FRAME: SKILLS FOR THE FUTURE

REGIONAL REPORT

SUPPORTING A STRATEGIC VISION FOR HUMAN RESOURCES DEVELOPMENT

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INTRODUCTION

The FRAME initiative has placed skills at the centre of human resources development (HRD) and has focused on the adaptation of the education and training system from a lifelong learning perspective, covering initial and continuing vocational education and training (VET), including adult learning, company-based training and training for unemployed people. The ETF FRAME project is novel in its scope and focus, as it has for the first time adapted and applied foresight methodology to the education and training sector in the EU Enlargement Region (candidate and potential candidate countries) and combined it with capacity building and monitoring.

The rationale for FRAME had to be clear, and the initiative had to stand its own ground in terms of the added value it could generate. In a policy context where there is already an over-abundance of strategies developed and strategy processes under way in the area of HRD and skills, the proposal to launch yet another initiative may be considered superfluous and an unnecessary drain on resources. In concise terms, the particular emphasis of the initiative was to work with the key players on the current strategies that are in place, and to streamline policies and approaches in order to ensure better focus and coherence within a forward-looking perspective. The key success factors for engineering this were the stakeholders and the participatory processes that drove the process forward. In each country, around 40 experts were mobilised, representing different ministries and public and private organisations, including employers and training centre representatives (in most countries). The stakeholders' expertise and insights provided the content for the exercise, validated the key external and internal drivers of HRD and skills, prioritised the key challenges, and developed a vision and roadmap.

The inclusion of the ministries of the economy and finance was pivotal for highlighting the link to the country's competitiveness and growth agenda and the direction that this will be taking up to 2020. This has underscored the need to orient the education and training system to focus on developing the range of skills required for the economic sectors of national priority that are being incentivised through their schemes. Stakeholder consultations on the launch of new strategies are becoming more common, and this has encouraged take-up of the foresight approach (including understanding and learning about the approach and its merits) in the countries of South East Europe (SEE). However, in Turkey, foresight approaches are already widely used in policy making, particularly with regard to investments in research, technology and innovation.

As it is a very complex process, this type of cooperation between ministries and other stakeholders to jointly formulate and follow a long-term skills vision tends to be ad hoc and based on a short-term policy agenda. Most of the countries are investing in institutionalising this partnership approach to vision building, and there are various ways of making it a more permanent feature of policy making. In exploring the policy linkages that are relevant for HRD and skills, the capacity for combining anticipatory policy with evidence-based policies is a challenge, particularly in SEE countries. The review of institutional capacities confirmed the need for further investments in developing in-house capacities and infrastructure, together with monitoring and evaluation capacities. Similar observations and recommendations have emerged with regard to strengthening the links with other influential players, including the private sector, public entities, private education providers, local and regional authorities, and communities. Nurturing a healthy and dynamic skills ecosystem in which all the players are well-networked and empowered to participate in policy making and implementation has emerged as a key goal. Social dialogue and inclusion feature strongly in all the country visions, highlighting the importance placed on them, and the need to improve accessibility and transparency in skills development and delivery processes.

A qualitative approach was considered the most appropriate for launching a vision-building activity, given the high number of stakeholders involved in skills policies, and the availability of data. The approach has provided the preliminary basis for SEE countries to develop their own skills vision policies from a medium-term perspective up to 2020, with selected priorities and a roadmap. In Turkey, the FRAME initiative was adapted to build on the previous foresight experience of defining key skills priorities within the framework of Vision 2023. With the completion of the FRAME initiative and the production of country Skills Vision 2020 documents, it is possible to review and analyse the social and economic challenges facing the countries in South East Europe and Turkey (SEET) and the proposed measures and actions that have been prioritised in their respective roadmaps. The regional activities have also helped to identify policy areas of common interest in which relevant experiences and good practice can be shared between SEET countries, and the potential for joint activity explored and implemented. The regional high-level policy dialogues have served to secure high-level political validation for the FRAME initiative. They have also provided a means of obtaining strategic direction from the governments of SEET countries and of jointly addressing regional challenges and priorities, particularly in line with the EUROPE 2020 strategy and the South East Europe 2020 Strategy – A regional Strategy for Jobs and Prosperity in a European Perspective (SEE 2020). Having developed a sound understanding of foresight approaches and their application in policy, countries can use this approach to support their ambitions in terms of competitive and sustainable growth, identifying niche areas for development, accelerating reform processes and bridging the gap with EU countries in terms of employment, education and training.

EXECUTIVE SUMMARY

The EU ETF FRAME Skills for the Future initiative, implemented in 2013 and 2014 under the 2013 IPA multibeneficiary envelope, has supported the development of comprehensive long-term visions for skills development for 2020, and the planning of comprehensive HRD policies in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo[1], Montenegro, Serbia and Turkey (the SEET countries).

This addressed the priority given in IPA II HRD to education, the labour market and social cohesion as a single coherent sector (policy area), requiring joined-up policies across a variety of domains and more coherent and evidence-based policy approaches for HRD in line with EUROPE 2020. Building on four integrated components, namely foresight, review of institutional arrangements (RIA), monitoring, and regional cooperation, FRAME has paved the way for a systematic approach to skills-development policies.

This report has three primary objectives:

- to outline the overall FRAME process;
- to provide a general overview of the findings across the countries, comparing experiences and insights and the potential for follow-up action;
- to flag new proposals that can help to inform future initiatives.

The report outlines the main achievements of the ETF FRAME initiative, which rolled out a unique approach for using foresight to address, in a more coherent and comprehensive way, national skills needs up to 2020. A further innovation was the idea of combining foresight with a review of capacities for policy delivery (Component 2) and guidance and support for monitoring progress (Component 3). The regional component provided the backdrop for peer learning, knowledge sharing and policy dialogues to promote regional cooperation.

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[1]This designation is without prejudice to position on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

The majority of the economies in the SEE countries are currently undergoing structural change in response to economic challenges and the accession drive. Most of the SEET countries currently enjoy a comparative advantage in terms of low labour costs, though they need to implement further structural changes and ensure a strategic role for skills promotion in national competitiveness. A key challenge in the majority of SEET countries is the level of unemployment, particularly long-term unemployment, and urgent action is needed to increase youth and female employment. Population growth, the informal economy, and social inequalities and vulnerabilities together with regional diversity are common concerns in all countries. These concerns require attention through appropriate policies and measures. The level of investment in research, innovation and technology remains low in most countries (with the exception of Turkey), and there is a need to complement such investments with the related development of capacities, skills and competencies as the means to increase competitiveness and quality of life.

The common rationale for the foresight approach implemented in all the countries was to ensure the timely, effective and coherent implementation of skills-related strategies by supporting policy makers to use more future-oriented, participatory and evidence-based policy approaches. A key outcome is the breaking down of barriers between ministries in charge of skills development in order to develop more joined-up policy approaches by bringing together the key players in the sector and by identifying the interfaces between the existing strategies.

The RIA component entailed a systematic capacity review of policy planning, implementation, monitoring, and budgeting capacities (linked to medium-term expenditure frameworks (MTEFs) at institutional level for achieving the Skills Vision 2020 and Roadmap. The FRAME monitoring component focused on assisting the SEET countries in their efforts to comprehensively monitor progress on HRD policies. Building on the foresight and RIA results, a monitoring tool (a set of indicators and methodological guidelines) was developed.

The results of the FRAME initiative have been the co-development by key stakeholders of a commonly agreed national skills vision with defined priorities, a roadmap, a capacity-development plan and a monitoring framework. Since Turkey had undertaken a major foresight exercise in 2004, involving the full range of stakeholders and leading to Vision 2023, the FRAME initiative focused on identifying long-term skills priorities with a focus on particular skills-related challenges emerging from Vision 2023.
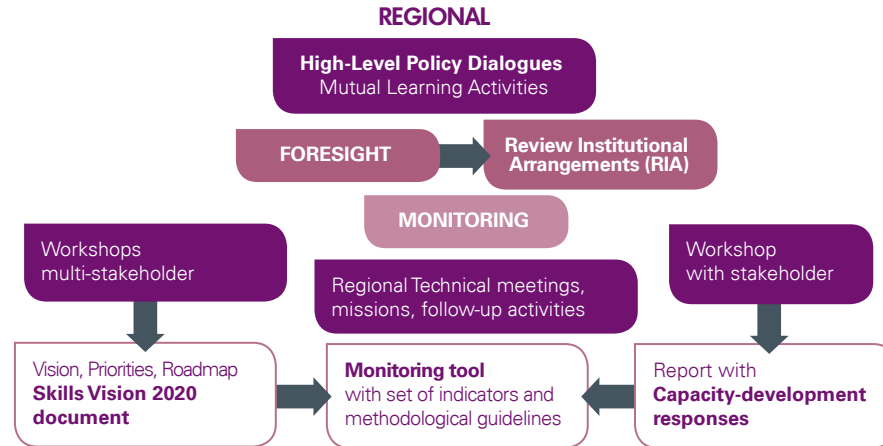
FRAME's added value is the introduction of a participatory, systematic and forward-looking approach at each stage, with ample discussion and validation of findings by a wide range of stakeholders. Beyond this, the key outcomes achieved to date are documented in Annex 1.

PART 0
PROCESS

The FRAME initiative has effectively extended the use of foresight approaches to address skills development in an accession country context, by developing a unique and customised approach for the use of foresight to address national skills needs up to 2020. The approach combines foresight with a review of capacities for policy delivery, and guidance and support for monitoring progress. The emphasis of the approach is on both process (through networking and the learning generated) and content (in terms of producing tangible outputs, including the vision and roadmap, the capacity-development plan and the monitoring tool). The results and insights generated at national level through the FRAME activities were shared among the SEET countries through the regional mutual learning activities, and further validated at a high political level. Figure 1 outlines the four components and the interactions between them.

Figure1. Process diagram of the FRAME initiative

REGIONAL

| **High-Level Policy Dialogues** |
| Mutual Learning Activities |

FORESIGHT → **Review Institutional Arrangements (RIA)**

MONITORING

Workshops multi-stakeholder

Regional Technical meetings, missions, follow-up activities

Workshop with stakeholder

Vision, Priorities, Roadmap **Skills Vision 2020 document**

Monitoring tool with set of indicators and methodological guidelines

Report with **Capacity-development responses**

As indicated in Figure 1, FRAME's added value has been the development of a coordinated, systematic and iterative approach, with ample discussion and validation of findings at each stage by a wide range of stakeholders. The selection of foresight methods for this exercise prioritised trends and drivers analysis, horizon scanning and the STEEPV (social, technological, economic, environmental, political and values) tool, scenario development, visioning and roadmapping. Within this broadly common foresight approach, there were a number of country specificities (see Box 1).

Box 1: Country-specific foresight approaches

Montenegro and Bosnia and Herzegovina developed alpha/beta/delta scenarios as an input to the visioning process. Serbia introduced a business/employer-focused panel discussion. The former Yugoslav Republic of Macedonia developed business-as-usual and paradigm-shift scenarios. Albania adapted the approach, embedding foresight within ongoing employment and skills strategy-development processes. Turkey drew on the extensive foresight consultation processes undertaken in developing Vision 2023, the national strategic reference point.

The rationale of the FRAME foresight approach was based on the need to develop a future-oriented strategy for HRD, with adequate institutional settings, and capacities and monitoring systems, for the effective and efficient implementation of a sector-wide approach, as envisaged under IPA II. The key foresight questions concerned the types of skills that need to be developed by 2020 and how these skills should be developed through the education and training system. The foresight approach was first piloted in Montenegro and Serbia, and the insights and experiences gained were used to shape and refine the methodology before applying it in the other countries. This was an important step, given that the application of foresight to skills was a very innovative approach for EU and enlargement countries.

HRD is an area addressed in all countries by many strategies and actors, including politicians, ministries of education, labour and the economy, public employment services, regional authorities, social partners, non-governmental organisations (NGOs), research bodies and international and national donors. This calls for a participatory, co-design, sector-wide approach to ensure policy coherence and relevance to the emerging socioeconomic challenges of the countries (see Box 2).

The different rationales highlight particular priorities in each country, and reflect the following themes:

- the need to transform the current education and training system and make it more innovative, robust and quality-driven, through capacity-building: co-designed and better-targeted policies and measures, increased and sustained resources, strong institutional capacities, anticipatory policy mechanisms and enhanced levels of networking and interactions;

- the need to increase coordination and transparency to reduce the skills mismatch, particularly in larger countries, taking into account the regional/local dimension, national sectoral priorities, and research and innovation (R&I) as key drivers of labour demand.

Box 2: Comparing rationales for skills foresight in SEET countries

In Montenegro, skills development is linked to greater economic growth and development, better quality of life, and increased social inclusion, with a view to creating more competitive businesses, more employable people and a more inclusive society. To achieve this, an investment in institutional capacities is needed to ensure improved coordination, more efficient use of resources and better governance.

In Bosnia and Herzegovina, the emphasis is on inducing a transformation of the skills system so that it plays a stronger, clearer role in driving the social and economic development of the country. The purpose is not to achieve consensus, but simply to formally bring together opinions and ideas that would help in the construction of a vision for the skills system in 2020.

Serbia's Skills Vision 2020 calls for a permanent, systemic and multisectoral mechanism for forecasting and monitoring labour market demands and skills, to ensure full harmonisation of the education system, active employment policy measures and the needs of the economy.

In the former Yugoslav Republic of Macedonia, the goal is to ensure sustained investments in education and training as key drivers of an inclusive, innovation-based society and a high quality of life, and to develop a highly anticipatory, mature skills and lifelong learning ecosystem.

The Kosovo Skills Vision 2020 targets a globally competitive knowledge society and highlights investments in innovation, entrepreneurship and capacities for coordinated sector policy development and implementation.

In Albania, the main vision is inspired by the EU goal of smart growth, and focuses on proper employment promotion and vocational training policies, improved governance of the labour market and qualifications system, and ensuring decent jobs for all.

For Turkey, the FRAME initiative brings an added dimension to the previous use of foresight in national policy making beyond the priority-setting, participatory and fragmentation rationales of Vision 2023, which mainly targeted science, technology and research. Building on Vision 2023, Skills Vision 2020 targets reduced regional inequalities and a proactive, entrepreneurial workforce in which young people and women can participate fully, driving a high-tech, low-tech and high-capability agenda. Coordinated and coherent employment, education and social cohesion policies complement the sectoral skills-related priorities at national and regional level, anticipating labour demand and providing a high-quality supply of the required human resources.

The RIA component entailed a systematic capacity review of policy planning, implementation, monitoring, foresight and budget capacities (linked to MTEFs) at institutional level for achieving the Skills Vision 2020 and Roadmap. Key target groups included ministries in charge of HRD policy making, institutions engaged in HRD policy delivery, and stakeholder institutions engaged in the HRD policy cycle. The review assessed current and required capacity for interministerial coordination, policy design, financial planning, implementation, and monitoring and evaluation. Capacity-building responses address more than one level of capacity (e.g. both system level and institutional level), combine short- and medium-term initiatives and engage a range of stakeholders in order to achieve integrated development. As part of the capacity-review exercise, the roles of the target groups were mapped and analysed. In all the countries except Turkey, where the analysis was entirely desk-based, each target group was interviewed based on a specifically formulated questionnaire. An RIA stakeholder workshop was organised, and key results and recommendations were discussed for inclusion in the capacity-development plan and country report.

In all SEE countries a set of capacity-building needs were identified for improving the effective implementation of skills policies. These needs related to data sharing, legislative procedures and guidelines for coordination, engaging social partners and the private sector in policy design and delivery, and policy skills covering anticipation, foresight, evaluation and financial management. Responses included organising workshops and training activities, peerlearning, introducing innovative approaches, mainstreaming good practices, and developing collaborative partnerships and networks.

The monitoring component focused on assisting countries in their efforts to comprehensively monitor progress in HRD policies. Building on the foresight and RIA results, a monitoring tool consisting of a set of indicators and methodological guidelines was developed. The ETF, with national authorities and stakeholders, defined and agreed on the monitoring tool based on a participatory approach (regional consultations and country bilateral work). National technical teams[2] were set up, and these guided the common work on identifying a list of feasible[3] indicators to be used for monitoring progress in skills development at national level and for referencing countries' progress against regional (SEE 2020) and EUROPE 2020 goals.

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[2]These teams bring together experts from relevant HRD institutions and organisations (e.g. ministries of labour, education, the economy, development, research and youth, and implementing agencies, statistical offices and other stakeholders).
[3]This is a 'common denominator' set of indicators that are in line with international and European statistical standards and available in all or most of the SEET countries.

The preparatory and conceptualisation phases were combined with direct testing in one country (Montenegro), followed by two regional technical meetings and follow-up missions and activities with the countries to ensure a functioning monitoring tool, with a feasible and relevant set of indicators. Consultations with the European Commission, the Regional Cooperation Council (RCC), the Organisation for Economic Co-operation and Development (OECD) and the World Bank were carried out to ensure a complementary approach to monitoring and evaluation in the SEET region.

PART 1
KEY FINDINGS

1.1 ECONOMIC AND SOCIAL CHALLENGES FACING SEET COUNTRIES

All of the SEET countries have been registering steady economic growth, having recovered from successive rounds of economic and financial crises. The economies of these countries are becoming increasingly service-oriented. Growth sectors include information and communications technologies (ICT), energy, transport, the automotive industry, construction, tourism, wood processing, and mining and metal processing. In the majority of countries, the economy is dominated by small and medium-sized enterprises (SMEs) and by significant foreign direct investment (FDI), and a key challenge is the need to improve the operating environment for firms. Most of the countries currently enjoy a comparative advantage in terms of low labour costs, though this will change with cost-of-living and salary increases. Thus, in response to economic challenges and the accession drive, SEET countries share the need to implement structural reforms to increase competition, improve labour mobility and productivity, and generate jobs and entrepreneurship.

Turkey, an upper-middle-income country and the 18th largest economy in the world, has a vibrant business sector based on efficiency gains from the large, highly competitive domestic market and a well-developed infrastructure, particularly in terms of roads and air transport. Its economy has proved resilient to the economic crises. It currently faces the challenge of rebalancing the macroeconomic policy mix and introducing structural reforms to improve the stability and functioning of the markets for goods, services and labour, thereby strengthening its international competitiveness.

A key concern in most countries is the level of unemployment, particularly long-term unemployment, and urgent action is needed to increase youth and female employment. Investments to improve the quality and accessibility of lifelong learning are thus a priority, particularly with the transition to a knowledge-based economy and in a dynamic global environment, where the impact of technology is constantly transforming economic sectors, job profiles and opportunities. Population growth is a particular concern for Albania, Kosovo and Turkey, while the informal economy, social inequalities and vulnerabilities, and regional diversity are common concerns in all countries, requiring attention through appropriate policies and measures. The level of investment in research, innovation and technology remains low in all the countries except Turkey, and there is a need to supplement such investment with a corresponding development of capacities, skills and competencies, as the means to increase competitiveness and quality of life.

1.2 COMMON SKILLS-RELATED CHALLENGES

While each country has its own particular skills-related challenges, there are a number of issues that are to some extent common.

1. Policy innovation through co-design and structured dialogue

Policy makers face a complex range of skills-related challenges that require innovative, forward-looking policy responses and new governance models and processes. The task is fraught with dynamic and complex processes of change at international and national level, spurred by the impact of innovation and technological change, structural rigidities in the labour market and the skills mismatch. While structural rigidities persist, the disruptive effect of technology on the economy and the labour market is reflected in changes in work practices in the public and private sector. Many economies are experiencing jobless growth, partly because new work opportunities are not being created quickly enough to replace jobs lost through automation and related productivity gains. As the economy responds to these external and internal drivers of change, the task of anticipating and preparing for the jobs and skills of the future requires that all parts of the policy-making system work together to co-design effective and innovative responses.

In improving policy dialogue and coordination, the national Skills Visions 2020 identify the need for:

- **structured links and dialogue between policy areas**, for example, education, employment and social inclusion policies; these linkages need to be extended to include a wider set of policies, including economy and finance, and regional, local and sectoral policies, in order to ensure effective co-design and delivery of skills;

- **more extensive use of evaluation** as a learning mechanism for policy development and implementation at all levels of the system;

- engagement in the policy dialogue of **key stakeholders, intermediaries and those responsible for delivery of actions**, including the private sector, schools, local authorities, industry representative bodies, investors, entrepreneurs and employers.

According to the Turkey Skills 2020 report, in all the stakeholders' discussions, the private sector inputs have focused on the need for a close connection between the private sector and educational and government officials in relation to skills development. There is a strong involvement on the part of employers in developing skills for all through various private sector initiatives and public–private partnership models (UNDP, 2014).

These models and successful practices are being further researched, with the aim of learning from them and replicating them at local, national and international levels. One of the key targets for these models is disadvantaged groups. Learning how to work with the private sector is vital for effective skills development and, in turn, sustainable growth.

Kosovo's Skills Vision 2020 report highlights the lack of a link between central, municipal and school level in policy design and implementation. Schools, particularly vocational schools, are involved to a very limited extent in policy-making processes. Companies often complain of a lack of availability of skills, but they are very reluctant to cooperate with and contribute to the VET system. Thus, there is a great need for a suitable approach to engaging enterprises in discussions with the education system.

Bosnia and Herzegovina's Skills Vision 2020 report emphasises the need to strengthen cooperation with economic actors, such as local and international employers, investors, entrepreneurs, donors, development organisations, public administration responsible for local development, technology parks, industrial zones and transport infrastructure.

2. Improving the quality and scale of education and training

There is a need to increase the pace of reform in the education system in all SEET countries. In the case of SEE countries, this relates to replacing outdated curricula and obsolete methods of teaching, while in Turkey the emphasis is on improving the scale and quality of education and training and addressing the regional dimension and urbanisation. Efforts need to focus on improving the quality of education and training across all levels and forms through appropriate quality assurance and accreditation systems. This entails developing high-quality and innovative curricula and course content delivered by highly competent teachers and trainers. There is a need to invest more resources over time, in particular in order to increase innovation, quality, scale and infrastructure. It is important to stabilise successful skills measures and services, and to guarantee funding for such measures in order to ensure continuity. Efforts need to focus on developing sustainable and cost-effective business models for training initiatives based on cost sharing and social enterprise.

In all SEET countries there needs to be a strong emphasis on the provision of high-quality vocational skills training, particularly for young people, women, and individuals from disadvantaged groups.

The Turkey Skills 2020 report points out that in the near future, more of the population will be concentrated in metropolitan and urban areas. This will result in a move from traditional agriculture to service and industrial sectors, coupled with an urbanisation process that poses further skills and social cohesion challenges. The accompanying population bulge and the skew towards a young population will require the development of specific skills and of support facilities and services to help young people and those from less advantaged groups to enter a more dynamic labour market and a more demanding work environment.

In Kosovo, the emphasis has been on improving literacy skills as the basis for developing more specialised and technical skills, while the former Yugoslav Republic of Macedonia's Skills Vision 2020 report emphasizes the following as necessary skills and competencies for the future: soft and hard skills, including technical, entrepreneurial, social, specialised and transferable skills, competence in science and engineering, and a mindset for adaptability, innovative and creative thinking and ongoing learning.

3. Providing the skills needed in sectors of national priority

In the SEE countries, there is a need to ensure the availability of a wide range of skills and qualifications to cater for current and emerging priority sectors, including tourism, agriculture, energy, ICT, infrastructure and construction. The competitiveness of these sectors depends on increased investments in research, technology and innovation and in smart specialisation to identify the niches in which the country – or, in larger countries, the region – has a comparative advantage. This in turn highlights the need to cater for an increasingly technologically competent and innovation-driven workforce through investments in lifelong learning and training, and to improve the human resource capabilities of enterprises and the timely provision of small-business-oriented skills-development services.

In Turkey, Vision 2023 targets the rapid development of a number of technology-dependent sectors and identifies high-tech industry as the main driver of future growth. However, there is a need for additional growth mechanisms that emphasise job creation on a scale that ensures equitable and balanced development in the regions. The great diversity of the regions calls for a differentiated approach to economic development and employment creation.

According to Montenegro's Skills Vision 2020 report, 'there is evidence that entrepreneurs are not fully exploiting opportunities for growth provided by new technologies. Technology is a means to boost competitiveness, even for industries based on conservative ideas…The bottom line is that there seems to be untapped potential in the application of even basic technologies in relation to innovative products and services, as well as in the rejuvenation of old industrial sectors.'

4. Increasing labour productivity

A core challenge for all countries is the drive to enhance labour productivity by matching improvements in the workplace – new technology, equipment, and work processes and practices – with the appropriate skills. The introduction of innovations in the workplace requires careful planning to ensure that the workforce is open to and prepared for the changes, and has the required skills and competencies. This entails changes in the mindset of the workforce and more advanced technical and specialised skills, according to the new technology or innovation introduced. This may also result in job redundancies if staff become surplus to requirements or cannot be retrained to the level required. In this case, staff may require reskilling to enable them to move to new occupations. The education and training system thus needs to cater for a range of needs, in particular continuous training and horizontal flexibility.

According to the Albania Skills 2020 document, enterprises still face a number of constraints on productivity, both endogenous (management capacities, technology and equipment; skills base of the workforce and access to resources) and exogenous (an enabling business environment and a properly functioning judicial system) that will need to be addressed in the medium term to increase the capacity of the private sector to create more and better jobs, attract foreign business partners, and increase the competitiveness of the country.

5. Nurturing entrepreneurship

Youth, family and societal values need to be more open to innovation, risk-taking and entrepreneurship and to embrace social cohesion and inclusion. This entails comprehensive campaigns to change outdated attitudes and biases that are the legacy of centrally planned economies, which hinder innovation and creativity in SEE countries. Entrepreneurship is increasing, and this requires a change in mindset and behaviour. In turn, attitudes need to adjust from being passive to being proactive, reducing the reliance on the state as the key initiator and provider of support. This calls for enhanced managerial and technical capacities at all levels. The required cultural shift needs to embrace the transition to the market economy in SEE countries.

Serbia Skills document states that the country's education system does not prepare students for the world of work. The system is not sufficiently responsive to the needs of the economy and does not offer enough training opportunities for workers to upgrade their skills and improve their employment prospects. There is an urgent need to establish and improve the systems for practical education and enhance the quality of internships. This implies a need to support entrepreneurship, innovation, exports and the development of a knowledge-based economy, an improvement in the business environment, and a strengthening of linkages between education and entrepreneurship.

6. Introducing new governance and institutional structures

Following the financial crisis of 2008, the new political and economic reality calls for flatter, leaner and better-networked governance and institutional structures that are able to adapt quickly to changing contexts. There is no single formula for such structures, since this depends on country context, and in particular the size of the country. Therefore, each country needs to decide on the most appropriate level at which decisions should be taken, in line with its internal organisation and structure. The institutional arrangements and governance structures are key issues, and are fundamental for skills development as they have a major impact on the policies adopted by governments. The ETF has been exploring the governance (ETF, 2013) of education and training and the institutional capacities needed for skills forecasting, as well as the contribution of the private sector and professional social networks and research that support skills anticipation, the development of skills for employment, and social inclusion for all. Good multilevel governance can enhance the role of VET as it contributes to the achievement of national development goals through cooperative and coordinated actions that are carried out at sub-national level with the involvement of non-stakeholder actors. In concrete terms, this calls for a strong focus on social partnership approaches in VET.

A new governance framework empowering regional and local levels should strive to reflect, for each country context, the variety of central and local government organisations and boards that are active in designing ways to implement central policies at the local level. The challenges posed by developing a stronger role for regional government and stakeholders are considerable. A regional approach should allow for a more hands-on and responsive engagement between local industries and training institutions/bodies than a centralised system can offer.

In Turkey, for example, various development instruments such as integrated regional development plans, investment incentives, priority development area policies, organised industrial estates, small industry sites and rural development projects have been used as basic tools to speed up regional development and eliminate the imbalance between regions.

7. Addressing regional diversity and inequality

In the larger SEET countries, the regional dimension of the skills vision and roadmap is significant, given that the economic and employment situation varies by region, with substantial regional and socioeconomic disparities. Further exploration and roll-out of regional and/or local foresight exercises would be beneficial in terms of focusing local priorities and opportunities on specific challenges, including by promoting a smart specialisation development strategy. The role of local players such as municipalities and intermediaries in promoting innovation can be enhanced through their participation and engagement in such exercises.

According to the Skills document for Bosnia and Herzegovina, the role of regional development agencies has been enhanced and their visibility increased. They are systematically involved in dialogue on development-related issues, including issues relating to skills and the development of ETL (Education, Training and Learning) and labour market services. In many cases the mayor's office has taken over the management of partnership development between the public and private sector. In this way, mayors can now become champions and drivers of growth.

8. Tackling the informal economy

The informal economy requires more targeted policy responses based on incentives to support the transition of workers and enterprises to the formal economy. This calls for coordination between social assistance and labour market policies and strategies. Turkey and Albania have identified this as a particular challenge that impacts on the skills syste m. For example, the recently adopted Turkey National Employment Strategy 2014–2023 sets several targets on reducing informality, and envisages specific actions to raise the skills levels of those in undeclared work.

The Albania Skills document states that access to high-quality education and training, more and better job opportunities, and coherent action against the informal economy are necessary conditions to improve the living standards of the population. However, equity concerns demand that specific interventions be deployed to address the needs of individuals who are at risk of poverty and social exclusion through better access to education, employment and social services, and employment and income opportunities. The coordination between social assistance programmes and active labour market measures will allow the deployment of activation strategies based on mutual obligation.

3. ANALYSIS OF COUNTRIES' SKILLS VISIONS AND ROADMAPS

Visions for the future

The SEET country visions share an emphasis on the development of skills to drive global and regional competitiveness, innovation and social cohesion, with a time horizon up to 2020 (in the case of Turkey, skills vision is based on Vision 2023).

Table 1: Skills Vision 2020 – countries' statements

ALBANIA
"To have by 2020 a competitive economy and an inclusive society that is grounded on higher skills and better jobs for all women and men."

BOSNIA AND HERZEGOVINA
"Bosnia and Herzegovina, a state and member of the EU, is a prosperous and competitive modern society, with an effective, flexible and inclusive system for the continuous development of knowledge and skills, adapted to the needs of an open, global and sustainable economy, providing all its inhabitants with a safe and happy place for living."

KOSOVO
"By 2020 Kosovo is a globally competitive knowledge society with skills that adapt to the needs of the economy, foster innovation and entrepreneurship, and attract investment for sustainable development and social inclusion."

COMMONALITIES OF SEET COUNTRIES' VISION STATEMENTS AND ROAD MAPS
- In-built anticipatory capacity into the skills systems and strengthen the sectorial approach to skills development;
- Expand the quality of skills generation systems (including the professional development of teachers and trainers, quality assurance principles implementation) and hence their responsiveness to labour market demands (e.g. promoting work-based learning, entrepreneurial learning);
- Increased investments in education, training and labour market policies and ensure skills development opportunities for all, in a lifelong learning and inclusive perspective;
- Ensure effective governance (especially the capacities for coordinated sector policy development and implementation) and local capacity-building for skills development.

TURKEY
"By 2020, Turkey is a socially cohesive knowledge-based economy with reduced regional inequalities and a proactive entrepreneurial young and female workforce, driving the high-tech, low-tech, high capability agenda. Coordinated and coherent employment, education, social cohesion policies complement the sectoral skills-related priorities at national and regional level, anticipating labour demand and providing high quality supply of required human resources."

FORMER YUGOSLAV REPUBLIC OF MACEDONIA
"In 2020, education and training are the key drivers of our inclusive, innovation-based society and high quality of life, based on a flexible, comprehensive and accessible skills system which is highly anticipatory and responsive to the dynamic and mobile labour market and the constructive dialogue of socially responsible stakeholders."

MONTENEGRO
"Montenegro is a learning society of innovators, with a competitive economy ready for global regional and internal challenges; a society where people have the knowledge skills and competencies for personal and career development, higher employability, social development and social inclusion."

SERBIA
"Serbia is a socially cohesive, flexible, innovative, knowledge-based society with globally competitive skills which reflect the economy's demand for them. It fosters an entrepreneurial mind-set in a lifelong learning perspective, creates opportunities and facilitates the achievement of potential."

Sources: SEET countries' reports on Skills Vision 2020

The key priorities and the countries for which they are relevant are as follows:

- promoting an inclusive, innovative, sustainable, knowledge-based society (Albania, former Yugoslav Republic of Macedonia, Serbia, Turkey);

- ensuring a flexible, comprehensive, accessible skills system that is highly anticipatory and responsive to a dynamic labour market (Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Kosovo, Montenegro);

- securing high employability levels through the development of better skills and competencies for personal/career development (Albania, Montenegro, Turkey);

- further consolidating a sectoral approach to skills development (Serbia, Turkey);

- building strategic capacities, effective governance and local capacity (Albania, former Yugoslav Republic of Macedonia);

- developing enhanced capacities for coordinated sector policy development and implementation (Kosovo, Turkey);

- fostering a proactive international strategy and sustained investments (former Yugoslav Republic of Macedonia);

- promoting an entrepreneurial mindset from a lifelong learning perspective (Serbia, Kosovo, Turkey);

- fostering a constructive dialogue between socially responsible stakeholders (former Yugoslav Republic of Macedonia);

- improving social policies and social cohesion (Albania, Turkey).

The country roadmaps reflect common threads in the priorities, although these are formulated and tackled in different ways.

Table 2: Summary of countries' roadmaps – key outcomes and process

PRIORITIES	SUB-PRIORITIES
Skills to drive socioeconomic transition, growth and competitiveness	• investing in strategic capacities and anticipating skills needs in the targeted sectors • developing cooperative mechanisms to address these sectors • re-orienting and upgrading the qualification system accordingly, in particular VET and the reskilling of teachers • addressing the required changes in legislation and other factors • providing an enabling environment and support for entrepreneurial activity • investing in relevant research and development (R&D) and innovation
Matching skills demand and supply	• enhancing industry and stakeholder engagement in signalling skills and training needs, in particular supporting foresight, networks and platforms for innovation in skills development, taking into account the regional and local dimension of skills needs • promoting better-targeted, forward-looking policies by improving skills-anticipation mechanisms and capacities, particularly in administration and the provision of appropriate tools (including relevant data) • developing mechanisms for skills anticipation • ensuring that career guidance and advisory services are capable of addressing emerging needs • adapting curricula to address these needs, including an emphasis on transferable and specialised skills • addressing the corresponding demand for teachers to provide the required skills
Skills to contribute to a better quality of life	• supporting increased economic empowerment and improved employability of young people, women and vulnerable groups, including those who are long-term unemployed, through better-targeted ALMPs • investing in efforts to reduce informal work and secure decent work • providing more socially inclusive education to reduce drop-out rates • ensuring increased participation rates in lifelong learning • promoting social entrepreneurship and the social economy • investing in ICT and innovation-based support services and self-help schemes to improve access for all to employment, education, health, social services and social assistance

PRIORITIES	SUB-PRIORITIES
Sustain and optimise investments in the skills system	• securing long-term investments in education and ensuring efficiency in their implementation • establishing institutional and normative frameworks for the proactive use of EU and donor funds in the implementation of key objectives
Evaluation and monitoring	• enhancing the capacity to roll out comprehensive monitoring and evaluation of HRD • strengthening the monitoring and evaluation systems for all educational actors, especially on the implementation of education policies

KEY OUTCOME 1	KEY OUTCOME 2
A smooth, speedy transition to a knowledge-based society, through stronger linkage of skills development to the sectors of economic competitiveness and growth, and to labour market needs	A mature, high-quality skills ecosystem to support a more socially inclusive, better-educated and more economically active population across all groups (young people, women, disadvantaged persons)

PROCESS
Developing evidence-based and timely policies targeting qualitative and quantitative improvements in the education and training system in terms of content and delivery, enhanced strategic co-design policy capacities and dialogue, and improvements in organisation, finance and governance

1.4 CAPACITIES FOR MORE FORWARD-LOOKING POLICY IMPLEMENTATION IN THE HRD SECTOR

The RIA in SEET countries identified a number of gaps in capacity for implementing the skills vision and roadmap. A comparative analysis of needs and responses highlights different levels of development in the skills ecosystem, as well as a set of differentiated priorities across the countries, depending on the size of each country and its population, and the sociocultural context. The larger countries (Turkey in particular) face challenges with scale and governance, upscaling while maintaining quality, and catering for regional and local diversity. The more developed skills ecosystems tend more towards piloting innovative approaches based on good practice and learning based policy development, monitoring and evaluation. The emphasis on financial-planning capacities is strong, and is not surprising given the recent crises, which have left a lasting impact on all the countries. The capacity-development plans share a common commitment to launching tangible measures for the successful management and implementation of Skills Vision 2020.

The key recommended capacity-development responses are listed below. Shared priorities are listed first, and are followed by country-specific needs.

1. Interministerial coordination and stakeholder engagement

The emphasis is on improved coordination of strategies in the HRD sector through enhanced exchange of information between relevant HRD actors, and accessibility and use of shared interministerial data for strategies, action plans and results. There is particular emphasis on strengthening capacities and mechanisms for effective social dialogue and on social partners' involvement in policy making through awareness raising and capacity building. Mechanisms for policy-learning processes and institutionalised communities of practice should be established, and should be complemented by investment in related capacities.

Serbia calls for a regulation for interministerial coordination and set guidelines for social dialogue. The former Yugoslav Republic of Macedonia and Turkey strive for a more in-depth analysis of ways to increase the motivation of social partners for systematic social dialogue and for building the capacity of local actors in support of HRD. Kosovo acknowledges the need for stronger engagement of the private sector in the policy cycle with a view to ensuring that policies reflect dynamic labour market demand.

2. Policy design: capacity for foresight and evidence-based policy making

The emphasis is on improving capacities and mechanisms for skills anticipation, forecasting, use of foresight in policy making at sectoral/central and regional levels, and managing the whole policy cycle. This will

be complemented by improved capacities for the collection, analysis and use of data across sectors and ministries at central and regional level, and be supported by the improved production and quality of data and the integration of the key elements of information and data (on supply and demand of skills) from different sources that are needed for timely decision making.

For example, the former Yugoslav Republic of Macedonia envisages designing mechanisms for the dissemination and scaling up of effective domestic and international practices, and establishing systematic mechanisms to use the results from studies and analyses to better inform the policy cycle. In Turkey, a capacity-development response focuses on fostering a closer dialogue with clients and users of the public HRD system, developing user-feedback systems and piloting new approaches in order to enhance user dialogue in HRD governance at regional level.

3. Financial planning and budgeting

Stakeholders need to understand the importance of ensuring that policies are based on sound financial planning and budgeting, which guarantees that policies are implemented (i.e. no new policies should be adopted without a budget being secured for the application of the policy itself, rather than for running costs alone). Other core priorities relate to the need to strengthen the capacity for financial and budget planning in the medium-term context (strengthen institutional and technical capacities in public finance management) by improving the sharing of financial information between the Ministry of Finance and line ministries to allow more effective planning. A key goal is to improve transparency, rationalisation and public accountability in budget allocation and implementation, and the capacities and mechanisms for dissemination of information on public finances at national, regional and local level.

All SEE countries strive for increased efficiency and predictability of resource allocation and the adoption or consolidation of an integrated financial management system with stronger involvement from stakeholders. Turkey has implemented its medium-term budgetary framework effectively, thereby improving the overall management of the country's public finances and its budget preparation and execution process.

4. Capacity development at all levels

The priority is to ensure effective implementation of the skills vision and roadmap by strengthening the capacities of the full range of stakeholders, including teachers, career guidance providers and social partners. Efforts will also focus on improving the governing structures, capacities and collaboration for implementation of national qualifications frameworks (NQFs), and increasing the capacity and resources of VET institutions.

In Turkey, capacity development for learning is focused on preparing HRD provider institutions to allow wider access for learners, and innovative piloting and mainstreaming of new concepts for enhancing access. Serbia and Kosovo have given priority to actions which enhance the capacities of teachers to 'build up' the entrepreneurial skills of students, better reflect labour market demand in curricula, and introduce advanced teaching methodologies by combining theoretical classes with occupational practice and relying more on ICT.

5. Monitoring and evaluation

There is a common emphasis on enhancing capacities in monitoring, evaluation and quality assurance in institutions at all levels of HRD policy, and on developing a joint monitoring system with performance indicators, joint database and guidelines.

In Montenegro and Serbia, enhanced evidence-based arrangements should ensure proper feedback loops and learning in HRD policy making. Establishing a performance assessment framework is a priority for Albania and Kosovo, in order to ensure a result orientation and focus on the achievement of policy objectives, and to increase capacities for developing SMART[4] policy indicators and for monitoring policy achievements.

1.5 ENHANCED MONITORING OF SKILLS-DEVELOPMENT PROCESSES

In supporting the development of more evidence-based policy making in skills development under the FRAME initiative, a number of key findings have emerged. The majority of SEE countries share key constraints that prevent the use of an efficient and consistent monitoring process in the HRD area. Human and financial resource constraints limit the capacity to regularly collect process and disseminate new or expanded data (statistics) in a timely manner. Data availability at national level and comparability across the region and against EU statistical standards are also key issues. To a certain extent, there is still insufficient use of the available data in HRD policy making as a result of the rather ad-hoc cooperation (e.g. on request) among data generators and users.

A FRAME monitoring tool (a set of indicators and methodological guidelines) has been developed, taking into account the situation on the ground (mainly in relation to data availability) and building on the foresight and RIA results. A single list of indicators with two intersecting dimensions[5] provides the framework for tracking progress in the implementation of policy priorities at national level and for referencing against regional and EU goals and targets.

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[4]Specific, Measurable, Achievable, Relevant and Time-bound.
[5]National dimension: country-specific indicators (set of indicators connected to each country's Skills 2020 priorities); and European and regional dimension: common indicators (indicators that link up the national level with EU and regional cooperation processes, namely the most relevant targets and benchmarks for skills development set out in the EUROPE 2020 and SEE 2020 strategies).

Figure 2. EU and SEE targets and benchmarks

**EU LEVEL
EUROPE 2020, ET 2020**

**REGIONAL LEVEL
SEE 2020**

EUROPE 2020 HEADLINE TARGETS

Early leavers from education and training	Below 10%
Tertiary educational attainment	At least 40%
Employment rate (20–64 age group)	At least 75%

ET 2020 BENCHMARKS

Low achievers in basic skills	15%
Employment rate of recent graduates	82%
Adult participation in lifelong learning	15%

SMART GROWTH PILLAR
Target: Add 300 000 highly qualified people to the workplace

DIMENSION
D. Education and competencies

OBJECTIVES
Decrease in early school leavers from education and training as percentage of the population aged 18-24

Increase tertiary educational attachment as percentage of population aged 30-34

The Strategic Framework for European Cooperation in Education and Training, the European Quality Assurance Reference Framework for Vocational Education and Training and the VET progress assessment frameworks[6] guided the selection of the most relevant indicators for measuring progress on HRD. In proposing indicators to the countries, taxonomy has been used to reflect the pathway towards better skills and higher employment rates:

[6]Bruges Process for EU Members States and candidate countries; and the Torino Process for ETF partner countries.

- input (e.g. investments in education, teacher training and active labour market policies (ALMPs));

- process (participation in education and training);

- output/outcome (achievements and failures of education and training processes);

- impact (returns on education and training and improved skills);

- context (e.g. employment level).

The monitoring tool also adapted the methodological principles of the Joint Assessment Framework (the EUROPE 2020 monitoring instrument) to the FRAME context by defining three key policy areas and grouping the country-specific and common indicators accordingly:

- Policy Area 1: Improving education and training systems (raising skills levels, acquisition of key competencies, preventing early school leaving, etc.);

- Policy Area 2: Improving skills supply, productivity and lifelong learning (adaptation of skills to labour demand, training measures, etc.);

- Policy Area 3: Increasing labour market participation (employment, unemployment, labour market participation of specific groups, investment and participation in ALMPs, etc.).

Table 3. Common set of indicators by policy areas

POLICY AREA 1 (EDUCATION AND TRAINING SYSTEM)	POLICY AREA 2 (SKILLS ADAPTATION)	POLICY AREA 3 (LABOUR MARKET PARTICIPATION)
Financing education *(including by education programme)*	*Investing in skills development for the unemployed*	*Financing ALMPs*
Supporting teacher training		
Participation in VET	K: Lifelong learning	Activation of unemployed individuals
	Entrepreneurship	
	Skills development for the unemployed	
K: Tertiary educational attainment	*Employment rate of recent graduates*	K: Employment rate
K: Highly qualified people		
K: Achievement in basic skills	Placement rate of VET learners	
K: Early school leavers		
VET completion		
Adult literacy		

K: key indicator (EUROPE 2020 and/or SEE2020 target or benchmark); indicators in italics were initially listed as the common set of indicators, but were removed owing to very low availability in, and comparability across, SEET countries.

Although the indicators in italics in Table 3 were removed from the common set of indicators owing to very low availability and comparability across SEET countries, they are extremely relevant for a complete follow-up of progress (from initial investments to overall impact). Most of the indicators that proved inappropriate as common to all countries stem from national administrative registries. One refers to the ET 2020 benchmark on employment of recent graduates and requires methodological adaptations of the Labour Force Survey (LFS), it didn't require methodological adaptations of the LFS for Macedonia and Turkey.

Annex 2 features a list of proposed common indicators and the latest available figures resulting from the feasibility checks carried out with the countries' support.

A set of guidelines has been developed for establishing a functional monitoring process based on robust monitoring plans with clear roles and responsibilities, timeline, resources and means of verification. The monitoring processes at country level should be designed in such a way as to provide a solid contribution to policy making through the use of monitoring results in action and budget planning, in the adoption of corrective measures and in ensuring transparency and accountability. In response to countries' requests[7], the ETF intends to further support countries to (1) monitor and assess progress in implementing the Skills Vision 2020, and (2) support their capacity development to produce more evidence on HRD and to efficiently use it in the policy cycle.

The graphs in Figure 3 show the position of the SEET and EU-28 countries on key HRD indicators.

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[7]Expressed during the country bilateral work and the Second Regional Technical Meeting on Monitoring (held in Turin, Italy, on 25 June 2014).

Figure 3. Overview of HRD key indicators in EU-28 and SEET countries

TERTIARY EDUCATIONAL ATTAINMENT (%) - 2013
(EUROPE 2020 HEADLINE TARGET: 40%)

EARLY LEAVERS FROM EDUCATION & TRAINING (%) - 2013
(EUROPE 2020 HEADLINE TARGET: <10%)
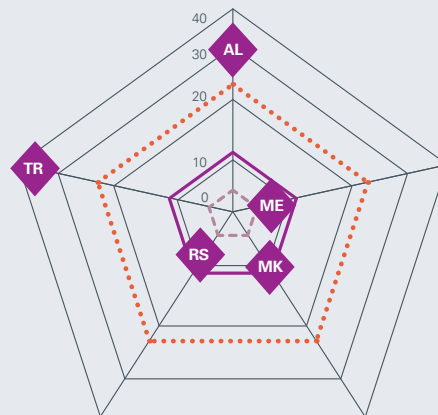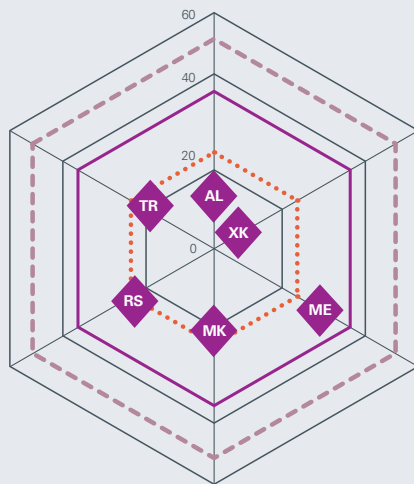
——— EU-28 Average   – – – EU-28 Best   • • • • EU-28 Worst

PARTICIPATION IN LIFELONG LEARNING (%) - 2013
(ET 2020 headline target: 15%)
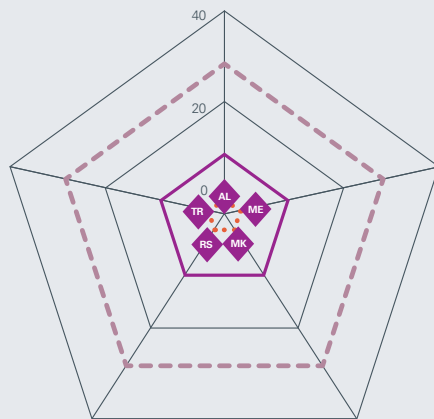
EMPLOYMENT RATE (20–64) (%) - 2013
(EUROPE 2020 headline target: 75%)

——— EU-28 Average   – – – EU-28 Best   • • • • EU-28 Worst

LOW ACHIEVERS IN BASIC SKILLS (%) - 2012
(ET 2020 headline target:<15%)

Legend: EU-28 Average — EU-28 Best — EU-28 Worst •••

AL, Albania; BA, Bosnia and Herzegovina; XK, Kosovo; ME, Montenegro; MK, former Yugoslav Republic of Macedonia; RS, Serbia; TR, Turkey.

Sources: EU-28 average, EU countries and Turkey – Eurostat; PISA results – OECD; SEET countries – National statistical offices, with the following exceptions: former Yugoslav Republic of Macedonia (20–64 employment rate and early school leavers) and Serbia (lifelong learning, early school leavers and tertiary educational attainment) – Eurostat.

Note: Graphs based on available data on SEET countries (referring to the last available year).

1.6 REGIONAL VISION, CAPACITY BUILDING AND PEER LEARNING

The regional component of FRAME provides a vital backdrop for connecting the learning from the other components, and for developing a creative space for sharing and exploring HRD policy approaches and results for the benefit of the SEET countries and the region. The stimulus for the regional dialogue is particularly significant in driving the regional response on HRD policies to the SEE 2020 Strategy and the EUROPE 2020 Strategy.

To this end, since 2013 there have been a number of regional activities at different levels. These have been aimed at addressing the three key aspects that are critical for the effective formulation and implementation of HRD policies at regional level: policy dialogue, knowledge sharing and mutual learning.

Figure 4: FRAME initiative regional events

POLICY LEADERS FORUM IN TURIN, MAY 2013

POLICY LEADERS FORUM IN SALZBURG, OCTOBER 2013

PEER LEARNING ON FORESIGHT IN MALTA, MAY 2014

HIGH LEVEL FRAME VALIDATION CONFERENCE IN TIRANA, OCTOBER 2014

FRAME KICK OFF IN DANILOVGRAD (ME), SEPTEMBER 2013

1ST REGIONAL MONITORING MEETING IN SARAJEVO, NOVEMBER 2013

2ND REGIONAL MONITORING MEETING IN TURIN, JUNE 2014

PEER LEARNING ON MONITORING IN ROMANIA, OCTOBER 2014

The most prominent messages from the FRAME regional events are the following.

- Reforms of skills-development systems should focus on meeting labour market needs; should support competitiveness and social cohesion; and should be built on a long-term vision and anticipatory multilevel governance.

- Comprehensive long-term policy making for HRD calls for efficiency and effectiveness of public policies, enhanced monitoring and evaluation, and stronger cooperation with stakeholders.

- There is a need for increased efforts to efficiently use the monitoring results in the policy cycle and to promote further regional cooperation and capacity building in the area of monitoring and evaluation.

Policy dialogue

Policy dialogue events provide an important channel for communicating and discussing with high-level policy makers in accession countries the approach and results achieved to date within the FRAME initiative. Such events have been critical for securing high-level political validation of the initiative and the political will to implement the Skills Vision 2020 and Roadmap at country level. They also provide the means to obtain strategic direction from the governments for building on the FRAME results to jointly address regional challenges and priorities, particularly in line with the SEE 2020 Strategy. Hence, dialogue allows the mainstreaming of regional cooperation in the countries' political agendas, while ensuring complementarity and synergy.

Box 3: Regionwide cooperation challenges and needs

The region as a whole can be used as a broader frame of analysis for addressing the skills challenge, taking account of the wider goals and ambitions of economic competitiveness, social cohesion, sustained job creation and a vibrant education and skills ecosystem. If these shared goals are to be addressed effectively, they require countries in the region to work together to create sufficient critical mass and ensure an appropriate scale of efforts and resources on a number of fronts.

In order to complement national efforts, there is a need to design, from a regionwide perspective, more long-term, forward-looking and comprehensive policies for HRD in the context of European and SEE cooperation. The emphasis is on evidence-based, multilevel and coherent policies based on countries sharing policy-related data, know-how and related resources. This calls for the strengthening of regionwide cooperation and dialogue, targeting joint projects in support of the EUROPE 2020 Strategy and – for SEE countries – the SEE 2020 Strategy.

Regional cooperation can add value where countries share common priorities relating to enhanced coordination of stakeholder efforts (in particular the social partners), to drive the development of a participatory, flexible and responsive skills ecosystem that can anticipate emerging labour market needs in the region and the mobility of workers between countries.

Common themes of interest in the region that could be addressed through regional initiatives such as FRAME relate to developing effective means for addressing required reforms. Such reforms include extending compulsory schooling; introducing NQFs; implementing initiatives to improve entrepreneurial learning and social cohesion; and moving away from supply-driven approaches to education and training. Other areas for regional cooperation are the development of more learner-focused policies and opportunities for clusters of excellence; building sectoral regional partnerships of industrial/service clusters; and joint regional foresight linked to smart specialisation and the co-design of curricula. The emphasis of such initiatives is on developing performance-oriented, evidence-based policies, and monitoring and evaluation using web-based monitoring tools, by sharing regional know-how and competencies.

Knowledge sharing

The whole approach of the FRAME initiative has been designed to facilitate the sharing of insights and experiences of piloting foresight (combined with review and monitoring) approaches in the SEET country context. The insights derived from Montenegro were used to enhance and fine-tune the approach in Serbia, and these experiences in turn were shared with the other countries. While the approach has varied according to country context and specificities, the recording of key findings and outputs at each stage of the process has provided an important resource for inspiring alternative ways of addressing skills challenges.

The FRAME initiative has thus enabled and led to a higher learning curve and added value through the open sharing of briefing materials and core documents. The variations in the approach introduced in each country provide shared insights into how anticipatory policy delivery and implementation can be adapted and enhanced. The approach used and the variations introduced have been documented in the foresight guide and can be easily accessed through the online interactive version of the guide on the FRAME Platform.

Box 4: The FRAME Platform[8]

This is an online platform that supports a core community and a number of sub-communities, allowing members participating in the country exercises to remain in contact and have easy access to updated documentation. The platform provides news on past and upcoming events, and a forum for discussion in which questions, concerns and information can be posted and discussed.

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[8] https://connections.etf.europa.eu/communities/service/html/communityview?lang=en&communityUuid=a46501b2-0a22-42f6-a9a7-2726e6b5f9c8.

Mutual learning

The regional activities provide an enabling environment and creative space for taking knowledge sharing to the next level of mutual and peer learning. There is a strong focus on capitalising the results to inform national initiatives and to drive regional cooperation initiatives.

The learning generated has included the following.

1. Learning from other countries

- The regional launch event provided the opportunity to review the FRAME pilot experiences from Montenegro and Serbia and to identify good practice, including the organisation of a panel of private sector representatives in the second foresight workshop. This was subsequently taken up in the former Yugoslav Republic of Macedonia. The country presentations (Montenegro, Serbia and Turkey) highlighted a number of common concerns, including an emphasis on skills for economic growth linked to the priority sectors, entrepreneurial learning, skills for quality of life and social inclusion, facilitating the transition to the labour market, ensuring that education is more in tune with the labour market, and ensuring flexibility and security in the labour market. The emphasis on scenarios rather than trends is important for ensuring a forward-looking focus. Achievement of these exercises will depend on the budgets and resources being secured to allow their effective implementation.

  The Malta foresight peer-learning visit provided insights into how foresight has been used by different public and private agencies to formulate R&I policies, establish the education agenda, and identify industry skills needs.

- The visit to the Malta Council for Science and Technology highlighted the way in which foresight has been used in the development of various strategies. The smart use of structural funds for education and R&I was considered relevant.

- Visits to the Malta Information Technology Agency (MITA) and the Malta College for Arts, Science and Technology (MCAST) were particularly useful and relevant. They provided insights into the current challenges faced by countries in relation to procurement of ICT services by government departments, implementation of the NQF and the development of an effective system of study. MITA provides a very interesting example of good practice in the way in which high-quality services to government can be developed over time by channelling procurement through one agency. The use of mixed methods (quantitative and qualitative) by MITA in conducting the industry skills foresight was also considered important as an approach that could be used in sectors other than ICT. The way in which MCAST is implementing NQF Level 5 (i.e. what kind of degree, who will be the providers, etc.) provides valuable input for conducting the consultation process in other countries. The insights into the credit system, occupational standards and stakeholder consultations were also useful.

- The visit to the Malta Chamber of Commerce, Enterprise and Industry highlighted the important role the organisation plays in bringing together industry and academic actors, in boosting employment and in helping to develop the employability index. Interest was expressed in having more information from the chamber about the sector councils and how they work.

- The visits highlighted the fact that while organisations all have their own strategies, these also fit with national strategy and there is no 'double ownership' of strategies. The connections between strategies are important: for example, the gaming strategy supports the tourism sector by providing a means for keeping in contact with tourists. One of the pre-conditions of foresight activity is having political stability and continuity.

- The visit to the University's Edward De Bono Institute for the Design and Development of Thinking also proved important for in highlighting the role of such institutions in capacity building and knowledge transfer in foresight. The courses in creativity and the study unit on foresight were considered important. The visits were useful in highlighting the implementation of foresight methodology in everyday activities and the way in which foresight is included in different aspects of each institutions' policy approach.

2. Insights relating to country foresight experience

- In Serbia, the national economic strategy that identifies key sectors for investment was a driving force in developing the skills vision.

- Turkey's Vision 2023 provides important lessons on conducting and using a large-scale technology foresight exercise with a broad scope and wide stakeholder involvement that enhanced networking between actors from public institutions, industry and academia. Diffusing foresight practice through Vision 2023 has increased the public awareness of the foresight approach. The government's vision, formulated during the technology foresight process, has put skills and the support for HRD high on the national agenda. The widespread use of foresight at various levels was considered desirable, and a bottom-up approach would be preferable for the next cycle.

- In Germany, programme-based foresight is used to anticipate long-term developments in research and technology, and in societal challenges. It is also used to identify new research and technology focuses, and areas of activity covering a range of R&I, including the potential for strategic partnerships and priority areas of R&D activity, as the basis for defining funding programme priorities.

- In the UK, the government invests in project-based foresight coupled with scanning/training facilities to address key challenges of national concern and to help in defining policies and strategies.

- In Romania, strategy-based foresight is undertaken to identify national strategies for R&I and to identify areas of smart specialisation. There has been a significant investment in big data, and the potential of big data to support foresight exercises has been highlighted, together with a proposal for a regional big-data project on education.

- In Finland, a systemic foresight approach is in place in government. This approach addresses the whole policy cycle using experiments and developing capacities and learning.

- In Japan, there is strategic and instrumental use of foresight, aimed at exploring lead visions, and providing a strategic orientation for industry. The use of Delphi[9] for priority setting and exploring future trends in key areas of science and technology has led to the use of foresight to re-orient the national R&I policy and system.

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[9]Delphi is a method used in foresight, which is based on structural surveys and makes use of information from the experience and knowledge of the participants, mainly experts.

- Korea has tended to follow the Japanese example, engaging in consecutive rounds of foresight linked to science and technology policy, and using Delphi to identify emerging areas of science and technology.

3. Identifying FRAME follow-up

- At country level, the focus is on skills anticipation and matching to support the development of sectors of national priority.
- At regional level, the focus is on skills challenges in sectors of common interest and priority, targeting labour mobility and competitiveness.

4. Ways of improving foresight processes

- Increase investment in preparation with an extended pre-foresight phase, during which analyses of labour market needs and education gaps are undertaken in order to feed the discussion.
- Develop a simpler process and approach, with more workshops and focus groups.
- Involve a more extensive range of participants, bearing in mind which participants wield power in terms of resources and implementation.

By analysing and discussing the implementation of FRAME in their countries, participants in the regional activities have had the opportunity to gain a more in-depth understanding of particular aspects of implementing the HRD sector approach and the range of innovative policy responses that can be considered at national and regional level. In the regional activities held in Montenegro and Malta, participants were thus able to compare FRAME country approaches and the results achieved, identifying aspects of the methodology that worked well, and to discuss enabling frameworks at national and regional level for effective implementation. Most importantly, the activities to date have allowed participants to reflect on common skills challenges and concerns that can be tackled jointly at regional level.

PART 2
PROSPECTIVE OUTLOOK

This section summarises the lessons learnt throughout the FRAME implementation process, and highlights the recommended next steps. It draws on the findings and conclusions of a number of activities undertaken with a prospective outlook, exploring follow-up activities in relation to foresight, capacity review, monitoring and regional cooperation.

1.1 EXPLORING NEW HORIZONS AND RATIONALES FOR FORESIGHT

In defining the way forward for FRAME in 2015 and beyond, it is important to take account of developments that are under way in Europe and worldwide in the creative use of foresight to shape and support policy making. At European level, foresight is being widely encouraged and used in Horizon 2020[10] at different levels. At strategic level, it is used to support agenda setting in joint programming initiatives and to identify the R&I agenda linked to addressing societal challenges, while at societal level, it is used, for example, to support citizen foresight. In advanced countries around the world, foresight is being used to address national societal challenges, and to identify and anticipate significant weak signals, including emerging societal and technological trends, that can be used to guide investments in R&I. In identifying prospective rationales, the example of Turkey's Vision 2023 highlights the more typical uses of foresight, namely in redesigning R&I systems, identifying critical technologies to guide national investments in R&I, and more recently, smart specialisation. This highlights the fact that country context sets the foresight agenda and the approach used. Indeed, the FRAME initiative has confirmed that in using foresight to address skills and HRD in general, the country context is key, and specific activities must be tailored to address national needs.

In reflecting on the prospective role that foresight can play in relation to HRD in the SEET countries, the key concern is to identify ways of taking forward the foresight approach that add value to ongoing processes of strategy development and stakeholder consultation. One of the challenges is to identify ways of building on previous foresight work by identifying which new (policy-making) behaviour needs to be sustained and developed further. The co-design of policies across and outside government requires a certain level of investment of time and effort.

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[10]Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness. It is the biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020).

Establishing an infrastructure for anticipating emerging skills needs, including data, analysis, application and accessibility, requires resources and time. In this context, countries may consider institutionalising the foresight or anticipatory function at the core of government and/or through a regional framework.

The FRAME initiative has generated a number of lessons that provide insights into how the foresight approach and process can be optimised, and how the content can be steered in order to address more directly the countries' priority needs. FRAME has confirmed that conducting a proper foresight exercise takes time and commitment at different levels and over the timeline of the exercise and beyond. It highlights the fact that FRAME constitutes an initial adventure into foresight that has focused on general vision building. The time is now ripe to launch a more in-depth foresight exercise at sector level to address national priorities on identifying and anticipating the types of skills that will be needed in the medium to long term in the country and, where appropriate, at regional level. This will require the selection of relevant stakeholders in order to obtain appropriate inputs in terms of power, expertise and interest. Relevant line ministries, (economic) sector specialists, practitioners and academic representatives need to be involved in the exercise. It is important to note that the inclusion of the ministries of economy and finance and other 'economic' actors in the FRAME foresight activities moves the issue of skills from being an educational issue to being one of national competitiveness. By including similar strategic players, such as unions, intermediaries, entrepreneurial actors and municipalities and local authorities, depending on the focus of the foresight activity and on where capacities need to be developed, the exercise can target a range of goals, including refining thematic focus, broader stakeholder engagement, networking, capacity building, and policy co-design and priority setting.

In the FRAME initiative, foresight was applied to a new thematic context, namely skills. Follow-up activity could in future focus at a deeper level, on skills anticipation and matching to support the development of sectors of national and regional priority, addressing regional/national labour mobility, factoring in forecasting data, and focusing on specific challenges. While implementing the foresight component of the FRAME initiative, several countries confirmed that an in-depth foresight exercise at sector level could assist in the anticipation of the concrete skills needed at national (but also regional) level: one or two pilot sectors could be used as examples to pave the way for this type of exercise. Common themes of interest in the region that could be addressed through regional initiatives such as FRAME relate to developing effective means of addressing required reforms. These include extending compulsory schooling, introducing NQFs and initiatives to improve entrepreneurial learning and social cohesion, and moving away from supply-driven approaches to education and training. Other areas for regional cooperation are the development of more learner-focused policies and opportunities for clusters of excellence, building sectoral regional partnerships of industrial/service clusters and joint regional foresight linked to smart specialisation and the co-design of curricula.

FRAME has sought to build networks that bring together people from different sectors and institutions that are involved in shaping the future of HRD. Different stakeholders were brought together to work on their visions and assessments for the future, with the purpose of improving their ability to collectively understand the challenges and opportunities they face, and to co-analyse alternative policy pathways and co-design strategies. FRAME highlighted the fact that foresight is still a relatively unknown, and consequently underutilised, tool in the SEE countries. Efforts need to be made to promote a wider and deeper foresight culture, complemented by capacity building at national and regional level, in order to fully embed foresight in decision-making processes and to use it as a change-management tool. Capacity building of national actors could be performed at regional level. Developing capabilities widely throughout the region and developing a 'foresight culture' can help countries to anticipate skills needs and improve skills matching.

1.2 ANTICIPATING AND DELIVERING DYNAMIC CAPACITY NEEDS

The RIA process has proved beneficial in confirming a number of shortfalls in the capacity to deliver in a timely manner on the skills vision and roadmap and the related strategies referred to therein. The comparative review of countries' institutional arrangements highlights a number of common concerns relating to the need for more effective interministerial coordination and empowerment of social partners, and improvements to policy design and delivery. Such concerns could be addressed through follow-up regional foresight exercises or other forms of training activity.

The activities proposed in the country capacity-development plans highlight the advantage of bringing together the country communities and encouraging them to share innovative approaches and concepts. Building capacity in financial planning will require both regional and national follow-up activities, and can be addressed through consultations, workshops and training activities, as well as featuring strongly in the relevant follow-up foresight exercises that are undertaken. Linking financial plans more directly to policy making is a crucial factor in addressing the limited take-up of policy recommendations. The inclusion in the RIA of 'planned budgeting capacities', linked to the capacity of institutions to work on MTEFs, proved fundamental in allowing a full understanding of a number of important issues, particularly those linked to implementation gaps. Ministry of Finance representatives were in some cases reluctant to engage in the exercise, reflecting a certain level of detachment at system level from line ministries' activities and priorities. The close correlation between financial issues and content-specific elements of policies should be taken into full consideration in the future implementation of any initiative relating to education and training.

Implementation and monitoring and evaluation are more complex to address, and require more in-depth efforts. The conceptualisation of implementation challenges varies, as do the challenges across the countries, and these will require a more customised approach. The monitoring and evaluation actions highlight the need for stronger efforts to promote an evaluation culture in SEET countries based on a clearer understanding of the benefits in terms of the learning generated. The FRAME monitoring component has paved the way for more investment in evaluation, and this needs to be given priority in follow-up monitoring actions.

1.3 EMBEDDING A MONITORING AND EVALUATION CULTURE

The monitoring component has supported identification of the main gaps in related capacity, and points to the need to invest further in the generation and use of evidence in policy making in the SEET countries. There is a need to move on from simple 'administrative' monitoring and reporting towards a full capitalisation of evidence and proper assessment of progress towards the set objectives and targets. Other areas for further support include improving the use of evidence in policy making and decision guiding on national priorities, and increasing the preparedness of SEET countries to engage meaningfully in a cross-country policy-monitoring, assessment and learning process (in line with EU cooperation arrangements, e.g. open method of coordination in education, training and employment; EUROPE 2020 Joint Assessment Framework).

Key areas of joint work in the future, as agreed during the second technical monitoring meeting in Turin (June 2014), relate to supporting the assessment of progress and achievements in countries on their HRD policies, in line with the adopted skills visions and roadmaps (e.g. regular dialogue with countries/stakeholders on achievements and bottlenecks). Further technical support will be provided to countries (depending on the gaps and needs identified) for the increased development and use of evidence for the HRD policy cycle. Technical support will also be provided to countries to encourage stronger links between policy monitoring and evaluation frameworks and EU policy follow-up processes (including EUROPE 2020 Joint Assessment Framework) and SEE 2020 monitoring arrangements (support to be given both to national and regional dimension coordinators).

1.4 REGIONAL BENCHMARKING AND PEER LEARNING

The regional framework is needed in order to ground the next phase of advancing Skills Vision 2020 by providing a platform for benchmarking progress on implementation of the roadmaps, and highlighting challenges and capacity shortfalls in policy delivery that can be addressed through regional peer-learning and capacity-building activities. By working together on common needs and challenges, the small countries in particular can create a sufficient amount of effort and resources and take advantage of economies of scale, which is particularly important in the post-crisis phase. The regional dimension has emerged strongly in the follow-up actions indicated for all components: foresight, capacity development, and monitoring and evaluation.

Peer learning could be encouraged in order to support the implementation of common priorities in the roadmaps. These include efforts to promote an inclusive, innovative, sustainable knowledge-based society; securing high employability levels through improved skills and competencies for personal/career development, further consolidating a sectoral approach to skills development, and enhanced capacities for coordinated sector policy development and implementation; promoting an entrepreneurial mindset within a lifelong learning perspective; and improving social policies and social cohesion.

Capacity development could focus on developing policy evidence and on its use in policy making and skills policy development. This ranges from skills analysis and trends and needs identification to introducing innovation in skills-delivery systems, making education and training more accessible and responsive to future needs.

Further regional cooperation and capacity building in the area of monitoring and evaluation has been identified as a key priority in the future. The development of an integrated approach for monitoring progress in HRD at regional level is recommended in order to ensure compatible methodologies and indicators used for the region in different contexts. This includes EU benchmarking and pre-accession support/IPA monitoring, and, for SEE countries, SEE 2020 monitoring.

In this context, the regional networks play an important role, and are in the process of expanding their function and role in relation to HRD. As such, they need to be empowered and supported, so that they acquire the necessary capacity to fulfil their mandate. The RCC and Education Reform Initiative of South East Europe (ERI SEE) in particular can support national reforms (specifically in education and training) through regional capacity building and the transfer of know-how, and by linking these efforts to European frameworks. International support for regional networks that can promote VET reforms and skills development (including policy makers, practitioners, academic representatives, social partners) could be key to further improving education and training policies in the countries, encouraging the formulation of common mechanisms to anticipate skills needs, and creating economies of scale.

A key message emerging from the regional joined-up policy work under the FRAME initiative is that cross-country expertise and practices pooled together through regional complementary actions can further strengthen the follow-up of skills-development priorities, from both an education and a business perspective. The country representatives indicated that collective learning, joint actions and peer reviews are recommended ways forward, and a regional platform to support policy implementation, mutual learning, and linking-up with the relevant EU tools should be embedded in each country's institutional arrangements for policy making.

CONCLUSION

The FRAME initiative has already produced a range of key outcomes (see Annex 1) at the systemic and institutional level, and at national and regional level, generating learning and targeted actions. The outcomes highlight the potential for undertaking, in the next phase, a more extended and in-depth use of foresight in the SEET region, to address complex combinations of skills challenges that the SEET countries currently face. These could range from defining skills needs more precisely in industry at the regional and local level, to driving the sectoral and niche areas that countries are seeking to incentivise. The role of entrepreneurship, the youth and ageing bulges, and the impact of science, technology and innovation on work are key drivers, adding to the depth of focus required. Delivering a smart skills ecosystem requires significant investments at many different levels in advanced capacities (competencies and facilities), and innovative governance processes and institutional settings.

This in-depth yet more extensive foresight requires a rethinking of the approach and methodology, drawing on lessons learnt from other EU and advanced economies worldwide. The stakeholder base will need to be extended in order to engage relevant players, particularly domain experts and economic sector specialists, local and regional players, and intermediaries.

A range of options for taking the foresight process forward are open to countries, and in the next phase it would be interesting to allow the countries to be more creative and to explore and develop their own foresight pathways. This may reduce the level of cross-country comparability of the process, content and results, though the learning generated could in itself provide important insights into alternative innovative development paths. It is envisaged that in order to embark on this in-depth, more creative foresight, a significant investment in advanced foresight training for key stakeholders would be required. Such training would support the use of more exploratory foresight approaches, and particular tools such as Delphi, and extend the foresight activity to combine experts and non-experts, government and non-government players, and national and regional/local policy makers. Managing these different communities within a foresight context requires careful steering and facilitation.

FRAME was set up to address an ambitious set of rationales, including breaking down silos in the policy and governance system linked to skills development, and encouraging the co-design of policies and more joined-up policy approaches. This needs to extend more tangibly to the regional and local levels and outside government if a more comprehensive approach is to be developed. In the SEE countries, a more high-tech approach needs to be implemented, while in Turkey, a low-tech approach is needed to complement the high-tech agenda already in place.

The FRAME stakeholders are now well-positioned to take this process forward through well-defined national and regional initiatives that address priority needs relating to reshaping the education and training system to provide the skills to better respond to current and emerging labour market and innovation challenges. The challenge is to ensure added value and complementarity by bringing together the SEET countries and relevant international organisations to work together and agree on priorities for regional benchmarking, peer learning and capacity building in HRD and skills development, in line with the EUROPE 2020 and SEE 2020 strategies.

The ETF will continue to build upon the FRAME initiative achievements and further support SEET countries in their efforts to ensure better-skilled people and enhanced skills-development systems.

ANNEXES

ANNEX 1: KEY OUTCOMES ACHIEVED TO DATE

ALBANIA	With the help of the FRAME project, the Ministry of Social Welfare and Youth decided to draw up a new strategy and action plan 2014-20, covering both employment and VET. It made staff from relevant ministry departments, employment and VET agencies, schools and training centres available to provide expert inputs. The Ministry took the lead also in terms of catalysing other partners, such as the ministries of economy and education, social partner organisations and civil society representatives. Several employment offices have been newly equipped to offer modern information and counselling services, and VET legislation (sub-legal acts) are being revised.
	FRAME was organised as a highly participatory and consultative process. Background data were provided by INSTAT, while the ETF FRAME project and the ILO-IPA 2010 HRD project jointly supported the ministry with the production of draft texts.
	The Prime Minister and the minister officially launched the National Employment and Skills Strategy 2020 on 26 February 2014. Key donors in employment and VET were involved throughout the entire process and have already submitted their bids in terms of which Action Plan measures they will support.
	With employment and VET high on the government agenda, budgets for active labour market measures were tripled compared to 2013.
BOSNIA AND HERZEGOVINA	The Council of Ministers of Bosnia and Herzegovina on its 89th session held on 4 April 2014 adopted a decision to establish an Inter-ministerial working group with the mandate to draft the strategic document "Vision for Skills 2020: Bosnia and Herzegovina". This has paved the way for mutual commitment and cooperation in a continuous policy dialogue to achieve the Vision for Skills 2020. The ultimate objective is to ensure significant progress in human resources development in every part of the country, in Republika Srpska and Br ko District, and in all 10 cantons of the Federation of Bosnia and Herzegovina (Una-Sana, Tuzla, Zenica-Doboj, Bosnian Podrinje and Sarajevo, Posavina, West Herzegovina and Canton 10, Central Bosnia and Herzegovina-Neretva).

BOSNIA AND HERZEGOVINA	An important reform is the adoption of functional classifications of expenditures at all levels (State, Entity and Brcko District), while for all state institutions it is still on-going. The standard 10 functions classification will be in place by 2015, which allows for the future adoption of programme budgeting. The budgeting of programmes already being implemented with EU support is expected to be finalised in the coming years. It still needs to be complemented with performance budgeting procedures to link government spending to pre-defined results and outputs using a mechanism of ex-ante and ex-post policy evaluations. The recent reforms paved the way towards a modern budgetary process, with medium-term financial planning and better expenditure controls. This will require further reforms in the overall management of public finances. In this perspective, the authorities need to undertake specific policy measures both in the short and medium term. The full list of priorities is included in the report for Bosnia and Herzegovina.
FORMER YUGOSLAV REPUBLIC OF MACEDONIA	Firstly the formulation of the Skills Vision 2020 sparked constructive and inspired debate among stakeholders. The diversity of views was respected while shaping the consensus on a vision oriented towards ensuring the right competences for present and future social and economic challenges, within a partnership approach.
	Secondly the stakeholders involved (state and non-state) recognised the importance and urgency of better integrated and easily accessible information for planning and monitoring skills development throughout the various pathways and forms of the education and training system. This entails reinforced institutional capacity in reforming the country's skills anticipation and matching mechanisms and the ways in which this information will feed into more effective skills development systems leading to more pertinent qualifications and accessible lifelong learning.
	Thirdly policy making processes and mechanisms (skills and employment) need a more systemic contribution from the shared intelligence of social partners, enterprises, regions and municipalities.
	Fourthly the importance of better-targeted budgets to serve the priorities set out in policies and strategies. Prioritising from the myriad of strategies can be challenging, and better budget planning processes have the potential to help, notably by reinforcing the multi-annual perspective and its links to policy priorities.
	FRAME, with its key components and country report, are recognised as one of the most relevant and updated contributions for launching reflections and preparation for the sector approach under IPA II.
KOSOVO	A key benefit in Kosovo has been the fostering of inter-ministerial – and inter-actor – cooperation on skills issues. The role of international organisations and bilateral donors has been especially important and they have been included in the strategic skills discussion with other stakeholders in the country during the FRAME project. The Kosovo 2020 skills vision was validated by a wide number stakeholders in 2014 and the Strategic Planning Office of the Prime Minister has submitted the skills vision to support the government's work programme for 2015 and the National Development Strategy.

MONTENEGRO

Montenegro Skills 2020 is a result of highly committed and professional contributions of representatives of key policy makers and stakeholders to a range of workshops and consultations under FRAME. The FRAME exercise -policy foresight, Review of Institutional Arrangement (RIA) as well as monitoring - has been coordinated by the Ministry of Labour and Social Welfare which is the body responsible for the HRD operating structure. According to the by-law on the Decentralized Implementation System (DIS) for IPA, the Ministry of Labour and Social Welfare is denominated as the coordinating body between the relevant line ministries in the sector. With policy foresight key stakeholders prepared a vision for skills 2020 as the HRD strategy for the future.

The review of institutional arrangments focused on the governance structure of institutions in charge of HRD, in relation to the policy cycle to ensure a smooth policy implementation of the 2020 vision for skills and related roadmaps and milestones. The primary objective was to review the systemic and institutional capacities for the existence and quality of inter-ministerial coordination in relation to HRD policy making. Indicators have been used to identify inter-ministerial coordination and stakeholder involvement in the HRD sector: the existence of dialogue mechanisms for stakeholder involvement; the quality of the dialogue between authorities and stakeholders throughout the policy making cycle, and the frequency of dialogue between authorities and other stakeholders throughout the policy making cycle. RIA findings indicate that the main challenges will be adequate communication and coordination between the actors in the HRD sector.

The review also focused on budget planning and execution capacities, linked to the capacity of institutions to work within a Mid Term Expenditure Framework (MTEF), specifically within the HRD sector. The findings indicate that the government has a successful track record of implementing reforms including introducing a medium-term macro fiscal framework and capital budgeting and programme budgeting. One of the major challenges is the weak links between policy objectives and realistic budgeting which is related to inadequate planning (discrepancy between activities and spending on the one side and expected results and goals on the other). The challenges in coordinating activities among government agencies, state government and the Ministry of Finance during the preparation of strategies often results in the adoption of strategies which cannot be implemented due to lack of funds. This is an issue which will require on-going attention.

The EC Country Strategy Paper 2014-20 in the section Employment, Social Policies and Human Resource Development, incorporates results from the FRAME initiative. The vision 2020, the priorities and objectives are in line with the SEE 2020 Strategy.

SERBIA	Serbia is using the FRAME skills vision as a basis for supporting and guiding the country's employment and social sector reforms. In the context of the FRAME project, the Ministry of Labour asked for support from the ETF in order to build their capacity to better forecast future skills needs, in particular specific skills necessary to achieve the Skills 2020 vision. The vision is being jointly revised by the ministries of education and labour prior to submission for adoption by the Government.
	A concrete benefit of FRAME in Serbia is much stronger inter-Ministerial – and inter-actor from other stakeholders – cooperation on skills issues. The FRAME project helped build better, stronger, sustainable relationships between key actors at, for example, the ministries of education and labour as well as with other ministries such as economy. FRAME gives skills a high profile in national discussions about competitiveness and job creation.
TURKEY	For Turkey, FRAME brought an added dimension to the previous use of foresight in national policy making beyond priority setting, participatory and fragmentation rationales in its Vision 2023, mainly targeting science, technology and research. The FRAME foresight component has focused in particular on skills-related challenges emerging from the Vision 2023: a) Skills Foresight initiatives that focus on how new technology is changing the nature of work, demand for new skills, and has an impact on lifelong learning; b) regional foresight initiatives that localise the results of these activities so as to optimize the system for lifelong learning at regional level; and c) foresight initiatives targeted to specific population groups such as women to ensure that the system provides a complete solution to their particular employment challenges.
	FRAME institutional and monitoring analysis has been included in the HRD IPA II capacity development section focusing on fostering a closer dialogue with clients and users of the public HRD system, developing user feedback systems and piloting new approaches to enhance user dialogue in HRD governance at regional level.
	Colleagues in the Turkish Ministry of Labour and Social Security indicate that most probably the Turkey "Skills for the Future" report will be used by the ministry as one of the many background analyses being drafted by the Turkish government in their preparation for the G20 to be hosted and organised in Turkey in 2015.

INDICATOR	DEFINITION	RESULTS OF THE FEASIBILITY CHECKS						
		AL	BA	XK	ME	MK	RS	TR
POLICY AREA 1. IMPROVING EDUCATION AND TRAINING SYSTEMS								
K: Tertiary education attainment (LFS)	Proportion of the population aged 30–34 years having successfully completed university or university-like education (ISCED 5 or 6) (EUROPE 2020 headline target: 40%)	14.3		8.6	27.2	23.1	24.7	19.2
K: Highly qualified people (LFS)	Number of highly qualified people in the workforce (000) (SEE 2020 headline regional target: +300 000 highly qualified persons)	14.3	185	92	70	202	650	6 722
K: Achievement in Basic Skills (PISA results, OECD)	Share of 15-year-olds failing to reach Level 2 in reading (R), mathematics (M) and science (S) as measured by OECD's PISA (ET 2020 target: <15%) — R	52.3			43.3		33.1	21.6
	M	60.6			56.6		38.9	42
	S	53.1			50.7	3.7	35.7	26.4
K: Early leavers from education and training (LFS)	Proportion of the population aged 18–24 years with at most lower secondary education and who are not in further education or training (EUROPE 2020 headline target: <10%)	31.6			5.7	11.4	8.1	37.5

INDICATOR	DEFINITION	RESULTS OF THE FEASIBILITY CHECKS						
		AL	BA	XK	ME	MK	RS	TR
Financing education (national accounts)	Public expenditure on education as a percentage of GDP			4.0		3.7	4.8	3.1
Participation in VET (education statistics)	Students in VET as a percentage of total students enrolled in upper secondary education (ISCED 3)	14.2	72.1	57.0	67.3		72.1	44.0
Adult literacy (education statistics)	Proportion of adult population (aged 15+) able to read and write a simple text in the national language	96.9	98.0	94.1	98.4	97.4	98.0	94.1
POLICY AREA 2. IMPROVING SKILLS SUPPLY, PRODUCTIVITY AND LIFELONG LEARNING								
K: Lifelong learning (LFS)	Proportion of the population aged 25–64 who stated that they received formal or non-formal education or training in the four weeks preceding the survey (ET 2020 target: 15%)	1.1			3.1	3.5	3.6	3.8
Entrepreneurship (Small Business Act, OECD)	Training needs analysis	3.0	2.0	2.5	2.5	3.0	3.0	3.0
	University–enterprise cooperation	2.0	1.0	1.0	3.0	2.5	1.0	2.5
	Training for women's entrepreneurship	1.5	1.5	1.0	1.5	2.5	2.0	1.5
	Access to training	4.0	4.0	4.0	2.5	4.5	3.0	4.5
Placement rate of VET learners (LFS)	Employed who attended a VET programme as a proportion of the total employed population)	15.7		42.7	57.5	97.4		18.3

INDICATOR	DEFINITION	RESULTS OF THE FEASIBILITY CHECKS						
		AL	BA	XK	ME	MK	RS	TR
POLICY AREA 3. INCREASING LABOUR MARKET PARTICIPATION								
K: Employment rate (LFS)	Employment rate (20–64): Ratio between the employed population aged 20–64 and the total population aged 20–64 (EUROPE 2020 headline target: 75%)	63.3	40.9	25.6	52.6	50.3	51.2	53.4
	Overall employment rate (15+): Ratio between the employed population aged 15+ and the total population aged 15+ (SEE 2020 headline regional target: 44.4%)	35.0	31.6	25.5	40.3	39.0	37.7	45.9

Legend

2010	2011	2012	2013	missing data

K – key indicator; LFS – Labour Force Survey; PISA - Programme for International Student Assessment (OECD); OECD – Organisation for Economic Co-operation and Development
AL, Albania; BA, Bosnia and Herzegovina; XK, Kosovo; ME, Montenegro; MK, former Yugoslav Republic of Macedonia; RS, Serbia; TR, Turkey.

ANNEX 3: ANALYSIS OF THE ROADMAPS

The roadmap analysis highlights the following common priorities, while identifying different nuances in country approaches and planned actions and measures.

Challenge 1: Skills to drive socioeconomic transition, growth and competitiveness

This priority for economic growth and competitiveness provides the backdrop for all the roadmaps, and is implicit in one or more measures, often addressed from different perspectives. There is a common emphasis on policy efforts, mechanisms and programmes to target skills development in priority sectors, including:

- investing in strategic capacities and anticipation of the skills needs in the targeted sectors;
- developing cooperative mechanisms to address these sectors;
- re-orienting and upgrading the qualification system, in particular VET, training, re-skilling teachers and empowering women and young people to address these sectors;
- addressing required changes in legislation and other elements;
- providing an enabling environment and support for entrepreneurial activity;
- investing in related R&D and innovation.

Albania

- Ensure that the national legislation regulating mobility and labour market governance is in line with the country's broader socioeconomic development goals and EU acquis.
- Promote social entrepreneurship and women's economic empowerment.
- Facilitate the enrolment of girls and women in VET courses in prospective economic sectors.

Bosnia and Herzegovina, Montenegro, Serbia

- Improve the knowledge, skills and competencies in national priority industrial sectors.
- Develop programmes for training, coaching and advisory services to support start-ups and small businesses, entrepreneurs and family-run businesses.
- Support the development and implementation of the qualification system.
- Support innovation, research and development in industrial priority sectors.

Former Yugoslav Republic of Macedonia

- Implement the relevant national strategies that are linked most directly to socioeconomic development, and in particular, those that address niches of economic priority.
- Establish a pilot group on strategic capacities linked to niches.
- Introduce a scheme for cooperative mechanisms to address economic niches, and support regions and local communities to address emerging opportunities, e.g. smart specialisation.
- Link the outcomes of the education system with socioeconomic development.

Kosovo

- Strengthen regional cooperation in the design as well as the delivery of contemporary programmes (particularly those intended to foster economic cooperation in the region).

Kosovo, Serbia

- Improve the signalling of skills needs in economic sectors through the development of a coherent approach and appropriate systems for anticipation of skills needs.

- Provide an enabling environment and support infrastructure for entrepreneurs linked to the targeted economic sectors to develop their innovative potential, e.g. incubators and hubs/hotspots.

- Establish new business incubators to target niches in the five priority sectors, sharing best practices of existing incubators and other support for entrepreneurs to provide them with an enabling environment to pursue innovative business ideas.

- Improve the mechanisms for stakeholder involvement at different levels and in relation to different economic sectors.

- Develop an entrepreneurial mindset.

- Empower learners to generate ideas, communicate and take action on the creation and realisation of opportunities.

- Reskill teachers with an entrepreneurial mindset and modern skills to reflect sectoral skills needs.

Serbia

- Create easily accessible web-based information for learners on emerging opportunities.

- Establish broader training provisions for business start-ups, and set up a web-based platform to promote an exchange of experiences and know-how among intermediaries, in order to provide enterprises with more up-to-date and targeted know-how, training and support.

Challenge 2: Matching skills demand and supply

The priority to address the skills mismatch is at the core of the country roadmaps. The recommended policy measures target:

• industry and stakeholder engagement in signalling skills and training needs, in particular supporting foresight, networks and platforms for innovation in skills development, taking into account the regional and local dimension of skills needs;

• better-targeted, forward-looking policies through the improvement of skills-anticipation mechanisms and capacities, particularly in administration, and the provision of appropriate tools (including relevant data);

• mechanisms for skills anticipation;

• career guidance and advisory services capable of addressing emerging needs;

• curricula to address these needs, including an emphasis on transferable and specialised skills;

• targeted education and training programmes;

• the related demand for teachers to provide the required skills.

Albania

    • Optimise the VET providers' network.

    • Implement a demand-oriented, interactive, user-friendly database, searchable by region/location, sector/qualifications and VET offers.

    • Assess the demand for VET teachers by competencies and sectors.

    • Ensure that the VET system is capable of preparing specialists who are in demand.

Bosnia and Herzegovina, Montenegro

- Increase the development of transferable skills and key competencies.

- Improve enrolment policies and admissions targets for higher education and VET.

- Systematically gather graduate employment data.

Serbia

- Reduce skills mismatches through changes in policy and building capacity within public administration.

- Target education and training programmes according to labour demand.

a. Industry and stakeholder engagement in signalling skills and training needs

former Yugoslav Republic of Macedonia

- Build networks of skills-related stakeholders and platforms for innovation.

- Encourage the formation of bottom-up networks that bring together stakeholders who are keen to address a particular skills challenge or opportunity. These networks can develop at different levels – local, regional, national and international – or connect different levels, depending on the challenge or opportunity.

- Set up a national programme to support the development of online platforms for innovation in skills development.

Kosovo

- Improve cooperation and intermediation between employers and job-seekers.

Turkey

- Use foresight to strengthen the linkages and cooperation among all parties, particularly educational institutions, the labour market and stakeholders.

- Involve stakeholders (firms, industry representative bodies, young people, women, disadvantaged groups) in the co-design of lifelong learning courses.
- Explore further the regional and sectoral dimensions of lifelong learning and address these through dedicated foresight actions focusing on local priorities and opportunities linked to smart specialisation.

b. Skills forecasting and anticipation

A common priority is the emphasis on establishing mechanisms for skills forecasting and anticipation, in particular at a sectoral level. This signals the shift to a more mature skills ecosystem.

Albania

- Implement a skills-forecasting system to plan VET delivery.

Bosnia and Herzegovina, Montenegro

- Develop a coherent approach to the anticipation of skills needs based on a mixture of research, new techniques and longer time horizons.

Former Yugoslav Republic of Macedonia

- Invest in a mature skills ecosystem by building an integrated labour market information system for skills needs in order to pool information at national and regional levels and provide yearly analyses to project short- to long-term skills needs.

Serbia

- Build capacity in public administration for macroeconomic and sectoral skills forecasting and develop effective policies to reduce skills mismatches.
- Test decentralised 'bottom-up' approaches.

c. Improving career guidance and advisory services

Former Yugoslav Republic of Macedonia, Kosovo

- The focus is on the career guidance system and the need to strengthen it and raise awareness of it among a wider audience. The aim is to deploy a new, enhanced career guidance system (for students, and unemployed and employed individuals for their future career progression), which is made possible through the improved information service provided by the integrated labour market information system.

Serbia

- The emphasis is on developing more comprehensive services for both parents and young people.

- There is a specific proposal to set up a National Resource and Information Centre for Career Guidance and Counselling and to further develop the career guidance and counselling system in the country. Planned actions include the preparation of programmes and standards of career guidance and counselling for different age groups, and support for cross-sectoral cooperation (signing the Memorandum of Understanding between all relevant stakeholders).

Challenge 3: Skills to contribute to a better quality of life

The roadmaps all reflect a concern with enhancing skills to bring about improvements in society, address societal goals and allow a better quality of life for all. Key priorities include efforts targeting:

- increased economic empowerment and higher employability of young people, women and those from vulnerable groups, including the long-term unemployed, through better targeted ALMPs and retraining,

- the informal economy and efforts to reduce informal work and secure decent work;

- more socially inclusive education to reduce drop-out rates;

- increased participation rates in lifelong learning;

- social entrepreneurship and the social economy;

- investment in ICT and innovation-based support services and self-help schemes to improve access for all to employment, education, health, social services and social assistance.

a. Increasing employability, especially of young people, women and vulnerable groups

Albania

- Offer quality VET for young people and adults.
- Provide courses that embed core employability and entrepreneurial skills.
- Reduce the informal economy.

Albania, Kosovo, Serbia, Turkey

- Strengthen the link between the education system and the economy by enabling better access to the labour market through more work-based learning and regulated internships and apprenticeship schemes.

Albania, Serbia, Turkey

- Facilitate the transition from the education system to the labour market.

Bosnia and Herzegovina, Montenegro

- Encourage the uptake of seasonal work by students.
- Stimulate greater engagement by the youth population in policy development and implementation.
- Support youth engagement in the development and implementation of policies relevant to young people by creating Youth Councils at national and regional level, supported by appropriate youth-related legislation.
- Promote higher youth employability through the 'Work Experience Programme', the 'Youth Initiative', the uptake of seasonal work by students, active labour market measures targeting long-term unemployed individuals, low-skilled and informal workers, and those in remote areas.
- Reduce drop-out rates.

Serbia, Turkey

- Promote alternative types of employment to ease the entry of young people and other unemployed individuals to the labour market.

Turkey

- Facilitate access to employment and increase employability: developing ALMPs, including training, retraining, counselling and guidance, and entrepreneurship programmes that are tailor-made to the needs of women, and young and disadvantaged people.

- Implement mechanisms to monitor decent work.

- Reduce the informal economy.

b. Achieving higher participation rates in lifelong learning

Albania

- Optimise VET and lifelong learning systems.

- Reform the financing and governance of the labour market and VET systems through the creation of an employment and training fund, and a national council for employment and VET, and by strengthening the role of the National Labour Council.

- Promote and raise awareness of VET providers, qualifications and training offers.

- Optimise the VET provider network and diversify offers.

- Create a national catalogue of vocational qualifications and revise all VET frame curricula.

- Train teachers on post-secondary VET programmes.

- Review existing and develop new programmes for post-secondary VET provision.

- Introduce a previously tested model in all VET institutions to organise links between VET institutions and businesses.

Albania, Serbia, Turkey

- Develop a framework for the training of VET teachers and trainers.

Bosnia and Herzegovina, Montenegro

- Promote lifelong learning by supporting enterprise HRD programmes and individual participation in lifelong learning services.

Bosnia and Herzegovina, Montenegro, Serbia

- Promote the validation of non-formal education and informal learning.
- Support the development and implementation of programmes for transferable skills and key competencies.

Serbia

- Use international and cross-sectoral mobility to improve the status of VET and confer transversal skills.
- Increase participation in lifelong learning, including validation of non-formal education and informal learning.
- Develop the legal framework for the recognition of prior learning.
- Develop professional training programmes for persons in employment, and short courses and training at universities for the achievement of ECTS credits, and provide flexible learning paths.

Turkey

- Improve the scope and quality of education services, VET and lifelong learning systems; develop and implement innovative models to facilitate access to lifelong learning opportunities; revise and develop lifelong learning programmes, taking into account innovative methods from the EU perspective on lifelong learning, key competencies and basic skills; develop and implement innovative models to facilitate access to lifelong learning opportunities.

- Use foresight to involve stakeholders (firms, industry representative bodies, young people, women, disadvantaged groups) in the co-design of lifelong learning courses.
- Explore further the regional and sectoral dimension of lifelong learning and address this through dedicated foresight actions focusing on local priorities and opportunities linked to smart specialisation.
- Support distance learning, e-learning, and other mobile services.

c. Towards a more socially inclusive education and skills system

A common priority is the emphasis on developing active labour market measures for vulnerable groups such as the long-term unemployed, people with low levels of skills, people living in remote areas, informal workers etc. (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia)

Albania

- Extend to rural areas employment and training services that are tailored to the needs of that population.
- Offer training and employment to marginalised and disadvantaged men and women, including Roma people and individuals with a disability.
- Introduce an activation strategy to minimise inactivity and welfare traps.
- Reform social assistance systems to avoid leakages, target errors and increase the coverage of eligible individuals, and to link welfare with reintegration into the labour market.
- Promote social entrepreneurship in the social economy and third-sector jobs, and women's economic empowerment.

Albania, Bosnia and Herzegovina, Montenegro

- Increase participation of the Roma, Ashkali and Egyptian (RAE) population in education, employment and entrepreneurial activity.

Bosnia and Herzegovina, Montenegro

- Reduce the drop-out rate of the RAE population by supporting policy research and implementing measures.
- Foster new opportunities for people with disabilities and special needs.
- Support research, education and training on social inclusion and accessibility concepts, EU policies relating to 'A Europe for all ages' and 'A Europe for all abilities', as well as product and service design concepts such as 'Universal Design', especially in architecture and construction, ICT and media.

Montenegro

- Support the implementation of the 14 recent legislative measures relating to the rights of people with disabilities.
- Support research, education and training on social inclusion and accessibility concepts.

Turkey

- Support actions to increase attendance and access to education at all levels, including early childhood education.
- Identify students at risk of dropping out and retain them through developed intervention models, an increase in family–school cooperation and support, second-chance activities, counselling, etc.
- Invest in ICT and innovation-based support services and self-help schemes to improve access for all to employment, education, health, social services and social assistance.

Challenge 4: Sustain and optimise investments in the skills system

The priority to increase and maintain investments in developing the skills system is implicit in all the roadmaps, with some countries investing in measures in the following areas:

- securing long-term investments in education and ensuring efficiency in implementation;
- establishing institutional and normative frameworks for the proactive use of EU and donor funds in the implementation of key objectives.

Former Yugoslav Republic of Macedonia

- Ensure government commitment to the multi-annual budget for education, linking the outcomes of the education system with socioeconomic development.
- Increase the efficiency and effectiveness of budget implementation.
- Promote a more proactive approach to EU accession and international opportunities.
- Increase participation in EU programmes and cooperation networks under ET 2020, developing administrative and strategic capacities in such EU programmes and networks.
- Enhance ownership of the SEE 2020 strategy.

Kosovo

- Introduce programme-based budgeting.
- Introduce a common standard methodology for costing strategic documents based on the MTEF budget costing and prioritisation methodology.
- Provide training for budget organisations involved in HRD on costing policies and prioritisation; ensure that a common advanced costing methodology is applied in all budget organisations; offer training sessions on developing and costing policy priorities to all relevant staff of the Ministry of Education, Science and Technology and the Ministry of Labour and Social Welfare, as well as subordinate institutions, in order to improve staff capacities.

Montenegro

- Establish and accredit the IPA operative structures.

- Establish normative and institutional frameworks for the use of EU and donor funds in the implementation of key priorities and objectives.

Challenge 5: Evaluation and monitoring

Montenegro

- Establish a transparent evaluation and monitoring system for the human resources sectoral roadmap, with regular updates to the Skills Vision 2020 Roadmap, coordination meetings and progress reports referring to results and implementation targets.

Turkey

- Strengthen the monitoring and evaluation systems for all educational actors, especially on the implementation of education policies.

LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policy
ERI SEE	Education Reform Initiative of South East Europe
ETF	European Training Foundation
EU	European Union
FDI	Foreign direct investment
HRD	Human resources development
ICT	Information and communication technologies
IPA	Instrument for Pre-Accession Assistance
IPA II	Instrument for Pre-accession Assistance programming period 2014–2020
LFS	Labour Force Survey
MCAST	Malta College for Arts, Science and Technology
MITA	Malta Information Technology Agency
MTEF	Medium-term expenditure framework
NGO	Non-governmental organisation
NQF	National qualifications framework
OECD	Organisation for Economic Co-operation and Development

PISA	Programme for International Student Assessment
R&D	Research and development
R&I	Research and innovation
RAE	Roma, Ashkali and Egyptian
RCC	Regional Cooperation Council
RIA	Review of institutional arrangements
SEE	South East Europe
SEET	South East Europe and Turkey
SME	Small and medium-sized enterprise
STEEPV	Social, technological, economic, environmental, political, values
VET	Vocational education and training

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