

ETF ANNUAL ACTIVITY REPORT 2010

ANNUAL ACTIVITY REPORT 2010 – ANALYSIS AND ASSESSMENT

The Governing Board has analysed and assessed the Director's report on the results for the 2010 financial year. The Board acknowledges the results achieved by the ETF and puts forward the following analysis and assessment.

Analysis

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

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

The AAR contains a detailed record and description of the outputs achieved in 2010 together with specific tables outlining areas of expenditure by theme, region and country. The number and type of outputs measure the use of resources given to the agency to achieve the annual objectives (internal efficiency) and the added value. Outputs refer to the countries, functions and themes defining the field of activity (external efficiency). They do not indicate the quality of an activity or its impact as this is ensured through the performance-based approach. In 2010 the ETF corporate performance indicators were revised to cover both qualitative and quantitative aspects. The activity-based budget tables in particular demonstrate the use of resources according to the three dimensions of ETF planning policy (geographical, functional and thematic). The report incorporates details of the specific requests received from the European Commission and the services provided by the ETF in response.

The 155 corporate outputs achieved are slightly lower than the 158 targeted (the remainder will be completed at the beginning of 2011), but they are in line with the final budget received by the ETF and indicate the level of achievement of the objectives proposed in the Work Programme. The AAR shows a significant increase in policy analysis outputs (29 against the 17 planned), those related to support to the European Commission (30 against 24 planned) and dissemination and networking (30 to 27 planned). This came at the expense of capacity building outputs (66 to 94 targeted). This is explained by the increased importance of evidence-based policy making activities (requiring policy analyses) and the requests from the European Commission (which slightly increased in 2010 and were more diverse, according to the DGs requesting ETF work). Although the outputs from the Torino Process have been counted as policy analysis, the report also explains that the process has a two-fold objective: as an objective of the process is increasing capacity for evidence-based policy making, the activities could also be considered as capacity building outputs.

The Governing Board highlights the achievements of the Torino Process introduced for the first time in 2010. The concept, methodology and results of the Torino Process have been recognised by most of the ETF partner countries (only one did not participate). The outcome of the process is that:

- a) countries can improve the contribution of vocational education and training (VET) to sustainable development, and in particular competitiveness and social cohesion;
- b) it serves as a basis for the design of the ETF's support strategy to the partner countries; and,
- c) it forms the basis of the ETF's recommendations to the European Commission for EU external assistance and is a resource available for programming of aid by the donor community.

In three of the ETF partner countries (Kosovo under UNSCR 1244/99, Republic of Moldova and Kazakhstan) the validation by stakeholders of the Torino analyses was complemented by a meeting organized by the EU Delegations with the donors active in the VET field. The Education and Business Study, another cross-country initiative bridging VET and higher education with the accompanying focus group work and validation meetings is also a notable achievement both logistically and in terms of linking EU and partner country policies on education and business cooperation.

The Governing Board also draws attention to:

- a) the work on social inclusion in the Western Balkans and Turkey which culminated in the December conference organised for all 29 ETF partner countries (and also promoted the use of social media in the ETF field of activity) facilitating exchange among partner countries and EU Member States on different policy aspects/actions to address social exclusion and ensure access to education and training for all. It focussed in particular on the importance of VET as an instrument for employability and active citizenship;
- b) the Black Sea Employment Reviews and the Odessa conference that created the platform for multi-country dialogue and cooperation;
- c) the human resources development reviews in Albania, Montenegro and Serbia prepared at the request of DG EMPL; and,
- d) the school development project in Central Asia.

In the thematic development field, ETF work has:

- a) highlighted the needs of specific population groups and gaps in the education provision (Tajikistan, Moldova under the innovation and learning project on human capital development reviews);
- b) raised awareness of the importance of teachers/trainers in promoting cohesive societies and identified key issues in developing teacher training systems

The ETF's work on the the skills dimension of labour migration and the mobility partnerships is also noteworthy.

The ETF's work on qualifications systems is important for ensuring:

- a) the relevance and transparency of education and training systems to labour market/economic development needs; and,
- b) transparency in skill developments paths.
- c) ETF work in this area supports partner countries to develop their own understanding on both the technical and policy issues of qualifications frameworks and contributes to international debate on the topic. The regional qualifications project is worth noting in his regard as it aims at the establishment of regional sectorial networks in the ENP South region.

The Governing Board also acknowledges the good cooperation and exchange of expertise between the ETF and Cedefop and the synergy and complementarity promoted between their activities.

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 of the AAR describes the key features of the significant developments that have improved and reinforced management supervision and control of ETF activities. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and in resources management. In particular, the functional analysis of administration, the institutional and functional analysis of operations and the move towards an effective performance management system should be highlighted.

The report records very good results from the resources management perspective:

- Of the €18.832 million available as commitment appropriations in the 2010 subvention, the ETF achieved a **commitment rate of 99.9%** (compared to 99.8% in 2009 and 98.5% in 2008);
- The ETF paid **87.1%** of the amount committed (compared to 82% in 2009 and 84% in 2008);

- Including the payments on operational commitments carried forward from the previous year, of the €19.298 million available payment appropriations in 2010, the ETF achieved a **payment execution rate of 96.5%** (compared to approx. 90% in 2009 and 2008).
- The ETF halved the number of budgetary transfers to 15 in 2010, compared to 33 in 2009, and carried forward 12.8% of the 2010 amount committed (compared to 17% in 2009 and 15% in 2008).

Taking into consideration the key developments which took place in 2010 in the organisation and its management and supervision processes, the ETF internal control system can be considered as working as intended and thus providing reasonable assurance to adequately controlling the risks related to ETF performance objectives, compliance objectives and the objectives of protecting staff and safeguarding assets and information.

Part III describes the building blocks used to make up the Director's declaration of assurance (Part IV) 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, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. The Governing Board underlines the fact that seven out of eight recommendations issued by the Internal Audit Service (IAS) in 2010 have already been closed and the action implemented in response to them considered satisfactory. Both the IAS and the Court of Auditors have reduced the frequency of their visits to the ETF to one a year, considering the ETF a well-managed and mature organisation.

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 2010.

Assessment

During 2010, the ETF

- effectively implemented the first year of the mid-term perspective 2010-13, reflecting a better alignment of its activities with its new mandate including greater diversity in the work it provides to the European Commission and a growing focus on policy support;
- achieved the objectives set in the annual work programme, and the total actual number of outputs and activities recorded in the report provides evidence for such an achievement;
- successfully implemented the first year of the Torino Process, which provides a concise, documented, comprehensive analysis of vocational education and training (VET) reform in each country, including the identification of key policy trends, challenges, constraints, as well as good practice and opportunities.
- accomplished remarkable achievements in its four regions (the school development project in Central Asia, the Black Sea Employment Reviews and the meeting in Odessa; the qualifications project in the ENP South region and the human resources development reviews in Albania, Montenegro and Serbia) and in thematic expertise development (qualifications and social inclusion and cohesion and the role of trainers in promoting it).
- executed its activities within the resource framework adopted by the Board. In particular, the ETF committed 99.9% and disbursed 87.1% of its €18.832 million available as commitment appropriations in 2010 with the remaining funds to be disbursed in 2011; and
- continued to implement a comprehensive system of internal controls, quality and risk management ensuring a proportional compliance and effectiveness of internal procedures.

The Board appreciates the ETF's financial management efficiency which, following the positive trend started in 2009, has ensured the full use of the funds made available through the subvention, resulting in a budget outturn of only 0.1M€ (0.5%), to be returned to the European Commission mainly due to the need to compensate for last year's outturn and to de-commitments on carry-forward appropriations during the year.

The Board acknowledges that the ETF has no reservation or critical issues to report for 2010.

The report explains the materiality criteria adopted by ETF for establishing reservations in the AAR based on an IAS recommendation issued in 2009. As a conclusion, the ETF has 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 2010 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 2010, and requests that it be forwarded, together with this analysis and assessment, to the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Court of Auditors.

Contents

Executive summary	5
PART I: Implementation of the 2010 Work Programme	9
1.1 Strategic objectives	9
1.2 Core themes	9
1.3 Functions	10
1.4 Outputs	10
1.5 Contributing to the Enlargement process by supporting human capital development	14
1.6 Contributing to the Neighbourhood process through cooperation and partnership in human capital policy development and implementation - the ENP South region	15
1.7 Contributing to the Neighbourhood process through cooperation and partnership in human capital policy development and implementation - the ENP East region	17
1.8 Contributing to economic and development cooperation in human capital development in Central Asia	17
1.9 Thematic expertise development to support activities in the partner countries	18
1.10 Requests from the European Commission	21
1.11 ETF Communication	24
1.12 Stakeholder management	25
Summary	25
PART II: Governance and management	27
2.1 ETF Governing Board activities	27
2.2. Management: supervision and control	28
2.3 The functioning of the ETF internal control standards	33
Summary	35
PART III: Building blocks towards the declaration of assurance	37
3.1. Building Block 1	37
3.2 Building Block 2	39
3.3 Building Block 3	41
3.4. Building Block 4	42
3.5. Reservations	42
PART IV: Declaration of assurance	43
Annexes	43
ANNEX 1 Organigramme	
ANNEX 2 2010 Delegations of Appointing Authority table	

- ANNEX 3 Corporate performance Indicators
- ANNEX 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)
- ANNEX 5 a) ETF Risk Register and Action Plan 2009-2010: Review status as of 31 May 2010.
b) ETF Risk Register 2010-2011: state of play as of 31 December 2010
- ANNEX 6 2010 Assessment and review of internal control system
- ANNEX 7 2010 end of year declaration of assurance in cascade (model)
- ANNEX 8 Human resources data and indicators
- ANNEX 9 Economic outturn account and balance sheet 2010
- ANNEX 10 Activity Based Budget (planned and actual)
- ANNEX 11 Actual 2010 Activity Based Budget by Instrument/Theme/Function and outputs average costing
- ANNEX 12 Corporate Outputs in 2010 by Region, Function and Theme.
- ANNEX 13 Cooperation between the European Training Foundation and Cedefop, Summary Joint Progress Report 2010
- ANNEX 14 Cooperation with EU Member State institutions

Executive summary

The European Training Foundation (ETF) is a specialised agency of the European Union based in Turin, Italy. The ETF's objective is to contribute, in the context of the EU external relations policies, to improving human capital development in countries eligible for assistance under the Instrument for Pre-Accession Assistance (IPA), the European Neighbourhood and Partnership Instrument as well as other countries designated by decision of the Governing Board¹.

Activities relevant to EU developments and the partner country context

The ETF's work on vocational education and training (VET) in the partner countries builds on the priorities of the EU 2020 strategy. In 2010, the ETF covered operational and thematic activities to:

- Contribute to the Enlargement process by supporting human capital development
- Contribute to the Neighbourhood process through cooperation and partnership in human capital development and implementation
- Contribute to economic and development cooperation in human capital development in Central Asia
- Develop its thematic expertise to support activities in the partner countries

The ETF Annual Activity Report (AAR) follows the standing instructions issued by the European Commission². Part I describes the ETF's achievements in 2010 while parts II, III, and IV detail the processes that the ETF uses to ensure its effective and efficient functioning as an EU agency. The report uses an outputs-based approach to planning and reporting that was set out by the European Commission in its proposal for the ETF for the period 2008-13. These outputs are reported within a framework of three dimensions covering the ETF's geographic scope in the context of the EU's external relations policies, the range of functions set out in its Council Regulation (1339/2008), and its thematic focus of vocational education and training. 2010 also saw the continuation of the ETF's support to the European Commission in areas related to internal policies that are perceived to have an external dimension.

The *Torino Process*: Evidence-based policy making

In 2010 the ETF began the first year of its initiative in evidence-based policy making for partner countries and territories called the *Torino Process*. The process is a participatory review of progress in vocational education and training policy. The "*Torino Process*" provides a concise, documented, comprehensive analysis of vocational education and training (VET) reform in each country, including the identification of key policy trends, challenges, constraints, as well as good practice and opportunities. The *Torino Process* is the key driver of the ETF's work programme during the mid-term perspective and was an important element of the 2010 work programme.

The findings of the *Torino Process* revealed diverse reform challenges with some countries identifying the absence of adult learning strategies as a main problem and others indicating the need for more holistic approaches to quality assurance to improve the attractiveness of vocational education and its reputation relative to university as a destination of choice for students. All countries that participated in the 2010 *Torino Process* stated, however, that

¹ Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation, article 1. The countries are: Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Egypt, former Yugoslav Republic of Macedonia, Georgia, Israel, Jordan, Kazakhstan, Kosovo, Kyrgyzstan, Lebanon, the Republic of Moldova, Montenegro, Morocco, occupied Palestinian territory, Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

² Standing instructions for Annual Activity Reports, Brussels 28 October 2010 SEC (210) 1333.

human capital development through vocational education was important to national growth and competition strategies.

Education and Business Cooperation

ETF support to evidence-based policy making also included an in-depth review of education and business cooperation in partner countries following a specific request from DG EAC. This review, which was carried out in 28 countries (only Algeria did not agree to take part) analysed cooperation at both the secondary VET level as well as professionally-oriented higher education.

The reviews confirmed that, while the countries were making significant progress in reforming their VET systems, they still faced considerable challenges in developing policies and systems to:

- increase skills relevance and the employability of young graduates in particular,
- provide an integrated 'lifelong learning' response to the social demand for training,
- ensure equal training opportunities for all citizens,
- set up inclusive, multilevel governance structures; and,
- provide entrepreneurship learning as a vehicle for quality and innovation.

Activities in the four regions and thematic expertise development

The ETF implemented its work programme through country plans, regional projects and cross-regional projects in line with the objectives of contributing to:

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

Management: supervision, control and internal control standards

In 2010, significant developments improved and reinforced management supervision and control of ETF activities. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and resources management. Part II of the report describes the key features of this progress in particular the functional analysis of administration, the institutional and functional analysis of operations processes and the move towards an effective performance management system.

Performance management and corporate performance indicators framework

In 2010, the ETF made significant steps towards the definition and implementation of a performance management framework which links the main organisational management processes of planning, monitoring, evaluation, risk management and reporting with the corporate performance indicators and the outputs that the ETF is expected to meet each year and in the mid-term. The ETF performance management framework is designed to improve the provision, analysis and application of the ETF's organisational management information and knowledge to identify and address risks and opportunities and to improve its performance. It focuses on the management of results across all its key management processes. The framework covers the ETF's activities in terms of implementing its mid-term perspective for 2010-13.

Resources management

2010 was a successful year for the ETF from the budget execution perspective.

Of the €18.832 million available as commitment appropriations in the 2010 subvention, the ETF achieved a commitment rate of 99.9% (compared to 99.8% in 2009 and 98.5% in 2008)

The ETF paid 87.1% of the amount committed (compared to 82% in 2009 and 84% in 2008).

Including the payments on operational commitments carried forward from the previous year, of the €19.298 million available payment appropriations in 2010, the ETF achieved a payment execution rate of 96.5% (compared to approx. 90% in 2009 and 2008).

The ETF has more than halved the number of budgetary transfers to 15 in 2010, compared to 33 in 2009, and carried forward only 12.8% of the 2010 amount committed (compared to 17% in 2009, 15% in 2008).

The functioning of the ETF internal control standards

Taking into consideration the key developments which took place in 2010 in the organisation and its management supervision and control processes, and in particular:

- the performance management and corporate indicators framework;
- the institutional and functional analysis processes;
- the risk management process; and
- the financial and human resources management processes;

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

Reservations

Based on the ETF policy for the definition of the criteria as to when a reservation should be included in the annual declaration of assurance in the context of annual activity reporting, the ETF Director has no reservation to report for 2010.

PART I: Implementation of the 2010 Work Programme

The ETF's 2010 work programme contributed to human capital development in the context of EU external relations policies, aiming to make vocational education and training 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'³.

1.1 Strategic objectives

Activities were planned in 2010 to achieve the two strategic objectives of the ETF's mid-term perspective 2010-13. These objectives are to contribute to:

- the interplay between EU internal policies and the implementation of its external relations policies in human capital development through vocational education;
- 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

To achieve the strategic objective of supporting the interplay between EU internal policies and the implementation of its external relations policies, the ETF's specific objectives are to:

1. improve labour market analysis and forecasting about the partner countries and support them in reviewing vocational education and training systems in this light (New skills and jobs);
2. support the EU external policy instrument programming cycle;
3. 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;
4. 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 strategic objective of contributing to *the development of partner country intelligence and capacities*, the ETF's specific objectives are to:

5. support relevant stakeholders, particularly the social partners, in the partner countries to increase their involvement in vocational training reforms and develop their capacity for becoming key actors in those reforms; and
6. build partner country 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, the ETF bases its work on three core themes:

³ Regulation (Ec) No 1339/2008 of The European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation, Article 1.2

- a) Vocational education and training system development and provision, which covers the design and implementation of policies in partnership with all relevant stakeholders and in particular with the social partners;
- b) Labour market needs and employability which focuses on understanding labour market changes and their implications for the employability of individuals;
- c) Enterprises and human capital development which focuses on education and business partnerships.

1.3 Functions

The objectives of these core themes are operationalised through the functions set down for the ETF in its Council Regulation. These involve⁴:

- F1. support to the European Commission in the design and deployment of external assistance to the partner countries in the framework of EU external policies and assistance programmes;
- F2. support to partner countries to further build their capacity in quality policy development, policy in action and policy progress review;
- F3. provision of evidence-based analysis on country or cross-country policy reforms to support informed decision-making on partner country policy responses;
- F4. facilitation of exchanges of information and experience in the international community (agencies, regional platforms and councils, bilateral and international organisations and donors).

1.4 Outputs

These functions are carried out each year of the mid-term perspective to deliver a series of outputs adopted by the ETF Governing Board. The use of outputs in the ETF's work programme was introduced following the recasting of the Council Regulation in 2008. The outputs guide the planning and reporting of the ETF's resources. They form part of the ETF's performance indicators and are the basis of planning, monitoring and reporting policy achievements.

The outputs are useful for measuring the internal efficiency of the ETF in achieving its objectives and its added value but do not measure the impact of the ETF's work on education and training system performance or the reform process in the partner countries and territories (external efficiency) which should be measured through impact indicators. The reform of education and labour market systems are complex, long-term processes exposed to different kind of risks and opportunities, while the performance of the education and training system is often conditioned by the economic context and government efficiency. In addition, progress in the VET reform can be attributed to national governments and stakeholders as well as to different donor interventions in the country. The *Torino Process* is an attempt to regularly assess the progress of VET reform in the partner countries, and therefore the potential impact of ETF work in different countries. External evaluations on ETF projects also aim at assessing impact.

The outputs clarify the specific actions the ETF undertakes, the resources it uses, the products and services it provides, and how its actions match EU priorities and the ETF mandate. In this way the ETF adds value by developing capacities, sharing experience, and providing expertise in policy advice and programming, and improving knowledge about the external dimension of internal EU policies. The outputs provide clear information about what the ETF does and why. An example can be found below:

⁴ Defined by clustering the eight main functions in the ETF's mandate, regulation (EC) No 1339/2008 article 2a-h.

Output: 'Capacity development of stakeholders of the Vocational Qualifications Authority in Turkey on the European Qualifications Framework'.

The outputs from the ETF's work in the Enlargement region makes clear that the focus of the activity was on capacity building, that it targeted stakeholders in the Vocational Qualifications Authority, that it was carried out in Turkey and that it aimed to ensure appropriate links with the European Qualifications Framework.

In terms of the ETF work programme, outputs provide information on:

- the theme or issue being addressed;
- its purpose;
- with or for whom it is being done, i.e. the stakeholders involved;
- where it is being done - the country or region.

Table: 1. Corporate outputs in 2010 by policy area, function and theme

In 2010, the ETF delivered 155 outputs – slightly below the target of 158 established for the year (see Annex 12).

Regions	Type of output ⁵	2010 outputs by core theme			Total
		A. Vocational education & lifelong learning	B. Employability and labour market	C. Business and Education	
Enlargement	F1. Supporting the programming cycle	7	3	1	11
	F2. Capacity building	17	4	4	25
	F3. Policy reviews and analysis	4	1	2	7
	F4. Dissemination and networking	6	4	2	12
Total		34	12	9	55
Neighbourhood South	F1. Supporting the programming cycle	5	1	2	8
	F2. Capacity building	9	3	8	20
	F3. Policy reviews and analysis	1	2	4	7
	F4. Dissemination and networking	3	1	2	6
Total		18	7	16	41
Neighbourhood East	F1. Supporting the programming cycle	5	1	1	7
	F2. Capacity building	9	1	0	10
	F3. Policy reviews and analysis	4	2	1	7
	F4. Dissemination and networking	1	3	1	5
Total		19	7	3	29
Central Asia	F1. Supporting the programming cycle	4	0	0	4
	F2. Capacity building	8	2	2	12
	F3. Policy reviews and analysis	1	2	1	4
	F4. Dissemination and networking	1	0	0	1
Total		14	4	3	21

⁵ For the purposes of reporting outputs, the Torino process is counted as a policy review, but it also has a capacity building dimension.

Cross-regional and ILP	F1. Supporting the programming cycle	0	0	0	0
	F2. Capacity building	0	0	0	0
	F3. Policy reviews and analysis	1	1	1	3
	Dissemination & Networking	2	4	0	6
Total		3	5	1	9
TOTAL	F1. Supporting the programming cycle	21	5	4	30
	F2. Capacity building	43	10	14	67
	F3. Policy reviews and analysis	11	8	9	28
	F4. Dissemination and networking	13	12	5	30
TOTAL		88	35	32	155

The difference between the number of planned and achieved outputs was due to some planned activities being cancelled or not requested as originally foreseen (9), the postponement of the completion of some activities until 2011 (12) and the inclusion of new outputs identified during the year (18). The cancelled or not requested activities were:

- IPA I implementation and programming support – Serbia;
- Capacity development on teacher training – Turkey;
- Exposure process for Morocco (involving a paper and meetings with EU entrepreneurial organisations related to EU practices on management of continuing training);
- Policy note on vocational education in Ukraine;
- Policy dialogue on labour market policies in Kazakhstan;
- Exploratory capacity building event on entrepreneurship related questions in Kyrgyzstan;
- Exploratory capacity building event on better integration of enterprise/work requirements in teaching processes in Kazakhstan;
- Contributions to events organised in the framework of the Central Asian Education Initiative;
- One set of four policy analyses related to vocational education reform, lifelong learning and gender issues.

The completion of the following outputs was postponed until 2011:

- Country assessments for the Small Business Act - All IPA;
- Impact assessment of EU assistance in VET – Bosnia and Herzegovina;
- Draft human resources development review for Croatia to inform IPA IV programming;
- Study on long term unemployment – Montenegro;
- Workshop (and accompanying note) for Tunisia on EU experiences on 'poles d'excellence' (including higher professionally oriented education);
- Donor dialogue meeting in Tunisia;
- Labour demand analysis workshop in Ukraine;
- National qualifications workshop in Ukraine;
- Contributions to the inception phase of the DCI AP 2007 education reform project for Turkmenistan;
- Analysis of the quality of vocational schools in a lifelong learning perspective based on survey results of participating countries (Kazakhstan, Kyrgyzstan and Tajikistan)

- Cross country reports on the *Torino Process**;
- Women and work cross-country synthesis reports*;
- Education and business cooperation synthesis reports*;
- Dissemination event and Egyptian competitiveness report*.

The new outputs added during the year were as follows:

- Support to IPA I on entrepreneurial learning – Bosnia and Herzegovina;
- Policy support to DG ELARG and DG EMPL on social inclusion – All IPA;
- Focus group meetings and validation seminars on education and business – All IPA;
- Tirana donor workshop with players active at regional level – All IPA;
- Develop research capacity at the pedagogical institute on school dropouts – Kosovo;
- Studies on the role of human resources development in regional economic competitiveness;
- Employment review dissemination – Belarus;
- Concept paper on the recognition of prior learning – Republic of Moldova;
- Capacity building education legislation - Republic of Moldova;
- Human capital development reviews - Republic of Moldova and Tajikistan;
- Report on secondary reform and links to vocational education and training - Egypt
- One set of inputs to DG EAC on labour market oriented vocational training reforms as input to preparations for the 2011 EuroMed ministerial meeting;
- One report on skills and migration – Egypt;
- One regional paper on adult learning;
- One report on entrepreneurial learning in higher education;
- One set of qualification mapping in the EuroMed region;
- One regional seminar on employability and gender (December);
- High-level dissemination conference on outcomes of assessment on entrepreneurial learning in tertiary education.

The difference was therefore not due to specific outputs not being achieved, but rather the result of a series of changes. The implementation of the Work Programme is a dynamic process, which requires adjustments in the course of the year to the policy needs and corresponding management of priorities. The difference is found in an increase in the outputs achieved in the Neighbourhood South region, combined with decreases in the Neighbourhood East, Central Asia and the Innovation and Learning Programme (ILP).

In the Enlargement region, the actual number of outputs achieved was slightly more than planned. In the ENP South region, the additional outputs related to support to the European Commission, policy advice and dissemination. In ENP East, the change was due to an increase in the number of functions carried out to support the European Commission and policy advice, combined with a lower number in dissemination and capacity building. The difference in ILPs was due to fewer outputs on policy advice and more on dissemination.

The difference between the total number of outputs planned and achieved (158 to 155) is approximately 3% of the planned outputs for the year. This also correlates with the difference

* These four outputs were calculated as having been half completed by the end of 2010.

between the Activity Based Budget (ABB)⁶ on which the original output target was estimated and the final budget received in 2010: 96.78% of that initially approved.

In October, the European Commission (Directorate General for Education and Culture) informed the ETF that it was not in a position to make available the full amount of the subsidy foreseen in the agency's 2010 budget and subsequently adopted by the budget authority.

This situation was confirmed in writing on 21 October⁷. In addition to the normal adjustment resulting from the third quarter review of the implementation of its work programme activities, the ETF was therefore required to adapt its budget to accommodate a reduction of €628,000 in available commitment appropriations. The ETF addressed this shortfall by prioritising activities planned for the rest of the year and cutting back as far as necessary while making every effort to maintain operational activities in the partner countries and territories.

A complete ABB breakdown of ETF operations by country, external assistance instrument, function, and core theme can be found in Annex 11.

The following sections describe the specific achievements and activities in each of the regions in 2010. Sections 1.5 to 1.8 outline the results against the ETF's strategic and specific objectives for each region. Section 1.9 reports on the results from the ETF's thematic expertise development activities in 2010.

1.5 Contributing to the Enlargement process by supporting human capital development

In 2010, the implementation and programming support was deployed to Albania, Kosovo, Turkey, Montenegro, Bosnia and Herzegovina and Serbia. The ETF's support covered each of the core themes of vocational education reform, employability and cooperation between businesses and enterprises. Most support was targeted at the reform of vocational education systems.

The ETF supported the update of the prioritisation of financial assistance, the development of annual IPA programmes and the content review of the ongoing projects. In the same time, the ETF provided inputs on the annual progress achieved by the candidate countries and potential candidates in human capital development. All partner countries received assistance with the monitoring and programming of multi-beneficiary support, in particular through support to the European Commission in the fields of social inclusion and promoting private sector development through competence development.

Following the request of DG Employment, Social Affairs and Inclusion (DG EMPL), the ETF elaborated the human resource development (HRD) reviews for Albania, Montenegro and Serbia⁸. The reviews provided key analytical background information on the vocational education and training systems in the countries and their links to employment and social inclusion.

They will be used as input for the programming of the future Instrument for Pre-Accession (IPA) component IV, which is a preparatory measure for future participation in the European Social Fund. The ETF co-operated with TAIEX in organising national seminars in Albania, Montenegro and Serbia to discuss the human resource development assessments of their national VET systems. (*Specific objectives 2 and 4, function 1*).

The ETF's focus on the capacities of policy makers combined regional and national initiatives. Regional initiatives covered actions to promote mutual learning on human capital between the countries of the region and between the region and the EU as a whole. In 2010, a particular focus was given to experiences and strategies related to social inclusion for education as well as adult learning, activation policies for employment, quality assurance and post secondary education. All partner countries were supported by capacity building actions in business and

⁶ Activity based budgeting (ABB) is the method used by the European Commission for the organisation of budget appropriations and resources by purpose. It allows people to see what policies are pursued, and within them, what activities make up the policies, how much money is spent on each of them, and how many people work on them. EC: Financial Planning and Programming Glossary. http://ec.europa.eu/budget/other_main/glossary_en.htm

⁷ ETF Governing Board Paper ETF-GB-10-031

⁸ In the ETF's work in South Eastern Europe, the *Torino Process* was carried out through three different projects: Completion of the Bruges Questionnaire Assessment (Croatia, former Yugoslav Republic of Macedonia, and Turkey), HRD Reviews (Montenegro, Serbia and Albania) and the *Torino Process* (Kosovo and Bosnia and Herzegovina)

education cooperation and entrepreneurship learning through focus groups and validation meetings. The post secondary vocational education activity was followed up at regional level with a peer learning exercise designed to build capacities through the sharing of experience. A further peer learning process was also conducted at regional level on quality assurance and vocational education. Capacity building was undertaken in the area of inclusive education through a cross-country assessment of country reports prepared by national stakeholders.

In Albania, the ETF provided support for entrepreneurial learning and teaching and training, while in Bosnia and Herzegovina the activities focused on consolidating and further developing relationships with key stake holders in the field of human capital development. In Croatia, the ETF conducted an analysis of the employability of apprenticeships, while in Montenegro, the ETF supported the revision of the models and methods for in-service teacher training in the field of key competences. In the former Yugoslav Republic of Macedonia, the ETF continued its collaboration with the national VET Centre and the Ministry of Education on the evaluation of the new four-year vocational education and training programmes. In Kosovo⁹, assistance was provided for the development of a national qualifications framework, policies to support post secondary vocational education as well on the development of research capacities related to the mitigation of school dropouts. In Turkey capacity building initiatives for policy makers were targeted at decentralisation and post secondary vocational education while in Serbia the adult education and stakeholder partnership were approached. (*Specific objectives 5 and 6, function 2*).

In 2010 the ETF collaborated with the candidate countries on the Bruges review of their progress towards the objectives of the Copenhagen process. The assessment was included in the final Bruges report, which was considered in December 2010 at the informal meeting of vocational education ministers, European social partners and the European Commission. The reviews consider both the challenges and trends in VET reform in Croatia, the former Yugoslav Republic of Macedonia and Turkey. It places candidate country reform efforts clearly in the context of EU lifelong learning initiatives. The *Torino Process* reports were elaborated for Bosnia and Herzegovina and Kosovo in view of supporting evidence-based policy making and the contribution of VET to sustainable development. (*Specific objectives 1, 5 and 6, function 3*).

Dissemination initiatives involved the distribution of a cross-country analysis of practices in the region on teacher preparation for inclusive education and specific workshops in the former Yugoslav Republic of Macedonia, Kosovo and Albania. A cross-regional conference was held on entrepreneurship in tertiary education, while workshops were conducted with donors to exchange information on the ETF's human resource development reviews in Kosovo and Albania. Similarly a workshop was held in Tirana with donors working throughout the region. A seminar was also conducted in Bosnia and Herzegovina with donors on the impact assessment of EU assistance in vocational education. (*Specific objective 3, function 4*).

1.6 Contributing to the Neighbourhood process through cooperation and partnership in human capital policy development and implementation - the ENP South region

In the ENP South region as a whole, the ETF's analytical support covered services to countries, the European Commission and the Ministerial Forum established under the Union for the Mediterranean process.

Support to the European Commission was provided through a series of country updates on issues linked to VET and employment for the European External Action Service (EEAS) as an input to ENPI action plan monitoring. The reports were also shared with DG EMPL and DG Education and Culture (DG EAC). During the year the ETF also assisted the EU Delegation in the occupied Palestinian territory with the design of a new EU intervention in the field of VET. Additional analytical work involved the completion of the skills and migration report in Egypt and regional social partnership in VET in the region. The ETF also provided the EU Delegation in Cairo with an assessment of the progress of secondary education reforms, VET included, in Egypt. Input for the regional Euro-Med industrial cooperation group as a follow up to the Nice ministerial conference as well as input to DG EAC on labour market-oriented VET

⁹ Under UNSCR 1244/99 (hereinafter 'Kosovo')

reforms to support preparations for the 2011 Euro-Med ministerial conference was provided. (*Specific objectives 2 and 4, function 1*)

In its support to the region as a whole, the ETF concentrated on three main areas: qualification frameworks, social partnership and entrepreneurship learning. The link between the public and the private sector underpinned all engagements.

In the qualifications domain, the focus was on establishing sectoral platforms in the tourism and construction industries and a review of progress made on regional developments involving four countries in the region: Morocco, Tunisia, Jordan and Egypt. Specific country support was provided to Morocco and Lebanon through capacity building workshops. Syria was a particular focus during the year with a series of training seminars for young Syrian entrepreneurs.

This was complemented by a public-private sector dialogue process. A capacity building mission was carried out for social partners in Jordan and the role of social partnership in human resource development was further promoted with a regional workshop and a regional research paper. The link between business and enterprise was addressed through capacity building in entrepreneurial learning, including support for its implementation in professionally-oriented higher education involving the development of relevant indicators of performance and implementation of audits in one institution per country in the region.

A comprehensive series of measures was also targeted at different country needs. The support covered each of the core themes and covered ongoing policy developments. This involved assistance on regional approaches to qualification frameworks, career guidance in Egypt, and skills assessment in Jordan. Building on previous work undertaken by the ETF in the region, a series of e-learning seminars was held in Lebanon, the occupied Palestinian territory, Jordan, Egypt and Morocco. In the area of employability, the ETF worked with stakeholders on qualifications in the tourism sector and seasonality in Tunisia, including European experience in the area. Workshops were also held in Egypt and Syria respectively on migration and school to work transition. In Morocco, the ETF supported stakeholders to develop a TVET costing system. (*Specific objectives 5 and 6, function 2*).

The ETF completed a regional report on the status of entrepreneurship learning in higher education. Reports were produced on human capital needs in all countries except Algeria, as part of the Torino process. Both the business and education and *Torino Process* reports provide important new regional research to inform policy and implementation. (*Specific objectives 1, 5 and 6, function 3*).

The ETF continued its cooperation with the European Economic and Social Council by participating in working meetings on gender issues, and presenting the ETF study on social partnership in VET in the region at the EuroMed Summit. Dissemination initiatives mainly related to intra-regional information sharing and dialogue on qualification frameworks, entrepreneurial learning and employability and gender. A regional conference was organised in Rome in cooperation with the Italian Ministry of Foreign Affairs focusing on the issue of employability. In terms of contributing to the effectiveness of Community assistance in the region, the ETF facilitated a donor dialogue meeting on career guidance in Egypt and prepared a report on the progress of VET reform and the contribution of MEDA VET reform project in Egypt. (*Specific objective 3, function 4*).

1.7 Contributing to the Neighbourhood process through cooperation and partnership in human capital policy development and implementation - the ENP East region

In 2010, the support to the European Commission was provided through a series of presentations on employment, business and education cooperation and as contributions to platforms 2 and 4 of the Eastern Partnership. Specific country assistance was provided to Ukraine for the twinning project on VET and to Georgia for the design of the sector support strategy.

In cooperation with DG EMPL, the analysis of employment policies and trends in the region covered by the Eastern Partnership were discussed with the partner countries in a regional seminar organised in Odessa, Ukraine.

The ETF continued to provide inputs to the Commission services in the context of the mobility partnerships. (*Specific objectives 2 and 4, function 1*)

In the area of building policy capacities, ETF actions were highly targeted. The ETF provided support to stakeholders on the development of occupational standards in the Republic of Moldova and the assistance was complemented by focussing on national qualifications frameworks, the recognition of prior learning and the development of education legislation. In addition, discussions were held with stakeholders in Ukraine and Belarus on the findings of the employment reviews and also in Ukraine on the contribution of education to competitiveness. In the Caucasus, the ETF focused on school management in Armenia, quality assurance in Georgia and the national qualifications framework in Azerbaijan. A workshop was run on post-secondary vocational education for the region as a whole and support was provided for school optimisation in Ukraine. (*Specific objectives 5 and 6, function 2*)

In 2010, the ETF completed a comprehensive analysis of assistance needs in the region in collaboration with national stakeholders as part of the *Torino Process* and undertook a review of human resource development policies and programmes in the Republic of Moldova. This analysis will guide further ETF support in the region. It is complemented by employment reviews conducted for the region as a whole, and for Azerbaijan and Belarus specifically. The strong analytical focus is further supported by education and business cooperation reviews undertaken for all the countries of the region. (*Specific objectives 1, 5 and 6, function 3*).

The ETF facilitated a study tour of Armenian social partners to Austria and disseminated information in Ukraine on national qualifications frameworks. The results of the Black Sea Employment reviews were shared with relevant counterparts in Brussels. Donor support seminars were undertaken in Armenia and the Republic of Moldova. (*Specific objective 3, function 4*).

1.8 Contributing to economic and development cooperation in human capital development in Central Asia

In Central Asia, support was provided to the European Commission through contributions to assistance packages for four of the five partner countries from the region. In Kyrgyzstan, inputs were provided to the grant scheme in the VET sector while in Kazakhstan, inputs were provided to the EU Delegation on the VET reform project. At the request of DG DEVCO, the ETF organised an inclusive education seminar in Tashkent presenting European inclusive education school models in vocational education and training. (*Specific objectives 2 and 4, function 1*)

ETF actions had a substantial regional dimension in Central Asia as the partner countries offer considerable scope for the exchange of experience and information. The ETF's work with stakeholders therefore combined country and regional activities. Its work was primarily linked to a regional project for school development and the modernisation of teaching and links between schools and enterprises. The work had a dual approach, focusing on specific technical issues while containing initiatives to stimulate dialogue. In Kyrgyzstan, actions involved a national conference on school development which was complemented by a capacity building event in Kyrgyzstan related to a lifelong learning perspective with focus on quality and management.

Capacity building workshops were also undertaken on career guidance and reinforced by the development of a national concept related to counselling and guidance. The approach to school development in Kyrgyzstan was mirrored in Kazakhstan with capacity building events and a national conference. Capacity building related to stakeholders also involved two peer learning events with Kyrgyzstan, Kazakhstan and Tajikistan: firstly, on social partnership in order to better support the interaction of vocational schools with their environment; secondly, on quality and self assessment. An exploratory capacity building event on entrepreneurship learning was conducted in Tajikistan, while in Turkmenistan workshops were held on VET management and system development (including the use of indicators) and VET reform priorities were identified in Uzbekistan. Policy workshops were also conducted on national qualifications framework developments in Kazakhstan and Turkmenistan on the interaction between VET and the labour market. (*Specific objectives 5 and 6, function 2*)

The ETF's analytical work focussed mainly on the *Torino Process*. Reports on business and education co-operation were also a key for the region in 2010. A study on the labour market and migration in Tajikistan was completed. In Uzbekistan, preparatory capacity building was undertaken on inclusive education as a contribution to project definition. For Tajikistan, written contributions were provided to the Ministry of Education on the country's new education strategy. (*Specific objectives 1, 5 and 6, function 3*).

1.9 Thematic expertise development to support activities in the partner countries

As part of its work, the ETF undertakes a range of actions through its innovation and learning programme (ILP) to develop its expertise and provide up to date and quality expertise inputs to the partner countries and the European Commission. The programme also aims to ensure that the ETF operates as a centre of debate and discussion for the broader international community on human capital development issues. The programme has been in operation since 2007 and accounts for 20% of the ETF's operational budget. It is implemented through the (i) communities of practice that capture developments at EU and international level in the field of their expertise as well as experience gained by the ETF through the implementation of its activities in the countries and regions for their broader dissemination and (ii) the innovation and learning projects. The main achievements in 2010 of the innovation and learning programme are presented below.

The Communities of practice (CoP) informed the ETF's work and disseminated information to the partner countries in the following thematic areas: qualifications systems and frameworks including quality; tertiary education; employment and labour market; indicators and data for evidence-based policies; transition from school to work; sustainable development and VET

The Community of Practice on qualifications systems and frameworks focused its work on the documentation and analysis of NQF developments in the partner countries. A series of publications were produced: an inventory of recent NQF developments in ETF partner countries, the Transnational Qualifications Frameworks study, the Developing Qualifications Frameworks in EU Partner Countries book. The members of the Community of Practice participated actively in DG EAC working groups and expert groups (EQF Advisory Group, ECVET, EQAVET, Learning Outcomes Group) in order to keep up to date with EU developments in the field and for exchange of views and examples of good practice.

The Community of Practice also organised a peer learning activity (with DG EAC and Cedefop) on "National Qualifications Frameworks: an international perspective" and formulated a proposal for the launch of an electronic Qualifications Platform as an instrument for information and exchange among experts and practitioners that was approved by the ETF Governing Board.

The Community of Practice on **tertiary education** worked on the development and potential of professionally-oriented post-secondary education. A corporate conference was organised to discuss the added value of this level of education in terms of improving the labour market results of young graduates and opening new pathways and social mobility in the context of the partner countries. The conference drew on related European policies and case studies with a view to sharing experience and facilitating mutual learning among EU Member States and partner country experts and policy-makers. The external dimension of EU developments was emphasised.

The Community of Practice on **indicators and data for evidence-based policies** provided valuable input to the implementation of the Torino Process. It defined relevant indicators and identified data and information sources that can document challenges and progress of the VET systems in the partner countries. It also supported data collection and assessment so as to ensure a sound evidence-based analysis of the *Torino Process* country and regional reports.

The Community of Practice on **transition from school to work** focused on career guidance, apprenticeship schemes and specific measures for facilitating young people's transition from school to work. The Community of Practice disseminated the results of ETF experience in the partner countries with the preparation of a policy brief on 'Career guidance in ETF partner countries – the missing link in transitions in education and the labour market'; a study on

mapping apprenticeship supply in 29 ETF partner countries and the organisation of a workshop with Unesco on the topic.

The Community of Practice on **employment and labour market** focused its work mainly on the analysis of the New Skills for New Jobs Agenda and its relevance for the partner countries with the aim of feeding it into future ETF work in the countries and regions.

Finally the Community of Practice on **sustainable development and VET** focused its work on the exploration of how VET can contribute to sustainable development taking stock of the experience of bilateral and international agencies and the partner countries themselves. For this purpose an expert meeting was organised on 23 November 2010 with participants from partner countries, international organisations and bilateral assistance organisations. The results of the meeting will feed into future ETF work in the area.

The four Innovation and Learning projects launched in 2008 accomplished their activities and further dissemination of their results will take place in 2011. The ILP on Women and Work accomplished the three national studies in Tunisia, Jordan and Egypt and provided information to policy makers in the countries as well the EC and the international community on the gender disparities in education and labour market. The ILP on flexicurity and the role of lifelong learning accomplished analyses in Morocco, Kazakhstan, Ukraine and Turkey and the results were discussed with a broad range of stakeholders (except in Morocco where the final discussion will take place in January 2011) thus feeding into the national policy debate on future education and training policies that ensure flexible and secure labour markets. Furthermore, the ILP on human capital development reviews accomplished the studies in the Republic of Moldova and Tajikistan and disseminated their results to the national stakeholders bringing the issue of equity in education and training and its positive impact on the human capital development of the countries to the forefront of the discussions.

The *Torino Process*: Evidence-based policy making

In 2010, the ETF started the first year of its systematic initiatives in evidence-based policy making for partner countries and territories known as the *Torino Process*. The process is a participatory review of progress in vocational education and training policy. It will be carried out every two years by all ETF partner countries with ETF support. The *Torino Process*:

- supports evidence-based policy making in partner countries, with a view to improving the contribution of VET to sustainable development, and in particular competitiveness and social cohesion;
- serves as a basis for the design of the ETF's support strategy to these countries; and
- informs the ETF's recommendations to the European Commission for EU external assistance and is a resource available for the programming of aid by the donor community.

A standard analytical framework was developed by the ETF by adapting the structure of the EU Bruges Report to the specific context of the partner countries. The framework covered the policy vision of the partner countries as well as external efficiency, internal efficiency and innovation and entrepreneurship. This structured approach facilitated both the comparability of analysis across the partner countries, as well as policy learning across the partner countries and with the EU Member States.

The participatory methodology developed by the ETF for the *Torino Process* was also inspired by the Bruges Review and more generally the Open Method of Coordination.

In the 2010 round of the *Torino Process*, 22 partner countries participated directly in the exercise. A further six countries were also engaged in evidence-based policy assessments either through the Bruges review (Croatia, the former Yugoslav Republic of Macedonia, Turkey) or through human resources development sector reviews proposed DG Employment (Albania, Montenegro and Serbia). Only Algeria did not take consent to take part in 2010. In this first round, seven of the partner countries opted for a self-assessment approach, in which national stakeholders prepared an initial assessment by themselves with ETF guidance. In the remaining countries, the ETF prepared an initial assessment in consultation with national stakeholders representing both governmental and social partner perspectives.

The findings of the *Torino Process* revealed diverse reform challenges with some countries identifying the absence of adult learning strategies as a major problem and others indicating the need for more holistic approaches to quality assurance to improve the attractiveness of vocational education and its reputation relative to higher education as a destination of choice for students. All countries that participated in the 2010 *Torino Process* stated, however, that human capital development through vocational education was important to national growth and competition strategies

Education and business cooperation

In 2010, ETF support to evidence-based policy making also included an in-depth review of education and business cooperation in partner countries following a specific request from DG EAC. This review, which was carried out in 28 countries (only Algeria did not agree to take part) reviewed cooperation at both the secondary VET level as well as professionally-oriented higher education.

The reviews confirmed that, while the countries were making significant progress in reforming their VET systems, they still faced considerable challenges in developing policies and systems to:

- increase skills relevance and the employability of young graduates in particular;
- provide an integrated 'lifelong learning' response to the social demand for training
- ensure equal training opportunities for all citizens
- set up inclusive, multilevel governance structures
- provide entrepreneurship learning as a vehicle for quality and innovation

In most systems there is a need for more data to guide decision making to assist with priority-setting and to identify the areas where policy could be targeted. Other common challenges included involving social partners in vocational education policy making and governance arrangements. Fostering closer relations between the business and education communities was seen as an important way of matching the skills needs of the labour market with the qualifications of students in the education system. Improving the connections between business and education was identified as a means of shifting national systems from predominately supply-oriented systems to demand-oriented systems. Promoting such a change is expected to involve considerable investment both in terms of funding and reform efforts that aim to adapt the architecture of partner country education and training systems.

Knowledge sharing and management

In its mid-term perspective 2010-13, the ETF has recognised that it must reinforce its capacity for knowledge management if it is to fully achieve its mandate and provide timely, informed, relevant and consistent policy support to its partner countries in the broad and complex field of modern-day VET. Knowledge management complements the ETF corporate priorities for evidence-based policy making.

In 2010 the ETF introduced a new strategy called 'Knowledge in Action'. The strategy aims to develop and measure its knowledge management culture, to map and fully exploit the ETF's knowledge assets and to make use of state-of-art IT systems and tools to support both internal and external knowledge sharing. The strategy defined three specific objectives for the future development of knowledge management:

- knowledge sharing and knowledge creation;
- information management; and,
- IT tools and support.

In 2010, knowledge sharing was targeted at the following areas:

- The Torino Process
- Qualifications, including the design of a specific Global Qualifications Platform

- Entrepreneurship and Enterprise
- ETF partner country: Albania

Knowledge management has been monitored through common file structures and document templates to capture and store all *Torino Process*/education business reports and associated information. In addition, IT tools are being consolidated to improve the use of social media for knowledge sharing.

1.10 Requests from the European Commission

In addition to the activities carried out in the context of its work programme, the ETF also responds to requests from the European Commission throughout the year.

Most of the requests are related to policy advice, comments on reports, and content review inputs, presentations, facilitation or chairing of workshops, seminars in partner countries and in Brussels. Some of them are analytical reports related to EU programmes. The effort required to complete a European Commission request can vary from one working day to more the 20 working days; this also due to the variety of tasks required, as mentioned above. In 2010, the ETF spent approx. 160 working days to complete 65 European Commission requests. The time required for the requests still open will be reported in the 2011 Annual Activity Report.

In 2010, **105** ongoing commission requests were reported, of which in 62% were addressed to IPA countries, 30% to ENPI and 7% to DCI. One technical request is not linked to any of the three instruments. This represented a slight increase compared to 2009. Kosovo is the country with most requests (20% of the total), followed by Turkey 11%, and Albania 7%. In Kosovo and Turkey there are a high number of EU projects, programmes and activities related to the ETF's field and this is the reason for the higher need for ETF expertise in those countries.

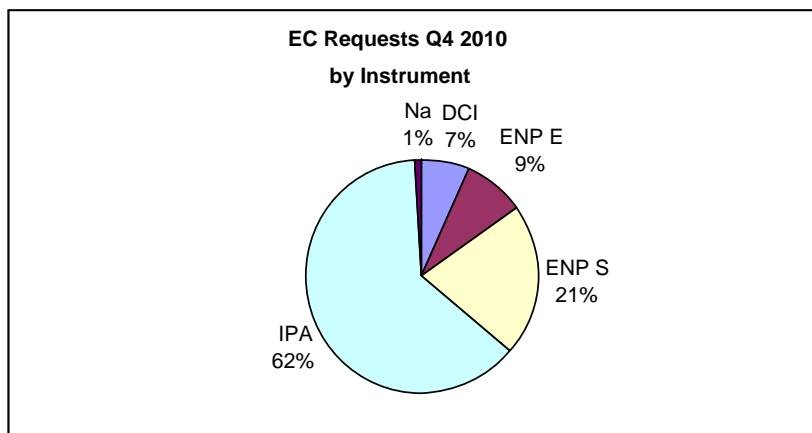


Table 7: European Commission requests by country:

Country	Total
Kosovo	21
Turkey	12
Albania	7
Egypt	6
Bosnia and Herzegovina	6
Tunisia	4
Montenegro	3
Georgia	3
Occupied Palestinian territory	2

Uzbekistan	2
Ukraine	2
Kazakhstan	2
Jordan	2
Israel	2
Armenia	2
Turkmenistan	1
former Yugoslav Republic of Macedonia	1
Other countries ¹⁰	1
Region	
IPA	15
ENPS	8
DCI	2
ENP ¹¹	1
Grand Total	105

Table 8: European Commission requests by external relations policy and project management cycle stage

	Enlargement	Neighbourhood	Development cooperation	Technical assistance	Grand Total
Programming	12	1			13
Identification	5	3			8
Formulation	6	5	2		13
Financing					
Implementation	9	1.5 ¹²			10.5
Monitoring	1	4			5
Evaluation	2.5	0.5	2		5
Content review	13.5	3	1		17.5
Policy advice	16	13	2		31
Dissemination	1			1	2
TOTAL	66	31	7	1	105

The ETF continues to work mainly with EU Delegations (40%) and with DG Employment (16.19%), DG Enlargement and DG EAC (8.57%), DG Relex and DG DEVCO (4.76%).

¹⁰ In 2010, the ETF was requested by DGEAC to provide an overview of ETF's work and experience to a visiting delegation from Mexico.

¹¹ This request refers to the overall Neighbourhood region

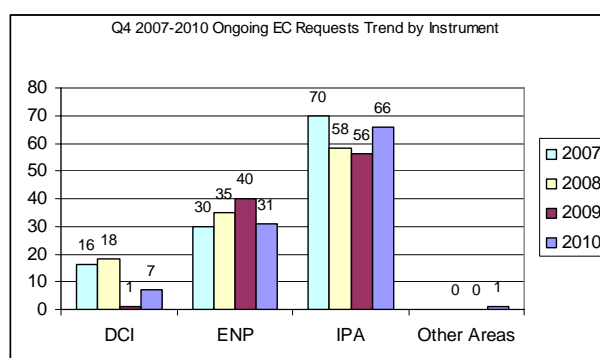
¹² The number of requests expressed in decimals refer to requests covering several project cycle phases at the same time

Table 9: Commission requests by Commission service and external policy

Requestor	DCI	ENP E	ENP S	IPA	OTHER	Grand Total
DEVCO	3		1	1		5
DEVCO, DG EMPL			1			1
DG EAC		1	7	1	1	10
DG EMPL	1	1	3	12		17
DG ELARG				15		15
DG ENTR			1	2		3
EEAS	1	3	1			5
DG ECFIN			1			1
EU Delegation	2	4	7	29		42
EU Delegation, DG ELARG, DG EMPL				3		3
EU Delegation, SIDA (Donor focal point in Kosovo)				1		1
European Parliament				1		1
Other ¹³				1		1
Grand Total	7	9	22	66	1	105

Table 10: Annual trends in European Commission requests 2007-2010

	2007	2008	2009	2010
DCI	16	18	1	7
ENP	30	35	40	31
IPA	70 ¹⁴	58	56	66
Other Areas	0	0	0	1
Trend	116	111	97	105



Overall, the number of requests varies annually. The number of requests in 2010 increased, following a slight fall in 2009. Overall the trend since 2007 has been stable.

¹³ UNDP, Europe and the CIS Bratislava Regional Centre

¹⁴ In 2007, DG ELARG requested a Country Note for each of the countries and territories supported through the Instrument for Pre-Accession (IPA), which was launched that year. This specific request increased the figures corresponding to 2007 above the annual EC normal number of requests.

1.11 ETF Communication

To support ETF activities in general and its expertise activities in particular, the ETF was engaged in a number of communication and promotional activities and initiatives in 2010. The ETF published a number of publications and periodicals, implemented events, carried out media activities and website updates as well as work in the social media area.

Objective 1 was to provide new tools for regular information exchange with ETF stakeholders particularly at European level and in the partner countries. This was achieved by the publication of:

- three issues of the ETF magazine (Live and Learn),
- three policy briefings,
- seven leaflets and brochures,
- seven flagship publications and reports, and
- 40 working papers.

The Editorial Board held its annual meeting in Turin on 26-27 April.

Objective 2 was to promote the ETF's new role and its expertise publications. A major effort was made to promote the ETF and its new corporate identity through different activities at the beginning of 2010.

The ETF also worked on enhancing dialogue-generating and face-to-face communication (**objective 3**) through 38 events and visits that were centrally organised during the year. Among the main ones were:

- The international women and work conference in Turin on 7-8 March 2010;
- 'Linked Learning - Can options on post secondary vocational education and training make a difference' – and education policy conference on post-secondary VET held in Turin on 25-26 October 2010; and
- The promoting social inclusion conference in Brussels on 2-3 December 2010

The two Governing Board meetings (Turin, 14-15 June and 24 November) were followed respectively by thematic meetings on the Black Sea employment reviews and entrepreneurial learning, 'Boosting entrepreneurial culture through innovative learning: issues and implications of policy and practice in ETF partner regions.

Objective 4 was to enhance the media coverage of ETF activities and human capital development issues and this was achieved through a variety of activities. One of the most noteworthy was the broadcasting of a 20 second advertisement on Euronews in seven languages 56 times over two weeks in February and March 2010. Results show that 4.4 million viewers in 20 countries saw it and learned about the ETF. The ETF continued to appear in a number of traditional, national and international media.

2010 also marked a breakthrough in use of social media to communicate ETF's work and activities, in particular around corporate events. The use of social media has proven to be a strong channel for reaching not only policy makers, experts and practitioners but also new audiences interested in human capital development. Work will continue on developing the ETF's social media presence in 2011. As a proof of these efforts, the ETF was selected to receive a prestigious Gold Quill Merit Award from the International Association of Business Communicators (IABC). The ETF's innovative use of social media in events in 2010, especially for the Women and Work and Promoting Social Inclusion conferences, was also nominated for the European EMerald Award.

Internal communication activities included the production of six internal newsletters and numerous all staff and unit/department meetings.

1.12 Stakeholder management

In 2010, the ETF also continued to invest in its relations with European Commission services, in particular DG Education and Culture (its DG *de tutelle*) and other DGs (External Relations, Enlargement, Development and Cooperation - EuropeAid, Employment, Social Affairs and Inclusion, Enterprise and Industry, Home Affairs and Justice).

Cooperation with other EU agencies was enhanced, in particular with Cedefop, through the exchange of expertise and the promotion of synergy and complementarity in terms of activities.

The ETF was also very active in its relations with the European Parliament committees and established close links with the European Economic and Social Committee and the Committee of the Regions. The European social partner organisations, such as Business Europe, UEAPME, Eurochambers and the ETUC actively participated in ETF events organised during the year.

The ETF cooperated closely with the EU Presidencies of Spain and Belgium, with particular attention given to the development of VET, VET competences, social inclusion, quality assurance in VET and cooperation between education and enterprises. Particular attention was given to cooperation with the institutions from the EU Member States active in the area of human capital development in the ETF partner countries.

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

The ETF continued to be active in interagency cooperation on vocational education and training and hosted the meetings of the sub-working group on indicators for monitoring vocational education and training and the sub-group on entrepreneurial learning.

Annex 14 outlines the cooperation with Member States undertaken during the year.

Summary

Part I summarised the activities and results achieved in each of the four regions and in the thematic expertise development area, and inside these sections presents the work organised by function and distinguishes between country-based and regional activities. It has also described other activities including knowledge management, communication and stakeholder management.

In 2010, the ETF:

- effectively implemented the first year of the mid-term perspective 2010-13, reflecting a better alignment of its activities with its new mandate including greater diversity in the work it provides to the European Commission and a growing focus on policy support;
- achieved the objectives set in the annual work programme, and the total actual number of outputs and activities recorded in the report provides evidence for such an achievement;
- successfully implemented the first year of the Torino Process, which provides a concise, documented, comprehensive analysis of vocational education and training (VET) reform in each country, including the identification of key policy trends, challenges, constraints, as well as good practice and opportunities.
- accomplished remarkable achievements in its four regions (the school development project in Central Asia, the Black Sea Employment Reviews and the meeting in Odessa; the qualifications project in the ENP South region and the human resources development reviews in Albania, Montenegro and Serbia) and in thematic expertise development (qualifications and social inclusion and cohesion and the role of trainers in promoting it).

PART II: Governance and management

2.1 ETF Governing Board activities

In 2010, the governance functions and powers of the ETF Governing Board were exercised during the two plenary meetings (14 June 2010 and 24 November 2010) and through the written procedures.

During the meeting in June 2010, the following documents were adopted by the Governing Board:

- the 2009 ETF Annual Activity report,
- the Analysis and Assessment of the ETF Annual Activity Report 2009 as well as the Opinion of the Board on the ETF Annual Financial Accounts 2009.
- On 24 November 2010, the ETF Governing Board discussed and approved:
 - the ETF 2011 Work programme,
 - the ETF 2011 Draft budget,
 - the amended ETF 2010 budget; and
 - the ETF provisional draft estimate of revenue and expenditure and underlying general guidelines 2012.
- the Memorandum of Understanding between ETF and Inwent Germany, the Protocol regarding the implementation of the joint activities in Syria between the ETF and the State Planning Commission, the Memorandum of Understanding between ETF and ILO on entrepreneurial learning in Lebanon; and the Memorandum of Understanding between ETF and UNESCO on entrepreneurial learning in Lebanon were adopted by the Governing Board.

The ETF Governing Board approved through the written procedure the following documents:

- IAS Strategic Audit Plan for 2010-12;
- The ETF policy on protecting the dignity of the person and preventing psychological and sexual harassment;
- Implementing Rules to the Staff Regulations - guide to missions;
- Rules for implementing art 44(2) of the Staff regulations as regards middle and senior managers and article 7(2) as regards temporary management posts;
- Modification of the 2011 ETF Establishment Plan ETF-GB-10-034;
- the Protocol of Cooperation between the European Training Foundation and the Ministry of Education and Science of the Republic of Kazakhstan, AGR/10/ETF/02.

In April 2010, Governing Board members participated in the meeting of the working group on Annual Activity Report 2009 and Work Programme 2011. At the same time, they were requested to express their interest in participating in the activities of the working group on planning, monitoring and evaluation and on budgetary issues. Also, in 2010, Governing Board members attended several ETF meetings organised at regional or corporate level, sharing with the partner countries their experience and expertise in the field of vocational education and training. With the support of the Governing Board members, the ETF organised 11 study visits for partner country representatives in relevant institutions from the EU member states.

2.2. Management: supervision and control

The main driver for ETF management, as clearly set out in the ETF Work Programme 2010, is its mandate. A sound and efficient management of the organisation during 2010 made a significant contribution to the implementation of ETF mission statements and operational objectives defined at planning stage.

The ETF was formed by the following administrative structures, each operating within its own specific field of responsibility and in charge of the performance of its own set of tasks:

- The Directorate;
- The Planning Monitoring and Evaluation Unit (PME);
- The Operations Department (Ops);
- The ETF Communication Unit (ECU);
- The Administration Department (AD).

The ETF management was composed of the following members of the management team: the Director, the Head of PME, the Head of OPS, the Head of ECU and the Head of AD; and by the following members of the management committee: the three Deputies of OPS, the Head of Human Resources (HR) and the Head of Finance and Procurement (Finproc) in AD. Annex 1 shows the ETF Organigram.

In 2010, significant developments improved and reinforced management supervision and control of ETF activities. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and in resources management. This section provides an overview of the main activities and tools for management supervision and controls in the ETF in 2010. Sections 2.2.1 to 2.2.10 describe the key features of this progress in more detail.

Considering the ETF's organisational structure, resources and size, ETF management supervision and control over the implementation of the 2010 work programme activities has been performed during the year using the following main activities and tools:

- Meetings (section 2.2.1.)
- Reports (section 2.2.2)
- Performance management and corporate performance indicators framework (section 2.2.3)
- The Dashboard project: An activity monitoring system (section 2.2.4)
- The risk management process (section 2.2.5)
- The delegations and accountability chains (section 2.2.6)
- The administration functional analysis (section 2.2.7)
- The operations institutional and functional analysis (section 2.2.8.)
- Financial management (section 2.2.9.)
- Human resources management (section 2.2.10.)
- Document management (section 2.2.11.)
- Data protection (section 2.2.12)
- The functioning of the ETF internal control standards (section 2.3)

2.2.1 Management meetings

- Senior Management meetings: monthly meetings are organised in line with an annual plan which is driven by statutory deadlines and requirements, internal processes and

operational milestones. The outcomes of senior management meetings are recorded and followed-up;

- Operations Department coordination meetings;
- Administration Department coordination meetings;

2.2.2. Reports

- On line weekly reports on ETF budget implementation;
- Quarterly progress reporting on:
 - The progress of implementation of all WP activities. The reporting is centrally coordinated by the Planning Monitoring & Evaluation Unit (PMEU) which gathers and assesses management information including measurement of progress against planned outputs and objectives and identification of any risks and or delays in the implementation. The quarterly report also provides aggregated data on human resources investment deriving from time recording system and monitors corporate performance through a set of indicators and targets. Quarterly reports contain both quantitative and qualitative aspects on the WP implementation progress, and aim at informing the analysis and decision making of the Management Team.
 - The financial and procurement status; and
 - The status of action plans to respond to internal, institutional and external audits and risk assessments.

2.2.3. The performance management and corporate indicators framework

The ETF seeks an institutional commitment to quality and a continuous improvement of performance, to achieve its strategic objectives and accomplish its planned activities, as approved by the Governing Board. In 2010, the ETF made significant steps towards the definition and implementation of a performance management framework which links the main organisational management processes of planning, monitoring, evaluation, risk management and reporting with the corporate performance indicators and the outputs that the ETF is expected to meet each year and in the mid term perspectives.

The ETF performance management framework is designed to improve the provision, the analysis and the application of the ETF's organisational management information and knowledge to identify and address risks and opportunities and to improve its performance. It focuses on the management of results across all its key management processes. The performance management framework covers ETF's activities carried out in terms of implementing its mid-term perspective.

Planning

The revised ETF policy adopted in November 2010¹⁵ strengthens the role of the organisational planning process to provide the logical framework to report on the achievements of strategic objectives of the ETF from the mid-term perspective, through its annual work Programme, to an annual management plan that provides a corporate framework for project plans undertaken by ETF Departments and Units, and individual objective planning.

Monitoring and evaluation

The ETF has also updated and reinforced its monitoring and evaluation policy to reflect the revised planning approach and the tools and methods, which are in the process of being implemented to ensure added value and cost effectiveness of the process. Monitoring and evaluation are an integral part of ETF activities and its overall aim is to serve as a tool for performance management, for quality assurance and for continuous organisational learning and improvement. The three planning and reporting dimensions (geographical, thematic and functional) are used to identify the corporate outputs that the ETF uses to measure the achievement of work programme objectives. Monitoring is performed through three different

¹⁵ ETF/10/DEC/032

sub-processes: quarterly reporting (see section 2.2.1.), qualitative assessment of projects and outputs and stakeholders' satisfaction assessments.

In the above context, the ETF, further defined its corporate performance indicators with the aim of enhancing the relevance and measurability of its objectives and providing data on how the ETF performs at an aggregated level in relation to its core business and its functioning as an agency of the European Union.

A revised list of ETF corporate performance indicators has been developed to feed into the planning process 2011 (see annex 3). The target of the revised list is to:

- Measure core business efficiency at the level of corporate outputs clustered by functions and specified by subcategories deriving from project outputs.
- Provide, through an incremental process, more qualitative indicators to measure quality at project level following the criteria of results oriented monitoring.
- Streamline non-core business indicators to provide the key performance information to enable the organisation and its main stakeholders to understand whether the management of organisational resources is effective and efficient.

Information on performance from the ETF (performance corporate indicators, corporate outputs, project outputs, resources consumption) is used to monitor the progress of a project or service as well as to make decisions about strategic objectives and resource allocations.

The ETF keeps its focus on monitoring and reporting on organisational and project results through instruments and tools, adding the dashboard facility designed and developed in 2010. This system is designed to ensure key live data for daily monitoring of ETF activities and notably for management monitoring and reporting.

2.2.4 The Dashboard project: An activity monitoring system

The Dashboard project is an IT based integrated performance management control system enabling ETF management to monitor progress of ETF activities and resources used in real time. The dashboard enables managers to see the current status of each project by providing three level of aggregation of "control panels" data (project, regional and corporate). The Dashboard integrates and processes live data retrieved from different existing ETF systems and databases to provide live "control panels" on the progress of ETF projects. The aim is to ensure a clear link between corporate output indicators, distribution by region, functions and core themes, and project outputs in addition to providing a cost-effective and accurate and transparent tool for daily monitoring and quarterly reporting at three levels: project level, regional/Departmental/Unit and corporate level. The project follows an incremental approach and roll out to the whole organisation. Deployment of the Dashboard is planned for the first quarter 2011 for the 2011 Work Programme.

2.2.5 The risk management process

In May/July 2010, the ETF carried out the annual self-risk assessment, including a macro and operational level risk assessment. This was planned early enough to provide input in the final draft of the 2011 Work Programme. The process covered the following steps:

- A desk review and assessment of the state of play of the ETF Risk Register 2009-10 and related action plan. All areas in the risk register 2009-10 have been addressed and actions have either been implemented or closed as of 31 May 2010 (see annex 5).
- A senior management level macro assessment of the ETF risk framework adopted by the ETF Risk Management Policy (through a questionnaire); and
- An operational management level assessment aimed at identifying and assessing risks linked to the implementation of the draft 2011 Work Programme in the frame of the mid-term perspective 2010-13 (through interviews and a workshop).

The outcome of the exercise was captured in the ETF risk register 2010-11 and the established action plan which provided input for the 2011 planning exercise and the ETF 2011 work programme 2011.

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

2.2.6 The delegation and accountability chains

The delegations and accountability chains followed in 2010 the line of command of the organisation and covered the following empowerments patterns:

- Financial delegations¹⁶, see section 3.1.1;
- Powers conferred to the appointing authority¹⁷ according to the established rules (the list of powers delegated is in annex 2) and;
- Powers conferred to the Acting Director¹⁸ according to the established rules to ensure the continuity of the management and of the representation of the ETF.

2.2.7 The administration functional analysis

In the WP 2010, ETF committed to increasing the efficiency of the organisation, and in particular streamlining and rationalising its central administration. In this context at the end of 2009 ETF launched a functional analysis of ETF Administration with a study conducted by external consultants. The aim of the exercise was to identify the core and critical administrative functions and the potential efficiency of different organisational configurations in a cost benefit perspective.

The functional analysis identified a potential to realise efficiency gains in the Administration Department by re-engineering the administrative processes and adopting IT tools that provide better support for them. The analysis proposed reducing certain functions, restructuring others or transferring them elsewhere in the organisation. The resulting picture was a significantly leaner Administration Department with 31 posts at the end of 2010¹⁹. Following this process, the software development team was moved to the Planning, Monitoring and Evaluation Unit to reinforce links with processes.

2.2.8 Operations institutional and functional analysis

In terms of ETF operations, the recast regulation approved at the end of 2008 and the Mid-term Perspective 2010-13 includes a number of key developments that will have an impact on the ETF's work including:

- a challenging and integrated framework of functions and outputs which are expected to be delivered and accounted for at country/ regional level to support partner countries and respond to Commission requests;
- the definition of Elf's thematic development framework in terms of core themes, and the expectation that ETF expertise development contributes efficiently and effectively to the operational needs at country/regional level (through methodologies, advice, policy briefings etc.)
- The introduction of the *Torino Process* as a flagship corporate policy analysis and capacity building cycle;
- an increased strategic concern for the ETF to provide consistent and coherent policy input to EU institutions, partner countries and international bodies (Copenhagen process; input to the education and employment policy frameworks; relations with Cede fop etc.)

While the ETF Strategic Framework was revised in 2009, the existing organisational structure dates from 2006, and was shaped to meet the needs of the previous strategy 2007-10. While this structure has been effective in delivering results, scope for improvement has been identified in particular regarding the focus of individual portfolios, relationship and prioritisation

¹⁶ ETF/09/DEC/020, see Part 3, 3.1.1

¹⁷ ETF/10/DEC015

¹⁸ ETF/10DEC/011

¹⁹ AD had 40 posts at the end of 2009.

between country and thematic tasks, realistic activity and budget planning and managing emerging or ad hoc requests.

In 2010, the Operations Department has analysed its structure and processes to ensure that they are aligned efficiently and effectively with its new strategic and operational framework. The analysis has taken into consideration not only the challenges of the new strategic framework but also lessons learned from the organisational approach 2007-10. The review also took into account developments in the ETF external context which are beyond the immediate control of the agency and help to ensure that the ETF can anticipate and/ or remain responsive in its operations to deal with changes in the environment, such as:

- the new EU policy frameworks (for example EU 2020, a new impetus for VET), and
- the establishment of the EU External Action Service.

Increasing priorities in certain regions (for example, Eastern Partnership, ENP South/occupied Palestinian territory, Tunisia) and uncertainty regarding the priorities in other regions (for example, Central Asia).

The ETF operations institutional and functional analysis is expected to be finalised in 2011. The imperative from the budgetary authority for the ETF to be efficient and effective in making use of and accounting for its resources is being translated into actions aiming at performance management improvement.

2.2.9 Financial management

In 2010, developments in financial management were again guided by the principles of efficiency and proportionality.

Following a risk analysis of all ETF payment transactions in 2009, a risk-based differentiation of payments circuits was successfully implemented in early 2010 introducing simplified circuits for low-risk transactions. Following the functional review of administration, the AD Department piloted a decentralised model of financial and procurement management. In this model, the processing of all financial and procurement transactions takes place at a local level within a financial cell reporting directly to the delegated authorising officer and the central financial and procurement unit is refocused on the quality control and advisory function. The model has proved successful and will be replicated throughout the organisation in 2011.

2010 was a successful year for the ETF from the budget execution perspective.

- Of the €18.832 million available as commitment appropriations in the 2010 subvention, the ETF achieved a **commitment rate of 99.9%** (compared to 99.8% in 2009 and 98.5% in 2008)
- The ETF paid **87.1%** of the amount committed (compared to 82% in 2009 and 84% in 2008).
- Including the payments on operational commitments carried forward from the previous year, of the €19.298 million available payment appropriations in 2010, the ETF achieved a **payment execution rate of 96.5%** (compared to approx. 90% in 2009 and 2008).
- The ETF has more than halved the number of **budgetary transfers to 15** in 2010, compared to 33 in 2009, and **carried forward only 12.8%** of the 2010 amount committed (compared to 17% in 2009, 15% in 2008).

In addition, an important 2010 milestone was the switch to the European Commission accounting system ABAC, which has improved the compliance and efficiency of the agency's financial management (See Annex 9, 10 and 11).

2.2.10 Human resources management

The ETF recognises that human resources are its main asset in delivering its mission and work programme objectives.

In this context, during 2010 ETF:

- Further strengthened its recruitment procedures by enhancing the completeness and transparency of the documentation;

- Drafted new Implementing Rules on performance appraisal and promotions, and reviewed the Annual Dialogue process to take account of these new developments;
- Reviewed and updated its job descriptions and core competences framework to increase clarity on staff roles and tasks and the related competence requirements.

The ETF ended 2010 with only four vacant posts in its establishment plan, compared to 10 at the end of 2009. ETF staff grew by five from 123 to 128, with 15 staff members joining the agency and 10 leaving in 2010²⁰. See annex 8.

2.2.11 Document management

In 2010 ETF introduced:

- an improved correspondence registration tool, which enables an accurate and efficient tracking system and follow-up related to incoming correspondence;
- an update of specific rules on the handling of confidential documents, complementing the existing rules on correspondence registration, filing and archiving;

2.2.12 Data protection

In 2010, the implementation of the European Data Protection Supervisor recommendations on the ETF procedures and awareness rising among ETF staff were the two main activities carried out in the field of protection of personal data. In this respect, ETF data controllers together with Data Protection Officer revised the relevant procedures on recruitment, flexitime, annual dialogue and events management in accordance with the EDPS guidelines. In addition the procedure on management of health data has been submitted to EDPS scrutiny.

2.3 The functioning of the 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:

- a) Mission and values;
- b) Human resources;
- c) Planning and risk management;
- d) Operations and control activities;
- e) Information and financial reporting;
- f) Evaluation and audit

No significant or material weaknesses of the ETF internal control system became evident in 2010. The controls in place worked as intended and the requirements adequately implemented.

The results of the 2010 internal control system review and assessment provide reasonable assurance for a positive assessment of ETF compliance status with all internal control standards requirements.

The table below shows the results of the risk based self-assessment exercises carried out annually by the ETF management and internal control coordinator since the internal controls

²⁰ The four vacant posts are partially the result of turn-over (despite the effort in recruiting 15 new staff, another 10 left the ETF; in addition, some recruitment processes were running at the end of the year), partially due to budgetary reasons.

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	% of responses 1-2 ²¹ Adequate system in place / slight improvements	% of responses 3-4 Significant improvements needed / no system in place	No assessment level indicated (%)
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 %

The annual review and risk based self assessment exercise of ETF internal control systems supports the organisation to generate assurances on the correct functioning of the systems in place, verify results, identify potential concerns and plan corrective actions. The full results of the 2010 review and assessment is in annex 6 of the report.

2.3.2 Effectiveness of the implementation of prioritised control standards

It is a well established procedure²² 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 the 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 2010 prioritised the building blocks 1 "Mission and values" and 3 on "Planning and Risk management".

With reference to the standards of building block 1, "Mission and values", the reasoning for prioritisation was the following:

- The need to strengthen internal and external communication on ETF mission statement and vision with reference to new ETF mandate;
- The need to ensure that the individual staff objectives including management reflect ethical and organisational values and those objectives are considered within the performance appraisal process.

In 2010, the related standards were effectively implemented through the following main activities:

- Regular "All staff meetings" which included reporting by Director and by staff on ETF projects/activities which reflect ETF mission, mission statement and vision;
- Increased internal and external communication actions, including print and on-line communication on the ETF's mandate and mission, audiovisual presentations, a new ETF brand model, events at local and international level and promotional material.
- Reviewing annual objectives setting and performance appraisal process to effectively take in the issue of ethical and organisational values and by reinforcing the related guidelines and qualitative monitoring of the process.

²¹ Since 2005 the ETF has made use of the "iCAT" tool made available by DG Budget for review and assessment of ICS. The questionnaires are than adapted and tailored to the ETF specific environment but the assessment score remains aligned with the one used by the EC and 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.

²² ETF/PROC/26

With reference to the standards of building block 3 “Planning and Risk management”, the reasoning for prioritisation was the following:

- The need to bring forward the time schedule for 2011 work programme and update the ETF strategic planning and programming procedure to reflect key milestones of the process); and
- The need to further develop the concept on indicators at different levels of the planning process and ensure corporate indicators cascade down from strategic objectives of organisation including administration.

During 2010, the related standards have been effectively implemented by the following main activities

- Further elaboration and implementation the ETF planning policy including updating of related procedures, timeframe, guidelines and templates to cover the whole process of ETF planning and programming.
- Development of a revised list of ETF Corporate Performance Indicators to feed into the planning process 2011. During 2010 ETF corporate indicators have revised with the aim of enhancing the relevance and measurability of its objectives and to 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 In parallel to the process of further definition of its corporate performance indicators, in 2010, the ETF also developed the “dashboard” project, which aims to ensure key live data for daily monitoring of ETF activities and notably for management monitoring and reporting (see section 2.1.3.4. above).

2.3.3 Conclusion

The main elements of appreciation and evidence of the functioning of ETF internal control standards in 2010 are illustrated in section 2 and 3 of this report.

Taking into consideration the key developments which took place in 2010 in the organisation and its management supervision and control processes, and in particular:

- - the performance management an corporate indicators framework ,
- - the institutional and functional analysis processes;
- - the risk management process; and
- - the financial and human resources management processes;

the ETF internal control standards can be considered as working as intended and thus providing reasonable assurance to adequately 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. These developments covered changes in the organisational structure, changes in internal processes and systems, procedures and workflows and in resources management. In particular, the functional analysis of administration, the institutional and functional analysis of operations and the move towards an effective performance management system should be highlighted.

The report records very good results from the resources management perspective:

- Of the €18.832 million available as commitment appropriations in the 2010 subvention, the ETF achieved a **commitment rate of 99.9%** (compared to 99.8% in 2009 and 98.5% in 2008);
- The ETF paid **87.1%** of the amount committed (compared to 82% in 2009 and 84% in 2008);

- Including the payments on operational commitments carried forward from the previous year, of the €19.298 million available payment appropriations in 2010, the ETF achieved a **payment execution rate of 96.5%** (compared to approx. 90% in 2009 and 2008).
- The ETF halved the number of budgetary transfers to 15 in 2010, compared to 33 in 2009, and carried forward 12.8% of the 2010 amount committed (compared to 17% in 2009 and 15% in 2008).

In 2010, the ETF:

- executed its activities within the resource framework adopted by the Board;
- continued to implement a comprehensive system of internal controls, quality and risk management ensuring a proportional compliance and effectiveness of internal procedures.

PART III: Building blocks towards the declaration of assurance

Besides the management supervision and controls and the internal control standards fully described in part 2, this section explains the specific building blocks which underpin the reasonable assurance given by the ETF Authorising Officer in her declaration of Assurance in part 4 of the annual activity report.²³

The ETF has a policy²⁴ to define the materiality criteria for the Authorising Officer to base her decision where a reservation should be included in the annual declaration of assurance in the context of annual activity reporting. The policy is 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 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 annual declaration of ETF director.

For each 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.

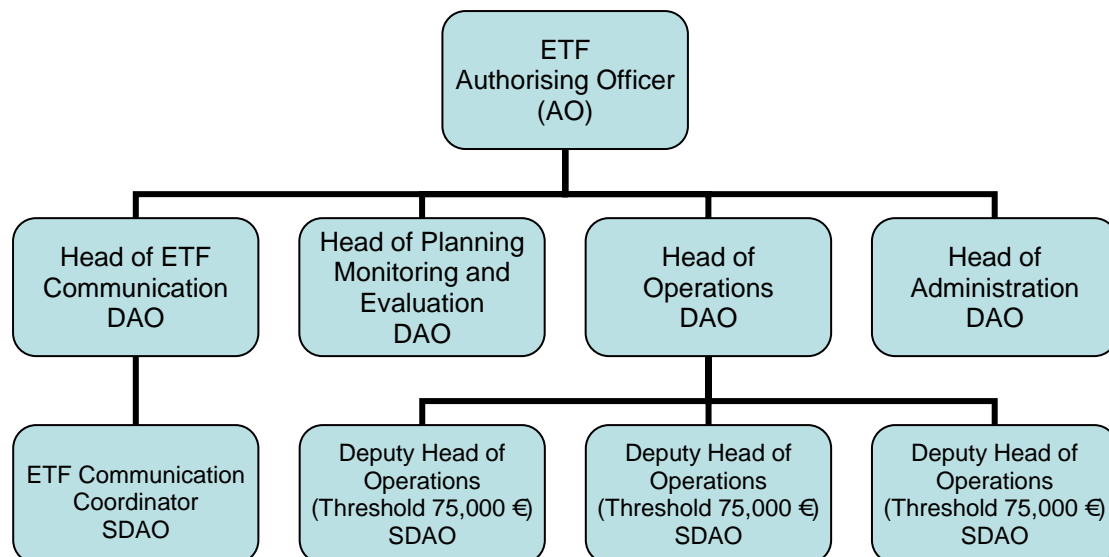
3.1. Building Block 1: Assessment by management

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

In 2010, the budgetary implementation powers were delegated by the Authorising Officer through a director's decision, 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 acts of 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 diagram shows the 2010 delegation model:

²³ In line with the standing instructions for Annual Activity Reports SEC(2010)1333

²⁴ (ETF/09/DEC/018)



Since 2008, the ETF has a system of end-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 delegation signed at the beginning of the financial year.

In 2010, the ETF has reinforced the framework of building block supporting the AO declaration of assurance by providing, in annex to each declaration of assurance signed by (S) DAOs, the respective budget execution rates (covering commitment, payment and carry forward) with explanations of any deviations/changes occurred during the year (in line with the related outputs 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 are requested to 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 2010 end of year declaration of assurance in cascade is in annex 7 of the report.

Register of exceptions

ETF has had a register of exception procedure in place since 2005. The overall objective of the procedure is to establish appropriate arrangements to ensure that the ETF Director and Management register any exceptional circumstances of significant instances of the overriding of controls or deviations from the established and in force ETF regulatory framework; and report them to the Governing Board and Discharge 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.

Overall in 2010, 10 exceptions were registered (12 in 2009). None of them involves a financial risk higher than €50,000 (1 in 2009).

Altogether, these exceptions have a total financial value of **€100,183** which represents **0.53%** of the total ETF budget in 2010 (€18,832 million). This represents a significant decrease compared with previous years both in terms of the total financial value (€322,476.43 in 2009, €201,533 in 2008 and €223,661 in 2007) and the total number of exceptions (12 in 2009, 24 in 2008 and 11 in 2007).

Direct agreements

Overall in 2010, the ETF stipulated eight direct agreements with external contractors none of which has a financial exposure higher or equal to 50,000 (and above 5,000). The total value of direct agreements is 93,575, which represented **0.50%** of the total ETF budget in 2010 (€18,832M€). The table below lists the direct agreements stipulated in 2010:

Contract / Order form no.	Contractor's name	Value	Title of the purchase
CON/10/ETF/0027	Regus Business Centre Italia	6,870€	Provision of ETF off-site emergency office for business continuity purposes
OF80893	Anthem Books	7,200€	Production of a publication
OF87251	IPSA	32,000€	Advertising space at Caselle Turin airport
OF87255	Euronews	13,050€	Advertising campaign
OF83248	Verica Babic	9,500€	Complementary local expertise
OF83330	Darko Frleta	9,500€	Complementary local expertise
OF83189	Tony Feghali	9,500€	Complementary local expertise
OF82989	Institutul de formare a capacitatilor profesionale	6,000€	Complementary local expertise

3.2 Building Block 2: a) Results from audits 2010

The ETF has never received any critical recommendations by controlling bodies. This also applies to 2010 during which no critical recommendations were issued by controlling bodies. In addition, in 2010, the Internal Audit Service (IAS) and the European Court of Auditors (ECA) expressed their appreciation on the constant improvement effort put by the ETF in ensuring full compliance with its regulatory framework. As a consequence both audit bodies have only carried out one audit site visit to the ETF in 2010.

Internal Audit Service

As planned in the IAS Strategic Audit Plan 2010-12, the IAS carried out an audit on ETF planning and monitoring process in February 2010. The final audit opinion²⁵ states that the internal control system in place within the ETF provides reasonable assurance regarding the achievement of the objectives of the annual planning process with the exception of one very important recommendation, which relates to the monitoring framework and requires the ETF to “describe the utility and added value of the new planning approach”. Regarding annual planning, no findings or observations were made that would have given rise to critical or very important recommendations.

The focus of IAS recommendations is to ensure clear communication about ETF planning approach as deriving from the new mandate and the ETF's role and added value in the context of EU external relations policies. Indeed the ETF has addressed these important issues directly in the draft 2011 Work Programme.

In September 2010 the IAS also facilitated an ETF IT risk self assessment exercise. The IAS exercise was not an audit and the report does not contain an IAS opinion. However, as result of the self-assessment, the report lists a number of risks which the ETF is managing according to an established action plan. Risks relate to the following CobiT ²⁶areas: IT strategy and IT organisation communication, roles and responsibilities, stakeholder commitment, testing of the disaster recovery plan and application integration.

²⁵ IAS.A-2010-W ETF-001, 21 May 2010

²⁶ CobiT 4.1 is an internationally accepted standard for IT governance and control.

European Court of Auditors

In March 2010, the European Court of Auditors audited the annual accounts of the ETF, which comprises the “financial statements and the “reports on implementation of the budget for the financial year 2009 and the legality and regularity of the transactions underlying those accounts. The Court provided a positive opinion on the reliability of the accounts and on the legality and regularity of the transactions underlying the accounts. The Court made one comment with regard to the procedure for drawing up the budget which led to a considerable number of transfers. The ETF has already put in place tighter monitoring and control of budget transfers to limit the number of transfers and prepared measures to further enhance budget planning and forecasting for the 2011 financial year. In addition, the ETF has started publishing a payment schedule in accordance with Article 31(2) (c) of the Financial Regulation starting from the 2010 amending budget.

ETF ex post audit programme 2010

In addition to the audit carried out by institutional bodies, in 2010 the ETF commissioned the following ex post audit assignments through a framework contract with external audit companies²⁷:

- an ex post regularity, system and performance audit of the ETF budget carry forward exercises 2008 and 2009; the final audit opinion concluded that on the basis of the review of the regulatory framework, and the procedure for carry forward and the sample testing undertaken, the system in place at the ETF provides reasonable assurance of compliance with legal requirements of article 10 of the ETF Financial Regulation related to carry forward. The exercise supported the ETF in setting adequate measures to manage and mitigate the risk related to carry forward.
- an audit of ETF legal function to review from a systemic point of view its effectiveness and efficiency in preventing and managing the legal risks inherent in the ETF’s activities; The audit was performed in autumn 2010 and the final report is under finalisation and is expected by the end of February 2011.
- Overall, the 2010 ex post audit programme showed no significant weaknesses in ETF 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

As previously mentioned (sections 2.2. and 2.2.1.), the ETF has developed several tools to monitor corporate performance and projects and activities. In 2010 the monitoring exercise concentrated on the implementation process and reporting increasingly focused on results. The monitoring and evaluation policy 2011-13 also outlines a new approach for the annual survey, which has been extended to include feedback from more stakeholders and institutions and will be carried out in the first quarter of 2011.

^SSince 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)

External evaluations initiated by the ETF

The evaluations from the previous year, entrepreneurial learning and ETF publications were finalised. Both evaluation recommendations were discussed and most of the action points based on the recommendations of the evaluation were addressed by the ETF during the year.

The main findings with regards to entrepreneurial learning were to develop a policy which would include a longer term strategy for the countries involved. It was also recommended to ensure stability over the use of the policy index and to develop tools and support services for partner countries to manage their own programmes to deliver Entrepreneurial Learning. Another recommendation focuses on mainstreaming the capacity building efforts following the policy assessment at country management level

Both evaluations highlighted the 'added value' of ETF work as being due to the fact that there was substantial experience of the countries or regions in house in education, training and labour market issues and that the ETF could act as a knowledge transfer centre bridging the European Union and the Pre-Accession and Neighbourhood countries. The publications produced by the ETF were seen to be objective as they are produced by an independent body not operating for commercial purposes.

In 2010, two evaluations, i) the effectiveness of the ETF approach used for planning and implementation of country projects, and ii) the Innovation Learning Programme (ILP) were carried out and feedback sessions of the findings and recommendations held. Plans of action to address the recommendations will be prepared in the first quarter of 2011.

The main challenge facing the ETF with regard to the implementation of the country projects was to combine rigorous planning with flexibility by continuing to be responsive to ad hoc requests from the partner countries and the European Commission. On the other hand ILP implementation was seen to have had much flexibility but in the future needed more rigorous planning and clearer articulation of results in the design phase.

The lessons learnt from all evaluations is integrated into the operations of the ETF and for each evaluation completed a 'fiche contradictoire' has been prepared with the recommendations and actions and agreement reached on how to address them. Monitoring of follow-up of all the actions is done at least once, a year later and progress reported to the management.

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 2009 did not contain any reservations.

Concerning the follow up of action plan to implement recommendations from previous year audits, during the annual follow up review carried out by the IAS²⁸ in 2010, 15 out of 19 recommendations were closed, as considered as adequately implemented. These recommendations were issued in the 2008, 2009 and 2010 audits and related to human resources management, the building blocks of assurance and planning and monitoring processes. The remaining four, all ranked as important, are ready for review during the IAS field audit visit in 2011 and require the sampling of files on site.

The table below summarises the state of play of recommendations issued by the IAS since 2005 and the status of implementation of follow up actions by the ETF, as of the IAS issue track cut off date of 31 December 2010.

²⁸ Issue track with the cut off date of 31 December 2010

Year	Audit	N° recs. issued	N° of closed recs.	N° of open recs.
2010	Planning and Monitoring	8	7	1 (I) ²⁹
2009	Follow Up Audit	1	1	0
2009	Building Blocks of Assurance	7	6	1 (I)
2008	HR Management	8	6	2 (I)
2007	Follow Up Audit	0	0	0
2005	Compliance with IAS	19	19	0
Number of IAS recommendations issued 2005 - 2010		43	39	4

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

Not applicable.

3.5. Reservations

Based on the criteria established by the ETF policy to define the materiality criteria for the ETF Director to base her decision 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 the year 2010.

²⁹ (I) Important. The recommendations which are still open and "ready for review" are the following: 2 from the 2008 HR audit: i) objective setting: individual versus organisational and ii) appraisal and promotion: objective setting. 1 from the 2009 Building blocks of assurance audit: i) introducing ex post controls on finance transactions. 1 from the 2010 audit on planning and monitoring: i) communicating about ETF role in EU external relation policies.

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 2010 gives a true and fair view³⁰,
- 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 annual management review of 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.

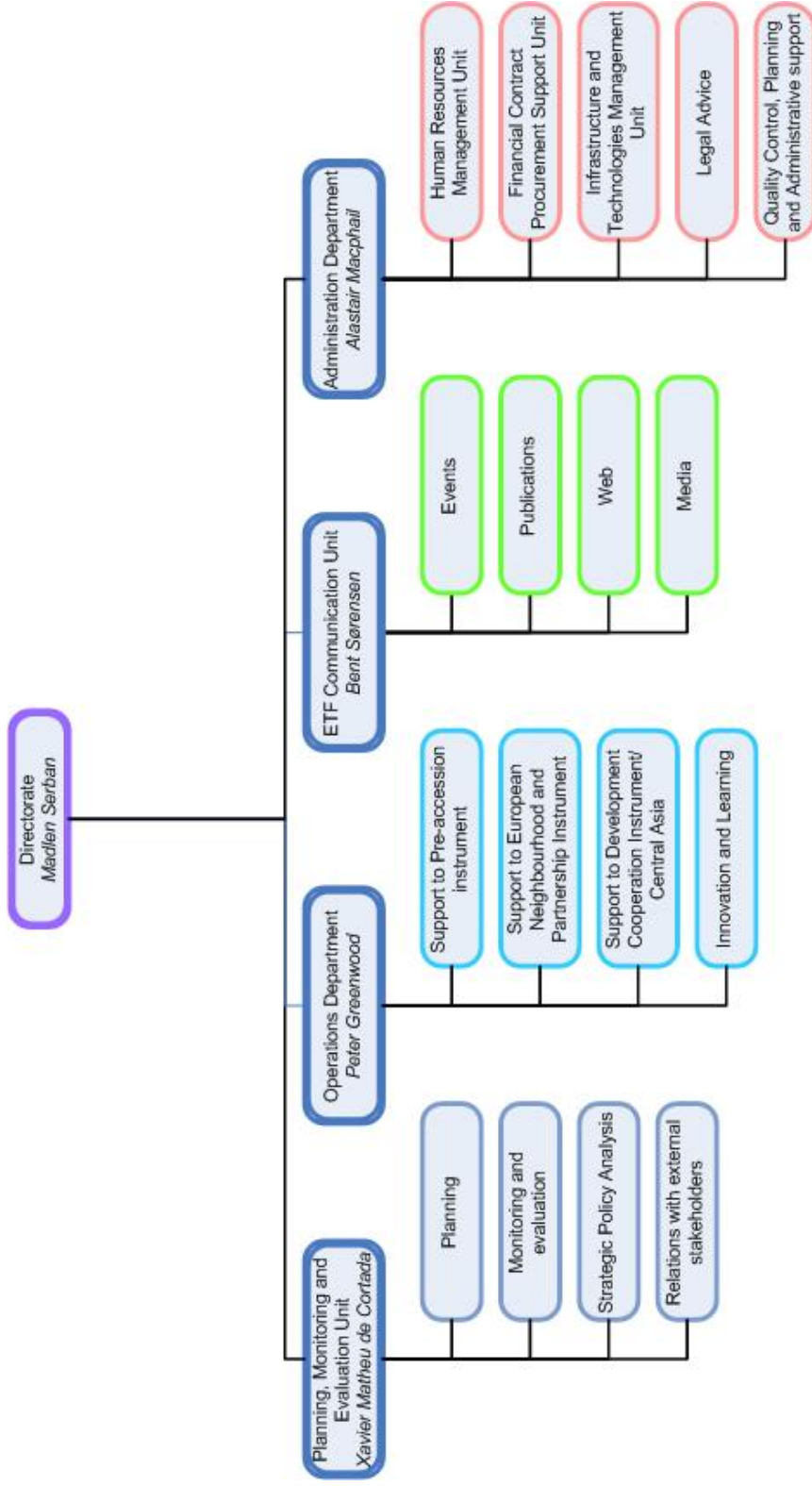
Place.....*Turin*.....

date.....*15/06/11*.....



³⁰ True and fair in this context means a reliable, complete and correct view on the state of affairs in the institution.

Annex 1: ETF Organigram (31 December 2010)



Annex 2: 2010 Delegations of Appointing Authority

LIST OF POWERS DELEGATED

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

Annex 3: ETF corporate performance indicators

Indicator	Measuring that....	Achievement (Target or year n-1 score)
CORE BUSINESS		
1. Programming cycle	EC recognises ETF capacity to support the delivery of Community assistance	30 (24)
2. Capacity building	EC recognises ETF capacity to support partner countries	67 (94)
3. Policy Analyses	ETF provides policy advice to the PCs	28 (10)
4. Dissemination and networking	ETF encourages networking and exchange of experience	30 (20)
5. Number expertise requests by the EC	EC recognises ETF capacity to support the delivery of Community assistance	105 (Q4 2009: 84)
6. Number of ETF specialist presentation in International E&T conferences	ETF expertise is known and requested	54 (Q4 2009: 48)
7. Number of downloads of ETF publications	ETF expertise is known and requested	42,744
FINANCIAL RESOURCES		
8 Overall budget commitment	ETF manages its budget efficiently	99.9% (> 98% at Q4)
9. Overall budget execution (paid/committed)	ETF manages its budget efficiently	87.1% (> 80% at Q4)
10 overall carry forward to next year	ETF manages its budget efficiently	12.8 (< 20%)
11. Consumption of budget carried forward	ETF manages its budget efficiently	92.2% (98% at Q4)
12. Material value of registered exceptions	ETF manages material risk	0.53% (<1% overall budget at Q4)
HUMAN RESOURCES		
13. ETF FTE recorded on project work (versus corporate)	ETF deploys its human resources effectively	80% (OPS) 58% (ETF) (80% at Q4)
14 Occupation rate (posts available/posts filled)	ETF is an effective recruiter	96% (95%)
15 TA turnover rate (staff left/average actual staff)	ETF has a healthy turn-over of staff	6.6% (8-15% at Q4) (4 pax/129 staff)
16 Staff satisfaction index	ETF has motivated staff	78%(70% at Q4)
17 Average person training days	ETF provides staff development opportunities	5.5 average days/year (8)

ETF Corporate Performance matrix 2011

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.

Mid-term perspective 2010-13 objectives

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

2011 OBJECTIVES

- 1.1 To improve labour market analysis and forecasting about the partner countries and support them in reviewing vocational education and training systems in this light (New Skills for New Jobs);
- 1.2 To support the EU external policy instrument programming cycle;
- 1.3 To 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;
- 1.4 To contribute to the analysis of the overall effectiveness of external assistance to the partner countries in the field of human capital development;
- 2.1 To support relevant stakeholders, particularly the social partners, in the partner countries to increase their involvement in vocational training reforms and develop their capacity for becoming key actors in those reforms;
- 2.2 To build partner country capacity to analyse and interpret trends and challenges and design, implement, evaluate and review evidence based policies in human capital development.

ETF CORE BUSINESS DIMENSION

Indicator	Planned	Target
1. Measurements of ETF's support to the delivery of Community assistance (Function 1)	N° of outputs	Target
1.1 Country reviews and needs analysis		
1.2 Support for EC instruments programming		
1.3 SWAP support and preparation (identification, feasibility, financing)	27	100%
1.4 Project design (identification, feasibility, financing)		
1.5 SPSP/Project implementation support and follow-up		
1.6 Support to regional policy dialogue		
2. Measurement of ETF contribution to partner countries capacity building (Function 2)	N° of outputs	Target
2.1 Capacity for policy evidence creation		
2.2 Capacity for policy formulation	75	100%
2.3 Capacity for policy implementation		
2.4 Capacity for policy review		
3. Measurement of ETF's provision of policy advice to the partner countries (Function 3)	N° of outputs	Target
3.1 Comparative analysis		
3.2 Country studies	17	100%
3.3 Thematic studies		
3.4 Analytical tools		
4. Measurement of ETF facilitation of dissemination and networking (Function 4)	N° of outputs	Target
4.1 Specialised publications		
4.2 Promoting collaborations and facilitation of dissemination activities/events	25	100%
4.3 ICT-based dissemination		

ETF RESOURCES MANAGEMENT DIMENSION	
Indicator	Target
5. Overall budget commitment Title 1, 2, 3 and 4	> 98%
6. Overall budget execution (paid/committed) Title 1, 2, 3 and 4	> 80%
7. Consumption of budget carried forward Title 2 , T3 , T4 and 5	98%
8. .Building running cost per person	tbd
9. Compliance index: N° of critical observations from auditing bodies	< 3
10. Staff satisfaction index	70%
11. % staff with >_ 8 days training	80%
12. Vacancy rate	5%
13. TA turnover rate (staff left/average actual staff)	8-15%
14. Gender ratio	50:50
15. Environment index (e.g. reduced Carbon emission - reduced % of missions)	3% less than 2010 data

Annex 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

EC¹ 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 considers 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.**

¹EC 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 system. In these cases, consideration should also be given to alternative sources of evidence (e.g. the management's own information).
- *Significant reputational events*: Reputational events having a significant impact on the declaration of assurance i.e. the use of resources, sound financial management and the legality and regularity of underlying transactions.

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

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 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 AAR 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 5: Risk management

a) ETF Risk Register and Action Plan 2009-10: Assessment Status as of 31 May 2010.

ETF RR no	Risk area	Identified risk	Planned response action	Risk level and priority	Key actions accomplished 31.05.2010	Residual risk	Status final review
ETF-RR-08-001	Vision	Formalisation of ETF vision: - definition of long term objectives - communication	Confirmation of ETF mission statement and vision for the upcoming period (2013) DIR/09/DEC/04 (following management workshop of 2008). Communication at all staff meeting by Director (23.01.09). Leaflet in ETF insight prepared and distributed to all staff (03.09). MTP 2010-2013 drafted after internal and external consultation (creation of ad hoc working group) and circulated to all stakeholders on 31/07/2009. Final draft WP 2010 and MTP 2013 adopted by GB on 16/11/2009 include clear reference to ETF vision, mission and core values	High	Confirmation of ETF mission statement and vision for upcoming period (2013). DIR/09/DEC/04 (following management workshop which took place in 2008). Communication at all staff meeting by Director (23.01.09). Leaflet in ETF insight prepared and distributed to all staff (03.09). MTP 2010-2013 drafted after internal and external consultation (creation of ad hoc working group) and circulated to all stakeholders on 31/07/2009. Final draft WP 2010 and MTP 2013 adopted by the GB on 16/11/09 include clear reference to ETF vision, mission and core values	Low	Planned action accomplished. No specific further action needed in terms of RM. Also considering that the area of planning will be further addressed to respond to IAS audit on planning and monitoring (IAS final report 21 May 2010).
		Definition of timetable and process for the preparation of the Mid-Term Perspective: - internal consultation process (environment analysis) - definition of main orientation and scenarios	Ref above. The process and period for the MTP 2010-2013 was established and followed up including external and internal consultations. Final draft WP 2010 and MTP 2013 adopted by GB on 16/11/2009 include clear reference to ETF vision, mission and core values	High	Ref above. The process and period for the MTP 2010-2013 was established and followed up including external and internal consultations. Final draft WP 2010 and MTP 2013 adopted by GB on 16/11/ 2009 include clear reference to ETF vision, mission and core values	Low	Planned action accomplished. No specific further action needed in terms of RM. Also considering that the area of planning will be further addressed to respond to IAS audit on planning and monitoring (IAS final report 21 May 2010).
		Creation of "Content Discussion Groups" with representatives of OPS/AD to contribute to the MTP. The aim is to consider innovative ideas and disseminate information throughout the ETF to increase participation and ownership.	Consultation process during drafting of WP 2010 and especially 2011 was enhanced and formalised. It includes in house consultation and external consultation with GB and other stakeholders	High	Consultation process during drafting of WP 2010 and especially 2011 was enhanced and formalised. It includes in house consultation and external consultation with GB and other stakeholders	Low	Planned action accomplished. No specific further actions needed in terms of RM. Considering that planning will be further addressed to respond to ISA audit on planning and monitoring (ISA final report 21 May 2010).

ETF RR no	Risk area	Identified risk	Planned response action	Risk level and priority	Key actions accomplished 31.05.2010	Residual risk	Status final review
ETF-RR-08-002	Efficiency Proportionality	Risks associated with the ability of the ETF to manage its resources efficiently with regards to compliance requirements	Start-up of review phase of mapped procedures to assess current workflows with a view to streamlining and simplifying procedures and increase efficiency. A risk assessment driven review will also ensure that internal procedures and processes are proportional to effective risks.	High	<p>18 procedures reviewed & e-validated 2009-2010 as part of biannual review of procedures. Issues related to processes / procedures re-engineering addressed by the AD functional analysis 2009-2010. Ongoing actions including possible re-engineering of procedures/processes. Revised payment modalities for low value/lump sum contracts introduced.</p> <p>Decision taken to decentralise financial / procurement circuits following ETF Functional Analysis ex post audit on HR recruitment procedure led to revision/update of procedure.</p>	Low	Planned action mainly accomplished. No specific further action needed in terms of RM. Considering that an action plan is already in place to respond to the findings of the AD functional analysis approved by Director in MT meeting on 24 April 2010. Full deployment of related actions is planned during second half 2010 and 2011. An assessment of the effectiveness of actions and management of related risks will be made during Q2-2011. (2011RA exercise)
		<p>Maintenance of statistics and reports to support the determination of materiality criteria and the selection of controls and approval flows.</p> <p>Assessment of the costs of different control flows.</p> <p>Development of training / guidelines to improve the awareness of the minimum compliance requirements and translation of regulation requirements into more operational language.</p> <p>Development of an approach for further monitoring and ex-post controls.</p>	Medium	<p>Maintenance of statistics and reports to support the determination of materiality criteria and the selection of controls and approval flows.</p> <p>Assessment of the costs of different control flows linked to the introduction of simplified financial circuits.</p> <p>Further actions are planned following the functional analysis.</p> <p>Ongoing development of an approach for further monitoring and ex-post controls.</p>	Low	<p>Planned action mainly accomplished. No specific further action needed in terms of RM. Considering that an action plan is already in place to respond to the findings of the AD functional analysis approved by Director in MT meeting on 24 April 2010. Full deployment of related actions is planned during second half 2010 and 2011.</p> <p>An assessment of the effectiveness of actions and management of related risks will be made during Q2-2011. (2011 RA exercise) ref ETF-RR-08-001-A04)</p>	

ETF RR no	Risk area	Identified risk	Planned response action	Risk level and priority	Key actions accomplished 31.05.2010	Residual risk	Status final review
		Revision of ETF planning and programming procedures in ETF (focus on timing / common terminology)			Confirmation of ETF mission statement and vision for the upcoming period (2013). DIR/09/DEC/04 (following management workshop which took place in 2008). Communication at all staff meeting by Director (23.01.09)		
		Strengthen internal planning consultation process by:	Formalisation of ETF vision:				
		1) reinforcing the role of MT and internal cross-consultation between MT and MC	- definition of long term objectives	High	Leaflet in ETF insight prepared and distributed to all staff (03.09). MTP 2010-2013 drafted after internal and external consultation (creation of ad hoc working group) and circulated to all stakeholders on 31/07/2009	Low	Planned action accomplished. No specific further action needed in terms of RM. Also considering the area of planning will be further addressed to respond to IAS audit on planning and monitoring (IAS final report 21 May 2010).
		2) sharing of planning assumptions between departments	- communication		Final draft WP 2010 and MTP 2013 adopted by GB on 16/11/ 2009 include clear reference to ETF vision, mission and core values		
ETF-RR-08-003	Planning	Use of a common methodology /tool for planning and staffing of the human resources across the organisation	Definition of timetable and process for the preparation of the Mid-Term Perspective:		Ref above. The process and period for the MTP 2010-2013 was established and followed - up including external and internal consultations.		Planned action accomplished. No specific further action needed in terms of RM. Also considering the area of planning will be further addressed to respond to IAS audit on planning and monitoring (IAS final report 21 May 2010).
		Ensure interface of planning framework with time reporting system for monitoring , reporting and analysis of actual use of human resource versus planning assumptions (introduce hr reporting together with the financial reporting system)	- internal consultation process (environment analysis)	High	Final draft WP 2010 and MTP 2013 adopted by GB on 16/11/ 2009 include clear reference to ETF vision, mission and core values	Low	
		Exploit further the use of multi-annual programming to optimise planning of resources	Creation of "Content Discussion Groups" involving representatives of OPS/AD to contribute to the content of the MTP. The aim will be to consider new innovative ideas and disseminate information throughout the ETF in order to increase participation and ownership.	Medium	Consultation process during drafting of WP 2010 and especially 2011 was enhanced and formalised. It includes in house consultation and external consultation with GB and other stakeholders	Low	Planned action accomplished. No specific further actions are needed in terms of RM. Also considering the area of planning will be further addressed to respond to IAS audit on planning and monitoring (IAS final report 21 May 2010).

ETF-RR-08-005	Knowledge Management	Risks related to the failure to protect and / or to preserve the sharing of knowledge and information within the ETF.	<p>Consider developing an ETF strategy and policy on Knowledge Management to cover Human Resources knowledge, documentation, internal and external information.</p> <p>Document the Knowledge Management process, to provide common guidance within the organisation and allow an adequate set-up of Knowledge Management tools and systems (including ETF library)</p>	Medium	<p>KM review carried out by external consultants end 2009.</p> <p>KN strategy and implementing plan 2010-2013 in place adopted on 30 March 2010</p> <p>Knowledge Management Expert position in OPS created in 01.06.2010</p>	Low	Planned action accomplished. No specific further actions needed in terms of RM.
ETF-RR-08-006	Reporting	Risks related to the failure to protect and / or preserve the continuity of critical functions or activities of the ETF by a lack of identification of the potential issues.	<p>Assess and consolidate the functional, departmental and Agency-wide needs in terms of reporting.</p> <p>-Ensure reporting follows the cascade-principle: aggregated reports at organisation level, more detailed reports at departmental level and data (time, planning, project status, etc.)</p> <p>-Reinforce the ownership of each report to ensure that reports are analysed, source of issue identified and corrective action implemented.</p>	Medium	<p>Dashboard project initiated in 2009 to cover OPS and PMEU requirements for monitoring and reporting at 3 different levels (projects, regional and corporate) integrating data from TR, SI2, Oscar, Project fiche and matching the WP matrix.</p> <p>Quarterly reporting structure is being reviewed to focus on key reporting data and risk management approach enabling management to take timely corrective actions</p> <p>AD functional analysis action plan</p>	Low	Planned action accomplished. No specific further actions needed in terms of RM.

b) ETF Risk Register 2010-11: Status as of 31 December 2010

ETF Risk Register no.	Risk Area	Potential identified Risk	Assessed Risk level	Action no	Planned Mitigation Action	State of play
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)	ETF planning policy 2011-2013 addresses priorities management Regular monitoring of situation in Kyrgyzstan as of April 2010 did not lead to significant delays in ETF activities due to difficult political situation in 2010.
				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	ETF planning policy 2011-2013 addresses priorities management

ETF-RR-10-03	Risks related to internal processes	Complex ETF internal procedures causing inefficient implementation of projects/activities	Medium	ETF-RR-10-03-A3.1	Administration Department efficiency improvement action plan ref. 2010-3119 of 19 May 2010	In progress
				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 streaming and enhancing efficiency of ETF internal process and procedures. A detailed action plan will follow the establishment of the function. (Ref A3.1).	
		Risk associated with Carry Forward practices causing loss of funds, loss of budgetary flexibility, consumption of excessive N+1 budget for activities completed in year N (T3).	Medium	ETF-RR-10-03-A3.3	Development of a comprehensive Carry Forward Policy and enhanced monitoring through dashboard system	In progress
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

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 systems particularly related to the core business documentation/data.	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
				ETF-RR-10-05- A5.2	Strengthen handover process in particular of country and thematic core business dossiers	
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

Annex 6: Assessment and review of internal control system

Building block	Compliance assessment	Potential risks / areas identified for improvement	Further actions 2011 towards efficiency and effectiveness
1 - Mission and Values	Adequate system in place Requirements achievement	Average assessment: 1.75 (adequate system in place / slight improvements needed) Average prioritisation: 2.29 (medium / low)	
			Focus on continuous awareness raising
1 - Mission and Values	1.1 ETF mission is clearly defined and up-to-date. Mission is embedded into planning documents and consultation process. 2.1 Ongoing preview process of ETF Rules of Procedures including ETF principles and values. 2.2 ETF has procedures in place including annual reminders (awareness raising and induction sessions / prevention of harassment workshops) to ensure staff are aware of relevant ethical and organisational values, in particular ethical conduct, avoidance of conflicts of interest, fraud prevention and reporting of irregularities.	No risks identified	a) Induction sessions for all new staff on ICS and ethics & integrity to focus on risk management as of January 2011. b) Further awareness raising initiatives on ICS, ethics & integrity, and RM planned for Q2 and Q3 2011 (internal training on ICS/risk management, headlines, article in Insight magazine & intranet pages)
	Slight improvements needed Requirements achievement	Average assessment: 2.13 (slight improvements needed) Average prioritisation: 1.29 (high)	
2 - Human Resources			Focus on staff development and competencies
	3.1 Annual Dialogue Process 2010 followed the cascading principle and provided the framework to strengthen link between objectives at level of MTP-WP-Unit/Dept-Individual to ensure coherence & harmonization 3.2 Thorough review of recruitment process and procedure following IAS and ECA audit 4.1 Promotion framework currently being revised in line with principles of EC system (multiannual staff plan 2010-2013) 4.2 ETF Job Description Framework introduced in 2008 and fine tuned in 2010 4.3 Q4-2010 indicators: Occupational rate 93% - TA turnover rate 3% % staff with =>8 days of training: average 5.5 training days x person in 2010 ; no. of collective training courses organized in 2010: 47 4.4 ETF has an annual Personal Development Plan (training map) for each staff member and an annual Training Catalogue	a) Need to reinforce learning culture within ETF (training attendance, management support, training opportunities) b) Need to continue adapting ETF staffing capacity to match the needs deriving from its mandate.	a) Updating of training opportunities and competence catalogue in particular terms of technical competences, and training for newly appointed managers. Strengthening the monitoring of training days and attendance to training b) Reinforcing linkage of ETF HR policies (Staff Appraisal, Staff Development, Staff allocation / Job Description Framework) thus enhancing efficiency and effectiveness of the systems.

3 - Planning & Risk Management	Adequate system in place Requirements achievement	Average assessment: 1.50 (adequate system in place / slight improvements needed) Average prioritisation: 2 (medium)	
			Focus on full deployment of dashboard project
3 - Planning & Risk Management	5.1 Revised Corporate indicators for WP2011 linking ETF functions and corporate performance (outputs) to operational performance (outputs) 5.2 ETF Planning policy 2011-2013 adopted by DD within performance management framework 5.3 Dashboard project to support management performance monitoring of ETF core business activities and link to CPI 5.4 ETF is developing its 2011 Annual Management Plan 6.1 Revised ETF Risk management policy adopted by DD including process, criteria and guidelines for RM across ETF. (RM approach included in dashboard in 2011 at project level) 6.2 Annual macro level RA carried out May-June 2010 to provide input WP2011 and establish Risk Register 2010-2011. Dashboard will facilitate risk monitoring at project level for WP2011.	a) Need to continue working on output system to supports qualitative measurements of ETF work b) Need to clearly spell out objectives at unit/departamental level	a) Further development of "qualitative" dimension of CPIs are planned in 2011. Dashboard will support the system to ensure efficiency of the process b) 2011 planning process will include the compilation of an ETF Annual Management Plan which collects dept/unit objectives cascading down into individual objective setting
	Slight improvements needed Requirements achievement	Average assessment: 2.13 (slight improvements needed) Average prioritisation: 1.60 (high / medium)	Focus on further alignment of IT solution to ETF business and process development
4 Operations and control activities	7.1 Delegation authority clearly defined and aligned to organisational decision making structure since 2006. Thresholds specified for each SDAO 7.2 Ongoing process of de-centralisation and simplification of payments circuits 7.3 Structured training modules defined for all financial actors with introduction ABAC Oct 2010. 7.4 Review of ETF policy and procedure on sensitive functions and related risks planned for 2011. "Sensitive functions" are those functions which entail the risk of fraud of corruption. The risk assessment of potentially sensitive functions concentrate on those functions where there is a reasonable risk of the jobholder intentionally using their decision-making power with a view to gaining some personal advantages. 8.1 New function Process Development Officer established 8.2 Regular review of ETF procedures 8.3 Segregation of duties ensured by ETF financial circuits (4 eyes principle) and by the system 8.4 Update of Register of exceptions Procedure and Policy on Materiality Criteria: 30% of	a) Need to develop a comprehensive IT strategy b) Need to keep mapped procedures up-to-date	a) PME to coordinate the development of IT Strategy b) PME to prepare DD on confirmation of owner (dept/unit) of ETF's mapped procedures and strengthen coordination of review process. Search system between different databases for DD and procedure to be developed

	<p>material exceptions registered</p> <p>9.1 Annual implementation of ex post audit/controls by external auditors & adequately followed-up</p> <p>9.2 Evaluation of quarterly reporting and follow-up</p> <p>10.1 ETF business continuity plan 2009, testing made</p> <p>10.2 Definition of critical back up functions</p> <p>10.3 Acting Director procedure</p> <p>11.1 ETF Document management policy and procedure including confidential document</p> <p>11.2 Review of DD, revised guidelines and templates for DD</p> <p>11.3 Correspondence registration system in place and on going review to ensure its full adequacy</p> <p>11.4 ETF Data protection structure</p>		
5 - Information & financial reporting	Adequate system in place / slight improvements needed	Average assessment: 1.50 (adequate system in place / slight improvements needed)	
	Requirements achievement	Average prioritisation: 1.50 (high / medium)	
			Focus on internal and external communication
	<p>12.1 ETF publication evaluation and related fiche contradictoire (action plan)</p> <p>12.2 Ongoing review of ETF internal communication policy</p> <p>12.3 ETF Information System Security Policy</p> <p>12.4 Ongoing review of ETF rules of procedure</p> <p>12.5 All staff meetings</p> <p>12.6 In week corporate weeks</p> <p>12.7 Regular information flow from MT to staff</p> <p>13.1 Regular financial reporting system and switch to ABAC in October 2010</p> <p>13.2 All ETF financial process including accounting procedures have been mapped</p> <p>13.3 Annual validation of ETF financial management system</p>	a) Need to improve internal communication and the quality and effectiveness of information flows	a) ECU to revise ETF communication policy

6 Evaluation & audit	Adequate system in place / slight improvements needed	Average assessment: 1.50 (adequate system / slight improvements needed)	
	Requirements achievements	Average prioritisation: 2.20 (medium)	
			Focus on Monitoring and Evaluation processes
	<p>14.1 Updated ETF Monitoring and Evaluation policy, procedure 2011-2013 in the framework of ETF performance management</p> <p>14.2 Deployment of annual evaluation programme of ETF projects and activities carried out in accordance with corresponding evaluation baseline requirements and follow-up process</p> <p>14.3 Deployment of annual ex post audit programme (legality, regularity, performance, system)</p> <p>15.1 Annual self-assessment of ICS effectiveness exercises and follow-up</p> <p>15.2 ETF improvement plan to capture all recommendations from audits and assessments</p> <p>15.3 Annual Declaration of Assurance of Director and (Sub) Delegated Authorizing Officers</p> <p>16.1 IAS is the ETF Internal Audit Capability, ETF RM is a member of IAS Auditnet</p>	<p>a) Need to ensure enhancing visibility of impact of ETF activities in partner countries</p> <p>b) Need to continuously improve and use lessons learned from evaluations</p>	<p>a) Implementation of revised M& E policy 2011-2012 will address these very issues.</p>

Annex 7: 2010 end of year declaration of assurance in cascade (model)

ref: 2011-XXXX

Re. 2010 End of Year Declaration by Authorising Officer by Sub-Delegation
I, the undersigned,

Name

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

1 January 2010 – 31 December 2010

In accordance with Director's Decisions ETF/09/DEC/020 and ETF/10/DEC/035 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 transactions¹ 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.² **(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:

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

Date.....

Signature.....

Enc. Annex 1 budget execution rates, registered exceptions and direct agreements in 2010

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

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

2010 end of year declaration of assurance in cascade (model) continued

1. 2010 Budget Execution Rates
2. Exceptions registered in 2010
3. Direct Agreements above €5,000 in 2010

The information provided relates to the Authorising Officer by Sub-Delegation for the year 2010:

Name, Head of XXX

1. **a) Commitment consumption rate 2010 – Dept/Unit**
b) Payment consumption rate 2010 – Dept/Unit

Initial Budget	Final Budget	In line with achieved outputs, please explain any discrepancies in the budget / changes which occurred during 2010
----------------	--------------	--

a) Commitment consumption rate (%)

b) Payment consumption rate (%)

2. Exceptions registered in 2010 - Dept/Unit

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

Total Value

3. Direct Agreements above €5,000 concluded in 2010 - Dept/Unit

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

Total Value

Annex 8: Staffing structure

(a) Temporary agents

Category and grade	Establishment plan 2010		Posts actually filled at 31.12.2010	
	perm	temp	perm	temp
AD 16				
AD 15				
AD 14		1		1
AD 13		3		
AD 12		5		5
AD 11		13		11
AD 10		4		3
AD 9		18		12
AD 8		4		4
AD 7		10		20
AD 6		1		1
AD 5				
Total AD		59	0	57
AST 11				
AST 10		3		
AST 9		6		6
AST 8		2		4
AST 7		7		5
AST 6		10		6
AST 5		4		2
AST 4		5		4
AST 3				5
AST 2				3
AST 1				
Total AST		37	0	35
Total		96	0	92

(b) Contract agents

	Posts actually filled at 31.12.2010
FG IV	4
FG III	17
FG II	11
FG I	
TOTAL	32

(c) Nationality

TA+CA+LA+END Nationality	Associated level			
	AD	AST	Total	%
A	3		3	2%
B	3	5	8	6%
BG	1		1	1%
CZ	2		2	2%
D	6	3	9	7%
DK	4		4	3%
E	3	1	4	3%
EE		2	2	2%
EL	2		2	2%
F	3	4	7	5%
FIN	2	1	3	2%
Former Yugoslav Republic of Macedonia	1		1	1%
GB	7	4	11	9%
I	9	36	45	35%
IRL	1	1	2	2%
L		1	1	1%
LV		1	1	1%
MAR	1		1	1%
NL	5	1	6	5%
P	1		1	1%
PL	1	2	3	2%
RO	3	3	6	5%
RUS		1	1	1%
TUN	2		2	2%

(d) Gender

TA+CA+LA+END	F	M	Total
AD associated level	33	29	62
AST associated level	49	17	66
Grand Total	82	46	128

(e) ETF staffing by function and role

Role	Administrative Department Core	Finance, Contract	Human Resources	Information Technology	Quality Control	Directorate	Planning, Monitoring and Evaluation	Communication	Operations	Total
Assistants	5	5	7	2		1	3	4	6	33
Professionals	2	3	1	1		1	8	5	14	35
Expert – Senior Specialists							1		18	19
Experts - Specialists									28	28
Co-ordinators/ Managers	2	1	1	1		1	1	2	4	13
Total	5	9	9	4		3	13	11	61	1281

¹ This includes 92 Tas, 32 Cas, 1 LA and 3 SNEs

Annex 9: Economic outturn account and balance sheet 2010

a.	Economic outturn account	31/12/2010	31/12/2009
	Operating revenue	19,538,411.72	19,438,999.36
	Administrative and operational expenses	-18,949,021.52	-20,049,545.99
	Non operational activities	-728.17	-734.13
	Outturn for the year	588,662.03	-611,280.76
b.	Balance sheet	31/12/2010	31/12/2009
	Intangible fixed assets	2,502,035.93	2,557,851.98
	Tangible fixed assets	133,488.34	141,029.01
	Stocks	22,812.80	37,964.75
	Current assets - Short term pre-financing	516,838.07	1,130,769.99
	Current assets - Short term receivables	352,982.42	190,338.04
	Cash account	1,501,950.45	2,251,660.16
		5,030,108.01	6,309,613.93
	Capital	921,986.93	333,324.90
	Provisions for risks and liabilities	230,000.00	998,712.86
	Provisions for risks and charges	0.00	0.00
	Accounts payable	3,878,121.08	4,977,576.17
		5,030,108.01	6,309,613.93
c.	Statement of changes in capital	31/12/2010	31/12/2009
	Economic result of the year 2010	588,662.03	-611,280.76
d.	Statement of cash flow	31/12/2010	31/12/2009
	Cash at beginning of the year	2,251,660.16	4,018,619.07
	Increase in cash	-749,709.71	-1,766,958.91
	Cash at end of the year	1,501,950.45	2,251,660.16
e.	Budget outturn	31/12/2010	31/12/2009
	Revenues	19,321,692.44	19,119,303.34
	Expenditure	-20,158,167.89	-21,032,104.87
	Outturn for the year	-836,475.45	-1,912,801.53
	Adjustment for carry forward from previous years	953,971.95	1,627,950.94
	Appropriations carried forward and cancelled	55,597.92	213,061.56
	Exchange gains/losses	-1,786.30	1,462.62
	Balance for the financial year	171,308.12	-70,326.41
	Balance carried over from previous year	-70,326.41	1,182,963.26
	Amount reimbursed to the EC	0.00	-1,182,963.26
	Total amount to be reimbursed to EC	0.00	0.00

Annex 10: Activity Based Budget

The following tables present the ABB tables, originally presented in the WP2010, in contrast with actual 2010 data.

They consider the following elements:

- a) Reflection of subvention funds
- b) an amount committed (executed) out of subvention of **€18.81 million** (99.9% of the amending budget €18.83 million)
- c) An overall estimation of FTE in 2010 of **122.8** (based on paid staff)
- d) Budget division by department/title is based on actual budget execution
- e) Function/theme division has been done based on line managers' declarations of T1 and T3 distribution of resources for each project.

N.B. Compared to the Staffing structure presented in Annex 8, it could be that the figures are different, but this is due to the fact they count different things:

- The number of TA (Annex 9.a) was 92 and that of CA was 32 (9.b). Table 9.c. distributes TA and CA by nationality and 9.d by gender (total 124).
- However, table 9.e add to these 124 staff 2 more Local Agents and two more Seconded National Expert (total 128).
- In Annex 10 the planned tables add in all the cases 128 FTE, but in the actual data tables the total is 122.8. This is an actual figure coming from counting the total amount of salaries paid by Full Time Equivalent.

Planned 2010 ABB (WP2010): Staff by functions and ETF Department

WP2010	Budget (million €)	Staff (FTE)				Total	Distribution %
		OPS	ECU	PME-DIR	AD		
Function 1 – Input to Commission sector programming and project cycle	8.271	28.9	10	10.5	39.5	54.4	42.5%
Function 2 – Support to partner country capacity building	4.670	16.3				30.7	24.0%
Function 3 - Policy analysis	3.892	13.6				25.6	20.0%
Function 4 - dissemination, and networking	2.627	9.2				17.3	13.5%
Total	19.460	68	10	10.5	39.5	128	

Actual 2010 ABB (AAR 2010): Staff by functions and ETF Department

	Budget (million €)	Staff (FTE)				Total	Distribution %
		OPS	ECU	PME-DIR	AD		
Function 1 – Input to Commission sector programming and project cycle[1]	3.01	13.8	8.3	18.1	31.0	26.00	21.17%
Function 2 – Support to partner country capacity building	8.84	19.4				36.37	29.61%
Function 3 - Policy analysis	4.14	20.4				38.35	31.23%
Function 4 - dissemination, and networking	2.82	11.8				22.09	17.99%
Total	18.81	65.4	8.3	18.1	31.0	122.8	

Planned 2010 ABB (WP2010): Staff by theme and ETF Department

WP2010	Budget	Staff (FTE)					Distribution
	(million €)	OPS	ECU	PME-DIR	AD	Total	%
Theme A: Vocational education and training system development and provision	12.039	42.1	10	10.5	39.5	79.2	62%
Theme B: Labour market needs and employability	4.057	14.2				26.7	21%
Theme C: Enterprises and human capital development: education and business partnerships	3.364	11.8				22.1	17%
Total	19.460	68	10	10.5	39.5	128	

Actual 2010 ABB (AAR 2010): Staff by theme and ETF Department

	Budget	Staff (FTE)	ECU	PME-DIR	AD	Total	Distribution
	(million €)	OPS					%
Theme A: Vocational education and training system development and provision	12.04	42.0	8.3	18.1	31.0	78.91	64.26%
Theme B: Labour market needs and employability	3.20	8.6				16.13	13.13%
Theme C: Enterprises and human capital development: education and business partnerships	3.57	14.8				27.76	22.61%
Total	18.81	65.4	8.3	18.1	31.0	122.8	

Planned ABB – budget allocation to activities according to core themes (WP 2010, Annex 2)

WP2010	Pre-accession	Neighbourhood	Central Asia	Expertise	ECU	PME-DIR	AD	Total
Theme A: Vocational education and training system development and provision	13.7	13.7	6.3	8.4	10	10.5	39.5	79.2
Theme B: Labour market needs and employability	4.6	4.6	2.1	2.8				26.7
Theme C: Enterprises and human capital development: education and business partnerships	3.8	3.8	1.8	2.4				22.1
Total	22.1	22.1	10.1	13.6	10	10.5	39.5	128

Actual ABB – budget allocation to activities according to core theme

	Staff (FTE)							
	Pre-accession	Neighbourhood	Central Asia	Expertise	ECU	PME-DIR	AD	Total
Theme A: Vocational education and training system development and provision	11.8	13.4	5.1	11.7	8.3	18.1	31.0	78.9
Theme B: Labour market needs and employability	2.4	2.7	1.0	2.4				16.1
Theme C: Enterprises and human capital development: education and business partnerships	4.2	4.7	1.8	4.1				27.8
Total	18.4	20.9	8.0	18.2	8.3	18.1	31.0	122.8

Planned ABB – allocation to activities according to internal organisation and title (WP 2010 Annex 3)

Activity	Title			
	1	2	3	Total
WP2010				
Operations	7,390,000	-	3,030,000	10,419,688
Enlargement	2,414,000	-	990,000	3,404,452
Neighbourhood	2,414,000	-	990,000	3,404,452
Development and Co-operation	1,122,000	-	460,000	1,581,867
Innovation and Learning	1,439,000	-	590,000	2,028,916
Corporate communication	1,099,000	130,000	707,000	1,935,719
Management, governance and resources	5,434,000	1,351,000	320,000	7,104,594
Administrative	4,293,000	1,351,000	-	5,643,539
Planning, Monitoring, and Evaluation	1,141,000	-	320,000	1,461,055
Total	13,922,000	1,481,000	4,057,000	19,460,000

Actual ABB – allocation to activities according to internal organisation and title

Activity	Budget (m€)			Total
	Title 1	Title 2	Title 3	
Operations	7.16	-	2.81	9.97
Enlargement	2.01	-	0.92	2.93
Neighbourhood	2.29	-	0.98	3.26
Development and Co-operation	0.87	-	0.43	1.30
Innovation and Learning	1.99	-	0.48	2.47
Corporate communication	0.91	0.16	0.76	1.84
Management, governance and resources	5.37	1.27		6.65
Administrative	3.39	1.20	-	4.59
Planning, Monitoring, and Evaluation	1.98	0.08	0.26	2.31
Total	13.45	1.51	3.85	18.81

Annex 11: Actual 2010 Activity Based Budget by instrument/theme/function and outputs average costing

The following six tables include the calculation of the distribution of the used 2010 budget, following an Activity Based Budget approach.

(1.) The first table distributes the total budget invested in the geographical regions ETF works with according to the four functions mentioned in the M9d-term perspective and n WP 2010. Together with the calculated amount of the budget per region and function, the percentage indicates the weight that this amount per each function represents for each region. For example, the share of the budget invested in the Enlargement Region (IPA) has been larger than the average for the whole ETF in Function 1 (Support to the Commission) and in Capacity Building (F2) while for Function 4 (Dissemination and Networking) is less than half weight than in the ENP East region (where F1, Support to the Commission has been lower than the average), etc.

(2.) The second table divides the total amount attributed to a given region and function by the number achieved in this region and function. The result is the unit cost of an output of this type in a given region.

(3. and 4). The third and fourth tables present the same logic as the first two but calculating the budget invested in each region by core themes.

(5. and 6) The fifth and sixth tables present the same distribution by functions and themes at country level. The column on the right shows the calculation of the total ABB investment in each of the 29 Partner Countries.

The method for calculating these distributions of annual budget by the three ETF planning dimensions (geographical, functional and thematic) and the relations between them is as follows:

- The Title 3 of the budget is organised in lines that correspond to WP projects. Similarly, the missions are assigned to a WP project and in the time recording system each staff members declares the number of hours worked in each projects.
- Each project is related to one or more functions and to one or more themes.
- For regional projects the total project costs have been divided among the relevant countries, and the same has been done for the thematic projects, if a geographical participation can be determined.
- The total operational (Title 1 and Title 3 costs) direct costs¹ have been calculated.
- The percentages have been applied to the total budget of the year (18,832,000).
- The result is shown in the tables below.

¹ That can be attributed to a country, a region or a theme.

Summary by Instrument/Function

	Function 1	%/Instrument Budget	Function 2	%/Instrument Budget	Function 3	%/ Instrument Budget	Function 4	%/Instrument Budget	Sum Functions - Country	%Instrument/ Total Budget
DCI Total	416,791.50	13.27%	1,557,367.42	49.59%	902,748.93	28.75%	263,279.13	8.38%	3,140,186.99	16.67%
ENP E Total	389,869.71	12.44%	1,384,081.46	44.18%	668,003.62	21.32%	691,101.60	22.06%	3,133,056.39	16.64%
ENP S Total	1,078,848.45	15.28%	3,299,451.56	46.74%	1,462,381.58	20.72%	1,218,011.35	17.26%	7,058,692.94	37.48%
IPA	1,116,700.17	20.30%	2,720,032.32	49.45%	1,106,837.44	20.12%	556,493.75	10.12%	5,500,063.68	29.21%
Total Budget	3,002,209.82	15.94%	8,960,932.77	47.58%	4,139,971.57	21.98%	2,728,885.84	14.49%	18,832,000.00	100.00%

Outputs average costing by Instrument/Region

	Function 1	%/Instrument Budget	Function 2	%/Instrument Budget	Function 3	%/ Instrument Budget	Function 4	%/Instrument Budget	Sum Functions - Country	%Instrument/ Total Budget
DCI Total	104,197.88	13.27%	129,780.62	49.59%	225,687.23	28.75%	263,279.13	8.38%	3,140,186.99	16.67%
ENP E Total	55,695.67	12.44%	173,010.18	44.18%	83,500.45	21.32%	138,220.32	22.06%	3,133,056.39	16.64%
ENP S Total	134,856.06	15.28%	164,972.58	46.74%	208,911.65	20.72%	203,001.89	17.26%	7,058,692.94	37.48%
IPA	101,518.20	20.30%	226,669.36	49.45%	158,119.63	20.12%	46,374.48	10.12%	5,500,063.68	29.21%
Total Budget	3,002,209.82	15.94%	8,960,932.77	47.58%	4,139,971.57	21.98%	2,728,885.84	14.49%	18,832,000.00	100.00%
Av. Outputs Cost by Function	103,524.48	F1	137,860.50	F2	137,999.05	F3	92,504.60	F4	122,684.04	

Summary by Instrument/Theme

Country	Theme A	%/Instrument Budget	Theme B	%/Instrument Budget	Theme C	%/Instrument Budget	Sum Themes - Country
Total DCI	2,137,277.13	68.06%	545,902.57	17.38%	457,007.29	14.55%	3,140,186.99
Total ENP E	1,699,491.83	54.24%	812,043.20	25.92%	621,521.37	19.84%	3,133,056.39
Total ENP S	4,352,447.83	61.66%	1,232,200.50	17.46%	1,474,044.61	20.88%	7,058,692.94
IPA	3,876,869.74	70.49%	772,410.15	14.04%	850,783.80	15.47%	5,500,063.68

Grand Total	12,066,086.52	64.07%	3,362,556.41	17.86%	3,403,357.07	18.07%	18,832,000.00
-------------	---------------	--------	--------------	--------	--------------	--------	---------------

Outputs average costing by Instrument/Region

Country	Theme A	%/Instrument Budget	Theme B	%/Instrument Budget	Theme C	%/Instrument Budget	Sum Themes - Country
Total DCI	152,662.65	68.06%	136,475.64	17.38%	152,335.76	14.55%	3,140,186.99
Total ENP E	89,446.94	54.24%	135,340.53	25.92%	207,173.79	19.84%	3,133,056.39
Total ENP S	241,802.66	61.66%	176,028.64	17.46%	92,127.79	20.88%	7,058,692.94
IPA	114,025.58	70.49%	64,367.51	14.04%	94,531.53	15.47%	5,500,063.68
Grand Total	137,114.62	64.07%	98,898.72	17.86%	108,043.08	18.07%	18,832,000.00

Summary ABB table by country / function

	Function 1	%/Instrument Budget	Function 2	%/Instrument Budget	Function 3	%/Instrument Budget	Function 4	%/Instrument Budget	Sum Functions - Country	%Instrument/ Total Budget
Kazakhstan	99624.31011	12.78%	411,363.06	52.76%	218863.03	28.07%	49,886.84	6.40%	779,737.24	
Kyrgyzstan	70209.79201	10.64%	390,646.15	59.23%	145451.22	22.05%	53,283.74	8.08%	659,590.91	
Tajikistan	77123.29655	9.40%	398,911.94	48.59%	268531.81	32.71%	76,326.20	9.30%	820,893.24	
Turkmenistan	80236.07731	16.05%	275,828.64	55.16%	113492.64	22.70%	30,498.61	6.10%	500,055.97	
Uzbekistan	89598.0248	23.58%	80,617.64	21.22%	156410.23	41.17%	53,283.74	14.03%	379,909.63	DCI
DCI Total	416,791.50	13.27%	1,557,367.42	49.59%	902,748.93	28.75%	263,279.13	8.38%	3,140,186.99	16.67%
Armenia	63,634.73	14.39%	216,750.25	49.00%	55,420.30	12.53%	106,553.33	24.09%	442,358.60	
Azerbaijan	52,155.80	20.00%	70,119.41	26.89%	92,779.12	35.58%	45,707.47	17.53%	260,761.80	
Belarus	42,539.25	16.19%	80,863.76	30.78%	57,640.82	21.94%	81,657.68	31.08%	262,701.51	
Georgia	65,069.97	17.07%	182,183.49	47.80%	59,016.68	15.48%	74,883.67	19.65%	381,153.80	
Republic of Moldova	72,795.10	8.74%	384,962.37	46.20%	199,609.49	23.95%	175,924.68	21.11%	833,291.63	
Russia	28,551.29	12.88%	89,670.03	40.45%	57,905.21	26.12%	45,556.86	20.55%	221,683.39	
Ukraine	65,123.58	8.91%	359,532.15	49.18%	145,632.01	19.92%	160,817.92	22.00%	731,105.65	ENP E
ENP E Total	389,869.71	12.44%	1,384,081.46	44.18%	668,003.62	21.32%	691,101.60	22.06%	3,133,056.39	16.64%
Algeria	60,568.22	11.60%	255,894.68	48.99%	108,624.57	20.80%	97,230.68	18.62%	522,318.14	
Egypt	331,060.69	26.79%	493,800.71	39.96%	211,990.43	17.15%	199,028.15	16.10%	1,235,879.98	
Israel	81,314.54	14.32%	250,237.62	44.06%	133,936.28	23.58%	102,483.63	18.04%	567,972.07	
Jordan	115,324.36	13.27%	436,003.32	50.17%	165,194.18	19.01%	152,604.21	17.56%	869,126.07	
Lebanon	71,118.78	10.71%	345,990.20	52.08%	133,375.85	20.08%	113,840.49	17.14%	664,325.32	
Morocco	82,037.56	9.37%	472,736.59	53.99%	165,419.02	18.89%	155,376.14	17.75%	875,569.30	
Occupied Palestinian Territory	157,336.88	21.68%	300,679.61	41.44%	143,653.03	19.80%	123,916.46	17.08%	725,585.97	
Syria	75,588.91	10.28%	340,230.86	46.28%	193,206.64	26.28%	126,157.94	17.16%	735,184.35	
Tunisia	104,498.52	12.11%	403,877.98	46.81%	206,981.58	23.99%	147,373.65	17.08%	862,731.73	ENP S
ENP S Total	1,078,848.45	15.28%	3,299,451.56	46.74%	1,462,381.58	20.72%	1,218,011.35	17.26%	7,058,692.94	37.48%

Albania	176,902.36	24.45%	335,767.06	46.41%	121,518.65	16.79%	89,358.32	12.35%	723,546.39	
Bosnia and Herzegovina	93,636.11	14.42%	331,557.14	51.06%	169,441.25	26.09%	54,705.96	8.42%	649,340.45	
Croatia	155,474.99	25.02%	304,487.44	49.00%	106,683.78	17.17%	54,705.96	8.80%	621,352.17	
Kosovo	116,279.05	17.88%	287,085.27	44.15%	172,618.07	26.55%	74,262.52	11.42%	650,244.91	
former Yugoslav Republic of Macedonia	57,843.50	9.86%	333,905.65	56.90%	140,379.43	23.92%	54,705.96	9.32%	586,834.53	
Montenegro	190,121.31	25.47%	316,354.56	42.38%	159,372.90	21.35%	80,541.18	10.79%	746,389.95	
Serbia	189,259.91	25.70%	335,128.38	45.50%	118,569.77	16.10%	93,507.91	12.70%	736,465.98	
Turkey	137,182.94	17.46%	475,746.81	60.54%	118,253.60	15.05%	54,705.96	6.96%	785,889.30	IPA
IPA	1,116,700.17	20.30%	2,720,032.32	49.45%	1,106,837.44	20.12%	556,493.75	10.12%	5,500,063.68	29.21%
Total Budget	3,002,209.82	15.94%	8,960,932.77	47.58%	4,139,971.57	21.98%	2,728,885.84	14.49%	18,832,000.00	100.00%

Summary ABB table by country / theme

Instrument	Country	Theme A	%/Instrument Budget	Theme B	%/Instrument Budget	Theme C	%/Instrument Budget	Sum Themes - Country
DCI	Tajikistan	576,835.60	70.27%	107,423.43	13.09%	136,634.21	16.64%	820,893.24
DCI	Kazakhstan	530,163.93	67.99%	130,252.15	16.70%	119,321.16	15.30%	779,737.24
DCI	Kyrgyzstan	457,966.52	69.43%	88,987.42	13.49%	112,636.97	17.08%	659,590.91
DCI	Turkmenistan	302,866.01	60.57%	169,028.61	33.80%	28,161.34	5.63%	500,055.97
DCI	Uzbekistan	269,445.06	70.92%	50,210.95	13.22%	60,253.62	15.86%	379,909.63
DCI	Total DCI	2,137,277.13	68.06%	545,902.57	17.38%	457,007.29	14.55%	3,140,186.99
ENP E	Republic of Moldova	457,062.68	54.85%	217,897.26	26.15%	158,331.69	19.00%	833,291.63
ENP E	Ukraine	336,670.26	46.05%	236,871.91	32.40%	157,563.48	21.55%	731,105.65
ENP E	Armenia	238,033.75	53.81%	102,699.70	23.22%	101,625.15	22.97%	442,358.60
ENP E	Georgia	235,312.35	61.74%	64,375.93	16.89%	81,465.52	21.37%	381,153.80
ENP E	Belarus	146,938.48	55.93%	65,836.76	25.06%	49,926.27	19.00%	262,701.51
ENP E	Azerbaijan	154,346.57	59.19%	74,020.73	28.39%	32,394.51	12.42%	260,761.80
ENP E	Russia	131,127.73	59.15%	50,340.91	22.71%	40,214.76	18.14%	221,683.39
ENP E	Total ENP E	1,699,491.83	54.24%	812,043.20	25.92%	621,521.37	19.84%	3,133,056.39

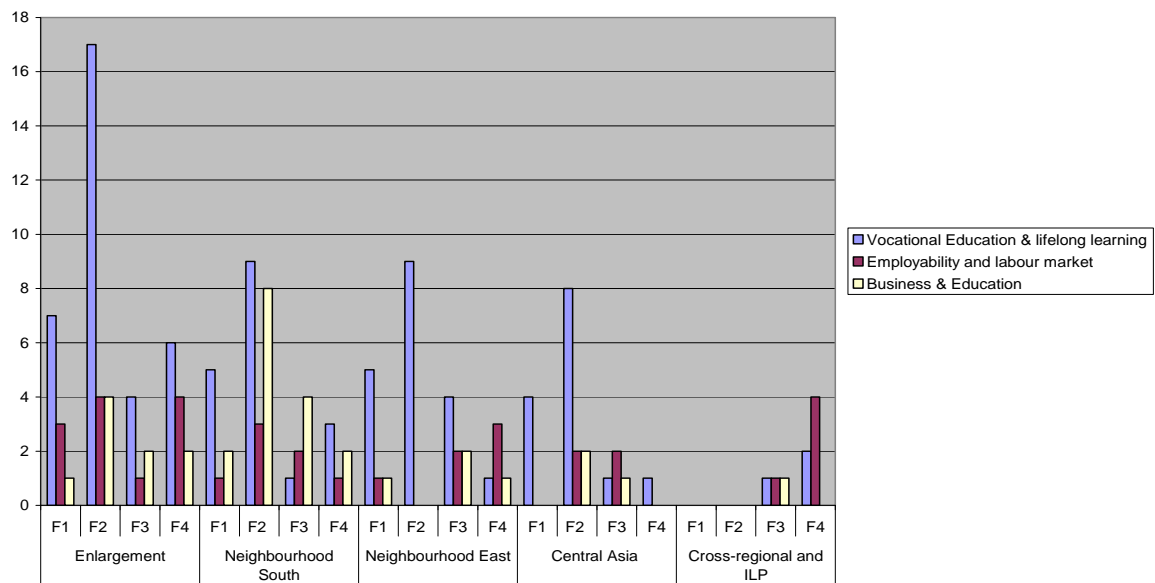
ENP S	Egypt	743,351.52	60.15%	259,632.60	21.01%	232,895.86	18.84%	1,235,879.98
ENP S	Morocco	572,016.25	65.33%	153,859.23	17.57%	149,693.82	17.10%	875,569.30
ENP S	Jordan	490,431.84	56.43%	148,540.22	17.09%	230,154.01	26.48%	869,126.07
ENP S	Tunisia	580,618.63	67.30%	137,062.40	15.89%	145,050.69	16.81%	862,731.73
ENP S	Syria	426,842.56	58.06%	115,909.98	15.77%	192,431.82	26.17%	735,184.35
ENP S	Occupied Palestinian Territory	486,415.30	67.04%	112,705.86	15.53%	126,464.81	17.43%	725,585.97
ENP S	Lebanon	386,181.49	58.13%	102,831.12	15.48%	175,312.71	26.39%	664,325.32
ENP S	Israel	348,930.21	61.43%	104,850.72	18.46%	114,191.14	20.11%	567,972.07
ENP S	Algeria	317,660.02	60.82%	96,808.37	18.53%	107,849.75	20.65%	522,318.14
ENP S	Total ENP S	4,352,447.83	61.66%	1,232,200.50	17.46%	1,474,044.61	20.88%	7,058,692.94
IPA	Turkey	553,475.66	70.43%	116,227.54	14.79%	116,186.11	14.78%	785,889.30
IPA	Montenegro	525,826.11	70.45%	108,327.67	14.51%	112,236.17	15.04%	746,389.95
IPA	Serbia	518,879.33	70.46%	106,342.87	14.44%	111,243.78	15.11%	736,465.98
IPA	Albania	509,835.62	70.46%	103,758.95	14.34%	109,951.82	15.20%	723,546.39
IPA	Kosovo (UNSCR 1244)	458,524.58	70.52%	89,098.66	13.70%	102,621.67	15.78%	650,244.91
IPA	Bosnia and Herzegovina	457,891.46	70.52%	88,917.77	13.69%	102,531.22	15.79%	649,340.45
IPA	Croatia	438,299.66	70.54%	83,320.11	13.41%	99,732.40	16.05%	621,352.17
IPA	former Yugoslav Republic of Macedonia	414,137.32	70.57%	76,416.58	13.02%	96,280.63	16.41%	586,834.53
IPA	IPA	3,876,869.74	70.49%	772,410.15	14.04%	850,783.80	15.47%	5,500,063.68
	Grand Total	12,066,086.52	64.07%	3,362,556.41	17.86%	3,403,357.07	18.07%	18,832,000.00

Instrument	Country	Theme A	%/Instrument Budget	Theme B	%/Instrument Budget	Theme C	%/Instrument Budget	Sum Themes - Country
DCI	Tajikistan	576,835.60	70.27%	107,423.43	13.09%	136,634.21	16.64%	820,893.24
DCI	Kazakhstan	530,163.93	67.99%	130,252.15	16.70%	119,321.16	15.30%	779,737.24
DCI	Kyrgyzstan	457,966.52	69.43%	88,987.42	13.49%	112,636.97	17.08%	659,590.91
DCI	Turkmenistan	302,866.01	60.57%	169,028.61	33.80%	28,161.34	5.63%	500,055.97
DCI	Uzbekistan	269,445.06	70.92%	50,210.95	13.22%	60,253.62	15.86%	379,909.63
DCI	Total DCI	2,137,277.13	68.06%	545,902.57	17.38%	457,007.29	14.55%	3,140,186.99
ENP E	Republic of Moldova	457,062.68	54.85%	217,897.26	26.15%	158,331.69	19.00%	833,291.63
ENP E	Ukraine	336,670.26	46.05%	236,871.91	32.40%	157,563.48	21.55%	731,105.65
ENP E	Armenia	238,033.75	53.81%	102,699.70	23.22%	101,625.15	22.97%	442,358.60
ENP E	Georgia	235,312.35	61.74%	64,375.93	16.89%	81,465.52	21.37%	381,153.80
ENP E	Belarus	146,938.48	55.93%	65,836.76	25.06%	49,926.27	19.00%	262,701.51
ENP E	Azerbaijan	154,346.57	59.19%	74,020.73	28.39%	32,394.51	12.42%	260,761.80
ENP E	Russia	131,127.73	59.15%	50,340.91	22.71%	40,214.76	18.14%	221,683.39
ENP E	Total ENP E	1,699,491.83	54.24%	812,043.20	25.92%	621,521.37	19.84%	3,133,056.39
ENP S	Egypt	743,351.52	60.15%	259,632.60	21.01%	232,895.86	18.84%	1,235,879.98
ENP S	Morocco	572,016.25	65.33%	153,859.23	17.57%	149,693.82	17.10%	875,569.30
ENP S	Jordan	490,431.84	56.43%	148,540.22	17.09%	230,154.01	26.48%	869,126.07
ENP S	Tunisia	580,618.63	67.30%	137,062.40	15.89%	145,050.69	16.81%	862,731.73
ENP S	Syria	426,842.56	58.06%	115,909.98	15.77%	192,431.82	26.17%	735,184.35
ENP S	Occupied Palestinian Territory	486,415.30	67.04%	112,705.86	15.53%	126,464.81	17.43%	725,585.97
ENP S	Lebanon	386,181.49	58.13%	102,831.12	15.48%	175,312.71	26.39%	664,325.32
ENP S	Israel	348,930.21	61.43%	104,850.72	18.46%	114,191.14	20.11%	567,972.07
ENP S	Algeria	317,660.02	60.82%	96,808.37	18.53%	107,849.75	20.65%	522,318.14
ENP S	Total ENP S	4,352,447.83	61.66%	1,232,200.50	17.46%	1,474,044.61	20.88%	7,058,692.94
IPA	Turkey	553,475.66	70.43%	116,227.54	14.79%	116,186.11	14.78%	785,889.30
IPA	Montenegro	525,826.11	70.45%	108,327.67	14.51%	112,236.17	15.04%	746,389.95

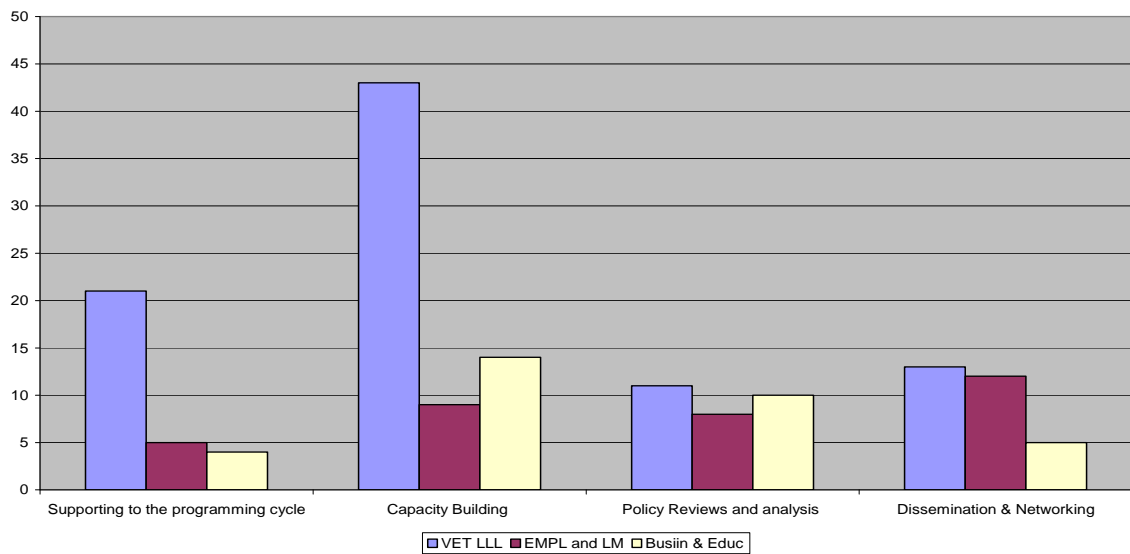
IPA	Serbia	518,879.33	70.46%	106,342.87	14.44%	111,243.78	15.11%	736,465.98
IPA	Albania	509,835.62	70.46%	103,758.95	14.34%	109,951.82	15.20%	723,546.39
IPA	Kosovo	458,524.58	70.52%	89,098.66	13.70%	102,621.67	15.78%	650,244.91
IPA	Bosnia and Herzegovina	457,891.46	70.52%	88,917.77	13.69%	102,531.22	15.79%	649,340.45
IPA	Croatia	438,299.66	70.54%	83,320.11	13.41%	99,732.40	16.05%	621,352.17
IPA	former Yugoslav Republic of Macedonia	414,137.32	70.57%	76,416.58	13.02%	96,280.63	16.41%	586,834.53
IPA	IPA	3,876,869.74	70.49%	772,410.15	14.04%	850,783.80	15.47%	5,500,063.68
	Grand Total	12,066,086.52	64.07%	3,362,556.41	17.86%	3,403,357.07	18.07%	18,832,000.00

Annex 12: Corporate Outputs Achieved in 2010

Total n° outputs by regions, function and themes



2010 Total n° outputs per function and theme



IPA corporate outputs

1. Input to Commission programming	1. VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	1. IPA I implementation and programming support – Albania	2. HRD review to inform IPA IV programming – Albania	Small Business Act country assessments – All IPA (Postponed)
	Impact assessment of EU assistance in VET – BiH (Postponed)	3. HRD review to inform IPA IV programming – Montenegro	4. Support IPA I on Entrepreneurial learning – BiH (new)
	5. IPA I implementation and programming support – Kosovo	6. HRD review to inform IPA IV programming – Serbia	
	7. IPA implementation and programming support – Montenegro	Draft HRD review to inform IPA IV programming – Croatia (Postponed)	
	8. IPA I implementation and programming support – Turkey		
	9. Input to Progress Report – All IPA		
	10. IPA Multi-beneficiary – monitoring and programming support – All IPA		
	11. Policy support to DG ELARG and DG EMPL on social inclusion – All IPA (new)		
	IPA I implementation and programming support – Serbia (cancelled)		
2. Capacity Building	1.VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship Business and Education
	12. Study visit to the UK on quality assurance – Albania	13. Advice on implementation of Action Plan of Employment Strategy – Kosovo	14. Policy development on skills for growth enterprises – Montenegro
	15. Workshop on VET vision – Albania	16. Methodology for study on long term unemployment – Montenegro	17. Report on policy implications of cross campus audits of entrepreneurship in HE – All IPA
	18. Policy development on entrepreneurial learning and teaching and learning – Albania	19. Peer learning on activation – All IPA	20. 3 policy indicators for female entrepreneurship developed for SBA assessments - All IPA
	21. Policy development on NQF – Kosovo	22. Peer learning on Adults' basic Skills – All IPA	23. Policy workshop on economic competitiveness and the role of HCD – Croatia
	24. Policy development on PSVET – Kosovo		

	25. Collaborative VET evaluation with VET Centre – FYROM			
	26. Workshop on Bruges questionnaire – FYROM			
	27. Guidelines for in-service CTD on key competences – Montenegro			
	28. Contribution to development of Adult Education law – Serbia			
	29. Capacity development for VET & AE Council – Serbia			
	30. Capacity development on implementation of career's guidance strategy – Serbia			
	31. Capacity development for Vocational Qualifications Authority – Turkey			
	32. Capacity development on decentralization – Turkey			
	33. Capacity development on PSVET – Turkey			
	34. Peer learning on quality assurance – All IPA			
	35. Peer learning on PSVET – All IPA			
	36. Capacity building on inclusive education – All IPA			
	Capacity development on teacher training – Turkey (Cancelled)			
3. Policy Analysis	1.VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship Business and Education	
	37. 1 set of HRD review (TP) – BiH and Kosovo	38. Apprentice employability survey report – Croatia	39. 8 Education & Business country notes – All IPA	
	40. Develop research capacity in Pedagogical Institute on school drop outs – Kosovo (new)	Study on long term unemployment – Montenegro (ongoing)	41. Focus group meetings and validation seminars on Education & Business – All IPA (new)	
	42. Integrated chapter on the candidate countries for the Bruges report - Croatia, FYROM, Turkey			

	43. 7 country reports and a cross country report on teacher preparation for inclusive education – Albania, BiH, Croatia, Kosovo, FYROM, Montenegro, Serbia			
4. Dissemination and Networking	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets	3. Entrepreneurship Business and Education
(Activities promoting collaboration among partner countries and donors)	44. National conference with donors on VET: policies and perspectives – Albania		45. Apprentice employability survey conference – Croatia	46. High Level Reflection Panel on EL – ALL IPA
	47. HRD review donors' workshop – Kosovo		48. National seminar with key donors on HRD review and IPA IV – Albania	49. Cross regional conference on Entrepreneurship in tertiary education – All IPA
	50. Seminar with donors on Impact assessment of EU support in VET – BiH		51. National seminar with key donors on HRD review and IPA IV – Montenegro	
	52. Workshop with donors on country report on policies and practices for the preparation of teachers for inclusive education – FYROM		53. National seminar with key donors on HRD review and IPA IV – Serbia	
	54. Dissemination of cross country report on teacher preparation for inclusive education 4 European wide events – All IPA			
	55. Tirana donor workshop with players active at regional level – ALL IPA (new)			

ENP South corporate outputs by end Q4

1. Input to Commission programming	1. VET Reform and Lifelong Learning		2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	56. 1 set of Country Project Fiches as input to ENPI action plan monitoring (sent to Relex, EAC and Employment)		57. Inputs to DG Employment in context of follow up to Marrakesh Ministerial conference on employment and preparations for 2010 follow up conference (as requested)	58. 1 Update of policy index in entrepreneurial learning and enterprise skills in all ENPI south countries
	59. 1 design of VET programme for OPT according to specifications of EU Delegation (this includes two deliverables re. one identification and one feasibility report			60. 1 set of Inputs to EuroMed industrial cooperation group as follow up to Mediterranean Nice Ministerial Conference and in preparations for 2011 Ministerial (as requested)

	61. 1 Report on progress of VET reform and contribution of MEDA VET reform project in Egypt			
	62. 1 Report on secondary reform and links to VET in Egypt (new)			
	63. 1 set of inputs to DGEAC on Labour market oriented VET reforms as input to preparations to 2011 Euromed Ministerial (new)			
2. Capacity Building¹	1.VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education	
	64. 1 regional workshop on sectoral qualifications (June)	65 .1 Seminar on employability and qualifications (focused on tourism sector and seasonality)in Tunisia + Note on good EU practices	66. 1 regional training (workshop and study visit) on higher education EL indicators	
	67 .1 regional workshop on EU experiences on NQF implementation (July)	68 .1 migration workshop in Egypt	69. 1 set of pilot audits (5 + 2 from EMUNI network) in Med countries	
	70. 1 study visit for Jordan Director of quality assurance agency to Romania	71. 1 transition from school to work workshop in Syria	72. 1 set (6) of training seminars for young Syrians entrepreneurs as part of the SKILLS programme managed by SEBC	
	73. 1 set (3) of CB workshops for NQF coordination group in Lebanon		74. 1 regional workshop on social partnership in HRD (December)	
	75. 1 EU study visit of Lebanese on NQF		76. 1 set (3) of CB workshops for EL working group in Lebanon	
	77. 1 set (5) e-learning seminars (Lebanon, OPT, JOR, EGY, MOR)		78. 1 private public sector dialogue established in Syria on TNA	
	80. 1 workshop on CG in Egypt		79. 1 set of CB mission for Social partners in Jordan	
	82. 1 CB seminar in Jordan on skills assessment		81. Methodological tool box for Higher education EL audits	
	83. 1 set of CB missions in Morocco on TVET costing (compte économique de la formation)			

¹ Capacity building events have been grouped into 1 set in order to keep target numbers close to WP target

	1 workshop (and note) on EU experiences on poles d'excellence (including higher professionally oriented education) for Tunisia Note DONE, workshop (postponed)			
	1 exposure (paper and meetings with EU entrepreneur organizations) to EU practices on management of CVET for Morocco Partially, only one meeting organised with Italian counterparts Paper cancelled			
3. Policy Analysis	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	84.1 set (9) of TRP country reports for VET in a lifelong learning perspective – 8 (All except Algeria)		85. 1 report on skills and migration in Egypt (new)	86. 1 regional paper on social partnership
			87. 1 regional paper on Adult learning (new)	88. 1 set (9) of E and B national reports (idem) – 8 (except Algeria)
				89. 1 Report on EL in HE (new)
				90. 1 set (2) of qualification mapping in the EuroMed region (new)
4. Dissemination and Networking	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	91. Annual workshop to share first year results on regional qualifications (November)		92. 1 workshop on NQF in Morocco	93. 1 regional seminar on employability and gender (December) (new)
	94. 1 set (2 sectoral platforms and 1 NQF network) of platforms set			95. High level dissemination conference on outcomes of assessment on entrepreneurial learning in tertiary education (new)
	96. 1 donor dialogue meeting on CG in Egypt			
	1 donor dialogue meeting in Tunisia (postponed)			

ENP East corporate outputs by end Q4

1. Support to the European Commission	1. VET Reform and Lifelong Learning		2. Employability and Labour Markets		3. Entrepreneurship Business and Education
	97. Donor Support seminar in Armenia		98. Presentation of Employment Review for the region as support to platform 2 of Eastern Partnership		99. Presentation on Small and Medium Sized Enterprises in the region as support to platform 2 of Eastern Partnership
	100. Sector strategy support design in Georgia				
	101. Donor Seminar in Moldova				
	102. Support to Ministry of Education twinning project Ukraine				
	103. Presentation of Torino Reporting Process in the Region as support to platform 4 of Eastern Partnership				
2. Capacity Building	1. VET Reform and Lifelong Learning		2. Employability and Labour Markets		3. Entrepreneurship Business and Education
	104. School Management Regional Seminar in Armenia		105. Studies on the role of human resources development in regional economic competitiveness (new)		
	106. School Management Regional Seminar in Armenia		Labour Demand Analysis workshop in Ukraine (postponed)		
	107. Study Visit of Armenian social partners to Austria				
	108. 1 set of 4 Policy workshops on NQF in Moldova				
	109. 1 set of 4 Occupational Standards workshops in Moldova				
	110. 1 set of Quality workshops Georgia				
	111. Optimisation school workshop Ukraine				
	112. Regional Post secondary VET workshop				
	113. Capacity building education legislation Moldova (new)				
	National Qualifications Workshop in Ukraine (postponed)				

3. Policy Analysis	1. VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship Business and Education
	114. HCD Review in Moldova	115. Employment Review Azerbaijan Review Belarus	116. 1 set country reports for Eastern Neighbourhood
	117 Studies on the role Human Resources Development in Regional economic competitiveness	118. Black Sea Employment Review cross country	
	119. 1 set of country reports for TRP in Eastern Neighbourhood		
	120. Concept paper RPL in Moldova (new)		
	VET policy note in Ukraine (cancelled)		
4. Dissemination and Networking	1. VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	121. NQF Dissemination Seminar in Ukraine	122. BSE Employment Review Dissemination in Brussels	123. Competitiveness Seminar Ukraine
		124. BSE Employment Review Dissemination in Ukraine	
		125. Employment review dissemination Belarus (new)	

DCI corporate outputs by end Q4

1. Input to Commission programming for	1. VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	126. Preparatory capacity building on inclusive education, contributing to DCI project definition for Uzbekistan		
	127. Inputs to grant scheme in Kyrgyzstan VET sector		
	128. Inputs to EC Delegation KZ on DCI VET reform project for Kazakhstan		
	129. Inputs to the EC Delegation TJ in order to support the new National Education Policy		
	Contributions to inception phase of the DCI AP 2007 education reform project for Turkmenistan (postponed)		

2. Capacity Building	1.VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education
	130. 1 National conference on school development in KG	131. 2 Career Guidance capacity building events in Kyrgyzstan	132. Peer learning event on social partnership in order to support better interaction of VET schools with their environment, for participants from KG, KZ and TJ
	133. 1 National conference on school development in KZ	134. Policy workshops and discussion on interaction between VET and the labour market in Turkmenistan	135. Exploratory capacity building event on entrepreneurship related questions in Tajikistan
	136. Peer learning event/study visit on quality and self assessment for participants from KG, KZ, TJ (possibly TM)	Policy Dialogue on labour market policies in Kazakhstan (cancelled)	Exploratory capacity building event on entrepreneurship related questions in Kyrgyzstan (cancelled)
	137. Capacity building event on school development in a lifelong learning perspective in Kazakhstan with focus on quality and management		Exploratory capacity building event on better integration of enterprise/work requirements in teaching processes in Kazakhstan (cancelled)
	138. Capacity building event on school development related to in a lifelong learning perspective in Kyrgyzstan with focus on quality and management		
	139. Capacity building event on school development related to in a lifelong learning perspective in Tajikistan with focus on quality and management		
	140. Policy workshops on VET management and system development (including on use of indicators) for stakeholders in Turkmenistan		
	141. Policy workshop on NQF development in Kazakhstan and accompanying policy dialogue		

3. Policy Analysis	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets		3. Entrepreneurship – Business and Education
	144. 1 set of country reports on TRP for Central Asia region		142. 1 National Concept on Counselling and guidance in Kyrgyzstan		143. 1 country report for each Central Asian country and one Cross regional draft report on education and enterprise co-operation
	Analysis of the quality of VET schools in a lifelong learning perspective based on survey results of 3 participating countries (KZ, KG, TJ) postponed		145. Labour Market and Migration Report Tajikistan		
4. Dissemination and Networking	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets		3. Entrepreneurship – Business and Education
(Activities promoting collaborations among partner countries and donors 4)	146. Thematic contribution to annual education conference in Turkmenistan (upon TM request)				
	Contributions to events organized in the framework of the Central Asian Education Initiative (cancelled)				

Innovation and learning Programme and Cross Regional/Country Actions

3. Policy Analysis	1.VET Reform and Lifelong Learning		2. Employability and Labour Markets		3. Entrepreneurship – Business and Education
Torino Process	147. 1 set of reports on TRP (4 Regional reports 1 Cross-country report) 0.5 achieved 2 Cross country synthesis reports postponed to be completed during 2011.				
Education and Business Study					147 bis. 1 set of reports on business and education (4 Regional reports 1 Cross-country report) 0.5 achieved Cross country synthesis reports postponed to be completed during 2011

² 0.5 achieved means partially achieved.

Innovation and learning project: Women and Work	1 set of 4 policy analyses related to vet reform and lifelong learning and women and women (same as 148) cancelled	148. 1 set of 4 policy analyses related to Employability and Labour Markets TUN JOR EGY and cross country study TUN JOR, and EGY 0.5 achieved WOW Cross country synthesis reports postponed to be completed during 2011 (0.5 postponed)		
ILP Flexicurity		148 bis. 3 Country reports 0.5 achieved Cross country synthesis reports postponed to be completed during 2011		
ILP HCD Review	149. HCD Reviews MOL, TAJ (new)			
4. Dissemination and Networking	1.VET Reform and Lifelong Learning	2. Employability and Labour Markets	3. Entrepreneurship – Business and Education	
Communities of Practice	150. Community of Practice on Qualifications – International event on qualifications with DG EAC	151. Community of Practice on Indicators – methodology, indicators and partner country datasets for VET policy assessment		
	152. Community of Practice on Education and Development position paper on VET and sustainable development	153. Community of Practice on employment Annual Dissemination event		
		154. Community of Practice on Transition Annual Dissemination event		
ILP- Competitiveness	Dissemination event and Egyptian Competitiveness report (postponed)			
ILP - Gender		155. Dissemination event in Egypt		

Co-operation between the ETF and Cedefop, Summary Joint Progress Report 2010

Both Cedefop and the 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.

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. In this context, the ETF helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems. The ETF's added value comes from its neutral, non-commercial and unique established knowledge base consisting of expertise in human capital development and its links to employment. This includes expertise in adapting the approaches to human capital development in the EU and its Member States to the context of the partner countries.

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. Cedefop's mission is to support the development of European vocational education and training policies and contribute to their implementation.

In doing so both agencies contribute to meeting the objectives of the Europe 2020 strategy, of several of the EU's flagship initiatives and of the Education and training 2020 framework.

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 assistance to European Commission services, (e.g., DG Enterprise and Industry, DG Enlargement, DG Employment, Social Affairs and Inclusion, and the European External Action Service); capacity building in co-operation with partner country governments as well as advice on policy solutions appropriate to the problems they face. 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 and training offers potential synergies through co-operation. Cedefop offers information and reports on EU experiences that can be useful to guide Candidate Countries and how they may benefit from EU policies and objectives in education and training during the Enlargement process. Likewise, ETF's work supports Candidate Countries in the reporting of progress under the Copenhagen process. More generally, Cedefop's work provides a pool of European research on vocational education and training policies that can be partially shared with partner countries and territories.

The potential for synergies and complementary work 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 joint report is subsequently provided to the European Parliament as part of their annual reporting processes.

Report of ETF –Cedefop Co-operation 2010

During 2010, ETF and Cedefop further systematised their co-operation to maximise the benefits for their respective mandates. This resulted in co-operating in reporting progress of Candidate Countries as part of the Bruges Review of the Copenhagen process, knowledge sharing seminars, and collaboration in the area of qualifications development.

Bruges Review of Progress in the Copenhagen Process

During the year both agencies worked together in preparing a review of progress towards the objectives of the Copenhagen process in Europe and Candidate Countries. ETF focused its assessment on the challenges and trends in vocational education reform in Croatia, the Former Yugoslav Republic of Macedonia and Turkey. It formed the basis for an annex included in Cedefop's report 'A bridge to the future – European policy for vocational education and training 2002-2010' which was presented at the Informal Meeting of Vocational Education Ministers, European Social Partners and the European Commission in Bruges in December 2010. Such co-operation between the two agencies promotes mutual learning between Candidate Countries and Member States on how their reform strategies connect with EU Lifelong Learning initiatives.

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

Knowledge Sharing

In 2010, the ETF and Cedefop conducted two knowledge sharing seminars. The first knowledge sharing seminar between the two agencies took place in Thessaloniki on 29 January 2010 and focused on the ETF's work on NQF, migration, and on exchanges on expertise development at the ETF as well as ReferNet. The second seminar took place in Turin as part of the "Consultation on Torinet – Evidence based policy learning" event on 3-4 November 2010. Cedefop also presented its work on labour force skills matching at the Eastern European regional conference on employability and human capital issues which was organised jointly by the ETF and the European Commission in Odessa.

Qualifications Development

During 2010, Cedefop and DGEAC were involved in the development of the Qualifications Platform. The ETF and Cedefop discussed how to integrate and align their inventories/mapping of NQFs developments into a world-wide overview of developments to be prepared in cooperation with UNESCO.

Cedefop contributed to the ETF book *Developing Qualifications Frameworks in EU Partner Countries*. ETF consulted with Cedefop and DGEAC on the ILO study on Implementation and Impact of National Qualifications Frameworks and on a study on Transnational Qualifications Frameworks. ETF provided background information on Croatia and Turkey for the Cedefop overview of NQF developments of the countries that are part of the EQF process.

For many events ETF and Cedefop coordinated their participation and contributions. ETF and Cedefop contributed both to the organisation of a Peer Learning Event in Istanbul on "How the learning outcomes approach, NQFs and quality assurance can support lifelong learning?" ETF and Cedefop jointly supported the Peer Learning Activity on the International Dimension of Qualifications Frameworks. Moreover, ETF participated in two events in Thessaloniki on qualifications related issues during 2010.

Administrative Co-operation

In line with the joint work programme for 2010, co-operation also took place at the administrative level through participation of ETF HR staff in Cedefop recruitment panels as well as mutual consulting on administrative issues at Directors and service levels.



Christian F. Lettmayr
Acting Director
Cedefop

Done in Thessaloniki, 14 April 2011



Madlen Serban
Director
ETF

Done in Turin, 14 April 2011

Annex 14: Cooperation with the EU Member State institutions

Participation of the Governing Board members in ETF events in 2010

Title of event	Period and location	GB member	Other EU member state representatives
Education and business seminar	29-30 March 10, Turin	Gema Cavada (Spain)	Austria, Belgium
GB working group on Annual Activity Report and 2011 Work programme	18 May 10, Turin	Gema Cavada (Spain) Julianne Reimers (Germany) Stamatis Paleocrassas (EP ind. expert) Jean François Mezières, (EP ind. expert)	
Workshop on regional qualification project	15-16 July 10, Turin	Maurice Mezel (France)	Spain, France
ETF Torino process validation seminar in Israel	18 October 10, Tel Aviv	Roland Svarrer Østerlund (Denmark)	Germany
ETF policy conference: Linked Learning: can options in Postsecondary VET make a difference?	25-26 October 10, Turin	Micheline Scheys (Belgium) Guidobono Cavalchini (Italy)	France, Italy, Hungary, Sweden, Romania
ETF and DG EMPL conference "Trends and Challenges of Labour Markets and Employability of Human Capital in the six Eastern Partners"	20-21 October 10, Odessa	Jerzy Wiśniewski (Poland)	Belgium France, Netherlands, Czech Republic
Evidence Based Policy making international consultation	3-4 November 2010, Turin	Shawn Mendes (Sweden) Juraj Vantuch (Slovakia) Stamatis Paleocrassas (EP ind. expert)	Lithuania
ETF international seminar on VET and sustainable development	22-23 November 2010, Turin	Sara Parkin (EP indep expert)	Germany, France, Finland
ETF thematic event « Boosting entrepreneurial culture through innovative learning: issues and implications for policy and practice in ETF partner regions »	24-26 November 2010	Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Estonia, France, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Romania, Poland, Spain, UK	UK
ETF conference on social inclusion	2-3 December 2010, Brussels	Maurice Mezel (France) Liliana Preoteasa (Romania) Sara Parkin (EP indep expert) Stamatis Paleocrassas (EP indep expert)	Germany, Portugal

Participation of ETF staff in EU presidency events in 2010

During the Spanish Presidency (January-June 2010), the ETF representatives attended and contributed into the following events:

- Jean Monnet conference- "The role of education and training in new European Economy", 25-26 January 2010;
- Conference « New skills for the future employment », 8-9 April 2010;
- European Lifelong Guidance Policy Network, 3-4 May 2010;

- Meeting of the directors general of VET, 3-4 May 2010;
- Conference on Valuing VET competences, 4-6 May 2010;
- Conference « Public Employment Services in Europe », 27-28 May 2010

The Belgium presidency invited the ETF to participate in the following events:

- Meeting of the directors general of VET, 22-23 September 2010;
- Conference "Breaking the cycle of disadvantage - inclusion in and through education", 28-29 September 2010;
- Conference « Youth on the Move », Antwerpen, 5 October 2010;
- International Workshop "Entrepreneurial Education in Non -Economic subjects" – 19 October 2010;
- Conference : "Active labour market policies for the EU2020 Strategy: ways to move forward", 28-29 October 2010;
- Conference on legal immigration, 26 November 2010;
- Conference on "Quality and transparency as an interface between VET, schools and HE to enhance mobility and to support easier pathways to LLL", 5-6 December 2010;
- Informal Education Council –"Towards a stronger European collaboration on vocational education and training", 7 December 2010

ETF study visits organised in EU member state institutions

No.	ETF study visit	Date and venue	EU MS
1.	ETF Study visit of the Albanian policy makers in vocational education and training	2-8 March 2010	UK
2.	ETF Study visit on career guidance	7-8 May 2010	Spain
3.	ETF Study visit and training event on entrepreneurship in professionally oriented higher education	24-28 May 2010	UK
4.	ETF Study visit on self-assessment and quality	25-28 May 2010	Estonia
5.	ETF Study visit to Paris on NQF for Lebanese experts	13-16 July 2010	France
6.	ETF Study visit on Social Partnership for Armenian Stakeholders	13-17 September. 2010	Austria
7.	ETF Peer learning event Quality Management and self-assessment as a tools for quality improvement in VET: Learning from experience and practices used in Hungary	27-30 September 10	Hungary
8.	ETF Study visit on the role of Social partners in the T-VET sector for the experts from the countries from Central Asia	27 September-1 October 10	Netherlands
9	ETF Study visit to Slovenia for the representatives of the Serbian Ministry of Education and the Council for VET and Adult Education	5-8 October 10	Slovenia
10	ETF Study visit - Activation policies in Austria for the representatives from Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, Turkey	12-15 October 10	Austria
11	Post-secondary VET Study visit to the Netherlands (organised with COLO), for representatives from: Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, Turkey	15-19 November 10	Netherlands