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**Reply of the Commission to the Special Report**

**"Is the design and management of the mobility scheme of the Leonardo da Vinci programme likely to lead to effective results?"**

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### **"Is the design and management of the mobility scheme of the Leonardo da Vinci programme likely to lead to effective results?"**

#### **EXECUTIVE SUMMARY**

I-III. The Commission welcomes the overall conclusion of the Court of Auditor's report that the design and management of the mobility scheme of the Leonardo da Vinci programme could lead to effective results.

Indeed, the programme shows increasing demand which at present can be only partly covered (less than 50 % of applications can be awarded within the available budget). More than 80.000 people were financed in 2009 (67 % persons in initial training, 20 % people on the labour market, 13 % teachers/trainers). By far the majority of participants (nearly 90 %) expressed themselves as highly satisfied with the stay abroad in their final reports.

The positive impact on participants in the previous programme has been confirmed by the impact study published in 2007. The mobility experiences improved the skills and competences of young people and positively influenced their employability, as well as their personal development. A study on the impact of the Leonardo mobility of teachers and trainers in vocational education (VETPRO) is about to be finalised, and the initial results confirm the positive effects not only on the personal development of participants but also on the Vocational Education and Training schools, training providers and systems.

The Commission welcomes the Court's acknowledgement that an appropriate project life-cycle management system has been established and that the operational aspects of the programme were generally well managed. The Commission underlines the fact that many of the management recommendations are valid for the whole Lifelong Learning Programme (LLP), because the Leonardo Programme forms an integral part of the LLP.

IV. The Commission stresses that the audit mainly covered the years 2007-2008, which were the first two years of a new integrated programme. Furthermore, the programming and reporting cycle with National Agencies covers two years from the National Agency's preparation of the draft work programme to the finalisation of the yearly report assessment by the Commission. Therefore, improvements made afterwards, notably in 2010, have not all been taken into account by the Court.

In addition, it has to be noted that results of actions co-financed in 2007-2008 are often not visible immediately after the actions, as mobility and training normally take several years to show their effects.

IV. first indent

For the design of the current Leonardo da Vinci programme, the Commission launched a consultation process with National Agencies, National Authorities and stakeholders to take into account earlier experiences. The Commission took into consideration not only the findings and suggestions from the mandatory evaluations, but also used other external studies as a source of ideas and to provide additional insight.

#### IV. sixth indent

The Commission is aware that the quality of secondary controls by National Authorities on National Agencies varies, as was also pointed out by the Court in its Statement of assurance for the financial year 2008. Following this earlier observation from the Court, the Commission has taken action and developed detailed guidelines for National Authorities in order to provide both methodological support and practical tools for the secondary controls by the National Authorities. These guidelines were issued to the Member States in December 2009 and were also the main subject of a seminar for National Authorities held in March 2010 in order to remedy the weaknesses found.

#### IV. seventh indent

The Commission accepts that the work on performance indicators has to be finalised.

It underlines, however, that the work with the programme committee on the establishment of indicators started already in 2007. Furthermore, based on the impact studies and evaluations of the previous Leonardo programme and the available quantitative data and the qualitative feedback from participants in the current programme, the Commission is confident that the Leonardo da Vinci mobility programme is producing effective results.

V. The Commission accepts the recommendations made by the Court and has already implemented them in full or partially, including: the qualitative feedback to National Authorities on the yearly National Agency reports, the integration of the yearly activity reports into the monitoring visits, the alignment of the annual activity report structure with the work programmes, the inclusion of results oriented indicators in National Agencies' work programmes and the finalisation of LLPLink.

The Commission wishes to underline that:

- It has already vastly improved the supporting IT system for the management of the programme in 2009 and is further improving its reporting facilities in 2010;
- It already provides qualitative feedback on the yearly work programmes of the National Agencies, but for effectiveness reasons it has limited its feedback to those cases that require revision because they do not correspond to the expected quality standards;
- It shares the Court's view that support in finding partners is important and it is exploring other options, since the traditional partner finding database did not deliver the quality service expected;
- It has already developed detailed guidelines for assessing project applications. The Commission considers that the supervision of the quality assessment of applications is part of the remit of the National Authorities' secondary controls of National Agencies; nevertheless, it is testing whether it can monitor these procedures more closely, taking due account of cost-efficiency;
- It included performance indicators in the setup for the 2011 National Agency work programmes, which were welcomed by the National Agency directors at their meeting of 20 May 2010 and will therefore be applied as of the planning and reporting period 2011;

- The Commission accepts that the work on performance indicators needs to be finalised. It underlines, however, that the work with the programme committee on the establishment of indicators started already in 2007. The Commission's proposal was adopted by the committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011. Furthermore, based on the impact studies and evaluations of the previous Leonardo programme and the available quantitative data and the qualitative feedback from participants in the current programme, the Commission is confident that the Leonardo da Vinci mobility programme is producing effective results.

## **AUDIT SCOPE AND APPROACH**

13. The Commission highlights the fact that 2007 and 2008 were the first two years of the Lifelong Learning Programme which, for the first time, integrated Leonardo da Vinci and the former Socrates programme into a single programme. As a consequence, new common procedures had to be put in place. Furthermore, the programming and reporting cycle with National Agencies covers two years from the preparation of the work programmes by National Agencies to the finalisation of the yearly report assessments. Therefore, improvements made afterwards, notably in 2010, have not all been taken into account by the Court.

## **OBSERVATIONS**

16. The Commission underlines the fact that results of actions supported in 2007-2008 are often not visible immediately after the actions, as mobility and training normally take several years for their effects to be seen.

18. The Commission welcomes the Court's finding that, in designing the new Leonardo programme, the results of the mid-term and final evaluations of the predecessor programme were taken into account by means of structured action plans.

Starting in 2007, the Commission has been extensively discussing with the programme management committee a set of programme impact indicators applicable to the LLP as a whole. The committee expressed "no opinion" on two proposals tabled by the Commission and asked for further analysis on cost-effectiveness. The new proposal was adopted by the committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011.

19-20. The Commission maintains that it is not its role to follow up whether the recommendations set at national level have been followed up by the National Authorities. However, the Commission could invite National Authorities to undertake such follow-up at national level.

The Commission emphasizes that the final national reports that were presented in due time by the National Authorities had been submitted to the external contractor for analysis and the results have been validated by the Commission. Cross-cutting issues have been included in the final action plan established by the Commission.

22. The Commission considers that external studies which are not formal evaluations of the programme do not require the drawing-up of action plans.

The content of external studies such as the Study on obstacles to transnational mobility "MoVE-iT" and the Impact Analysis of Leonardo da Vinci Mobility on young trainees and employees, which are quoted by the Court, is used as background information and as a source of ideas for further development or adaptation of the programme and its rules. They also provide a more detailed insight into certain aspects of the programme actions.

### **Box 1**

First indent

The Commission agrees that there is still room for improvement in the implementation of the programme in the host countries and in the preparation of participants as pointed out in the recommendation of the impact study mentioned. However, the study also concludes that the fundamental principles and mechanisms of the programme neither need nor ought to be changed. The study concludes that: "the Leonardo da Vinci mobility programme can be described as particularly efficient, effective and cost-effective."

27. The Commission welcomes the Court's overall appreciation of the management of the project life cycle for the programme.

As the Court points out, the supporting IT system could be improved. The Commission notes that a totally new IT system, covering a multiplicity of sub-programmes and actions had to be put in place for the new LLP, of which Leonardo da Vinci is only a part. In the meantime, the quality of implementation reporting has increased and is now robust. Furthermore, 8 electronic application forms were offered for the 2010 call, two report forms are in production and three more are due to be put into production in 2010. The overwhelming majority of Leonardo da Vinci applications are thus being treated electronically in 2010, thereby increasing efficiency and reducing the scope for manual input errors.

28. The Commission reiterates that, with regard to IT systems, important developments took place in 2009 and continued in 2010. Improvements made after the Court's audit, notably in 2010, have not all been taken into account by the Court.

29. Since the start of the LLP, the Commission continued to gather quantitative data and qualitative feedback from participants on Leonardo da Vinci mobility through Rap4Leo<sup>1</sup>, resulting in an uninterrupted and reliable data series for the programme.

In addition, the Commission underlines that, since the end of 2008, LLPLink has been used for the production of uniform and standardised financial reports and management statistics. The combination of the statistical data from Rap4Leo and LLPLink ensure the quality and coherence of data for Leonardo da Vinci mobility.

Starting in 2007, the Commission has been extensively discussing with the programme management committee a set of programme impact indicators applicable to the LLP as a whole. The committee expressed "no opinion" on two proposals tabled by the Commission and asked for further analysis on cost-effectiveness. The new proposal was adopted by the committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011.

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<sup>1</sup> Rap4Leo is an IT tool that makes it possible, among other things, to collect quantitative data and the opinions of participants in Leonardo da Vinci mobility actions.

31. The Commission welcomes the Court's finding that arrangements for approving the National Agencies' annual work programmes are appropriate.

For reasons of cost-effectiveness, the Commission has limited its feedback to National Agencies on their draft annual work programme to those cases requiring revision, in order to ensure that the expected quality standards are achieved.

The Commission underlines, however, that it does provide the National Authorities and National Agencies with detailed qualitative feedback on programme management and implementation in its evaluation conclusions of the yearly National Agency report, in which it also indicates expected remedial action, as needed. The Commission also checks that remedial actions are included in the following National Agency work programme, to ensure a continuous improvement in programme implementation.

32. The Commission welcomes the Court's opinion that the participating countries and the Commission publicise and promote the programme satisfactorily.

33-35. The Commission is aware of difficulties on the part of some applicants' in finding host partners in other countries, and notes the suggestion to facilitate this process. The previous partner search database which existed under the Leonardo da Vinci II programme was closed down because it could not ensure a sufficient quality of data entries into the system. Other solutions have to be explored as suitable alternatives. A promising example is the EuroApprenticeship network and platform, set up by competent bodies including Chambers of Crafts or Commerce and Vocational Education and Training providers, which started in 2010 following a call for proposals, and which may be better suited to address the issue of finding quality host enterprises. The Commission considers that such alternatives could be explored for the next programme generation.

36. The Commission is pleased to note that the procedures for assessing applications and selecting projects in the participating countries are found to be transparent, well-organised, and in line with the Commission's instructions.

It stresses that the rules of procedure in the Guide for National Agencies are designed to give sufficient assurance on the quality of the selected grants.

37. As established by the Commission's updated guidelines issued in 2009, a quality assurance check on the assessments of grant applications should be part of the secondary controls on the National Agencies by the National Authorities. The grant award procedure - of which the assessment of grant applications is an important element - is part of the "key controls" on which the National Authorities have to express their opinion in their yearly declaration of assurance.

41. A revised setup for the National Agency work programmes has been designed for 2011, including targets and performance indicators which will further facilitate meaningful comparison of results against planned performance. The new approach was welcomed by the National Agency directors at their meeting of 20 May 2010 and will thus be implemented for planning and reporting as of 2011.

43. In order to address the lack of consistency in the National Agencies' approach to annual activity reporting, the Commission has provided a single on-line report form for use by all National Agencies. In addition, based on the experience of previous years, the Commission provided detailed instructions for completion of the yearly reports in 2009.

## Box 2

The Commission underlines that the weaknesses found by the Court in the way in which National Agencies presented the results of the implementation of the 2007 work programmes refer to three out of the six National Agencies examined and did not systematically occur in each of the three.

44. As from the 2008 annual activity reports onwards, the Commission has already sent extensive evaluation conclusions to the National Authorities and National Agencies. These evaluation conclusions provide detailed feedback on the quality of the programme implementation and management in the country concerned, and aim to guide National Agencies so that they improve their performance. Thus, a direct link is established between the National Agency work programme and the annual activity report.

46. National Agencies are indeed required, as the Court notes, to undertake monitoring activities to support programme beneficiaries, in addition to checks of beneficiaries which focus on ensuring correct use of EU funds. In a context of limited resources in National Agencies, and considering the substantial control requirements, the Commission did not consider it appropriate to set minimum requirements for National Agencies for monitoring visits of beneficiaries. This allows National Agencies to organise the monitoring of beneficiaries in the most effective and appropriate way, taking national contexts and constraints into consideration, for example replacing monitoring visits to individual beneficiaries with monitoring meetings bringing together groups of beneficiaries.

47. The concept of "Quality and impact monitoring visits" was newly introduced in 2008 and has been gradually improved since then in order to gain firm assurance of the effects of the programme on the basis of examples of actual projects. Feedback has been sent to National Agencies on a regular basis since August 2008. For the second round of the Leonardo da Vinci Quality and Impact Monitoring starting in 2010, visits will have a more regional focus.

48. The objectives of the Leonardo Programme are specified in the legal basis of the Lifelong Learning Programme, which has been agreed by the European Parliament and the Council. The Commission is working on developing suitable indicators to these objectives for the LLP as a whole. This is a particularly complex exercise, given the fact that 58 objectives have been stipulated in the legal basis. The Commission accepts that the overall system for reporting on the results, effects and impact based on performance indicators has yet to be finalised. However, at its meeting of 17 June 2010, the LLP Committee adopted the approach proposed by the Commission.

The Commission stresses, however, that evidence from the external studies on the effects of Leonardo mobility for young trainees and graduates<sup>2</sup> and the impact of VETPRO mobility on individuals and systems<sup>3</sup> indicates that Leonardo mobility fulfils the programme objectives to a large extent.

It also points out that a large set of quantitative data are available in the Rap4Leo and LLPLink databases. Rap4Leo in addition contains qualitative feedback from participants that shows a very high degree of satisfaction with their Leonardo experiences.

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<sup>2</sup> [http://ec.europa.eu/education/pdf/doc218\\_en.pdf](http://ec.europa.eu/education/pdf/doc218_en.pdf)

<sup>3</sup> Final report will be published soon.

49. In order to improve the quality and coherence of annual reporting by National Agencies, the Commission has provided them with extensive guidelines thereon in 2009.

50. With regard to the development of impact indicators for the Lifelong Learning Programme, the LLP Committee adopted the revised approach proposed by the Commission at its meeting of 17 June 2010.

51-52. Since the start of the LLP, the Commission continued to gather quantitative data and qualitative feedback from participants on Leonardo da Vinci mobility through Rap4Leo, resulting in an uninterrupted and reliable data series for the programme.

In addition, the Commission underlines that, since the end of 2008, LLPLink has been used for the production of uniform and standardised financial reports and management statistics. The combination of the statistical data from Rap4Leo and LLPLink ensure the quality and coherence of data for Leonardo da Vinci mobility.

Starting in 2007, the Commission has been extensively discussing with the programme management committee a set of programme impact indicators applicable to the LLP as a whole. The committee expressed "no opinion" on two proposals tabled by the Commission and asked for further analysis on cost-effectiveness. The new proposal was adopted by the committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011.

56. The Commission is aware of the fact that many National Agencies have weaknesses in their management of primary checks. This is pointed out formally to the National Authorities and National Agencies in the observations and recommendations issued after the analysis of the yearly National Agency reports, as well as following monitoring and audit visits on the spot. As primary checks are an important element for a reasonable assurance on the use of EU funds, the Commission monitors weaknesses in this area very closely and sees to it that appropriate remedial action is taken at national level.

56. first indent.

The Commission is aware that in one National Agency visited by the Court in the context of this audit the 45-day deadline for assessment and approval of the final reports is not respected. The Commission itself has made an observation and recommendation on this issue following its systems monitoring visit to the country in 2008.

56. second indent.

The example found by the Court of final payments to beneficiaries having been made without the required feedback from all mobility participants is confined to one National Agency only.

58. The Commission has provided guidance to National Authorities on the required secondary controls since 2008. Based on the experience of the first two years of the programme and the Commission's own supervisory audits, as well as in the follow-up of the Court's recommendation in the context of the DAS 2008, the Commission has complemented these guidelines in 2009 with specific procedures for secondary controls.

## **CONCLUSION AND RECOMMENDATIONS**



59. The Commission welcomes the Court's conclusion that it established an appropriate project lifecycle management system for the Lifelong Learning Programme.

The Commission took into consideration not only the findings and suggestions from the mandatory evaluations, but also those from external studies. However, the main purpose of external studies and reports is to provide the Commission with background information and analysis; nevertheless, their status is substantially different from the mandatory evaluations required by the legal basis. Thus, the Commission is not obliged to follow them up in the same formal way as mandatory evaluations.

Although the Commission's IT system, LLPLink, was still incomplete at the time of the Court's audit, as its development started in 2008, the system is currently stable and functioning properly, and the quality of data has been vastly improved by the introduction of electronic forms. At the same time, the parallel use of a specific tool for Leonardo mobility has ensured that no data loss has occurred, and the Commission has continued to collect all necessary data on the action without any gaps since the predecessor programme.

60. The Commission welcomes the Court's appreciation of operational elements such as the yearly work programme of the National Agencies, information, publicity and promotion of the programme.

The Commission discontinued its previous partner finding database due to quality assurance problems. While alternative solutions to partner search mechanisms are currently being analysed, the Commission has emphasized that the lack of a partner search database, for example, does not prevent successful programme implementation as demand far exceeds the budget available to support Leonardo mobility projects.

As established by the Commission's updated guidelines issued in 2009, a quality assurance check on the assessments of grant applications should be part of the secondary controls on the National Agencies by the National Authorities.

#### *Recommendation 1*

(a) The Commission accepts Recommendation 1 (a), which is already being implemented: The Commission has provided National Agencies with qualitative feedback since the 2008 annual reporting. Furthermore, as the Court recognised, it has also provided feedback on annual work programmes for those cases where revision was needed in order to reach the expected quality standards.

(b) The Commission partly accepts Recommendation 1 (b). The Commission discontinued its previous partner finding database due to quality assurance problems. While alternative solutions to partner search mechanisms are currently being analysed, the Commission emphasizes that the lack of a partner search database, for instance, does not interfere with the successful implementation of the programme, as the demand by far exceeds the budget available to support Leonardo mobility projects.

(c) The Commission considers that National Agencies should not have a formal role of facilitating placements for participants from other countries as this would entail a major shift in responsibilities and implications for the legal relationships between organisations from other countries. This will not prevent them from having an exchange of suitable intermediaries on an informal basis.

(d) The Commission accepts Recommendation 1(d). The Commission is working on further developing the assessment handbook for evaluators in connection with the new on-line application and revised assessment form.

(e) The Commission notes with regard to Recommendation 1(e) that it is currently revising its approach to the Quality and Impact monitoring visits, by integrating a small sample check of quality assessments of applications by National Agencies. Subsequently, the Commission will analyse the added value of such checks and their impact on resources from the point of view of the cost-effectiveness of controls

(f) The Commission accepts Recommendation 1(f).

61. The Commission welcomes the Court's assessment of the control systems in place at Commission and national levels. These control systems focus on providing assurance on the use of EU funds on a yearly basis.

The Commission is informed of the programme results on a regular basis via the Yearly National Agency Reports on programme management and implementation as well as via its Quality and Impact Monitoring visits.

The Commission stresses that it continued to gather quantitative data and qualitative feedback from participants on Leonardo da Vinci mobility through Rap4Leo, resulting in an uninterrupted and reliable data series on these aspects since the start of the programme. Pending a decision of the programme committee on the impact indicators it is not yet clear to what extent the data will fulfil the need of these indicators.

The Commission underlines that impacts, however, can only be measured over time. The Member States are expected to report on the first part of the programme in their interim evaluation due in 2010. This input will be timely for enhancing the performance of Leonardo, both in the current programme and for the preparation of the new programme generation.

In addition, the Commission underlines that, since the end of 2008, LLPLink has been used for the production of uniform and standardised financial reports and management statistics. The combination of the statistical data from Rap4Leo and LLPLink ensure the quality and coherence of data for Leonardo da Vinci mobility.

Starting in 2007, the Commission has been extensively discussing with the programme management committee a set of programme impact indicators applicable to the LLP as a whole. The Committee expressed "no opinion" on two proposals tabled by the Commission and asked for further analysis on cost-effectiveness. The new proposal was adopted by the committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011.

The Commission based on the above elements as well as on the impact studies considers that it has sufficient assurance on the effectiveness of the programme.

#### *Recommendation 2*

(a) The Commission accepts Recommendation 2 (a) and underlines that the evaluation conclusions of the annual activity reporting of the National Agencies are duly integrated in the Commission's monitoring visits of National Agencies.

(b) The Commission accepts Recommendation 2 (b) and will align the annual activity report structure with that of the National Agency work programmes after the revision of the work programme structure due in 2011.

(c) The Commission accepts Recommendation 2(c). The Commission's revised proposal was adopted by the LLP Committee at its meeting of 17 June 2010. On this basis, the relevant data will be matched with the now established indicators; the first results of this exercise are expected by mid 2011.

(d) The Commission accepts Recommendation 2 (d) and will endeavour to establish a system for measuring impact of the successor programme in a timely manner.

The Commission underlines that impact cannot be measured from the outset, but only after a certain period of programme implementation. This is normally done on the basis of studies and evaluations. The fact that the present legal basis of the LLP contains 58 objectives was a particular factor of complexity and did not facilitate the task of defining suitable indicators.

62. The Commission welcomes the overall conclusion of the Court of Auditor's report that the design and management of the mobility scheme of the Leonardo da Vinci programme is instrumental to achieving effective results.

It has already started work and made progress on several points highlighted by the Court, such as qualitative feedback regarding the annual programming of work, the assessment of applications and the improvement of the IT tool.

The Commission accepts that the work on performance indicators needs to be finalised.

It underlines, however, that the work with the programme committee on the establishment of indicators started already in 2007. Furthermore, based on the impact studies and evaluations of the previous Leonardo programme and the available quantitative data and the qualitative feedback from participants in the current programme, the Commission is confident that the Leonardo da Vinci mobility programme is producing effective results.