

EUROPEAN TRAINING FOUNDATION (ETF) RESPONSE TO JOINT CONSULTATION PAPER

Towards a new European Neighbourhood Policy

The European Training Foundation welcomes the decision of the European Commission to review the European Neighbourhood Policy (ENP). We fully share the expressed view of the Commission that the ENP has to evolve even further to adequately respond to the recent developments in the partner countries. Like in any evolution, the element of adaptation is crucial; this entails better matching of the needs of both the EU and the partner countries and better matching of the expectations and aspirations to deepen partnership.

The launched consultation, rightly so, moves towards a partnership with clearer focus and more tailored cooperation. Within this approach and the four proposed priority areas namely, differentiation, focus, flexibility, ownership and visibility a more **comprehensive approach** is needed. Such an approach needs to reflect better the dynamics of change and the institutional arrangements within the countries and their capacity to use EU support. In this respect, the ETF strongly supports that **human capital development needs to become a transversal priority area** in order to better enhance deliverables. Furthermore, based on the lessons learned from ETF's active engagement in these countries, we propose that in the new ENP the operationalisation of EU support **takes into account the absorption capacity and considers the coordination in action level of each country**.

Future direction of ENP

Should the ENP be maintained? Indeed, within a globalised environment, often within which the rule of law and public administration are not fully functioning, the concept of neighbourhood policy tends to become an issue of where you draw the line. What makes a geographical region into a political region is often not clear and therefore a broader comprehensive policy to set the priorities and the win win areas between the involved countries is much needed. In this respect, we fully acknowledge the importance of a **comprehensive European Neighbourhood Policy**. Furthermore, in designing the new ENP it is very important to learn from our experiences. In this regard, the progress Reports on the implementation of the ENP are very relevant clearly indicating that the pace of development in each country is different and country specific approaches are needed. These need to combine policy dialogue, monitoring of progress in the implementation and results of the reforms as well as EU financial assistance. Also ETF experience in the area of human capital development demonstrates that countries have a genuine interest in learning from EU internal policies at least as a source of inspiration. Political tools and financial assistance to neighbourhood countries should go hand in hand. Treating these two together would not only increase the leverage that the EU has on partner countries, but would also make the EU role more visible vis-à-vis the citizens and towards other global actors.

Regional cooperation has a benefit. From ETFs experience, partner countries operationalise regional cooperation mainly in the form of **peer learning**. This allows them to exchange best practises and benefit from knowledge that is produced locally to fit the needs of local communities. Furthermore, regional projects offer the opportunity for EU to engage into dialogue with partner countries and influence and benefit from the peer learning activities. Concrete follow up actions to discussions and sharing of experiences would help giving the multilateral dimension a more practical and concrete impact on partner countries. In this regard, additional funds could be devoted, for instance, to specific actions such as supporting migrants acquiring the skills needed on the labour market of the receiving countries, supporting employment actors to provide assistance for mobility, etc.

In the case of human capital development, the need for regional approach is even bigger (qualifications, mobility and migration, intelligence and data, etc.). ETF experience with regional projects - eg in the field of continuing vocational training in Eastern Partnership (EaP), and in qualifications in the South Neighbourhood- demonstrates that these are an important source of inspiration for the development of national policies/actions while they are also a vehicle for systematic external projection of EU policies. However, even in the cases of regional approach, the cooperation tends to be government oriented and lack flexibility to fit the different sub-regional and local interest.

Partnerships among actors at all levels and coordinated actions are critical. There is a need to promote further vertical partnerships (national-regional-local level) and horizontal partnerships (between ministries but also through enhanced social dialogue) within certain areas of action. The existence of such partnerships can be a basic criterion for eligibility of funding for projects. In relation to growth and employment, which are among the key priorities for all countries, reforms cannot be effective if not through a continuous cooperation of all relevant partners. Good examples of cooperation (as for instance those identified by ETF through its entrepreneurial communities initiative) should be praised and replicated not only at national level but also in other countries.

Evidence from the ETF Torino process¹ and the Governance for Employability in the Mediterranean (GEMM)² project in Southern Mediterranean suggests that current approaches to governance are rigid, non-transparent and too centralised. Private sector is little involved, in the policy cycle and this makes it difficult to approach and address employment and skills issues. Although governments recognise the importance of private sector active participation in the policy formulation and in delivery, there is still resistance to effective cooperation. Further support needs to be directed to private sector to enable it becoming a stronger partner of public authorities and to improve the alignment of the skills supply with labour market demand. Partnership in skills and employment needs to be vertical as well and extended to the intermediate and local level. In most of partner countries even inter-ministerial cooperation and coordination is weak making it difficult to consolidate data, plan, implement and monitor skills and employment issue.

Towards a partnership with clearer focus and more tailored Cooperation

The challenges of Differentiation

Differentiation is often perceived as an application of different measures in order to reach the same goals. This approach to differentiation would make sense if the partner countries had between them a more or less similar level of development and maturity. However, based on our Torino Process findings, the differences between the partner countries are in certain cases so large that hardly one could recognise them as a political region but rather as a geographical one. This element of readiness is linked, among other parameters, with the capacity in each country to develop and use in a smart and sustainable way its human capital. Therefore, to the question whether there is scope for a some kind of **variable geometry** within the ENP, our

¹ The ETF Torino Process is a participatory process leading to an evidence-based analysis of VET policies in a given country. It is carried out in order to build consensus on the possible ways forward in VET policy and system development. This includes the determination of the state of the art and vision for VET in each country, or, after a two-year period, an assessment of the progress that countries are making in achieving the desired results.

² Governance for Employability in the Mediterranean (GEMM) is a two-year project financed by the EU is focusing on enhancing the quality and relevance of the vocational education and training in the region.

response is positive as long as this geometry incorporates elements for more differentiation including intervention at grass root level, which will aim to shrink the gap between the levels of readiness of each country.

As the countries are not moving at the same pace and their needs, interests and engagement capacity are often different, a more flexible geometry could allow for more ownership and sustainability (which is often not the case). The solutions will then be better adapted to specific needs of the South and the East and to the sub-regional and national ones (Maghreb-Mashreq for instance).

Focus

Within all areas of focus highlighted, the element of human capital development is a common denominator. Especially for enhancing competitiveness, employment and job opportunities, being very high on the agenda of all partner countries, there is a need for permanent improvement and better use of the skills of the population as well as , easing the transition from education to employment. Following the negative impact of the global economic crisis, the phenomenon of stagnant growth, economic restructuring policies as well as recent political transitions experienced by some countries have dismantled the Education and VET systems.

The new ENP needs to address adequately the issue of internal structures as a key determinant of the capacity for change. Public administration, governance and institutional arrangements are all important to be addressed in conjunction with human capital development. ETFs experience through projects like ETF FRAME³ demonstrates that making human capital a source of prosperity and growth requires and institutional infrastructure based on partnership, concerted action, clear division of roles and responsibilities, clear accountabilities and transparency in the decision-making process as well as sound financial management. The new ENP needs to address mobility as a key area of cooperation. **People to people** projects, **mobility partnerships** and further development of **qualifications recognition tools** can facilitate mobility. Low economic growth and/or limited job creation is accompanied by a large number of low quality (informal) jobs that do not permit the workforce to improve their skills and long-term employability. Youth transition from education to work is lengthy with poor outcomes (precarious jobs; underemployment), while activation of vulnerable groups is hampered by limited skilled jobs, weak private sector/ business climate for company growth, territorial disparities and obsolete/ irrelevant skills.

Stronger support should be given also to civil society and social partners by helping them to better organise and make their voices heard, increase their capabilities to better negotiate with the authorities and better express their needs including in skills and employment field, cooperate between them at national and international levels etc

Most countries covered by the current ENP are, in terms of migratory waves, countries of transit. In this respect, the new approach of co-operating in some cases with the **neighbours of the neighbours** is a positive step towards stability, growth and social cohesion support in the partner countries. Therefore, though the current neighbourhood countries should remain

³ ETF FRAME project, financed by the EU helped all the Enlargement countries to meet the challenge for more forward-looking, innovative and evidence-based approaches to policy development in the area of skills and human resources development.

the focus of the neighbourhood policy, the neighbours of the neighbours should be involved in activities relevant to their own development.

Several instruments and programmes have been adopted at EU level to foster jobs and growth, especially for youth and youth integration in the labour market. Examples are the New Skills for New Jobs Agenda, the EU Skills Panorama and the Youth Guarantee. Among other possible activities, such principles and programmes should be extended, as much as possible, to partner countries, as they would increase growth and prosperity, they would contribute to partner countries (and EU) social rest and security and would also directly respond to some needs of the EU labour market (in relation to migration inflow). Funds scarcity should be taken into account while opening or extending these types of programmes to partner countries.

Flexibility

Partner countries need large investments to change their systems and to foster economic growth. EU assistance alone can provide valuable support but overall tends to have limited impact, given the magnitude of the resources needed. Special attention should be given to all possibilities of joining efforts and putting funds together. Technical assistance and budget support should go hand in hand with larger investments from financial institutions and other international organizations, so to leverage the impact of the assistance.

More people-to-people programmes should be financed, as they allow cooperation between civil society organisations, business communities, scientific communities, youth. This would enhance understanding of the citizens of the partner countries about the EU and better understanding of the values on which the EU is based.

In most current contexts across the region, centralised governance systems means that territorial (i.e. subnational) and local initiatives are only likely to be successful if they have approval from the central authorities. Even when there is political will for local development, the excessive centralisation make it difficult to be effective and sustainable. Need of support (for interested and engaged countries) for an integrated territorial approach that requires significant autonomy in a highly centralised system is highly required. A concrete example is funding mechanisms through which VET providers in the region receive their allocated budgets; these are on a traditional recurrent-input basis. Thus, the VET financing models in place do not address the improvement of the input–output relationship (efficiency), nor are they oriented towards having an impact (effectiveness). This lack of autonomy, which cover also PESs and VET local authorities; leave no space for local innovation and/or interaction with their immediate environment.

Regional projects and platforms are important for facilitating regional exchange, mutual learning and cooperation.

Ownership and visibility

Indeed the sense of ownership is very important in engaging the countries in the different elements of the ENP. Ownership is important to exist at state level (at the level between EU and countries) but also at institutional level within the partner countries. Even in the case of achieving ownership at country level, it does not automatically translate into ownership at institutional level. It is also important to note that the sense of ownership is linked with the impact that a policy has on the society and its citizens. Working only or mostly at central and institutional level has of course the merit of setting the fundamentals of democratic and modern

societies but on the other side does not give always visible and tangible results. While implementing an overall strategy that would allow systemic change in the countries, quick wins should be given to citizens, allowing them to benefit from the EU assistance. This would particularly involve the sectors of education and employment.

Concluding, the ETF strongly believes that support to policy measures that help create and promote access to decent jobs, as well as those that facilitate investment in human capital via education, skilling and training are of critical importance for the revised European Neighbourhood Policy.