes of the project on social inclusion led by the European Training Foundation".
81. 26/04/2010, Georgia. Comments on chapters 1-3 of the revised Georgian interim report.
82. 17/02/2010, Bosnia and Herzegovina. ETF presentation for the Workshop in Sarajevo 22-24 March.

83. 05/02/2010, Kazakhstan; Kyrgyzstan; Tajikistan; Turkmenistan; Uzbekistan. "Identification Fiche" for a planned "Central Asia Education Platform" to be ready for the DCI Committee on 16th September 2010.
84. 17/11/2009, Georgia. Design of Technical Assistance (TA) package to accompany SPSP VET in Georgia.
85. 07/09/2009, Present ETF Work in the field of Teacher training.
86. 16/07/2009, Bosnia and Herzegovina. ToR for VET IV project under IPA 2008.
87. 03/07/2009, Montenegro. Analytical reports for input for the revision of IPA component IV operational programmes.
88. 03/07/2009, Turkey. Analytical reports for input for the revision of IPA component IV operational programmes.
89. 03/07/2009, Former Yugoslav Republic of Macedonia. Analytical reports for input for the revision of IPA component IV operational programmes.
90. 21/05/2009, Bosnia and Herzegovina. Programming 2010: Activities in coordination with EC Delegation BiH.
91. 12/05/2009, Bosnia and Herzegovina. National Programme 2009 part II - Labour and education project fiche.
92. 04/05/2009, Tunisia. ETF contribution in programming through 'notes de synthèses'.
93. 24/04/2009, Bosnia and Herzegovina. Comments on BiH Draft Project fiches for the IPA National Programme 2009 part II.
94. 08/04/2009, Bosnia and Herzegovina. Comment on Final ToR for Entrepreneurship - IPA 2007.
95. 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.
96. 27/11/2008, Albania. Preparation for IPA 2010 planning for the Ministry of Labour.
97. 01/01/2008, Kazakhstan. Preparation of TOR for the DCI Action Plan (AP) 2007 VET project in Kazakhstan.
98. 01/01/2008, Kazakhstan. Mid-term policy impact assessment of Tacis VET project in Kazakhstan.
99. 01/01/2008, Uzbekistan. Mid-term policy impact assessment of Tacis VET project in Uzbekistan.
100. 13/03/2007, Turkmenistan. Support to MoE of Turkmenistan in preparing new concept of education system.

## Annex: 6 Cooperation with Member States in 2011

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

COUNTRY	TITLE
Austria	<p>Participation of Kulturkontakt Austria representative in the IPA Multi-beneficiary programme - Competences for competitiveness and Private Sector Development: Towards Regional Actions, 3 - 4 March 2011, Budva, Montenegro and on the meeting Policies and Programmes for Inclusive Education and Training in the Western Balkans and Turkey: Towards Regional 4-5 April, 2011 Turin ;</p> <p>The alternate Governing Board (GB) member contributed to the ETF event in Armenia "Bringing education and business closer together in Armenia", 15-16 September 2011, Yerevan;</p> <p>ETF Study visit on work-based learning to Graz, Austria Graz (Austria), Steirische Volkswirtschaftliche Gesellschaft, 21-23 September 2011;</p> <p>Participation of Kulturkontakt representative in the ETF Workshop "VET and Social Inclusion, 12-13 December 2011, Turin.</p>
Belgium	<p>Meeting with the GB member to discuss possible joint activities in Morocco (14 June 2011);</p> <p>Representative of Forem Formation participated into the ETF seminar on Employability and regional development, organised in Tunisia on 4<sup>th</sup> July 2011;</p> <p>Expert contributed to the technical ETF workshop organised in Rabat, Morocco on the draft national Moroccan strategy on training and National qualifications framework (NQF), 13 December 2011.</p>
Bulgaria	<p>ETF organised with the Bulgarian National Human Resources Development Centre- Euroguidance section and the European Lifelong Guidance Policy Network (ELGPN), a joint conference on career education in South East Europe Career education for South-Eastern Europe – Investment in youth for sustainable economic growth on 8 November 2011 in Sofia, involving EU member states and ETF partner countries from the region.</p>
Czech Republic	<p>Expertise provided in the seminar organised in Tunisia Skills needs forecast: methodologies and institutions (5-6 July 2011);</p>
Cyprus	<p>Discussions with the GB member on possible cooperation between the ETF and Cyprus Presidency in 2012 (3<sup>rd</sup> October 2011);</p>
Denmark	<p>The alternate GB member attended the joint event organised by the ETF and the Polish Presidency on " Development of human capital in the Neighbouring countries", 4 October 2011, Brussels;</p>

	<p>Discussions on possibilities of cooperation between the ETF and the Danish Presidency;</p> <p>The ETF presented to the Danish Governing Board members the intention of cooperation from the Israeli Ministry of Education with the Danish institutions in the area of quality assurance in VET and curriculum development. A Danish attended the ETF workshop on quality assurance, organised in Israel on 7 November 2011;</p>
Estonia	<p>participation of the Governing Board member in a fact finding mission on qualifications framework in Azerbaijan (June 2011) and for the seminar on NQF in Uzbekistan (September 2011);</p> <p>The GB member and other representatives attended the Joint event organised by the ETF and the Polish Presidency "Development of human capital in the Neighbouring countries", 4 October 2011, Brussels;</p> <p>The GB member attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
Finland	<p>Expert contributed to the ETF workshop on VET curriculum development in Georgia, 14-15 November 2011, Georgia;</p> <p>Study visit in Finland under the regional project on Social partnership in the Southern Mediterranean region organised on 13-15 December 2011.</p>
France	<p>Participation of the GB member in the French team supporting the ETF regional project on qualifications framework in Southern Mediterranean; Discussions held on how to organise group "France" within the ETF regional project on qualifications framework in Southern Mediterranean (involving representatives from education and employment sectors, federation of the sectors tourism and constructions);</p> <p>Participation of the GB member and Ministry of Foreign Affairs representative in the corporate event Torino Process, 10-11 May 2011, Turin;</p> <p>The French Development Agency (AFD) expressed the willingness to continue cooperation and exchange of information as regards the activities to be developed in 2011 in Tunisia and Egypt;</p> <p>Participation of a representative from AFD in the Torino Process, 10-11 May 2011, Turin and DG DEVCO working group on education and skills meeting to be held in Turin, on 11 May 2011;</p> <p>Meeting of the ETF director with the alternate GB member and France DG VET representative on possible cooperation with the ETF on 26 January 2010;</p> <p>Participation of Mr. Serge Tomasi, Director, Ministry of Foreign and European Affairs, Global Economy and Development Strategies Directorate- into the Torino Process event (10-11 May 2011, Turin) input on the G 20 debates;</p> <p>Participation of experts from France in the seminars organised in Tunisia on Employability and regional development (4 July 2011) and Skills needs forecast: methodologies and institutions (5-6 July 2011);</p> <p>Cooperation between the ETF and CNCP in the regional project on qualification framework in the Southern Mediterranean (exchange of letters July 2011);</p> <p>Participation of experts from France into the regional event of the ETF project on regional qualifications in the Euro-Mediterranean region, 20-21 June, Rabat, Morocco;</p>

	<p>Participation of the GB member in the regional event of the ETF regional project on social partnership, 18-19 July, Turin;</p> <p>ETF Study visit in France of the Regional project on Qualifications in the Euro-Mediterranean - Component 1, Paris, France, 12-14 September 2011;</p> <p>ETF study visit in France for the Serbian Council of VET at Ministry of Education, AFPA, CNCPC;</p> <p>Participation of Mr Richard Maniak, general inspector, Ministry of National Education, Mr Roland Guillen, President of the Commission of International Relations of the ADIUT (Association of Directors of University Institutes of Technology) and Mr Jean-Pierre Lacotte, Vice President of National Union of IUT Presidents, senior staff member of Technicolor Ltd (formerly Thomson) into the ETF workshop on post-Secondary VET in the Western Balkan and Turkey, Turin, 17-18 October 2011);</p> <p>Study visit organised in France for experts from Southern Mediterranean countries on the role of social partners in TVET, 24-26 October 2011;</p> <p>Participation of Mr Richard Maniak, general inspector, Ministry of National Education in the ETF workshop on quality assurance in Israel, 7 November 2011</p> <p>Participation of the GB member at the technical ETF workshop organised in Rabat, Morocco on the draft national Moroccan strategy on training and NQF, 13 December 2011</p>
Germany	<p>The GB member informed on the availability of the German institutions to cooperate with the ETF in Egypt and Occupied Palestinian Territories in the following thematic areas: matching skills development with labour market needs, social partnership and qualifications;</p> <p>German international aid organisation (GIZ) participated into the ETF corporate event: Torino process (10-11 May 2011, Turin) and in the special session of the DG DEVCO working group (11 May 2011);</p> <p>BIBB representative attended the ETF corporate event on Torino process (10-11 May 2011, Turin);</p> <p>Cooperation with dvv international. On 11 January 2011, a meeting was organised in Torino with the representatives of the dvv international. During the discussions were explored the possibilities of cooperation in 2011;</p> <p>ETF in cooperation with GIZ hosted a Summer Entrepreneurship Academy at Villa Gualino, Turin, on 4-8 July. The Academy involved a group of young entrepreneurs as well as recently established businesses from Algeria and focused particularly on the theme of sustainable enterprise development. The agenda included ETF experts working on skills for sustainable development. The Academy was financially supported by GIZ;</p> <p>Discussions with dvv international on the possibilities of cooperation on the medium term and negotiations of a cooperation agreement;</p> <p>ETF representative attended the BIBB Congress and had an input on the qualification frameworks development, September 2011;</p> <p>The GB member attended the joint event organised by the ETF and the Polish Presidency on “ Development of human capital in the Neighbouring countries”, 4 October 2011, Brussels;</p> <p>Representatives of several institutions in charge of qualifications frameworks as well as BMZ expert attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels;</p>

	<p>bilateral meeting with the Federal Ministry of Education and Science, Ministry for Economic Development, GIZ and BIBB was organised on 5 December in Bonn for exploring possibilities to enhance cooperation;</p> <p>Expert attended the ETF Workshop "VET and Social Inclusion", 12-13 December 2011, Turin.</p>
Hungary	<p>During the Hungarian Presidency (January-June 2011), the ETF representatives attended and contributed into the following events: "It's always a good time to learn- Final conference on the Adult Learning Action Plan", Budapest, 7-9 March 2011; 5th European Platform for Roma inclusion, Budapest, 8-9 April 2011; DG VET meeting, Budapest, 16-17 May 2011; European Qualifications Framework (EQF) conference, Budapest, 25-26 May 2011;</p> <p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
Italy	<p>Ministry of Foreign Affairs</p> <p>A regional high level conference was organised at the Ministry of Foreign Affairs on 18 November 2011. The focus of the event was on the skills and migration in the Euro Mediterranean area;</p> <p>With the support of Italian government co-funding ETF is implementing activities in the Mediterranean region in the area of qualifications development and in Lebanon in the setting up of a National qualification framework and an Entrepreneurial learning system;</p> <p>A representative of the Ministry of Foreign Affairs attended the ETF seminar on Employability and regional development, organised in Tunis on 4<sup>th</sup> July 2011;</p> <p>ISFOL, Italian research centre on labour market and vocational training issues</p> <p>Further to institutional meetings in February and April 2011 a series of joint actions have been identified to reinforce TVET policy making in the countries of the South and East Mediterranean region. ISFOL experts have enriched discussions in the ETF regional seminar on the definition of common qualifications in seven countries of the Euro-Mediterranean region which took place in Casablanca on 20-21 June 2011 and in the workshop to support the Moroccan national programme on the evaluation of VET organised in Rabat on 27-28 June 2011;</p> <p>Politecnico di Torino</p> <p>Back-to-back conference with GB meeting took place in November 2010 to disseminate the results of the ETF cross-regional project on entrepreneurial learning.</p> <p>Constant exchanges with high level representatives from ETF partner countries take place;</p> <p>University of Padova-Jean Monnet Chair -participation to the Workshop on Education to Intercultural dialogue, 22-23 March 2011;</p> <p>Chamber of Commerce from Turin (regional cooperation) and Milan (women entrepreneurship);</p> <p>Italian National Chamber of Crafts – ETF staff joined training officials to determine how training and wider business support services can improve business transfers.</p>
Ireland	<p>Participation and contribution of an Irish expert to the ETF seminar in Tunisia: Skills needs forecast: methodologies and institutions, (5-6 July 2011), Tunis;</p>

	<p>Participation of the GB member in the GB working group on draft Work programme 2012 (6 September 2011);</p> <p>Expert contributed to the ETF workshop on VET curriculum development in Georgia, 14-15 November 2011, Georgia;</p> <p>Participation of the GB member in the selection panel for the position of deputy director of ETF (October 2011).</p>
Latvia	<p>Participation of the GB member in the Torino Process: Learning from evidence (10-11 May 2011);</p> <p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
Lithuania	<p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
Malta	<p>Participation of the GB member in the Torino Process: Learning from evidence (10-11 May 2011);</p> <p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
The Netherlands	<p>Key actors from the Albanian National Employment Service and the Ministry of Labour, Social Affairs and Equal Opportunities participated in a study visit to the Netherlands, 2-5 October 2011 to explore issues related to the continuous effort to tackle informal employment; the setting and monitoring of feasible objectives in a National Employment Action Plan to which the entire government and social partners would feel committed; the modernisation of regional and local labour offices and the provision of preventative and targeted measures for the groups of unemployed people most in need;</p> <p>Participation of experts from CINOP into the regional event of the ETF project on regional qualifications in the Euro-Mediterranean region, 20-21 June, Rabat, Morocco;</p> <p>Representative of COLO Netherlands attended the ETF workshop on post-Secondary VET in the Western Balkan and Turkey, Turin, 17-18 October 2011);</p> <p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels;</p> <p>Expert shared Dutch experience in the ETF conference on Governance and effective VET policies: the role of evidence based policy making. A Torinet initiative, 23-24 November 2011, Turin.</p>
Poland	<p>Participation of the GB member and of a representative of the Polish Presidency in the Torino Process: Learning from evidence (10-11 May 2011);</p> <p>Participation of the GB member in the GB working group on AAR 2010 (31 March 2011)</p> <p>Participation of the ETF director in the Polish Presidency conference "Eastern dimension of mobility", July 2011;</p> <p>Bilateral discussions with the representatives of the Polish Presidency in view of identifying opportunities for cooperation during the Presidency (July 2011);</p> <p>Participation of the GB member in the GB working group on draft Work programme 2012 (6 September 2011);</p> <p>The GB member attended the ETF event in Armenia "Bringing education and business closer together in Armenia", 15-16 September 2011, Yerevan;</p> <p>Participation of the ETF staff into the Polish Presidency conference on "Developing cooperation between VET, higher education and adult learning in response to the challenge of</p>



	<p>lifelong learning, 24 September, Warsaw;</p> <p>Joint event ETF-Polish Permanent Representation to EU on “Development of human capital in the EU Neighbouring countries”, was organised on 4<sup>th</sup> October, Brussels;</p> <p>Deputy minister and experts on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels;</p> <p>Expert attended the ETF seminar on developing, using and communicating learning outcomes, 17-18 November 2011, Kiev, Ukraine;</p> <p>GB member attended the ETF conference on Governance and effective VET policies: the role of evidence based policy making. A Torinet initiative, 23-24 November 2011, Turin</p>
Portugal	<p>Participation of the GB member in the Torino Process: Learning from evidence (10-11 May 2011);</p> <p>Participation of the GB member in the GB working group on AAR 2010 (31 March 2011)</p> <p>ETF peer learning visit of the ETF Community of Practice on Adult Learning, Lisbon, 5 – 7 July 2011;</p> <p>Participation of the GB member in the GB working group on draft Work programme 2012 (6 September 2011);</p> <p>Participation of the GB member at the regional high level conference organised at the Italian Ministry of Foreign Affairs on 18 November 2011. The focus of the event was on the skills and migration in the Euro Mediterranean area.</p>
Romania	<p>Romanian expert participated into the ETF meeting in Kyrgyzstan on “Enhancing Evidence Based Policy Practice in the Kyrgyz Republic: monitoring developments in education and training”, 19- 20 September, 2011;</p> <p>Study visit organised jointly with the Mobility Partnership project in Republic of Moldova on modernisation of VET system and the validation of formal and non-formal learning, August 2011;</p> <p>Expert shared Romanian experience in the ETF conference on Governance and effective VET policies: the role of evidence based policy making. A Torinet initiative, 23-24 November 2011, Turin;</p> <p>Expert attended the ETF technical meeting organised to discuss the draft Serbian national strategy on Human Capital Development (HCD), 20 December, Belgrade</p>
Slovakia	<p>Participation of the GB member in the Torino Process: Learning from evidence (10-11 May 2011);</p> <p>Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels</p>
Slovenia	<p>The GB member and other expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels;</p> <p>The GB member attended the ETF workshop on evidence based policy making in the Western Balkans, 8-9 November, Turin;</p>

	The GB member attended and contributed to the ETF technical meeting organised to discuss the draft Serbian national strategy on HCD, 20 December, Belgrade;
Spain	Support offered by the GB members and other institutions for the ETF ENP South project on qualifications framework; Participation of the Spanish Representatives of social partners in the regional event of the ETF regional project on social partnership, 18-19 July, Turin; Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels
Sweden	Participation of the GB member in the following events: Review the results of Torino Process in Tunisia (2-3 May, Tunisia), Torino Process: Learning from evidence (10-11 May 2011); Participation of the GB member in the GB working group on Annual Activity Report AAR 2010 (31 March 2011)
United Kingdom	The GB member offered support in identifying the UK institutions that can share their experience with European Southern Neighbourhood; A Memorandum of Understanding with the British Council was signed in November; A study visit in UK for the Montenegrin VET policy makers was organised in June 2011; Expert on qualifications framework attended the ETF corporate conference Qualifications frameworks, from concepts to implementation, 6-7 October 2011, Brussels; Experts attended the ETF Workshop "VET and Social Inclusion", 12-13 December 2011, Turin.



## Co-operation between the European Training Foundation and Cedefop

### Progress Report 2011

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 Council 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 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 learning policy by

providing evidence and analysis; and (b) strengthen European cooperation, by supporting Member States to implement 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 offers potential synergies through co-operation. Cedefop offers information and reports on EU experiences that can be useful to guide Candidate 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 policies that can be partially shared with partner countries and territories.

The potential for the synergies and complementarities is recognised in the Council 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 2011**

During 2011, ETF and Cedefop further systematised their co-operation to maximise the benefits for their respective mandates. This resulted in organising knowledge sharing seminars, collaboration in the area of qualifications development and implementation of the common EU instruments, in co-operating for the preparation of the 2012 reporting progress of Candidate Countries as part of the follow up of the Bruges communiqué on reinforcement of cooperation in VET.

#### **Progress in the implementation of the Bruges communiqué in Candidate countries**

Cedefop following its mandate to support policy development and provide evidence for policy making in VET, confirmed in the 2010 Bruges Communiqué, continued to monitor and report on progress towards the 2020 strategic objectives for European cooperation in VET and worked together with ETF in preparing the stocktaking exercise in Candidate Countries. The preparation considers the challenges and trends in the implementation of the so called "short term deliverables", as set in the Bruges communiqué, in Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Turkey. The co-operation led to the design of a stocktaking instrument specifically designed for Candidate countries and coherent with the approach adopted for EU Member States.

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





### **Knowledge Sharing**

In 2011, the ETF and Cedefop conducted two knowledge sharing seminars. The first knowledge sharing seminar between the two agencies took place in Thessaloniki on 24 June 2011 and focused on the ETF's work on the Torino process, evidence based policy making, quality assurance (with a specific focus on Central Asia), methods and approaches for matching skills supply in ETF partner countries. The second seminar took place in Turin on 06 December 2011. Cedefop presented their work on international qualifications, green skills in Europe and financing of VET.

### **Qualifications Development**

As confirmed in the Bruges Communiqué, Cedefop and ETF have cooperated in order to integrate and align their inventories of NQF developments into a world-wide overview of developments to be prepared in cooperation with UNESCO. During 2011 Cedefop was involved in the development of the Qualifications Platform.

ETF contributed to the Cedefop working paper no12 on *National qualifications frameworks development in Europe (October 2011)* by providing background information on Croatia and Turkey as countries that are part of the EQF process.

In many events ETF and Cedefop coordinated their participation and contributions. In May 2011 ETF and Cedefop jointly contributed to the EQF conference in Brussels. On 6-7 October 2011, Cedefop collaborated in the ETF conference on "Qualifications frameworks, from concepts to implementation" and on 24-25 November ETF collaborated in the Cedefop conference on "The role of social partners in implementing European tools and principles", both events took place at the European Parliament.

### **Administrative Co-operation**

In line with the joint work programme for 2011, co-operation also took place at the administrative level through participation of ETF HR staff in Cedefop recruitment panels.



Christian F. Lettmayr

Acting Director

Cedefop

Done in Thessaloniki, 18/10/2012



Madlen Serban

Director

ETF

Done in Turin, 15/06/12

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

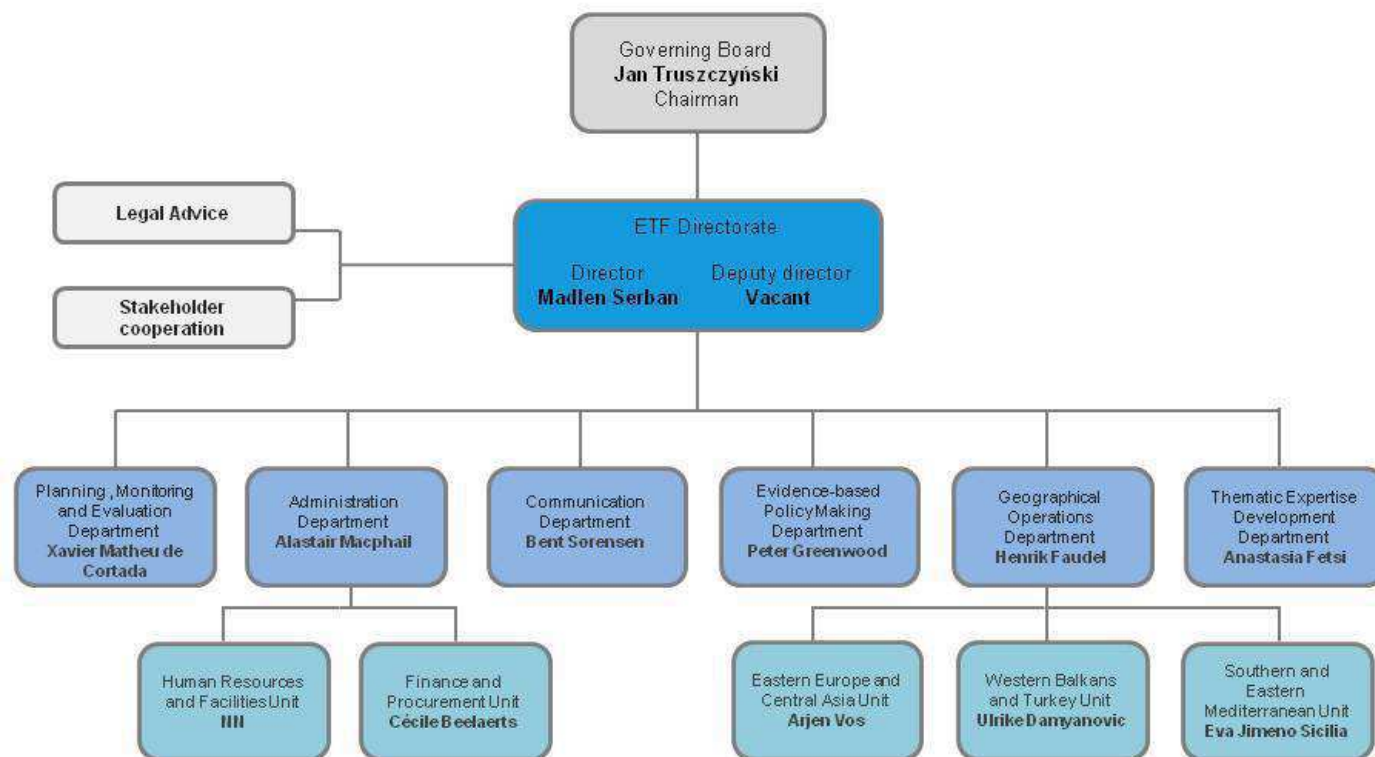
Action Plan from 1/1/2011 until 31/12/2011

Status 12.01.2012

Actions	Activities	Timeframe	Status of implementation
Information sharing on analytical work and on-going research	Exchange of respective Work Programmes and discussion on possible synergies between respective projects/ activities  Exchange of finding of work, methodologies, practices		ETF 2011 WP sent to Eurofound on 07/03/2011.  Exchange of the draft WP 2012 by both Parties.  Action Plan to be included in the WP 2012 agreed and signed in July 2011.  ETF shared the studies and researches performed in the area of migration.  Eurofound shared their expertise as regards the representativeness of social partners.
Organisation of two annual joint meetings with the possibility of organising also tele-conference	Discussion of joint activities for forthcoming year  Follow up meeting on implementation	November 2010  March 2011	Postponed for 2011  Teleconference was organised
Participation in Board meetings		November 2010  June 2011  November 2011	Eurofound did not participate in the ETF GB meeting in November 2010.  Eurofound did not participate in the ETF GB meeting in 2011

Actions	Activities	Timeframe	Status of implementation
Participation in thematic activities carried out by the respective Agency	<p>Participation of ETF staff to Eurofound seminars series</p> <p>Participation of ETF partner countries representatives (social partners and government) to the Eurofound seminars series</p> <p>Participation of Eurofound representatives to the ETF social partnership project</p>	<p>November 2010 and March 2011</p> <p>November 2010 and March 2011 (tbc)</p>	<p>Invitation to have an input during the FSS seminar organised in Dublin, 6-8 December 2010 sent by Eurofound on 12/10/2010. AFE attended on behalf of the ETF. The event in 2011 was held in Madrid (Spain) on 7-9 March 2011 (invitation for participation was not received)</p> <p>Eurofound invited ETF to attend the conference on impact of the crisis and the role of social partners in EU &amp; other global economies (30 November-1 December 2011). GMA attended on behalf of ETF.</p> <p>Eurofound invited ETF to attend and have an input during the conference on "Social and economic impact of migration: Central and East-European perspectives", 17-18 November 2011, Warsaw. AFE attended of behalf of ETF.</p> <p>Eurofound invited ETF to attend and have an input during the FSS meeting on ageing of the labour force, 7-8 November 2011, Dublin. GPL attended on behalf of ETF.</p> <p>Event organised by the ETF in Rome in December 2010. Eurofound did not attend.</p> <p>Eurofound representative attended the project Advisory committee meetings in 2011.</p>

## Annex II.1 ETF management and organisation







## ANNEX II. 2: 2011 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 <sup>1</sup>	
Sick Leave	Heads of Unit/Department for staff in their Unit/Department <sup>2</sup>	
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 <sup>3</sup>	
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 II. 3: ETF Corporate performance indicators 2011

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) /2010 data	(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	31 (115%) / 30	(27) 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	72 (94%) /67	(77) 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	22 (122%) /28	(18) 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	25 (93%) / 30	(27) 100%

<b>ETF RESOURCES MANAGEMENT DIMENSION</b>	
Indicator	Achievement (Target) / 2010 data
5. Overall budget commitment (FIN) Title 1, 2, 3 (Subvention) Title 4 (multiannual earmarked revenue)	99.3% (> 98% ) /99.9% 99.7% (>98%)/99.9% 70.5%
6. Overall budget execution (paid/committed) (FIN) Title 1, 2, 3 (Subvention) Title 4 (multiannual earmarked revenue)	86.8% (> 80%) /87.1% 86.9% (>80%)/87.1% 77.0%
7. Consumption of budget carried forward (FIN) Title 2 , T3 , T4 and 5 Title 1, 2	87.0% (> 98%) /92.2% 89.6%
8. Compliance index: N° of critical observations from auditing bodies (PMED)	0 (< 3) / 0
9. Staff satisfaction index (HR and facilities)	78% (staff survey 2009) (70%)
10. % staff with >_ 8 days training (HR)	83.75%: average 6.7 days of training per staff member staff with more of 8 days of training 31% (Target 80%) / 5.5 days
11. TA turnover rate (staff left/average actual staff) (HR)	6.5% (TA: 5.5%; CA: 9.4%) (8-15%) /6.6%
12. Gender ratio (HR)	AST: 77% F 23% M AD: 55% F 45% M (50:50)
13. Environment index - ETF primary carbon footprint: CO <sup>2</sup> emissions emitted due to ETF travel and running of offices (no. of tones per annum) (PMED)	327.03 CO <sup>2</sup> emissions 1.53% less than in 2010 (target: 3% less than 2010 data = less of 332.13 CO <sup>2</sup> emissions )

## ANNEX II. 4: 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)

### 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)

#### 1. Legal Background

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.'"

ETF/05/JAN/01 and ETF/06/DEC/018 Director decision establishing a Register of Exception and the related procedure approved and reviewed ETF/PROC/DIR-PMEU/01-2009

ETF ICS no. 8 'processes and procedures' of the revised 16 ETF Internal Control Standards adopted by the GB in March 2009

EC<sup>1</sup> guidelines and practice applied at the Commission level for annual activity reporting stating that only material reservations can be used to qualify the annual declaration and even in case no reservation is issued, the AAR should explain the materiality criteria considered applicable to their operations.

#### 2. Purpose

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

#### 3. The concept of materiality

The concept of materiality provides ETF Authorising Officer (and the Delegated Authorising Officers) with a basis for determining **significant deficiencies** that should be subject to a formal reservation to his/her 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 ETF AAR would not be understood or interpreted in a correct manner by readers of the report, ETF has decided to apply the same common approaches as regards the assessment and quantification of significant deficiencies and materiality thresholds.

##### 3.1. Types of significant deficiencies

Deficiencies leading to reservations should fall within the scope of the declaration of assurance: they should **relate to the reasonable assurance concerning the use of resources, sound financial management or legality and regularity of underlying transactions.**

<sup>1</sup>EC Communication COM (2003)28 of 21 January 2003

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 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 systems. 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**.

### 3.2. Qualitative assessment

In qualitative terms, when assessing the significance of any deficiencies, 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);
- The existence of effective remedial actions to correct the deficiencies (action plans and financial corrections) which have had a measurable impact.

### 3.3. Quantitative assessment

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 annual declaration of the ETF director.

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

## 4. Final provision

This policy complements and is complemented by the provision of the ETF Decision establishing a register of exception and the related procedure (ETF/06/DEC/018 and ETF/PROC/RM/2007-01) concerning the materiality criteria which fall under the objective and scope of that procedure. In particular the objectives of the for the purpose of the register of



exception procedure is to ensure that the ETF Director and Management Team (delegated and sub-delegated authorising Officer and line managers) register any significant deviations to regulations and report them to the Governing Board and Discharge authorities in accordance with the principle of transparency.

This procedure covers deviations to the provision of the ETF Regulatory Framework. In particular to:

- The ETF Financial Regulation, its Implementing Rules and the Vademecum on Public Procurement;
- The Staff Regulation and its Implementing Rules and policies;
- The ETF Founding Council Regulation;
- The Data Protection Regulation; and
- Decisions/Procedures adopted by the ETF and the ETF Governing Board.

For the purpose of this procedure, exception means all circumstances where overriding of controls or deviations from the established and in force ETF regulatory framework. The 'exception' must be documented, justified and approved at an appropriate level before any action is taken.

A deviation to the ETF Regulatory Framework shall be registered if it falls under one of the following categories:

- **Significant Financial Risk:** All instances of overriding of controls or deviations to regulations which have a direct financial impact of equal to or greater than € 1,000. In particular:
  - If a deviation leads to a financial impact equal to or greater than € 1,000 EUR and below € 50,000 should be signed and approved by the responsible DAO
  - If the deviation leads to a financial impact of equal to or greater than € 50,000 should be signed and approved by the Authorising Officer (Director)
  - If the deviation is equal or exceeding 2% of ETF total budget should be reported by the Director in the MAR in line with the underlying policy.
- **Significant Reputation Risk:** All deviations to regulations which have an impact on the reputation of the ETF or on the perception of staff, in particular concerning deviations from Data Protection Regulations and the ETF Staff Regulation and its Implementing Rules and corresponding policies.
- **System Weakness:** Repeated deviations due to a control system weakness.

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

  
Ms. Madie Serban  
ETF Director

3 November 2009

## ANNEX II. 5: Summary of ETF Risk Register and Action Plan 2010-2011 – state of play 31 December 2011

ETF Risk Register no.	Risk Area	Potential identified Risk	Assessed inherent Risk level	Action no	Additional Mitigation Action	State of play	Assessed Residual Risk Level
ETF-RR-10-01	Macro environmental risk	Significant delays and/or interruption (> = 3 months) of ETF activities / projects / interventions caused by socio-political instability and /or armed conflicts in some partner countries	Medium	ETF-RR-10-01-A1.1	- Definition of a clear ETF policy and procedure to address these events when occurring (ref.A2.1)	Implemented  - ETF planning policy  ETF risk management policy 2011-2013  - Dashboard in place since beginning 2011 to monitor and report on quarterly basis at project/country level.  The risk has been again identified in the 2011 exercise linked to the draft WP2012.	Low
				ETF-RR-10-01-A1.2	- Close monitoring of situation: monitor and report risks in Q reporting notably Q2 and Q3; - Activation of budget transfer procedure.		
				ETF-RR-10-01-A1.3	-Recording of reported risk and mitigation actions in ETF risk register for further reporting; - Information to GB on changes impacting WP after adoption (mid year or in AAR);		
ETF-RR-10-02	Risks related to planning, internal processes & systems	Management of priorities: New priorities/requests coming from the EC after approval of WP will have an impact on the completion of already planned WP activities. (Considering that ETF plans and is requested to plan for 100% of its resources).	Medium	ETF-RR-10-02-A2.1	-Definition of a more robust and structured framework for management of priorities (covering ex ante assessment and the process of management of priorities during WP implementation process) by prioritising interventions according to the multidimensional planning approach and by establishing criteria for budget allocation for all ETF activities ( in line with ETF planning policy); -Open communication with ETF partner countries in case of changes in ETF planned interventions/actions	In progress 75%  - ETF planning policy 2011-2013  - Deployment of Dashboard in 2011 still pending weighting system to support management of priorities at different levels.  The risk has been again identified in the 2011 exercise linked to the draft WP2012.	Low
ETF-RR-	related to internal processes	Complex ETF internal procedures causing inefficient	Medium	ETF-RR-	- Administration Department efficiency improvement action plan ref. 2010-3119 of 19	In progress 75%	Low



ETF Risk Register no.	Risk Area	Potential identified Risk	Assessed inherent Risk level	Action no	Additional Mitigation Action	State of play	Assessed Residual Risk Level
10-03		implementation of projects/activities		10-03-A3.1	May 2010	Full completion of actions will be followed under the action plan for the ETF functional and institutional analysis	
		ETF-RR-10-03-A3.2		-An ETF functional and institutional review is going to address this issue. In particular the new function of "Process Development" has been created as a result of the AD Functional Analysis starting on 15/07/2010. Its scope will aim at streamlining and enhancing efficiency of ETF internal process and procedures. A detailed action plan will follow the establishment of the function. (Ref A3.1).			
ETF-RR-10-04		Information system not full integrated into most aspects of ETF operations impacting on operational performance	Medium	ETF-RR-10-04-A4.1	(Also ref A 3.2) Further streamlining and integration of internal processes is ongoing, in particular in relation to:  Planning, monitoring & reporting with the reinforcement of an ETF performance based framework policy and the implementation of the "dashboard" project and its deployment for WP2011.  Expertise development and knowledge management functions.	In progress 75%  - ETF planning policy , Monitoring & evaluation and risk management policies 2011-2013  - Dashboard in place since beginning 2011 to monitor and report on quarterly basis at 3 levels. Further development are planned in 2011-2012 to include qualitative aspects of corporate indicators (CO) and rolling out of the system to the whole ETF. Further development are planned in 2011-2012 to include qualitative aspects of corporate indicators (CO) and rolling out of the system to the whole ETF.	Low
ETF-RR-10-05	Risks related to internal processes	The risk of loss of information/knowledge is caused by difficulties/weaknesses in retrieving and tracking	Medium	ETF-RR-10-05-A5.1	- Document Management process, to provide common guidance within the organisation and allow an adequate set-up of Knowledge Management tools and systems (including retrieving and tracking systems)	In progress -75%  - improved correspondence registration tool, which enables an accurate and efficient tracking system and follow-up related to incoming correspondence;	Low

ETF Risk Register no.	Risk Area	Potential identified Risk	Assessed inherent Risk level	Action no	Additional Mitigation Action	State of play	Assessed Residual Risk Level
		systems particularly related to the core business documentation/data.		ETF-RR-10-05-A5.2	- Strengthen Handover process in particular of country and thematic core business dossiers	an update of specific rules on the handling of confidential documents, complementing the existing rules on correspondence registration, filing and archiving  - handover procedure is planned for review in 2012	
ETF-RR-10-06	Risks related to internal communication	Operational performance affected by insufficient communication across Departments and Units	Medium	ETF-RR-10-06-A6.1	Review of ETF Rules of procedure and ETF decision making process;  ETF functional and institutional analysis and related action plans  Knowledge management function ( see also A5.1)	In progress 75%  Full completion of actions will be followed under the action plan for the ETF functional and institutional analysis	Low
ETF-RR-10-07	Risks related to internal processes	The risk of loss of funds, loss of budgetary flexibility and or Consumption of excessive N+1 budget for activities completed in year N due to carry forward of activities and related funds	Medium	ETF-RR-10-07-A7.1	ETF clear policy on carry forward to be part of a comprehensive Budget Management Policy  Risk of carry forward including assessment of related risks embedded in dashboard reporting	Implemented  Dashboard deployed and since 2011-2012 covers also carry forward activities and budget  Budget Implementation Policy approved in December 2011 covering carry-forward.	Low

Assessment of progress is expressed according to the following criteria:

- 0%: no initiative taken
- 25%: single/scattered action taken

50%: planned action taken but significant improvement needed (to be measurable as indicators of effectiveness)

75%: planned process in place, slight improvements needed (measurable actions taken giving evidence of effectiveness)

100%: full process/improvement actions deployed

**ANNEX II. 6: ETF Internal Control Standard requirements, ETF main achievements in 2011 and overall compliance self assessment**

<b>Building block</b>	<b>ETF Internal Control Standards</b>	<b>ETF internal control systems in place in the ETF in 2011</b> <b>Main achievements</b>	<b>Compliance assessment</b>
1 - Mission and Values	<p>ICS-1. Mission and Values</p> <p>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</p> <p>ICS-2. Ethical and Organisational Values</p> <p>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>ETF mission embedded into planning documents and consultation process</p> <p>ETF Rules of Procedure include the ETF principles (GB/11/DEC/018 of 22.11.2011)</p> <p>Induction sessions for newcomers on internal control also include information on ethics &amp; integrity, the ETF Code of Good Administrative Behaviour and ETF values</p> <p>Training session in 2011 on preventing moral and sexual harassment dedicated to managers and coordinators</p> <p>Awareness raising initiatives on ETF values (theatre workshop, staff sharing on experience of values published as video clip on intranet).</p>	<p>Adequate systems in place / slight improvements needed</p> <p>Average Assessment Score: 1.30</p> <p>Average Prioritisation: LOW</p>

Building block	ETF Internal Control Standards	ETF internal control systems in place in the ETF in 2011 Main achievements	Compliance assessment
2 - Human Resources	<p>ICS-3 Staff Allocation and mobility</p> <p>The allocation and recruitment of staff is based on the ETF's objectives and priorities. The management promotes and plans staff mobility so as to strike the right balance between continuity and renewal.</p> <p>ICS-4 Staff Evaluation and Development</p> <p>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>Annual dialogue process and guidelines 2011 provides the framework by reinforcing the link between individual / department / WP objectives and ensuring coherence and harmonisation.</p> <p>Thorough review of recruitment process and procedure in took place in 2010 following IAS and ECA audits.</p> <p>Promotion framework is being revised in line with principles of EC system (multiannual staff plan 2013-2015).</p> <p>ETF Job Descriptions updated in 2010 and 2011.</p> <p>Q3-2011 indicators for HR:</p> <p>Staff turnover rate: TA 3.3%, CA 9.2% (total turnover 4.8% (TA+CA))</p> <p>Updating of training opportunities and competence catalogue in particular terms of technical competences, and training for newly appointed managers.</p> <p>Strengthening the monitoring of training days and attendance to training</p>	<p>Slight improvements needed / adequate systems in place</p> <p>Average Assessment Score: 1.71</p> <p>Average prioritisation: MEDIUM</p>

Building block	ETF Internal Control Standards	ETF internal control systems in place in the ETF in 2011 Main achievements	Compliance assessment
3 - Planning & Risk Management	<p>ICS-5. Objectives and Performance Indicators</p> <p>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>ICS-6. Risk Management process</p> <p>A risk management process that is in line with applicable provisions and guidelines is integrated into the annual activity planning.</p>	<p>WP 2012 has revised corporate indicators linking corporate performance to operational performance (outputs)</p> <p>ETF Planning Policy 2011-2013 (ETF/10/DEC/032 of 06.12.2010) within the scope of the ETF Performance and Quality Management framework.</p> <p>Dashboard supports management performance monitoring of ETF core business activities and link to CPI. Dashboard deployed to core business in 2011 and full deployment across the ETF planned for 2012</p> <p>On going further development of "qualitative" dimension of CPIs in particular in relation to self monitoring assessment (DAC criteria) of projects incorporated in dashboard.</p> <p>Ex post audit on costing of outputs concluded in 2011 follow up of costing methodology to support ABM/ABC in the ETF started in 2011 and follow up finalisation planned for 2012.</p> <p>Revised ETF Risk Management Policy 2011-2013 (ETF/10/DEC/034) of 06.12.2010. This includes the process, criteria and guidelines for managing risks in the ETF.</p> <p>Annual macro-level risk assessment carried out in July 2011 to provide input into the WP 2012 and establishment of ETF Risk Register 2012.</p> <p>Dashboard facilitated risk monitoring at project level for WP 2011.</p> <p>Training sessions for targeted groups on internal control and risk carried in July 2011 in line with macro level annual risk assessment</p>	<p>Adequate system in place / slight improvements needed</p> <p>Average Assessment Score: 1.61</p> <p>Average prioritisation: LOW</p>

Building block	ETF Internal Control Standards	ETF internal control systems in place in the ETF in 2011 Main achievements	Compliance assessment
4 - operations and control activities	<p>ICS-7 Operational Structure</p> <p>The ETF's operational structure supports effective decision making by the suitable delegation of powers. Risks associated with sensitive functions are managed through mitigating controls. Adequate IT governance structures are in place.</p> <p>ICS-8 Processes and Procedures</p> <p>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>ICS-9 Management Supervision</p> <p>Management supervision is performed to ensure that the implementation of activities is running efficiently and effectively while complying with applicable provisions.</p> <p>ICS-10 Business Continuity</p> <p>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 Commission is able to continue operating to the extent possible whatever the nature of a major disruption.</p> <p>ICS-11 Document Management</p> <p>Appropriate processes and procedures are in place to ensure that the ETF's document management is secure, efficient (in particular as regards retrieving appropriate information) and complies with applicable legislation.</p>	<p>Delegation authority clearly defined and aligned to the organisational decision making structure since 2006. Thresholds specified for each (S) DAO.</p> <p>Simplification of financial circuits for payments (low value and advance payments)</p> <p>Pilot finance and procurement cell in AD in Q1-Q2 2011; establishment of finance and procurement cells in all departments as of July 2011 (decentralised model with counterweight in central Unit).</p> <p>Structured training modules carried out in 2010 and 2011 for all financial actors following the introduction of ABAC in October 2010.</p> <p>ETF Policy on Sensitive Functions adopted in 2009 (ETF/08/DEC/008). Revision of the policy and related risk assessment of potentially sensitive functions has been planned for Q1-2012.</p> <p>ETF ICT Strategy 2011-2014 approved by MT on 01.09.2011</p> <p>Confirmation of ownership of ETF mapped procedures approved by Director Decision ETF/2011/DEC/006 on 24.03.2011</p> <p>Process Development Officer function in PMED in 2011 and ongoing review of ETF mapped procedures.g)</p> <p>Segregation of duties ensured by ETF financial circuits (4 eyes principle) and by the system</p> <p>Register of Exceptions procedure (ETF/PROC/01) revised in 2011 and approved on 20.01.2011 (ETF/11/DEC/001).</p> <p>ETF Policy on Materiality Criteria to establish reservations in the annual declaration of assurance in the AAR adopted on 03.11.2009 (ETF/09/DEC/018), revision of this policy has been planned for Q1-2012.</p> <ul style="list-style-type: none"> <li>Annual implementation of ex post audit / controls by external chartered auditors and follow up of recommendations</li> </ul>	<p>Slight improvements needed</p> <p>Average Assessment Score: 1.71</p> <p>Average prioritisation: MEDIUM</p>

Building block	ETF Internal Control Standards	ETF internal control systems in place in the ETF in 2011 Main achievements	Compliance assessment
5 - information & financial reporting	<p>ICS-12 Information and Communication</p> <p>Internal communication enables management and staff to fulfil their responsibilities effectively and efficiently, including in the domain of internal control. Where appropriate, the ETF has an external communication strategy to ensure that its external communication is effective, coherent and in line with the Commission's key political messages. IT systems used and/or managed by the ETF (where the ETF is the system owner) are adequately protected against threats to their confidentiality and integrity.</p> <p>ICS-13 Accounting and Financial reporting</p> <p>Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing the organisation's annual accounts and financial reports are accurate, complete and timely.</p>	<p>ETF Rules of Procedure (GB/11/DEC/018 adopted on 22.11.2011) include the ETF principles.</p> <p>ETF Internal Communication Policy adopted by DD on 03.08.2011 (ETF/2011/DEC/021). ETF Corporate Communication Policy 2012-2013 adopted by Director Decision on 16.12.2011 following an internal consultation on the draft policy.</p> <p>Regular all staff meetings in 2011, minutes of all staff meetings published on intranet.</p> <p>ETF Information System Back-Up procedure (ETF/PROC/43-2009) is annex IV of the ETF Business Continuity Plan approved by MC on 20.05.2009.</p> <p>Four ETF corporate 'In Weeks' in 2011</p> <p>Regular information flow from MT to staff. Minutes of MT meetings published on intranet.</p> <p>Results of IAS audit 2011 on external and internal communication in the ETF and follow up of ETF action plan</p> <p>2010 IT Risk Assessment (facilitated by IAS) final reported dated 15.11.2010, follow up and implementation of ETF action plan 2011-2012</p> <p>Approval of ETF ICT Strategy 2011-2014 by MT in September 2011</p> <p>Regular financial reporting system and switch to ABAC in October 2010</p> <p>All ETF financial processes including accounting procedures have been mapped, revision planned for 2012</p> <p>Annual validation of ETF financial management system</p> <p>Procedure on the formalisation of ETF Director Decisions (ETF/11/DEC/0003) of 21.02.2011.</p> <p>ETF Budget Implementation Policy adopted by Director decision on 16/12/2011 following an internal consultation on the draft policy.</p> <ul style="list-style-type: none"> <li>• Implementation of ABAC assets end 2011</li> <li>• Financial transactions ex-post control methodology and 2012 campaign established for consideration of results in 2011 AAR/declaration of assurance</li> </ul>	<p>Adequate system in place / slight improvements needed</p> <p>Average Assessment Score: 1.20</p> <p>Average prioritisation: LOW</p>

Building block	ETF Internal Control Standards	ETF internal control systems in place in the ETF in 2011 Main achievements	Compliance assessment
6 - evaluation & audit	<p>ICS-14 Evaluation of Activities</p> <p>Evaluations of expenditure programmes, legislation and other non-spending activities are performed to assess the results, impacts and needs that these activities aim to achieve and satisfy.</p> <p>ICS-15 Assessment of Internal Control Systems</p> <p>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>ICS-16 Internal Audit Capability</p> <p>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>The revised ETF Monitoring and Evaluation Policy 2011-2013 was adopted by Director Decision ETF/10/DEC/033 on 06.12.2010.</p> <p>Deployment of annual evaluation programme of ETF projects and activities and follow-up process</p> <p>Deployment of annual ETF ex-post audit programme and follow up (legality, regularity, performance and system audits).</p> <p>Annual management self-assessment of ICS effectiveness and follow-up.</p> <p>ETF improvement plan captures recommendations from IAS audits, the annual management self-assessment of internal control and ETF risk register.</p> <p>IAS is the Internal Audit Capability of the ETF. IAS carried out one audit engagement in 2011: IAS audit on external and internal communication in the ETF (IAS.W.ETF.2011.001). As of 31.12.2011, there are 14 open IAS recommendations from the 2011 audit on communication; 1 open recommendation from the 2009 audit on building blocks of assurance and 2 recommendations with the status 'ready for review' from the 2008 audit on HR management in the ETF.</p> <p>The ETF Quality and Risk Management Officer is an active member of the IAS Auditnet of Agencies.</p>	<p>Adequate system in place / slight improvements needed</p> <p>Average Assessment Score: 1.35</p> <p>Average prioritisation: LOW</p>



## ANNEX II. 7: 2011 end of year declaration of assurance in cascade (model)

ref: 2012-

### 2011 Declaration by Authorising Officer by Delegation

I, the undersigned, NAME AND SURNAME

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

1 January 2011 – 31 December 2011

In accordance with Director Decision ETF/10/DEC/03555 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 transactions<sup>56</sup> 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.<sup>57</sup> **(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
- 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 2011

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<sup>55</sup> ETF/10/DEC/035 Delegation of Authorising Officers for Budget Implementation 2011

<sup>56</sup> Annex 1 contains budget execution rates, exceptions registered and Direct Agreements related to the respective DAO.

<sup>57</sup> ETF/09/DEC/018 ETF Policy on materiality criteria to establish reservations in AAR.

## Annex 1

1. 2011 Budget Execution Rates
2. Exceptions registered in 2011
3. Direct Agreements above € 5,000 in 2011

The information provided relates to the Authorising Officer by Delegation for the year 2011:

NAME AND SURNAME

a) Commitment consumption rate 2011 – DEPARTMENT

b) Payment consumption rate 2011 – DEPARTMENT

	Initial Budget C158	Initial Budget C859	Final Budget C1	Final Budget C8	In line with achieved outputs, please explain any discrepancies in the budget / changes which occurred in 2011
a) Commitment consumption rate (%)					
b) Payment consumption rate (%)					

2. Exceptions registered in 2011 – DEPARTMENT

Exception Ref.	Contractor Name	Title of purchase	Value ( € )
Total Value			

3. Direct Agreements above € 5,000 concluded in 2011 - DEPARTMENT

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

<sup>58</sup> C1 funds : 2011 funds

<sup>59</sup> C8 funds : funds carried forward from 2010 to 2011

## ANNEX II. 8: ETF staffing

### Temporary Agents (establishment plan)

Category and grade	Establishment plan 2011		Posts actually filled at 31.12.2011	
	perm	temp	perm	temp
AD 16				
AD 15				
AD 14		1		1
AD 13		4		
AD 12		4		5
AD 11		12		14
AD 10		4		1
AD 9		11		10
AD 8		5		6
AD 7		18		16
AD 6				1
AD 5		2		1
<b>Total AD</b>		<b>61</b>		<b>55</b>
AST 11				
AST 10		4		
AST 9		6		6
AST 8		1		4
AST 7		6		8
AST 6		7		3
AST 5		1		3
AST 4		5		3
AST 3		2		5
AST 2		3		3
AST 1				
<b>Total AST</b>		<b>35</b>		<b>35</b>
<b>Total</b>		<b>96</b>		<b>90</b>

## Contract Agents

	Posts actually filled at 31.12.2011
GF IV	4
GF III	15
GF II	13
GF I	
TOTAL	32

## Local Agents

	Posts actually filled at 31.12.2011
AL/N2	2

## Seconded National Experts

	Posts actually filled at 31.12.2011
SNE	1

## Nationality of TA, CA, LA, SNE

Nationality	Total	Percentage
A	3	2%
B	9	7%
BG	1	1%
CZ	1	1%
D	8	6%
DK	4	3%
E	7	6%
EE	2	2%
EL	2	2%
F	7	6%
FIN	3	2%
Fyrom	1	1%
GB	10	8%
I	43	34%
IRL	2	2%
L	1	1%

Nationality	Total	Percentage
LV	1	1%
MAR	1	1%
NL	6	5%
P	1	1%
PL	3	2%
RO	6	5%
TUN	1	1%
TUR	1	1%
UKR	1	1%
Grand Total	125	100%

### Gender (TA, CA, LA, SNE)

TA, CA, LA, SNE	F	M	Total
AD associated level	33	27	60
AST associated level	50	15	65
Total	83	42	125

	F	M	Total
Managerial positions			
Middle Managers	3	1	4
Senior Managers	2	5	7
Total Managers	5	6	11

### ETF staffing by function

Function	TA	CA	SNE	LA	Grand Total
Assistant	2	7		2	11
Senior Assistant	10	12			22
Professional	13	13			26
Senior Professional	9				9
Coordinator	3				3
Expert - Junior Specialist	1				1
Expert - Specialist	26		1		27
Expert - Senior Specialist	15				15
Middle Manager	4				4
Senior Manager	7				7
Grand Total	90	32	1	2	125

## ANNEX II.9 Summary financial statements 2011

<b>a.</b>	<b>Economic outturn account</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	Operating revenue	19,794,124.37	19,538,411.72
		-	-
	Administrative and operational expenses	19,749,206.37	18,949,021.52
	Non operational activities	-680.57	-728.17
	<b>Outturn for the year</b>	<b>44,237.43</b>	<b>588,662.03</b>
<b>b.</b>	<b>Balance sheet</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	Intangible fixed assets	2,344,779.01	2,502,035.93
	Tangible fixed assets	194,736.00	133,488.34
	Stocks	17,173.95	22,812.80
	Current assets - Short term pre-financing	819,212.49	516,838.07
	Current assets - Short term receivables	124,521.86	352,982.42
	Cash account	1,461,276.34	1,501,950.45
		<b>4,961,699.65</b>	<b>5,030,108.01</b>
	Capital	966,224.36	921,986.93
	Provisions for risks and liabilities	500,000.00	230,000.00
	Provisions for risks and charges	16,734.50	0.00
	Accounts payable	3,478,740.79	3,878,121.08
		<b>4,961,699.65</b>	<b>5,030,108.01</b>
<b>c.</b>	<b>Statement of changes in capital</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	Economic result of the year 2011	44,237.43	588,662.03
<b>d.</b>	<b>Statement of cash flow</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	Cash at beginning of the year	1,501,950.45	2,251,660.16
	Decrease in cash	-40,674.11	-749,709.71
	Cash at end of the year	1,461,276.34	1,501,950.45
<b>e.</b>	<b>Budget outturn</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	Revenues	19,940,342.09	19,321,692.44
		-	-
	Expenditures	20,424,401.80	20,158,167.89
	<b>Outturn for the year</b>	<b>-484,059.71</b>	<b>-836,475.45</b>
	Adjustment for carry forward from previous years	534,751.74	953,971.95
	Appropriations carried forward and cancelled	66,987.93	55,597.92
	Exchange gains/losses	6.62	-1,786.30
	<b>Balance for the financial year</b>	<b>117,686.58</b>	<b>171,308.12</b>
	Balance carried over from previous year	100,981.71	-70,326.41
	Amount reimbursed to the EC	-100,981.71	0.00
	<b>Total amount to be reimbursed to EC</b>	<b>117,686.58</b>	<b>0.00</b>

## Annex II.10: ETF compliance with the payment time-limits and on the suspension of the time-limits

TABLE : AVERAGE PAYMENT TIMES FOR 2011 - ETF

### 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	958	688	71.82 %	17.82	270	28.18 %	51.09
45	349	268	76.79 %	27.48	81	23.21 %	63.58
60	4	2	50.00 %	17.00	2	50.00 %	70.00

<b>Total Number of Payments</b>	<b>1311</b>	<b>958</b>	<b>73.07 %</b>		<b>353</b>	<b>26.93 %</b>	
<b>Average Payment Time</b>	<b>29.55</b>			<b>20.52</b>			<b>54.07</b>

### Suspensions

Average Report Approval	Average Payment Suspension Days	Number of Suspended	% of Total Number	Total Number of Payments	Amount of Suspended	% of Total Amount	Total Paid Amount
0	84	83.	6.33 %	1,311.	456,286.49	5.95 %	7,666,193.46

### Late Interest paid in 2011

DG	GL Account	Description	Amount (Eur)
ETF	65010000	Interest expense on late payment of charges	330.57
			<b>330.57</b>